WORLDSEC LIMITED

Interim Report for the six months ended 30 June 2022

Worldsec Limited

Interim Report for the six months ended 30 June 2022

The board (the “Board”) of directors of Worldsec Limited (the “Company”) hereby submits the interim report on the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2022 (the “Interim Report”).

For the period under review, the Group recorded a net loss of US$526,000 (equivalent to basic and diluted loss per share of 0.62 US cent) against a net profit of US$7,000 (equivalent to basic and diluted earnings per share of 0.01 US cent) for the corresponding six months in 2021. The loss reflected a negative change in the fair value of the Group’s financial assets that was recognised through the profit and loss account under International Financial Reporting Standard 9.

During the period under review, the Group expanded its investment portfolio with two new investments in the technology sector:

(i) an investment through the subscription of the Class A Participating Shares (the “VS Class A Shares”) of VS SPC Limited (“VS SPC”) established by LQ Pacific Partners Limited, in VS SPC, the sole underlying investment asset of which is an equity interest in Animoca Brands Corporation Limited (“Animoca”). The Animoca group is principally engaged in the development and publication of a broad portfolio of products that includes blockchain games.

(ii) an investment through the subscription of the Class A Participating Shares (the “Hermitage Class A Shares”) of the Hermitage Galaxy Fund SPC attributable to the Hermitage Fund Twelve SP (the “Hermitage Fund Twelve”) established by Hermitage Capital HK Limited, in the Hermitage Fund Twelve, the sole underlying investment asset of which is an equity interest in Innovution Holdings Ltd. (“Innovution”). The Innovusion group is principally engaged in the development of image-grade light detection and ranging (“LiDAR”) sensor systems for the autonomous vehicle and advance driver-assistance system markets.

At the date of the Interim Report, the investment portfolio of the Group comprises a total of nine 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 through monthly dividend income generating revenue amounting to US$48,000 for the six months ended 30 June 2022.

Animoca through VS SPC

Through the VS Class A Shares, the Group holds an investment in VS SPC, the sole underlying investment asset of which is an equity interest in Animoca.

Incorporated in Australia, Animoca is an unlisted holding company of a technology group that uses gamification, blockchain and artificial intelligence technologies to develop and publish a broad portfolio of products that includes, notably among others, The Sandbox, a decentralised gaming virtual world. Other key business units of the Animoca group consist of GAMEE, nWay, Blowfish Studios, Grease Monkey Games, REVV Motorsport, TOWER, Quidd, Lympo, and Forj. Animoca is also an active investor in crypto and blockchain-related projects with a broad portfolio of more than 340 investments that includes OpenSea, a leading non-fungible token marketplace.

Against the backdrop of a crypto downturn that saw the total market value of cryptocurrencies losing trillion of US dollars since late last year, the Animoca group continues to make significant progress. According to an investor update published by Animoca, unaudited bookings and income of the Animoca group amounted to A$213 million (equivalent to US$148 million) for the three months ended December 31 2021 and A$827 million (equivalent to US$573 million) for the four months ended April 30 2022. As at April 30 2022, the investment portfolio of Animoca was valued at over A$2.2 billion (equivalent to US$1.5 billion). The Animoca group also held digital assets in the form of various cryptocurrencies and stablecoins totalling A$304 million (equivalent to US$211 million) as well as other digital assets including third party tokens totalling A$952 million (equivalent to US$659 million).

Other recent business and management highlights of the Animoca group include:

- the acquisition of Grease Monkey Games, Darewise, Eden Games, Notre Game, Be Media and TinyTap to strengthen and expand its gaming and Web3 capabilities;

- the development of significant partnerships with Yuga Labs, Brinc, OneFootball, Planet Hollywood, Cube Entertainment and Untamed Planet;

- the expansion of its presence in Japan through the establishment of a strategic subsidiary, Animoca Brands KK;

- the participation in the distribution of security tokens to professional investors in the first private security token offering arranged by a digital asset broker licensed by the Securities and Futures Commission in Hong Kong; and

- the appointment of a number of senior management personnel including the chief business officer to lead mergers and acquisitions and business development, a co-chief operating officer to take charge of scaling initiatives and the chief financial officer to oversee strategic financial planning.

