WORLDSEC LIMITED

Interim Report for the six months ended 30 June 2019

Worldsec Limited

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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 2019 (the "Interim Report").

For the period under review, the Group recorded a net loss of US$220,000 (equivalent to a loss per share of 0.26 US cent) against a net loss of US$558,000 (equivalent to a loss per share of 0.79 US cent) for the corresponding six months in 2018. The decrease in the loss was principally due to a decline in the negative change in the fair value of financial assets that was recognised through the profit and loss account under International Financial Reporting Standard 9 ("IFRS 9").

During the period under review, the investment portfolio of the Group comprised six investments:

ICBC Specialised Ship Leasing Investment Fund (the "ICBC Ship Fund") – The Group's investment in the ICBC Ship Fund, which is involved in marine vessel leasing, continued to provide a stable return generating monthly dividends that amounted to a total of US$48,000 during the six months ended 30 June 2019.

Offshore term loan issued by a subsidiary of Guangzhou R&F Properties Co., Ltd (the "R&F Term Loan") – Guangzhou R&F Properties Co., Ltd. is a Chinese property company listed on the Main Board of the Stock Exchange of Hong Kong. As previously mentioned in the Company's 2018 Annual Report, of the US$1 million invested by the Group in the R&F Term Loan, 15% was repaid in October 2018. The remaining 85% of the outstanding amount, which was due for repayment on 15 October 2019 but was redeemed on 2 August 2019 under an early redemption clause, generated interest income totaling US$36,000 during the six months ended 30 June 2019.

Agrios Global Holdings Ltd. ("Agrios") – Agrios, an investee company of the Group listed on the Canadian Securities Exchange, is the holding company of a data analytics driven agriculture technology group that leases and manages property and equipment for eco-sustainable agronomy and provides advisory services for aeroponic cultivation to the cannabis industry. As the Agrios group was at an early stage of development, it incurred a net loss of US$4.6 million for the year ended 31 March 2019 and a material uncertainty related to going concern opinion was issued by the independent auditor of Agrios. Nonetheless, the Agrois group has been generating from a client in the Washington State of the U.S. quarterly rental, product and service fees in the region or in excess of US1 million over the past several quarters. Furthermore, Agrios has, through various convertible instruments with a conversion price of between C$0.37 and C$0.50 per share, arranged a credit facility of up to C$8.6 million and raised a total of C$2.3 million (including C$1.3 million under the credit facility) to fund its operations. Meanwhile, the 65%-owned joint venture of the Agrios group, Yunnan Hua Ma Biological Development Co. Ltd., has successfully obtained an industrial hemp cultivation permit, an import &

export permit and a food trading permit in the Yunnan Province in China and the first crop of hemp is expected to be harvested for biotechnology research in October 2019.

ayondo Ltd. (“Ayondo”) – Ayondo, an investee company of the Group listed on the Catalist of the Singapore Exchange, is the holding company of a financial technology group that focuses on social trading activity. Faced with financial difficulty, the Ayondo group proceeded with the restructuring as previously announced. It completed on 5 June 2019 the disposal of ayondo Markets Limited, a subsidiary with a brokerage business regulated in the U.K., to one of its white label partners. This has significantly reduced the liabilities, cost base and regulatory capital requirements of the Ayondo group. Furthermore, as part of its restructuring initiatives and to meet its financial needs, the Ayondo group is also in the process of carrying out a fundraising exercise. It has entered into a number of conditional agreements involving the issue of three separate convertible notes (the “Ayondo Convertible Notes”) worth up to a total of S$9.9 million with a conversion price of S$0.007 per share to Golden Nugget Jinzhuan Limited (“Golden Nugget”) and a Golden Nugget shareholder. Golden Nugget, a strategic alliance partner of the Ayondo group, operates a social investing platform via a network of social media influencers and key opinion leaders and has a user base of more than 3.5 million registered users. Following the disposal of ayondo Markets Limited and upon the implementation of the fundraising plan, the Ayondo group intends to focus on developing social trading activity primarily in Asia through leveraging on its social trading technology and intellectual property and in collaboration with its Asian based business partners. Trading in the shares of Ayondo remains suspended and the pre-suspension closing price of the Ayondo shares on 29 January 2019 was S$0.048. Should the issue of the Ayondo Convertible Notes, which is subject to, inter alia, the approval of Ayondo shareholders, proceed to completion with a conversion price of S$0.007 per share, further downward adjustment to the fair value of the Group’s investment in Ayondo may have to be made in due course.

