WORLDSEC LIMITED

Interim Report for the six months ended 30 June 2024

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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 (the "Group") for the six months ended 30 June 2024 (the "Interim Report").

For the period under review, the Group recorded an unaudited net loss of US$146,000 (equivalent to basic and diluted loss per share of 0.17 US cent). This compares with an unaudited net profit of US$717,000 (equivalent to basic and diluted earnings per share of 0.84 US cent), which was meaningfully boosted by the gain from the disposal of one of the Group's investee companies, for the corresponding six months in 2023. In the absence of any disposal contribution, the loss for the period essentially represented operating expenses that were somewhat offset by a relatively small positive change in the fair value of the Group's financial assets under what was a mostly lacklustre investment climate in the Greater China and South East Asian region.

Likewise, the decline of US$273,000 in cash and cash equivalents during the period under review basically reflected net cash used in operating activities that included payments to reduce the balance of other payables and accruals by US$118,000.

At the date of the Interim Report, the investment portfolio of the Group comprises a total of 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 through monthly dividend income, generating revenue amounting to US$48,000 for the six months ended 30 June 2024.

Animoca Brands Corporation Limited ("Animoca") through VS SPC Limited ("VS SPC")

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

Incorporated in Australia, Animoca was formerly listed on the Australian Securities Exchange but was delisted in 2020. It is a holding company of a technology group engaged in gamification and blockchain activities. The Animoca group develops and publishes a broad portfolio of products that includes, notably among others, The Sandbox, a leading decentralised metaverse platform. Other key business units of the Animoca group consist of Animoca Brands KK, Blowfish Studios, Quidd, GAMEE, nWay, Pixowl, Helix Accelerator, Forj, Lympo, Grease Monkey Games, Eden Games, Darewise Entertainment, Notre Game, TinyTap, SPORTPASS, Pixelynx, WePlay Media, Anichess, Gryfyn and Azarus. The Animoca group is also an active investor in crypto, blockchain-related and Web3 projects, with a broad and growing portfolio of over 450 investments that includes

OpenSea, a leading non-fungible token ("NFT") marketplace, Axie Infinity, a popular Pokemon-inspired blockchain-based video game, and Dapper Labs, the developer of CryptoKitties. Animoca was a Deloitte Tech Fast winner, was listed in the inaugural edition of the Fortune Crypto 40, and was named as one of the high growth companies in Asia-Pacific in a report compiled by the Financial Times and Statista in 2023.

As broad sector headwinds of the harsh crypto winter subsided, the digital asset market strengthened with performance improving towards the end of 2023. According to the unaudited financial information set out in the July 2024 investor update released by Animoca (the "Animoca Investor Update"), bookings surged by 72% to US$90 million[1] and, on the back of cost reduction initiatives and despite continued business expansion, operating expenses decreased by 14% to $55 million, in the first quarter of 2024 as compared with the last corresponding period. At 31 March 2024, cash and stablecoin balances, liquid third party digital assets and off-balance sheet token reserves stood at US$291 million, US$558 million and US$1.8 billion respectively.

[1] on the basis of the non-IFRS measure commonly used in the gaming space to better represent the underlying business trend by including deferred revenue

The Animoca Investor Update also highlighted the broadening of the business model of the Animoca group, which has diversified and expanded to comprise three key pillars with synergistic benefits:

(i) Digital Asset Advisory, which offers a full suite of advisory services for digital asset projects including tokenomics design, smart contract advisory, exchange listing support, launch strategies, decentralised autonomous organisation setup, node operations and liquidity provision. It had become the largest source of revenue, accounting for 72% of bookings in the first quarter of 2024 and would provide resilience under volatile market conditions;

(ii) Web3 Operating Businesses, which build Web3 applications and platforms including The Sandbox and Mocaverse. It generated 22% of bookings in the first quarter of 2024, with revenue earned primarily via token and NFT sales as well as application and platform launches; and

(iii) Investment Management, which has assembled a broad portfolio of over 450 investments in crypto, blockchain-related and Web3 projects as mentioned above.

Furthermore, the Animoca group is expanding into a fourth pillar, which centres around blockchain and Web3 applications for large and major institutions such as NEOM, the company established under the sovereign wealth fund of Saudi Arabia for the development of a mega futuristic city at the northern tip of the Red Sea. In addition, the Animoca group is also pursuing initiatives with stablecoins and decentralised physical infrastructure networks.