In addition, The Sandbox, held through a major subsidiary of Animoca that operates a decentralised gaming virtual world and that has been ranked as one of the 2022 TIME100 Most Influential Companies, has in recent months attracted a number of well-known partners that include PwC Hong Kong, Warner Music Group, Ocean Park, HSBC, MTR, Standard Chartered, PCCW-HKT, TIMEPieces, Planet Hollywood, Playboy and Paris Hilton to enter its metaverse.

Meantime, notwithstanding the backdrop of the crypto downturn, Animoca continues to close fund raising deals successfully. In July 2022, it raised another US$75 million at a valuation of US$5.9 billion in the second tranche of the funding round previously announced in January 2022, which was extended to accommodate due diligence process. In September 2022, Animoca issued convertible notes to a small number of institutional investors, including existing investors and a strategic consortium of new investors, raising a further US$110 million to continue to fund acquisitions, investments, product development and intellectual property licensing. The conversion price, set at

A$4.50 per share, valued Animoca at a valuation similar to that of the previous funding round. The consortium of new investors, formed by Temasek, Boyu Capital and GGV Capital, will provide strategic advice and perspectives to Animoca on organisational capabilities that will include input on business and capital plans.

Innovusion through the Hermitage Fund Twelve

Through the Hermitage Class A Shares, the Group holds an investment in the Hermitage Fund Twelve, the sole underlying investment asset of which is an equity interest in Innovusion.

Innovusion is an unlisted holding company of a technology group that is principally engaged in the development of image grade LiDAR sensor systems for the autonomous vehicle and advance driver-assistance system markets.

Over the years since founding in 2016, the Innovusion group has successfully developed a portfolio of LiDAR products that includes, among others, Falcon. A robust LiDAR with long-distance capability of a detecting range of 500 metres, high angular resolution and ease of customerisation and integration, Falcon has been selected by Nio Inc. ("Nio"), one of Innovusion shareholders, to be incorporated as the standard configuration for the ET7 model, the new smart electric flagship sedan of Nio. Delivery of the first batch of ET7s commenced in March 2022, signifying the beginning of the mass production by the Innovusion group of Falcon that was required for the assembly process to meet the March 2022 delivery timeline. By the end of June 2022, more than 6,900 ET7 sedans had been delivered. Riding on the strong demand for the ET7 model and notwithstanding the supply chain challenges, the Innovusion group managed to achieve rapid growth in revenue starting from a low base. Constrained by the supply of casting parts, however, delivery of ET7s slowed down in July 2022 but that was followed by a rebound in August 2022. Furthermore, the ET7 model, having received approval for sale in Europe, will become available in Norway, Germany, the Netherlands, Denmark and Sweden before the end of the year.

Apart from ET7, Falcon has also been selected to be incorporated as the standard configuration for the two latest models of Nio, ES7, a smart electric sport utility vehicle the shipment of which commenced at the end of August 2022, and ET5, a mid-size smart electric sedan the shipment of which is slated to commence in September 2022. To cope with the anticipated business from Nio, a second production line in Suzhou in the Jiangsu Province in China is currently under construction and is expected to start production in the fourth quarter of 2022.

As a leading developer of LiDAR sensor systems, the Innovusion group continues to secure cooperation agreements with automotive original equipment manufacturers and other partners. In May 2022, Innovusion formed a strategic alliance with an autonomous technology firm, TuSimple, to focus on exploring the integration of the LiDARs of the Innovusion group into the self-driving trucks of TuSimple under the unmanned port logistics and urban freight transport scenarios with a view to accelerating the development and large-scale adoption of driverless technology for heavy truck freight in China.