Velocity Mobile Limited (“Velocity”) – Velocity, an unlisted investee company of the Group, is the holding company of a technology group that provides real-time lifestyle mobile applications for premium consumers focusing in the areas of dining, travel, experiences and luxury goods. Following the launch of Velocity for Business, a white-label product designed for enterprise customers, the financial performance of the Velocity group continued to improve. It has secured three corporate clients, including a world-renowned automobile manufacturer, which have been generating revenue on the Velocity for Business platform. In addition, multiple corporate contracts that are expected to bring in tens of thousands of new users are also in the pipeline. To cater for the expected growth, the Velocity group has invested technology and human resources to upgrade its infrastructure and has established a developer team to develop artificial intelligence-based technology.

Oasis Education Group Limited (“Oasis Group”) – Oasis Group is a 50% joint venture of the Group. The operating subsidiary of Oasis Group, Oasis Education Consulting (Shenzhen) Company Limited (奧偉詩教育諮詢(深圳)有限公司, “Oasis Shenzhen”), continued to record steady performance. Under the consulting and support services provided by Oasis Shenzhen, the Huizhou Kindergarten, which is located in the Guangdong Province in China, graduated 78 pupils in the summer of 2019. With a steady track record, the Huizhou Kindergarten aims to further raise its pupil enrolment. This could help improve the scale of operations of the Huizhou Kindergarten although any such improvement is unlikely to have a material impact on the financial performance of Oasis Group in the near term.

Subsequent to 30 June 2019, the Group added one new investment to its investment portfolio:

Beijing ByteDance Technology Co. Ltd. ("ByteDance") – In July 2019, shortly prior to receiving the repayment of US$850,000 from the early redemption of the R&F Term Loan as mentioned above, the Group invested US$1 million in the Unicorn Equity Investment Portfolio Class D Shares of the Homaer Asset Management Master Fund SPC, the sole investment of which is an equity interest in ByteDance. Headquartered in Beijing, China, ByteDance is a technology group operating machine learning-enabled content platforms across cultures and geographies. It has a portfolio of mobile applications that is available in over 150 markets and 75 languages and that includes Toutiao, Helo, TikTok, Douyin, News Republic, Vigo Video, Huoshan, Xigua Video, TopBuzz, BuzzVideo and FaceU. As of July 2019, Bytedance had daily active users exceeding 700 million and monthly active users of more than 1.5 billion around the world.

Looking forward, the Group's investment in the ICBC Ship Fund will continue to generate a stable stream of recurring income at a favourable yield under the persistently low interest rate environment. On the other hand, as most of the Group's investee companies remain at an early development phase, they are not expected in the foreseeable future to provide any meaningful contribution to the results of the Group, except for any positive or negative fair value change that may be recognised under IFRS 9. Likewise, Oasis Group is also unlikely to have any meaningful impact on the Group's bottom-line in the near term. The uncertain outcome of Britain's exit from the European Union ("Brexit"), in the meantime, should not directly affect the investing activity of the Group, which focuses mainly on investing in the Greater China and South East Asian region; but on a broader perspective, the additional threat associated with the pervasive uncertainty surrounding Brexit, on top of a slowing world economy that has been disrupted and hampered by the drawn-out trade war between the U.S. and China, would further complicate the investment climate and pose increased challenges for the investment community at large.

By order of the Board
Alastair GUNN-FORBES
Non-Executive Chairman

26 September 2019

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is exposed to a number of principal risks and uncertainties that could materially and adversely affect its performance for the remaining six months of the year ending 31 December 2019 and beyond. Such risks and uncertainties, the directors believe, remain basically unchanged from those, including, in particular, target market risk, operational risks and financial risks, set out on pages 9 and 10 of the Company's 2018 Annual Report.