Other recent business highlights of the Animoca group are set out below:

- Through a succession of some 20 strategic investments and partnerships in recent months, the Animoca group has continued to strengthen and solidify its position as a leader and its role as a leading influencer in the rapid evolution of the digital asset landscape. Of particular noteworthy:

  - King Abdulaziz City for Science and Technology ("KACST") – The Animoca group has entered into a memorandum of understanding with KACST, the Saudi Arabian government organisation responsible for the promotion of science and technology, to drive the advancement of the Web3 and gaming ecosystems in Saudi Arabia. Under the strategic partnership, a physical Web3 hub would be established in Riyadh to serve as an incubator for Web3 startups and blockchain technology.

  - Everest Ventures Group ("EVG") – The Animoca group has teamed up with EVG, a Web3 venture builder, in a collaboration that would involve cross-investments in each other's projects. Animoca would back various EVG consumer products launched in 2024 while EVG would support Animoca's mission to advance digital property rights by investing in certain projects of the Animoca group including Darewise, Anichess and Mocaverse.

  - Futureverse – The Animoca group has entered into a memorandum of understanding with Futureverse, a leading artificial intelligence ("AI") and metaverse company, that aims to enhance the reach and capabilities of Futureverse's metaverse technology stack and accelerate the growth of Futureverse's token ecosystem. Animoca and Futureverse have also indicated an intention for an equity swap involving shares of each other valued at US$5 million.

  - Automobili Lamborghini ("Lamborghini ") – The Animoca group has entered into a collaboration with Lamborghini with a mission to mold and chart the future of brand engagement in the automotive industry. Gravitaslabs, a creative design studio and technology company, and Motorverse, the ecosystem for digital vehicles, racing games and motorsport culture created by the Animoca group, have been selected as exclusive partners for the project.

- Animoca Brands KK has introduced an NFT launchpad, SORAH, which provides projects and creators with a platform to sell NFTs. Through SORAH, Animoca Brands KK aims to establish itself as a Web3 gateway to connect Japan with the rest of the world by promoting Japanese intellectual properties, such as manga and anime, and by creating content that appeals to global audience.

- MOCA Foundation, a community-owned entity which is part of the Mocaverse ecosystem initiated by the Animoca group, has successfully concluded the MOCA Token aunch, raising a total of US$29.3 million in pre-deposited funds at a 12-time oversubscription (excluding guaranteed allocation). The launch took place on MocaList, a new co-branded token launchpad jointly developed by Mocaverse and CoinList, a major digital asset trading platform. Access to the launch offering was gated by Moca ID and distributed to curated communities from Mocaverse, the Mocaverse Partners Network and CoinList through various activation campaigns.

- Open Campus, a community-led protocol for educators, parents and students supported by major stakeholders including Animoca and TinyTap, has successfully launched Open Campus ID ("OC ID"). OC ID is a decentralised identifier that empowers learners with full control over their educational identities and data. The protocol is integrated with the learning systems of participating schools and other educational institutions in the Open Campus Alliance to enable the issuance of on-chain verifiable credentials. Within a couple of months of the OC ID launch earlier in the year, over 100,000 OC IDs had been claimed. Furthermore, Open Campus and Animoca have also launched OC100 in partnership with ForbesWeb3. OC100 is a competition that seeks to identify the top educators and thought leaders in Web3, offering winners the opportunity to be spotlighted by Forbes, connect with leading Web3 innovators at OC100 events hosted by the Animoca group, and enjoy early access to Open Campus's products.

- Anichess, the chess-based online strategy game of the Animoca group developed in partnership with Chess.com, a leading online chess platform, and five-time World Chess Champion Magnus Carlsen, has launched the player-versus-environment gameplay. Over 1 million players have registered with 150,000 daily active users having collectively solved more than 50 million chess puzzles. Anichess is planning to introduce the main game, the player-versus-player version that will feature a range of different game modes, in the latter half of 2024.

- The Sandbox has successfully raised $20 million through the issuance of convertible promissory notes at a maximum pre-money valuation of $1 billion and with the same conversion terms as its existing preference shares. Meantime, The Sandbox is also in the process of developing a decentralised metaverse version for mobile devices slated to be launched in 2025.