With the rapid growth in revenue achieved by the Innovusion group, Innovusion is in the process of preparing and working on the Series D round of financing.

ByteDance through the Asset Management Master Fund SPC (the "Homaer Fund")

Through the Unicorn Equity Investment Portfolio Class A Shares of the Homaer Fund, the Group holds an investment in the Homaer Fund, the sole underlying investment asset of which is an equity interest in ByteDance Ltd. ("ByteDance").

ByteDance is an unlisted holding company of a technology group that operates a series of mobile application platforms powered by artificial intelligence across cultures and geographies. The ByteDance group has a portfolio of products that is available in over 150 markets and 75 languages and that includes Douyin, Toutiao, TikTok, Xigua Video, Helo, Lark and BytePlus.

Following ByteDance's reorganisation of its group business into six units, the Douyin business unit becomes responsible for the overall development of the domestic information and services of the ByteDance group that include Douyin, news aggregator Toutiao and Xigua Video, among others. In addition, a number of the major subsidiaries of ByteDance have also been renamed under Douyin. This appears to reflect what might be an attempt on the part of the ByteDance group to distinguish and delineate its domestic Douyin business from its overseas activities in order to achieve flexibility for any future corporate exercise under an increasingly complex international regulatory environment.

Meantime, with over 600 million daily active users and through the use of short videos and livestreaming, Douyin has developed a highly popular e-commerce ecosystem. Since the proposal in April 2021 of the concept of interest e-commerce that utilises algorithm-based interest recommendation technology to connect consumers with merchandise, Douyin had achieved strong growth in online sales reporting a 320% surge in gross merchandise value selling more than 10 billion items of products in the twelve months through to April 2022. TikTok, the international version of Douyin, has also been working to integrate the e-commerce feature into its short video sharing platform. TikTok Shop was initially launched in Indonesia and the United Kingdom in early 2021 and has subsequently been expanded to Vietnam, Thailand, Philippines, Malaysia and Singapore. Tiktok, however, appears to have decided to stop expanding the shopping feature for the European and North American markets after experiencing cultural conflicts, low traffic and insufficient sales in the United Kingdom. On the other hand, TikTok is testing a shopping-specific feed in Indonesia and has recently launched new online shopping campaigns in Malaysia and Singapore.

To expand its portfolio of hardware, platforms and content for the metaverse, ByteDance acquired Beijing PoliQ Technology Ltd. ("PoliQ") in June 2022. PoliQ, a Chinese virtual reality startup that has developed a two-dimensional virtual character customisation system, would be integrated into Pico Interactive, Inc., a virtualisation solution provider and equipment manufacturer that was acquired by ByteDance in August 2021. Earlier in the year, ByteDance also announced a partnership with Qualcomm to collaborate on extended reality hardware, software and technology.

In August 2022, ByteDance's healthcare unit, Xiaohe Health Technology (Hong Kong) Limited, completed the acquisition of the remaining 69.5% equity interest to take full control of Beijing Amcare Medical Management Co. Ltd. ("Amcare") for about US$1.5 billion as part of the ByteDance group's continued expansion into the health technology sector. Amcare, one of the largest private hospital chains in China, was founded in 2006 and offers comprehensive services in obstetrics, gynecology, pediatrics, assisted reproduction, postpartum rehabilitation, postpartum recuperation and medical beauty. It has a total of seven women's and children's hospitals, two outpatient centres and five post-partum confinement centres covering the Beijing-Tianjin-Hebei, Yangtze River Delta and Pearl River Delta regions in China.

While ByteDance is not among the most valuable global brands, it was ranked as the number one Chinese Global Brand Builder on the 2022 Kantar BrandZ list and has over the years demonstrated notable success in the brand building of Douyin and TikTok.