RESPONSIBILITY STATEMENT

The Board, comprising Alastair GUNN-FORBES, Henry Ying Chew CHEONG, Ernest Chiu Shun SHE, Mark Chung FONG, Martyn Stuart WELLS and Stephen Lister d'Anyers Willis, confirms to the best of its knowledge and understanding that:

(a) the unaudited consolidated financial statements of the Group for the six months ended 30 June 2019 have been prepared in accordance with International Accounting Standard 34 and give a true and fair view of its assets, liabilities and financial position at that date and its net loss for the period then ended; and

(b) the Interim Report includes a fair review of the information, such as important events and related party transaction that took place during the six months ended 30 June 2019, that is required by Disclosure Guidance and Transparency Rules 4.2.7R and 4.2.8R.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2019

	Notes	Unaudited Six months ended 30.6.2019 US$'000	Unaudited Six months ended 30.6.2018 US$'000
Revenue	4	84	48
Other income and losses	5	(25)	(351)
Staff costs	7	(140)	(127)
Other expenses		(131)	(123)
Finance costs	8	(3)	-
Share of losses of a joint venture		(5)	(5)
Loss before income tax expense		(220)	(558)
Income tax expense	9	-	-
Loss for the period		(220)	(558)
Other comprehensive income, net of income tax			
Exchange differences on translating foreign operations		-	-
Other comprehensive loss for the period, net of income tax		-	-
Total comprehensive loss for the period		(220)	(558)
Loss for the period attributable to:			
Owners of the Company		(220)	(558)
Total comprehensive loss for the period attributable to:			
Owners of the Company		(220)	(558)
Loss per share – basic and diluted	10	US(0.26) cent	US(0.79) cent

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2019

	Notes	Unaudited As at 30.6.2019 US$'000	Audited As at 31.12.2018 US$'000
Non-current assets			
Property, plant and equipment		-	-
Right-of-use assets		97	-
Interest in a joint venture		101	106
Financial assets at fair value through profit or loss		1,623	1,649
		1,821	1,755
Current assets			
Other receivables		8	8
Deposits and prepayments		29	30
Other financial assets at amortised cost		850	850
Amount due from a joint venture		257	257
Cash and cash equivalents		2,348	2,607
		3,492	3,752
Current liabilities			
Other payables and accruals		52	138
Lease liabilities		79	-
		131	138
Net current assets		3,361	3,614
Non-current liabilities			
Lease liabilities		20	-
Net assets		5,162	5,369
Capital and reserves			
Share capital	11	85	85
Reserves		5,077	5,284
Total equity		5,162	5,369

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2019

	Share capital US$'000	Share premium US$'000	Contri-buted surplus US$'000	Share option reserve US$'000	Foreign currency translation reserve US$'000	Special reserve US$'000	Accumu-lated losses US$'000	Total US$'000
Balance as at 1 January 2018	57	3,837	9,646	206	(11)	625	(11,708)	2,652
Loss and total comprehensive loss for the period	-	-	-	-	-	-	(558)	(558)
Issue of new shares by way of open offer	28	4,227	-	-	-	-	-	4,255
Transaction costs attributable to issue of new shares	-	(540)	-	-	-	-	-	(540)
Balance as at 30 June 2018 (Unaudited)	85	7,524	9,646	206	(11)	625	(12,266)	5,809
Balance as at 1 January 2019	85	7,524	9,646	206	(30)	625	(12,687)	5,369
Loss and total comprehensive loss for the period							(220)	(220)
Recognition of share-based payments	-	-	-	13	-	-	-	13
Balance as at 30 June 2019 (Unaudited)	85	7,524	9,646	219	(30)	625	(12,907)	5,162

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2019

	Unaudited Six months ended	
	30.6.2019	**30.6.2018**
	US$'000	**US$'000**
Cash flow from operating activities		
Loss for the period	(220)	(588)
Adjustments for:		
Bank interest income	(1)	-
Depreciation of right-of-use assets	39	-
Share-based payment expenses	13	-
Interest expense	3	-
Share of losses of a joint venture	5	5
Change in fair value of financial assets at fair value through profit or loss	26	351
Operating loss before working capital changes	(135)	(202)
Decrease in deposits and prepayments	1	1
Decrease in other payables and accruals	(86)	(110)
Net cash used in operating activities	(220)	(311)
Cash flow from investing activities		
Purchase of financial assets at fair value through profit or loss	-	(249)
Investment in other financial assets at amortised cost	-	(1,000)
Bank interest income received	1	-
Net cash from/(used in) investing activities	1	(1,249)
Cash flow from financing activities		
Proceeds from issue of new shares	-	4,255
Payment for share issue costs	-	(334)
Repayment of principal portion of lease liabilities	(37)	-
Interest paid	(3)	-
Net cash (used in)/from financing activities	(40)	3,921
Net (decrease)/increase in cash and cash equivalents	(259)	2,361
Cash and cash equivalents at beginning of the period	2,607	260
Effects of exchange rate changes	-	-
Cash and cash equivalents at end of the period		
Cash and bank balances	2,348	2,621

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2019

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. BASIS OF PREPARATION

This unaudited consolidated financial statements of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2019 (the "Interim Financial Statements") have been prepared in accordance with International Accounting Standard 34 ("IAS 34") issued by the International Accounting Standards Board ("IASB").