- The Hong Kong Monetary Authority (the "HKMA") has selected the coalition that comprises Standard Chartered Bank, Animoca and Hong Kong Telecommunications (the "SAH Coalition") as one of the three participants in the stablecoin issuer sandbox, an arrangement launched by the HKMA for the testing of the services and products of institutions that plan to issue fiat-referenced stablecoins with the aim of fostering sustainable and responsible development of the stablecoin ecosystem in Hong Kong. The SAH Coalition has been chosen for its commitment in the stablecoin issuance business with a sound business plan as well as its ability to conduct operations within a controlled scope in a risk-managed manner under the sandbox arrangements.

- With a prominent market position and a strong track record, Animoca was ranked as the third-leading blockchain company in 2024, according to the top 50 list of blockchain game media BlockchainGamer.biz. In addition and remarkably, three of its subsidiaries, The Sandbox, Blowfish Studios and nWay also secured a spot on the list, ranking 7th, 22nd, and 35th respectively.

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

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

Incorporated in the Cayman Islands, ByteDance is an unlisted holding company of a technology group principally engaged in the operation of a series of mobile app platforms powered by AI 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, among others, Douyin, Toutiao, TikTok, Xigua Video and Helo.

According to the Hurun Global Unicorn List, ByteDance retained the title as the largest unicorn in the world for the third year in a row with a valuation of US$220 billion. Capitalising on the rapidly expanding livestream e-commerce trend, Douyin continued to lead the growth of the ByteDance group. As reported by Statista in February 2024, the monthly active user base of the short video app, the sister version of TikTok in China, exceeded 755 million, underscoring its widespread influence among Chinese Internet users.

To further expand the revenue source of Douyin, the ByteDance group is planning a strategical move to enter the bank-card-based payment sector. In this connection, it has agreed and remains on track to acquire Union Mobile Financial ("UMF"), a major Chinese mobile payment provider, for nearly RMB 1.4 billion. The acquisition, at a consideration comprising a base transfer price of US$750 million plus the value of net assets at the settlement date, has been awaiting regulatory approval. Should the transaction be approved, the services provided by UMF would complement the existing functionalities of Douyin and would enhance the payment and service experience for both users and merchants within the Douyin's ecosystem.

While Douyin continues to march on in China, TikTok has been facing persistent challenges overseas particularly in the U.S. Regulatory obstacles have impeded the future of TikTok despite its overwhelming popularity. In response to the passing of the ban-or-divest bill by the U.S. legislature in April 2024, TikTok, ByteDance and a group of TikTok users, among others, have filed separate lawsuits against the Department of Justice in the U.S. The case has been fast tracked by a U.S. federal court for oral arguments in September 2024, and a ruling has been requested by 6 December 2024 as the legal battle is most likely to progress to the U.S. Supreme Court before the ban-or-divest deadline on 19 January 2025.

Meantime, as the saga drags on, a TikTok ban in the U.S. has been losing American support. A survey conducted between July and August 2024 by Pew Research, a nonpartisan think tank based in the U.S. capital, found that only 32% American adults would support banning TikTop in the U.S., down from 38% last autumn and 50% in March 2023. In addition, the U.S. government has publicly acknowledged that it has no information about the Chinese government gaining access to the data of TikTok users in U.S. but considers that the risk of the possibility would be too great. Interestingly, notwithstanding the security concern and defying the security risk, each of President Biden, Vice President and Democratic presidential nominee Harris and former President and Republican presidential nominee

Trump has created an account with TikTok, which appears to have ironically been embraced as a key and quintessential political communication tool in the U.S.

Apart from the two highly popular short video apps, ByteDance has also placed AI as one of its top priorities. Notable AI efforts of the ByteDance group are summarised as follows:

- Doubao AI chatbot, released in August 2023, has taken the lead topping the AI chatbot download list in China and having accumulated a monthly active user base of 26 million by May 2024 according to ByteDance. It has also been integrated into various apps, including, notably among others, Douyin. Most of its features are free to use.

- The Doubao large language model ("LLM") family, sharing the same name as and being the technology behind Doubao AI chatbot, has recently been launched under Volcano Engine, the cloud computing unit of ByteDance. It consists of nine versions, ranging from entry-level to top-tier editions, offering a variety of functions tailored for different applications that includes natural language processing, speech recognition and synthesis, text-to image generation and code generation assistance. Under the highly competitive environment in China with over 200 China-developed LLMs in the market, the cost of using Doubao LLM is as low as RMB0.0008 per 1,000 tokens, some 99.8% lower than that of GPT-4 of OpenAI.