Dingdong (Cayman) Limited ("Dingdong")

Following the distribution of the American depositary shares of Dingdong (the "Dingdong ADS") by Cambium Grove Growth Opps IV Limited ("Cambium Opps") to the holders of the Class B Ordinary Shares of Cambium Opps upon the expiry of the lock-up period associated with initial public offering of Dingdong, the Group directly holds its investment in the the Dingdong ADS.

Listed on the New York Stock Exchange, Dingdong is the holding company of an on-demand e-commerce group that operates a mobile application platform, Dingdong Fresh, providing users with fresh produce, meat, seafood, prepared food and other food products supported by a self-operated frontline fulfillment grid. The operations of the Dingdong group cover 28 cities across China including Beijing, Shanghai, Shenzhen and Guangzhou.

According to the unaudited financial information published by Dingdong, the Dingdong group achieved revenue of RMB5.4 billion and RMB6.6 billion for the first and second quarters of 2022, representing year-on-year growth of 43.1% and 42.8% respectively. The strong revenue growth was primarily driven by an increase in the number of orders and an increase in the average order value. Consequent of Dingdong's shift in strategy in the latter part of last year to focus on developing product capabilities and improving operation efficiency, gross profit margin rose and fulfillment expenses as a percentage of revenue fell leading to a sharp drop in net loss from RMB2.0 billion and RMB1.1 billion in the third and fourth quarters of 2021 to RMB477 million and RMB35 million in the first and second quarters of 2022 respectively. The Dingdong group was also able to generate positive cash flows from operating activities amounting to RMB218 million during the three months through to June 2022.

With rapidly improving financial performance and outlook and having been selected by the local government as one of the essential entities to ensure delivery of daily supplies when a city-wide COVID-19 lockdown was imposed in Shanghai earlier in the year, the Dingdong group managed to gain increased support and secure increased credit limits from banking institutions. This was reflected by an increase of RMB878 million in short term borrowings to RMB4.1 billion during the second quarter of 2022.

In a move to prioritise markets with good profit potential, Dingdong has recently decided to discontinue its services in a number of lower-tier Chinese cities. This is consistent with Dingdong's strategic focus on developing product capabilities and improving operation efficiency which has since having been implemented in the latter part of last year led to remarkable results as evidenced by the sharp sequential narrowing in non-GAAP net loss margin from 31.9%, 18.9%, 7.8% to 0.3% in the four quarters through to June 2022. The Dingdong group appears to have found the path to profitability and expects to achieve a single-month non-GAAP breakeven by the end of the year.

Originating from China and listed in the United States, Dingdong is one of many such companies that has been identified by the U.S. Securities and Exchange Commission (the

"Commission-Identified Companies") under the Holding Foreign Companies Accountable Act (the "HFCAA") with a potential risk of delisting should the inspection requirement for the auditor it retains not be met for three consecutive years. Coupled with the continued repricing that the Chinese technology stocks have been undergoing, and notwithstanding the rapidly improving financial performance and outlook of the Dingdong group, the price of the Dingdong ADS has remained under pressure. An impairment in the carrying value of the Group's investment in the Dingdong ADS has accordingly been recognised in the interim financial statements of the Group for the six months ended 30 June 2022.

Subsequently, in August 2022, the Chinese authorities and the Public Company Accounting Oversight Board of the United States (the "U.S, PCAOB") reached a statement of protocol regarding the cooperation on auditor inspections and investigations. A framework to enable the U.S. PCAOB to inspect and investigate audit firms based in China has been established. This could provide the basis and opportunity for the Commission-Identified Companies to fulfill the auditor inspection requirement under the HFCAA leading eventually to the removal of an overhang that has been a major drag on the share price of such companies.

Velocity Mobile Limited ("Velocity")

Velocity, an unlisted investee company of the Group, is the holding company of a technology group that operates a lifestyle mobile e-commerce platform targeting premium consumers with services focusing on the sectors of high-end travel, experiences and luxury goods.