The Interim Financial Statements do not include all of the information required in annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS"), Interpretations adopted by the European Union ("EU"), Interpretations adopted by the International Financial Reporting Interpretations Committee ("IFRIC") and Interpretations adopted by the Standing Interpretations Committee ("SIC") (collectively referred to as the "IFRSs"), and should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2018. The Interim Financial Statements are neither audited nor reviewed by the Group's auditor.

Save as described in note 3 "Adoption of new and revised IFRSs", which are effective for the Group's financial year beginning on 1 January 2019, the accounting policies adopted in the Interim Financial Statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2018.

The Interim Financial Statements have been prepared on a going concern basis using the historical cost conversion except for certain financial instruments, which are stated at fair value, as appropriate.

The preparation of the Interim Financial Statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

3. ADOPTION OF NEW AND REVISED IFRSs

In the current interim period, the Group had applied, for the first time, the following new or revised IFRSs that are relevant for the preparation of the Interim Financial Statements:

Annual improvements to IFRSs 2015-2017 Cycle	Amendments to IFRS 3, Business Combinations
Annual improvements to IFRSs 2015-2017 Cycle	Amendments to IAS 12, Income Taxes
Annual improvements to IFRSs 2015-2017 Cycle	Amendments to IAS 23, Borrowing Costs
IFRS 16	Leases
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to IFRS 9	Prepayment Features with Negative Compensation
IFRIC 23	Uncertainty over Income Tax Treatments

The application of the above new or revised IFRSs in the current interim period had no material effect on the amounts reported in these Interim Financial Statements and/or disclosures set out in these Interim Financial Statements except for IFRS 16. Details of the changes in the Group's accounting policies are discussed below.

3. ADOPTION OF NEW AND REVISED IFRSs (CONTINUED)

IFRS 16

(i) Impact of the adoption of IFRS 16

IFRS 16 brings significant changes in accounting treatment for lease accounting, primarily for accounting for lessees. It replaces IAS 17 "Leases", IFRIC-Int 4 "Determining whether an Arrangement contains a Lease", SIC-Int 15 "Operating Leases-Incentives" and SIC-Int 27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". From a lessee's perspective, almost all leases are recognised in the statement of financial position as a right-of-use assets and a lease liabilities, with the narrow exception to this principle for leases for which the underlying assets are of low-value or are determined as short-term leases. From a lessor's perspective, the accounting treatment is substantially unchanged from IAS 17. For details of IFRS 16 regarding its new definition of a lease, its impact on the Group's accounting policies and the transition method adopted by the Group as allowed under IFRS 16, please refer to section (ii) to (iv) of this note.

The Group had applied IFRS 16 using the cumulative effect approach and recognised all the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of accumulated losses at the date of initial application. The comparative information presented in 2018 had not been restated and continues to be reported under IAS 17 and related interpretations as allowed by the transition provision in IFRS 16.

The following table summarises the impact of transition to IFRS 16 on the consolidated statement of financial position of the Group as of 31 December 2018 to that of 1 January 2019 as follows:

Consolidated statement of financial position as at 1 January 2019	**US$'000**
Right-of-use assets	137
Lease liabilities (non-current)	60
Lease liabilities (current)	77

(ii) The new definition of a lease

Under IFRS 16, a lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset for a period of time when the customer, throughout the period of use, has both: (a) the right to obtain substantially all of the economic benefits from use of the identified asset and (b) the right to direct the use of the identified asset.

For a contract that contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, unless the lessee apply the practical expedient which allows the lessee to elect, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group has elected not to separate non-lease components and account for all each lease component and any associated non-lease components as a single lease component for all leases.