- Gauth is an AI homework helper with more than 10 million downloads in Google Play Store and has consistently been ranked among the top educational apps in Apple App Store. It covers a wide range of topics including mathematics, physics, chemistry, biology, economics, literature, business, writing and social science. Gauth is free to use for basic features but charges are required for additional functions.

- Maoxiang is an AI-driven app that creates virtual companions with customerised look, voice and personality. The digital friends created are able to connect with the user at any time, providing comforting and reassuring companionship and support as needed. Maoxiang has been gaining popularity, securing a top five spot on the virtual companion app download list in China within a couple of months of its launch earlier in the year. It is free to use for basic features but paid subscriptions are required for additional functions.

- Jimeng AI, a Sora-style text-to-video generator, was one of the latest AI products of the ByteDance group. It became available on the Apple App Store for Chinese users in early August 2024, shortly following its debut in China on Android phones on 31 July 2024. Jimeng AI offers subscription plans starting at RMB69 per month up to of RMB659 per year, with a monthly generating limit of around 2,050 images or 168 videos.

- CapCut is a highly popular video editing app released in 2020 and has amassed more than 1.4 billion global downloads by September 2024 according to Statista with monthly active users of over 300 million and a commanding market share of 81% as reported by Sensor Tower. Since its release, it has been updated with a myriad of AI features that includes, among others, video generation, video upscaling, noise reduction and flicker removal, video trimmer, video resizer, background removal and generation, script writing, auto-captioning and video translation. CapCut has been widely adopted by Douyin, TikTok and Instagram users.

- Volcano Engine has struck a strategic partnership with Mercedes-Benz to integrate its LLM technology into Mercedes-Benz's in-car systems in China. The partnership aims to improve the functionalities of the voice and navigation systems of Mercedes-Benz through the use of AI. In addition, ByteDance has formed an automobile LLM ecosystem alliance with more than 20 local car manufacturers, including key players such as Geely and Great Wall Motor, thereby expanding its influence in the automotive industry.

Other recent business highlights of the ByteDance group are set out below:

- Nuverse, the ByteDance group's gaming division best known for publishing Marvel Snap, has undergone a major restructuring involving job cuts and layoffs as well as divestment of game studios. Following the streamlining, it has entered a new stage with an objective at the operational level of prioritising the development of in-house games and reducing the dependence on third-party game developers. Nuverse also intends to strengthen its management and reporting structure and reorient its strategic direction with a focus on long-term growth.

- ByteDance has proposed to the Malaysian Minister of Investment, Trade and Industry to invest US$2.1 billion to establish an AI hub with an additional US$354 million to expand its data centre facilities in Malaysia. This reflects the strategy and commitment of ByteDance to enhance the ByteDance group's regional presence and technological capabilities.

- Dongchedi, the automotive information and trading platform of the ByteDance group with a monthly active user base of 35.7 million in June 2024 according to mobile business intelligence service provider QuestMobile, is reportedly planning to raise up to U$$600 million at a pre-money valuation of close to $3 billion. Key investors are believed to include General Atlantic, HongShan (formerly Sequoia Capital China), KKR and Gaorong Ventures. In January 2024, Dongchedi was restructured into a wholly-owned subsidiary of ByteDance, which was widely regarded as a strategic move in anticipation of an initial public offering or other fundraising exercise.

- ByteDance is reportedly in the process of arranging a US$9.5 billion loan, which would be the largest dollar-denominated corporate facility in Asia outside of Japan. Coordinated by leading American banks, the loan financing would have a three-year tenor that could be extended to a maturity of up to five years. The funds raised would be used to refinance an existing $5 billion dual-tranche facility and to provide additional working capital.

Dingdong (Cayman) Limited ("Dingdong")

Subsequent to the listing of Dingdong on the New York Stock Exchange, the Group directly holds its investment in the American depositary shares of Dingdong (the "Dingdong ADS").

Dingdong is the holding company of an e-commerce group that operates a mobile app, Dingdong Fresh, providing users with fresh produce, prepared food and other food products supported by a self-operated frontline fulfillment grid with some 45 regional processing centres and about 1,000 frontline fulfillment stations on leased properties. The operations of the Dingdong group cover 25 cities across China with a significant portion of revenue derived from the Yangtze River Delta Megalopolis.