Having effectively minimised the early shock and negative impact of the COVID-19 pandemic, the Velocity group has resumed its growth trajectory. The proprietary concierge automation software, Gravity, continues to improve operation efficiency and productivity. This has driven transactional gross profit per Velocity Black user to a record high. Velocity Black, the consumer product of the Velocity group, continues to attract new members and there is a waiting list for the membership. Likewise, the number of users under Velocity for Business, the enterprise product of the Velocity group, continues to grow as contracts that have been entered into following delays because of the COVID-19 pandemic are making meaningful contribution. To better capitalise on the growing user base that has a high elastic capacity to spend and to inspire spending, the Velocity group plans to increase investments in content, implement innovative content interfaces and integrate additional third-party API (Application Programming Interface) libraries into its system and platform. It has also launched a fully integrated SDK (Software Development Kit) product with a financial technology customer, enabling other companies to integrate the capabilities of the Velocity group into their own mobile experience.

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 ("Oasis Shenzhen", 奧偉詩教育諮詢(深圳)有限公司), provides consulting and support services to the Huizhou Kindergarten in the Guangdong Province in China.

In the summer of 2022, the Huizhou Kindergarten graduated 56 pupils. Since then, it has attracted a record number of new pupils to enrol thus bringing the total pupil enrolment to more than 300. The increase in total pupil enrolment is expected to have a positive impact on the cash flow position of the Huizhou Kindergarten.

In an effort to encourage pupils to participate in sufficient physical activities and develop healthy physical activity habits, the Huizhou Kindergarten has recently renovated its outdoor playground.

Agrios Global Holdings Ltd. ("Agrios")

Agrios, an investee company of the Group previously listed on the Canadian Securities Exchange, used to be the holding company of a data analytics driven agriculture technology and service group that owned, leased and managed properties and equipment for eco-sustainable agronomy and provided advisory services for aeroponic cultivation to the cannabis industry.

As mentioned in the Company's 2021 Annual Report, a group of Asian-based Agrios shareholders applied in January 2022 to a Canadian court to appoint three new directors to the board of Agrios (the "New Agrios Directors"). The New Agrios Directors have subsequently instructed a Canadian law firm to write to and notify the British Columbia Securities Commission (the "BCSC") that there might have been misconduct on the part of the previous Agrios board. In response having taken into account of the situation, the BCSC has indicated that consideration may be given to the re-listing of Agrios shares on the Canadian Securities Exchange depending on the outcome of any further development.

Investigations into the affairs of the Agrios group by the New Agrios Directors and the group of Asian-based Agrios shareholders suggested that the previous Agrios board might have improperly transferred almost all of the Agrios group's assets to the former chief executive officer of Agrios leaving the Agrios group in a dire financial position.

In September 2022, a lawsuit was filed by a U.S. law firm on behalf of Agrios in Washington in the United States where the cultivation and processing facility of the Agrios group was previously located. The lawsuit alleges breaches of fiduciary duty against Agrios's former chairman and chief executive officer for unlawfully taking the Agrios group's property and business, which was worth in excess of US$30 million.

The Group's investment in Agrios had been completely written off in its financial statements for the year ended 31 December 2020.

Ayondo Ltd. ("Ayondo")

Ayondo, an investee company of the Group previously listed on the Catalist of the Singapore Exchange, used to be the holding company of a financial technology group that focused on social trading activities.

As mentioned in the Company's 2021 Annual Report, subsequent to the delisting of Ayondo shares from the Catalist of the Singapore Exchange, the directors of Ayondo filed an application with the High Court of the Republic of Singapore to wind up Ayondo and liquidators were appointed on 28 January 2022 to pursue the winding up proceedings. According to the notice issued by the liquidators on 24 February 2022, the assets of Ayondo were insufficient to repay liabilities and as such there would not be any surplus assets available for Ayondo shareholders.

The Group's investment in Ayondo had been completely written off in its financial statements for the year ended 31 December 2020.