3. ADOPTION OF NEW AND REVISED IFRSs (CONTINUED)

IFRS 16 (Continued)

(iii) Accounting as a lessee

Under IAS 17, a lessee has to classify a lease as an operating lease or a finance lease based on the extent to which risks and rewards incidental to ownership of a lease asset lie with the lessor or the lessee. If a lease is determined as an operating lease, the lessee would recognise the lease payments under the operating lease as an expense over the lease term. The asset under the lease would not be recognised in the statement of financial position of the lessee.

Under IFRS 16, all leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but IFRS 16 provides accounting policy choices for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term of less than 12 months. The lease payments associated with those leases have been expensed on a straight-line basis over the lease term.

The Group recognises a right-of-use asset and a lease liability at the commencement date of a lease.

Right-of-use asset
The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

Lease liability
The lease liability should be recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group shall use the Group's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable: (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, a lessee shall measure the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

3. ADOPTION OF NEW AND REVISED IFRSs (CONTINUED)

IFRS 16 (Continued)

(iv) Transition

As mentioned above, the Group had applied IFRS 16 using the cumulative effect approach and recognised all the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of accumulated losses at the date of initial application (i.e. 1 January 2019). The comparative information presented in 2018 had not been restated and continues to be reported under IAS 17 and related interpretations as allowed by the transition provision in IFRS 16.

The Group had recognised the lease liabilities at the date of 1 January 2019 for leases previously classified as operating leases under IAS 17 and measured those lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 January 2019.

The Group had elected to recognise the right-of-use assets at the date of 1 January 2019 for leases previously classified as operating leases under IAS 17 as if IFRS 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at 1 January 2019. For these right-of-use assets, the Group had applied IAS 36 "Impairment of Assets" at 1 January 2019 to assess if there was any impairment as on that date.

The Group had also applied the following practical expedients: (i) excluded the initial direct costs from the measurement of the right-of-use assets at 1 January 2019 and (ii) used hindsight in determining the lease terms if the contracts contained options to extend or terminate the leases.

In addition, the Group had also applied the practical expedients such that: (i) IFRS 16 was applied to contracts that were previously identified as leases under IAS 17 and IFRIC-Int 4 "Determining whether an Arrangement contains a Lease" and (ii) IFRS 16 was not applied to contracts that were not previously identified as containing a lease under IAS 17 and IFRIC-Int4.

4. REVENUE

The Group's revenue represents dividend income from financial assets at fair value through profit or loss and interest income from other financial assets at amortised cost for the periods ended 30 June 2019 and 2018. An analysis of the Group's revenue from principal activities is as follows:

	Unaudited Six months ended	
	30.6.2019	30.6.2018
	US$'000	US$'000
Dividend income from financial assets at fair value through profit or loss	48	48
Interest income from other financial assets at amortised cost	36	-
	84	48

5. OTHER INCOME AND LOSSES

	Unaudited Six months ended	
	30.6.2019	30.6.2018
	US$'000	US$'000
Bank interest income	1	-
Change in fair value of financial assets at fair value through profit or loss	(26)	(351)
	(25)	(351)

6. BUSINESS AND GEOGRAPHICAL SEGMENTS

No business and geographical segment analyses are presented for the periods ended 30 June 2019 and 2018 as the major operations and revenue of the Group arose from Hong Kong. The Board considers that most of the non-current assets (other than the financial instruments) of the Group were located in Hong Kong.

7. STAFF COSTS

The aggregate staff costs (including directors' remuneration) of the Group were as follows:

	Unaudited Six months ended	
	30.6.2019	30.6.2018
	US$'000	US$'000
Wage and salaries	124	124
Contribution to pension and provident fund	3	3
Share-based payments (note 13)	13	-
	140	127

7. STAFF COSTS (CONTINUED)

Key management personnel of the Company are the directors only.

The directors' remuneration was as follows:

	Unaudited Six months ended 30.6.2019 US$'000	Unaudited Six months ended 30.6.2018 US$'000
Directors' fees	33	33
Share-based payments (note 13)	11	-
Other remuneration including contribution to pension and provident fund	-	-
	44	33

8. FINANCE COSTS

	Unaudited Six months ended 30.6.2019 US$'000	Unaudited Six months ended 30.6.2018 US$'000
Interest on lease liabilities	3	-

9. INCOME TAX EXPENSE

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

10. LOSS PER SHARE

The loss and weighted average number of ordinary shares used in the calculation of basic and diluted loss per share were as follows.