Based on recent financial information and guidance provided by Dingdong, the Dingdong group appears to have reached the escape velocity from loss-making, having been able to deliver and with the expectation to continue to achieve what seems to be sustainable profitability on a consecutive and consistent basis.

As revealed by the unaudited quarterly reports of the first and second quarters of 2024 filed by Dingong with the regulatory authority (the "First Quarterly Report" and the "Second Quarterly Report"), the Dingdong group had resumed revenue growth since the beginning of year, following the sales decline in 2023 due to the strategic withdrawal of operations from certain cities where attaining profitability in the short term would be uncertain and the high base effect caused by the surge in online grocery demand under the restrictive measures implemented during the resurgence of the COVID pandemic in 2022. In the first and second quarters of 2024, revenue grew year-on-year by 0.5% and 15.7% to US$5.0 billion and US$5.6 billion respectively. The revenue growth resumption was primarily attributed to the increase in the number of transacting users, the increase in the frequency of purchases as well as network expansion in East China. Gross profit margin was largely maintained at around the 30% level. Consequent of the improved operational efficiency arising from the increase in order volume and the optimisation of the layout of the regional processing centres, fulfillment expenses as a percentage of revenue decreased from over 23.5%[2] in 2023 to 22.4% by the second quarter of 2024. This had a particularly beneficial impact on the thin-margin operations of the Dingdong group. Non-GAAP net income[3] jumped significantly on a year-on-year basis, registering seventh consecutive quarterly profitability to reach RMB45.1 million and RMB103.1 million for the first and second quarters of 2024 respectively. At the same time, net income also hit a record high of RMB67.1 million for the three months ended 30 June 2024.

[2] *based on the audited results of operations for the year ended 31 December 2023 contained in the 2023 annual report of Dingdong*
[3] *on the basis of the non-GAAP measure widely considered to be a useful indicator of the underlying business trend by excluding the non-cash charges of share-based compensation*

Likewise, cash flow performance was equally favourable. Net cash provided by operating activities registered four consecutive quarterly gains, amounting to RMB94.8 million and RMB245.7 million for the first and second quarters of 2024 respectively. This had further strengthened the financial position of the Dingdong group, raising net cash balance, calculated by deducting short-term borrowings from the sum of cash and cash equivalents, restricted cash and short-term investments, to RMB2.3 billion by 30 June 2024.

While the online grocery industry remains crowded and fiercely competitive in China, the Dingdong group, having effectuated strategic operational adjustments and having established strong supply chain capabilities, is in an advantageous position to compete and pursue sustainable growth in revenue and profit. According to the guidance set out in the First Quarterly Report and the Second Quarterly Report, the Dingdong group is confident of achieving non-GAAP and GAAP profitability for the remaining quarters as well as the entire year of 2024.

Seyond Holdings Ltd. (“Seyond”, formerly Innovusion Holdings Ltd.) through the Hermitage Fund Twelve SP (the “Hermitage Fund Twelve”)

The Group holds an investment in the Class A Participating Shares of the Hermitage Galaxy Fund SPC attributable to the Hermitage Fund Twelve, the sole underlying investment asset of which is an equity interest in Seyond.

Founded and headquartered in Silicon Valley in California in the United States, Seyond is an unlisted holding company of a technology group that specialises in the development of image grade light detection and ranging (“LiDAR”) sensor systems for notably the autonomous vehicle and advance driver-assistance system markets with strategically placed research and manufacturing facilities across the globe. The product portfolio of the Seyond group includes ultra-long-range front view LiDAR sensors, the Falcon series which is based on the 1550nm wavelength technology, and long-range front view / mid-range wide view LiDAR sensors, the Robin series which utilises the 905nm wavelength technology, as well as the perception service software platform, OmniVidi.

During the first half of 2024, the Seyond group continued to ramp up the delivery of LiDAR units, which had risen significantly from the initial low base since mass production of Falcon K1 commenced some two years ago. The majority of the shipments were delivered to Nio, a shareholder of Seyond, and were installed as standard configuration in most of Nio’s passenger vehicle models including ET5(T), ET7, ES6, ES7/EL7 and ES8. On the back of the significantly risen deliveries, and notwithstanding the declining prices of LiDAR sensors in line with board industry trend, revenue had naturally risen in tandem, albeit at a slower pace on a relative basis yet at a seriously fast rate in absolute terms. Thanks to economies of scale, product design improvements and upgrades and the decline in the costs of parts and components, gross profit margin had also made substantial moves in the positive direction. Indeed, the Seyond group appears to have found the path to eventual profitability.