PROSPECTS

Following more than two years of the COVID-19 pandemic which has caused huge disruptions in global trades, the world economy is again facing major difficulties. The start of the Russia-Ukraine war in February this year has amplified the supply chain problems and, subsequently, the emergence of high inflation, rising interest rates and worsening geopolitics means that world economic growth in 2022 will be substantially reduced from that of last year. The 2022 global growth estimate by the International Monetary Fund has been revised downward by some 27% from 4.4% at the beginning of the year to the latest level of 3.2%, down substantially from 6.1% in 2021. Higher energy and food prices have taken a toll on the living standards particularly of the middle and low income groups.

With growing wariness of risks such as high inflation, rising interest rates and increasing financing costs as well as uncertain economic outlook, many private equity firms have adopted a more cautious stance and approach in their due diligence and valuation processes when making new investment decisions. According to one of the industry sources, the number of private equity transactions declined by about 26% in the first half of 2022, as compared to the previous corresponding period, and the slowdown is expected to continue in the second half of the year. However, given the ample amount of dry powder that has been accumulated and is readily deployable, private equity activities are expected to recover markedly once inflation is brought under control and economic outlook improves. Sector-wise, information technology, especially software and services, remains the top industry choice followed by healthcare, consumer and industrials.

Unlike the governments of other major economies which have been facing rising inflation and where government budget has been stretched by the COVID-19 pandemic, the Chinese government, with the fiscal wherewithal under a relatively tame inflationary environment, has recently launched stimulus measures totalling one trillion Renminbi to boost domestic economic activities in the wake of the renewed lockdowns following fresh outbreaks of the Omicron variants in various areas across the country. Through the channels of state banks, provincial governments and energy firms, these targeted stimulus measures aim to provide support particularly to the infrastructure, property and private business sectors. Among the Group’s underlying investment assets, ByteDance, Innovusion, Dingdong and Oasis Group are expected to benefit from these measures as their operations are mainly China-focused. Meantime, the ICBC Ship Fund will continue to provide stable dividend income to the Group, while Velocity and Animoca are expected to further develop their business through the expansion in its user base and its crypto and blockchain-related investments respectively. However, due to the unstable investment environment worldwide, apart from the stable dividend income from the ICBC Ship Fund and any movements in fair value, the underlying investment assets of the Group are unlikely to make any contributions to the Group’s results in any meaning way in the near term.

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

27 September 2022

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 2022 and beyond. Such risks and uncertainties, the directors believe, remain largely unchanged from those, including, in particular, target market risk, key person risk, operational risks and financial risks, set out on pages 13 and 14 of the Company's 2021 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 2022 have been prepared in accordance with International Accounting Standard 34 as adopted by the European Union and give a true and fair view of its assets, liabilities and financial position at that date and its financial performance for the period then ended; and

(b) the Interim Report includes a fair review of the information, such as important events and related party transactions that took place during the six months ended 30 June 2022, 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 2022

	Notes	Unaudited Six months ended 30.6.2022 US$'000	30.6.2021 US$'000
Revenue	4	59	50
Other income, gains and losses, net	5	(278)	242
Staff costs	7	(131)	(149)
Other expenses		(173)	(128)
Finance costs	8	(2)	(4)
Share of losses of a joint venture		(1)	(4)
(Loss)/profit before income tax expense		(526)	7
Income tax expense	9	-	-
(Loss)/profit for the period		(526)	7
Other comprehensive income, net of income tax			
Exchange differences on translating foreign operations		-	-
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive (loss)/income for the period		(526)	7
(Loss)/profit for the period attributable to:			
Owners of the Company		(526)	7
Total comprehensive (loss)/income for the period attributable to:			
Owners of the Company		(526)	7
(Loss)/earnings per share – basic	10	US(0.62) cent	US0.01 cent
(Loss)/earnings per share – diluted	10	US(0.62) cent	US0.01 cent