	Unaudited Six months ended 30.6.2019 US$'000	Unaudited Six months ended 30.6.2018 US$'000
Loss for the period attributable to owners of the Company	(220)	(558)
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	85,101,870	70,526,411
Loss per share – basic and diluted	US(0.26) cent	US(0.79) cent

10. LOSS PER SHARE (CONTINUTED)

Diluted loss per share was the same as basic loss per share for the six months ended 30 June 2019 and 2018 as the impact of the potential dilutive ordinary shares outstanding had an anti-dilutive effect on the basic loss per share presented for the six months ended 30 June 2019 and 2018.

11. SHARE CAPITAL

	Number of shares	Total value US$'000
Authorised:		
Ordinary shares of US$0.001 each		
At 1 January 2018, 31 December 2018, 1 January 2019 and 30 June 2019	60,000,000,000	60,000

Called up, issued and fully paid:	**Unaudited As at 30.6.2019 US$**	**Audited As at 31.12.18 US$**
85,101,870 (2018: 85,101,870) ordinary shares of US$0.001 each	85,102	85,102

	Number of shares	Total value US$
At 1 January 2018	56,734,580	56,735
Issue of new shares by way of open offer (note)	28,367,290	28,367
At 31 December 2018, and 1 January 2019 and 30 June 2019	85,101,870	85,102

Note:

In April 2018, the Company issued 28,367,290 ordinary shares of US$0.001 each in the share capital of the Company at a price of US$0.15 per share by way of open offer on the basis of 1 new share for every 2 ordinary share held by qualifying shareholders, giving rise to gross proceeds of US$4.3 million.

12. RELATED PARTY TRANSACTIONS

Other than the compensation of key management personnel disclosed below, the Group did not have any related party transactions during the six months ended 30 June 2019 and 2018.

Compensation of key management personnel

The remuneration of directors is set out in note 7 to the Interim Financial Statements.

13. SHARE-BASED PAYMENTS

The Company operates an equity-settled share-based remuneration schemes for the employees and directors.

On 29 May 2019, the Company granted to certain eligible persons a total of 2,050,000 share options to subscribe for ordinary shares of US$0.001 each in the share capital of the Company under the Worldsec Employee Share Option Scheme 1997 (the "Scheme") which was revised on 24 September 2014. The share options vested six months from the date of grant and were then exercisable within a period of 10 years.

The following table discloses the movement of the outstanding share options under the Scheme during the period ended 30 June 2019.

		Number of options						
Grantee	Exercisable period	Balance at 1 January 2019	Granted during the period	Exercised during the period	Forfeited during the period	Lapsed during the period	Balance at 30 June 2019	Exercise price per share (US$)
Directors	29 November 2019 to 28 May 2029	-	1,750,000	-	-	-	1,750,000	0.034
	1 June 2016 to 30 November 2025	2,500,000	-	-	-	-	2,500,000	0.122
Employees	29 November 2019 to 28 May 2029	-	300,000	-	-	-	300,000	0.034
	1 June 2016 to 30 November 2025	450,000	-	-	-	-	450,000	0.122
		2,950,000	2,050,000	-	-	-	5,000,000	

The fair value of the share options granted during the period ended 30 June 2019 was determined at the grant date to be US$77,000.

The share-based payment expenses of US$13,000 were charged to the profit or loss account of the Group during the period ended 30 June 2019.

No share option was exercised during the period ended 30 June 2019.

14. CONTINGENT LIABILITIES

The Group had no material contingent liabilities at 30 June 2019 (31 December 2018: nil).

15. INTERIM REPORT

The Interim Report was approved and authorised for issue by the Board on 26 September 2019.

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*
Stephen Lister d'Anyers Willis* (appointed on 3 June 2019)

* *independent*

Company Secretary
Vistra Company Secretaries Limited
First Floor, Templeback, 10 Temple Back, Bristol BS1 6FL, United Kingdom

Assistant Company Secretary
Estera Services (Bermuda) Limited
Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda

Registered Office Address
Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda

Registration Number
EC21466 Bermuda

Principal Banker
The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road, Central, Hong Kong

External Auditor
BDO Limited
25th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong

Principal Share Registrar and Transfer Office
Estera Management (Bermuda) Ltd.
Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda

International Branch Registrar
Link Market Services (Jersey) Limited
12 Castle Street, St Helier, Jersey, JE2 3RT, Channel Islands

United Kingdom Transfer Agent
Link Asset Services
The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom

Investor Relations
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Executive Director
Worldsec Group
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