At the 18th Beijing International Auto Show 2024, Seyond unveiled two new products, Falcon K3, the third-generation of the ultra-long-range front view LiDAR sensors of the Falcon series, and Robin D, a newly launched mid-range ultra-wide view LiDAR sensors of the Robin series.

Based on the 1550nm wavelength technology, the Falcon series has been central to the development of the Seyond Group and has within a few years undergone three generations of evolution. Falcon K1 was the first mass produced LiDAR sensors delivered to Nio for installation in ET7s. Falcon K2 has been enhanced by the incorporation of an embedded self-developed application-specific integrated circuit (“ASIC”) chip that reduces power consumption from 30 watts to 20 watts. The newly developed Falcon K3 boasts an enhanced detection range at 10% reflectivity of up to 300 metres with a maximum angular resolution of 0.12° (horizontal) and 0.03° (vertical) that further boosts perception capabilities and hence improves driving safety. Falcon K2 is expected to completely replace Falcon K1 in the near term. The use of self-developed ASIC chips in Falcon K2 production reflects the efforts of the Seyond group to localise the supply chain to minimise foreign supply risk with the added benefit of reducing production cost on top of product performance enhancement.

The Robin series, which utilises the 905nm wavelength technology, achieves a harmonious equilibrium between product performance and production cost. It has a light-weight and compact design with low power consumption of 9 watts for ease of integration. The Robin series includes Robin E, the long-range front view LiDAR sensors, and Robin W, the mid-range wide view LiDAR sensors, both of which are used in passenger vehicles, robotaxis and unmanned logistics. The recently launched Robin D boasts an ultra-wide view of up to 270° (horizontal) and 90° (vertical) to achieve an exceedingly broad field of view coverage in a cost-efficient manner.

The new smart electric executive flagship model of Nio, ET9, to be launched in early 2025, will be equipped with a Falcon K on the roof and two Robin Ws on each side of the fenders. The combination LiDAR solution, comprising an ultra-long-range front view sensor and two mid-range wide view sensors, will achieve a 360° perceptual coverage without blind areas, offering a most effective protection and support for high-level autonomous driving.

Other recent business highlights of the Seyond group are set out below:

- Seyond has teamed up with NVIDIA to incorporate the LiDAR technology of the Seyond group into the NVIDIA DriveWorks and Omniverse platforms, with the ambition of transforming the design, development and testing of autonomous vehicles. The collaboration leverages the extensive autonomous vehicle software development experience of NVIDIA and uses the LiDAR sensors of the Seyond group alongside with NVIDIA's graphics processing unithardware to efficiently interpret point cloud data, thereby improving autonomous driving capabilities. Furthermore, through the NVIDIA DriveWorks platform and its automotive-grade middleware and accelerated algorithms, the LiDAR technology of the Seyond group can be readily integrated into the vehicle designs of various automotive manufacturers.

- Seyond and Peachtree Corners are collaborating to work together on improving the road safety and traffic management in the advanced infrastructure of Peachtree Corners, the pioneering 5G smart city and innovation hub located in the metro-Atlanta area in the U.S. The collaboration provides the opportunity for the Seyond group to acquire valuable real-world data that will enhance and optimise its LiDAR technology for wider use in intelligent urban settings. Under the deal, OmniVidi, the perception service software platform of the Seyond group, and Integrator AI, the edge compute system on traffic management of Blue-Band, have been deployed at a select intersection in Peachtree Corners to generate real-time 3D mapping with vehicle and pedestrian object detection. The data collected provides Peachtree Corners insightful information to adjust and implement traffic signals and intersection design to address specific safety and efficiency needs.

According to Yole Intelligence, a major consulting firm specialising in the semiconductor and adjacent industries, the global LiDAR market for passenger cars, light commercial vehicles and robotaxis was estimated at US$538 million in 2023, representing a year-on-year growth of 79%. Seyond had a market share of 19%, ranking third behind Hesai and Robosense. The global LiDAR market is projected to grow at an annual compound growth rate of 38% to reach US$2.9 billion by 2029. Since the late 2010s, the adoption of LiDAR technology had increased significantly, with a greater number of vehicles equipped with LiDAR sensors being released in 2023 than in the entire period from 2018 to 2022. In 2024 or shortly after, around 128 car models with LiDAR sensors are expected to be launched in China, substantially surpassing the 10 European and the two U.S. LiDAR-equipped models that are in the pipeline. Notwithstanding the recent escalation in import tariffs on Chinese electric vehicles imposed by the E.U., the U.S. and Canada, the Seyond group remains well-placed to capture the rapid growth in the LiDAR space.