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2022

	Notes	Unaudited As at 30.6.2022 US$'000	Audited As at 31.12.2021 US$'000
Non-current assets			
Right-of-use assets		79	111
Interest in a joint venture		99	100
Financial assets at fair value through profit or loss		4,506	3,849
		4,684	4,060
Current assets			
Other receivables		24	114
Deposits and prepayments		27	26
Financial assets at fair value through profit or loss		267	624
Amount due from a joint venture		257	257
Cash and cash equivalents		702	1,513
		1,277	2,534
Current liabilities			
Other payables and accruals		91	163
Lease liabilities		66	64
		157	227
Net current assets		1,120	2,307
Non-current liabilities			
Lease liabilities		18	55
Net assets		5,786	6,312
Capital and reserves			
Share capital	11	85	85
Reserves		5,701	6,227
Total equity		5,786	6,312

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 2022

	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 2021	85	7,524	9,646	249	(17)	625	(12,447)	5,665
Loss and total comprehensive loss for the period	-	-	-	-	-	-	7	7
Balance as at 30 June 2021 (Unaudited)	85	7,524	9,646	249	(17)	625	(12,440)	5,672
Balance as at 1 January 2022	85	7,524	9,646	249	(6)	625	(11,811)	6,312
Profit and total comprehensive income for the period	-	-	-	-	-	-	(526)	(526)
Balance as at 30 June 2022 (Unaudited)	85	7,524	9,646	249	(6)	625	(12,337)	5,786

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Unaudited Six months ended	
	30.6.2022	**30.6.2021**
	US$'000	**US$'000**
Cash flows from operating activities		
(Loss)/profit for the period	(526)	7
Adjustments for:		
Depreciation of right-of-use assets	32	32
Interest expense	2	4
Share of losses of a joint venture	1	4
Loss/(gain)on disposal of financial assets at fair value through profit or loss	20	(38)
Change in fair value of financial assets at fair value through profit or loss	270	(207)
Operating loss before working capital changes	(201)	(198)
(Increase)/decrease in deposits and prepayments	(1)	1
Decrease in other receivables	90	144
Decrease in other payables and accruals	(72)	(100)
Net cash used in operating activities	(184)	(153)
Cash flows from investing activities		
Investment in financial assets at fair value through profit or loss	(1,188)	(752)
Proceeds from disposal of financial assets at fair value through profit or loss	598	809
Net cash (used in) / from investing activities	(590)	57
Cash flows from financing activities		
Repayment of principal portion of lease liabilities	(35)	(33)
Repayment of interest portion of lease liabilities	(2)	(4)
Net cash used in financing activities	(37)	(37)
Net decrease in cash and cash equivalents	(811)	(133)
Cash and cash equivalents at beginning of the period	1,513	1,194
Effects of exchange rate changes	-	-
Cash and cash equivalents at end of the period		
Cash and bank balances	702	1,061

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 2022

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 2022 (the "Interim Financial Statements") have been prepared in accordance with International Accounting Standard 34 ("IAS 34") issued by the International Accounting Standards Board as adopted by the European Union (the "EU").

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 EU, Interpretations adopted by the International Financial Reporting Interpretations Committee and Interpretations adopted by the Standing Interpretations Committee (collectively referred to as "IFRSs"), and should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2021. The Interim Financial Statements have neither been audited nor reviewed by the Group's auditor.

Save for the adoption of the amendments to IFRSs as described in note 3 to the Interim Financial Statements, which became effective for the Group's financial year that began on 1 January 2022, the accounting policies adopted in the Interim Financial Statements were consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2021.

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

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

3. ADOPTION OF NEW AND REVISED IFRSs

The Group has applied the same accounting policies in the Interim Financial Statements as in its annual financial statements for the year ended 31 December 2021, except that it has adopted the following amendments to IFRSs:

Amendments to IFRS Standards	Annual Improvements to IFRS Standards 2018–2020
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Costs of Fulfilling a Contract

The application of the above amendments to IFRSs in the current interim period had no material effect on the amounts reported and/or disclosures set out in the Interim Financial Statements.