Given the depressed valuations of a plenitude of U.S.-listed China-based companies despite repeated all-time highs in Wall Street, and taking into account the geopolitical factors, Seyond is considering the option of a listing on the Stock Exchange of Hong Kong. Any plan to list, however, would be subject to investment market conditions.

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

Following the graduation of 81 pupils in the summer of 2024, the Huizhou Kindergarten enrolled 35 new pupils for the academic term that commenced in September 2024 and its total pupil enrolment stands at 183.

Having operated for ten years with a steady track record, the Huizhou Kindergarten celebrated its 10th anniversary in July 2024.

PROSPECTS

Global GDP is projected to grow by 3.2% in 2024 and 3.3% in 2025 by the International Monetary Fund in its World Economic Outlook Update published in July 2024. The report highlights that there were positive and negative growth surprises during the first quarter of 2024. Among the world's leading economies, both the U.S. and Japan experienced a sharper-than-expected slowdown while Europe and China managed to perform better. The forecast for 2025 shows a mixed scenario with the economic growth in the U.S. declining from 2.6% in 2024 to 1.9% in 2025 and China from 5.0% to 4.5%. This compares with the accelerating growth projections for Germany from 0.2% to 1.3%, France from 0.9% to 1.3% and the U.K. from 0.7% and 1.5%. These figures suggest that, despite increasing trade restrictions, global trade is expected to remain fairly stable, at lease at the aggregate level, and is unlikely to have any weighty adverse impact on the economic growth across the globe.

According to a speech presented by a senior official of the International Monetary Fund at Stanford Institute for Economic Policy Research in May 2024, however, the geopolitical tensions between the U.S. and China have already given rise to signs of trade fragmentation, as reflected by the falling growth in trade between U.S.-aligned countries and China-aligned countries, although the economic impact of the decoupling has somewhat been cushioned by trade re-routing through third party links. Countries such as Mexico and Vietnam, with which China has a meaningful export relationship and in which

China has a meaningful investment presence, have registered increased exports to the U.S. Although trade re-routing could benefit third party links between rival blocs and provide a temporary fix to contain and mitigate the decoupling impact, it would not be a permanent solution that could effectively deal with the trade fragmentation issue and preserve the gain from economic integration and globalisation. There are bound to be circumstances where trade re-routing activities would inevitably lead to additional restrictive measures on trade and there is also cost associated with trade re-routing that would be inflationary. In fact, further increase in trade restrictions and sanctions are likely to arise given the persistent concerns over national security, the Russia-Ukraine war and the Middle-East conflicts, resulting in increased trade fragmentation that would be redirected along geopolitical lines.

On the pollical front apart from geopolitics, 2024 is a history-making election year during which more than 60 countries are to hold presidential and/or legislative elections. Support for the far-right camps has evidently been gaining popularity and has spread across borders as reflected in the election outcomes in Europe, India, South Africa and the U.K. Many voters across various countries are unhappy with their governments and are looking for changes. The fall in living standards is among their main concerns. Since the outbreak of the Russia-Ukraine war, inflating prices in energy, food and other basic items have adversely affected the livelihood of many households worldwide. But notwithstanding the sticky inflation in the service sector, price pressure has in general been on a downward trend moving towards the target level in a sustainable path. In response, central banks in developed economies have pivoted and embarked on policy easing. Nonetheless, while the negative effect of high cost of living is subsiding, the far-right parties, leveraging on the mandate given by the voters, could take the opportunity to advance their nationalistic and deglobalisation agenda, demanding protective measures that would trigger further geopolitical and trade tensions.