4. REVENUE

The Group's revenue represented dividend income from financial assets at fair value through profit or loss for the periods ended 30 June 2022 and 2021, an analysis of which is as follows:

	Unaudited Six months ended	
	30.6.2022	**30.6.2021**
	US$'000	**US$'000**
Dividend income from financial assets at fair value through profit or loss	59	50

5. OTHER INCOME, GAINS AND LOSSES, NET

	Unaudited Six months ended	
	30.6.2022	**30.6.2021**
	US$'000	**US$'000**
(Loss)/gain on disposal of financial assets at fair value through profit or loss	(20)	38
Change in fair value of financial assets at fair value through profit or loss	(270)	207
Foreign exchange gain/(loss), net	6	(3)
Other	6	-
	(278)	242

6. BUSINESS AND GEOGRAPHICAL SEGMENTS

No business and geographical segment analyses are presented for the periods ended 30 June 2022 and 2021 as the major operations and revenue of the Group arose from Hong Kong. The Board considers that most of the Group's non-current assets (other than the financial instruments) 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	
	30.6.2022	**30.6.2021**
	US$'000	**US$'000**
Wages and salaries	128	146
Contributions to pension and provident fund	3	3
	131	149

7. STAFF COSTS (CONTINUED)

Key management personnel of the Company are the directors only.

The directors' remuneration was as follows:

	Unaudited Six months ended 30.6.2022 US$'000	Unaudited Six months ended 30.6.2021 US$'000
Directors' fees	36	42
Other remuneration including contributions to pension and provident fund	-	-
	36	42

8. FINANCE COSTS

	Unaudited Six months ended 30.6.2022 US$'000	Unaudited Six months ended 30.6.2021 US$'000
Interest on lease liabilities	2	4

9. INCOME TAX EXPENSE

No provision for taxation has been made as the Group did not generate any assessable profits for United Kingdom Corporation Tax, Hong Kong Profits Tax or tax in other jurisdictions during the periods ended 30 June 2022 and 2021.

10. (LOSS)/EARNINGS PER SHARE

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

	Unaudited Six months ended 30.6.2022	Unaudited Six months ended 30.6.2021
(Loss)/earnings for the period attributable to owners of the Company (US$'000)	(526)	7
Weighted average number of ordinary shares for the purposes of basic and diluted (loss)/earnings per share	85,101,870	85,101,870
Effect of potential dilutive ordinary shares:		
- Share options	-	2,050,000
	85,101,870	87,151,870
(Loss)/earnings per share – basic	US(0.62) cent	US0.01 cent
(Loss)/earnings per share – diluted	US(0.62) cent	US0.01 cent

10. (LOSS)/EARNINGS PER SHARE (CONTINUED)

Diluted loss per share was the same as basic loss per share for the six months ended 30 June 2022 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 2022.

11. SHARE CAPITAL

	Number of shares	Total value US$'000
Authorised:		
Ordinary shares of US$0.001 each		
As at 1 January 2021, 31 December 2021, 1 January 2022 and 30 June 2022	60,000,000,000	60,000
Called up, issued and fully paid:		
Ordinary shares of US$0.001 each		
As at 1 January 2021, 31 December 2021, and 1 January 2022 and 30 June 2022	85,101,870	85

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 2022 and 2021.

Compensation of key management personnel

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

13. CONTINGENT LIABILITIES

The Group had no material contingent liabilities at 30 June 2022 and 31 December 2021.

14. INTERIM REPORT

The Interim Report was approved and authorised for issue by the Board on 27 September 2022.

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*

* *independent*

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

Assistant Company Secretary
Ocorian Services (Bermuda) Limited
Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda

Registered Office Address
Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, 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
Ocorian Management (Bermuda) Limited
Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda

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

United Kingdom Transfer Agent
Link Group
10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, United Kingdom

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