During the first half of 2024, activities in the private equity market were lower than the same period last year. Uncertain economic and political outlook continued to weigh on investment sentiments. However, there is an air of optimism in the second half of 2024 as the divergence of valuations between sellers and buyers shows a narrowing trend. According to PitchBook, of the global inventory of 27,000 private equity portfolio companies, nearly half of them have been on the books of the investors for some five years and they are under pressure to seek exit opportunities. In addition, there is an estimated US$2 trillion in private debt that requires refinancing by the end of 2024. Due to long-term outperformance with better investment returns compared to other asset classes and for diversification purposes, new capital continued to flow into the private market at, according to industry sources, an annual rate of about 8% for the past five years, bringing the total assets under management for the industry to US$13.3 trillion in 2023. But given the increasing preference of investors towards bigger firms that offer a broad range of investment services covering diversified multi-asset classes, major industry players have been getting the lion share of the funds raised. Under the circumstances with the challenges in fundraising, coupled with the burgeoning regulatory scrutiny and compliance cost on top of the lack of economies of scale, many smaller sized fund managers are unable to compete and have to turn to specialisation in certain niche segments in order to survive. There has also been a wave of consolidations in the private equity landscape, including a number of high-profile mergers and acquisitions involving industry heavyweights in 2023 and 2024.

In line with its growth target, China's GDP expanded year-on-year by 5% in the first half of 2024. Data released by the National Bureau of Statistics of China shows that industrial output and foreign trade grew year-on-year by 6.0% and 6.1% respectively. The growth in exports of high-tech goods, mechanical and electrical items, cars and ships outperformed the traditional low value-added products that China excelled in during the past decades. However, with the expected increase in trade restrictions, foreign trade is expected to slow down. This together with the sluggish domestic demand and the struggling property sector could have an adverse impact on the GDP growth rate for the full year in 2024. As the majority of the Group's underlying investments are largely China-focused, their near-term prospects do not appear to be particularly promising and they are unlikely to make any meaningful contributions to the Group's results in the near term. Nonetheless, the Board remains confident on the long-term potential of the Group's investment portfolio companies which are well placed to benefit from the continued growth of China's economy in the long term.

By order of the Board
Alastair GUNN-FORBES
Non-Executive Chairman
24 September 2024

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 2024 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 16 and 17 of the Company's 2023 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 2024 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 2024, 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 2024

	Notes	Unaudited Six months ended 30.6.2024 US$'000	30.6.2023 US$'000
Revenue	4	48	48
Other income, gains and losses, net	5	92	941
Staff costs	7	(126)	(132)
Other expenses		(152)	(136)
Finance costs	8	(3)	(1)
Share of losses of a joint venture		(5)	(3)
(Loss)/profit before income tax expense		(146)	717
Income tax expense	9	-	-
(Loss)/profit for the period		(146)	717
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		(146)	717
Loss/(profit) for the period attributable to:			
Owners of the Company		(146)	717
Total comprehensive (loss)/income for the period attributable to:			
Owners of the Company		(146)	717
(Loss)/earnings per share – basic	10	US(0.17) cent	US0.84 cent
(Loss)/earnings per share – diluted	10	US(0.17) cent	US0.84 cent

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2024

	Notes	Unaudited As at 30.6.2024 US$'000	Audited As at 31.12.2023 US$'000
Non-current assets			
Interest in a joint venture		56	61
Financial assets at fair value through profit or loss		3,774	3,764
Right-of-use assets		81	113
		3,911	3,938
Current assets			
Other receivables		250	247
Deposits and prepayments		24	26
Financial assets at fair value through profit or loss		190	190
Amount due from a joint venture		257	257
Cash and cash equivalents		849	1,122
		1,570	1,842
Current liabilities			
Other payables and accruals		39	157
Lease liabilities		72	70
		111	227
Net current assets		1,459	1,615
Non-current liabilities			
Lease liabilities		18	55
Net assets		5,352	5,498
Capital and reserves			
Share capital	11	85	85
Reserves		5,267	5,413
Total equity		5,352	5,498

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 2024

	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 2023	85	7,524	9,646	249	(33)	625	(12,654)	5,442
Total comprehensive income for the period	-	-	-	-	-	-	717	717
Recognition of share-based payments	-	-	-	-	-	-	4	4
Balance as at 30 June 2023 (Unaudited)	85	7,524	9,646	249	(33)	625	(11,933)	6,163
Balance as at 1 January 2024	85	7,524	9,646	254	(40)	625	(12,596)	5,498
Total comprehensive loss for the period	-	-	-	-	-	-	(146)	(146)
Balance as at 30 June 2024 (Unaudited)	85	7,524	9,646	254	(40)	625	(12,742)	5,352

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Unaudited Six months ended	
	30.6.2024	30.6.2023
	US$'000	US$'000
Cash flows from operating activities		
(Loss)/profit for the period	(146)	717
Adjustments for:		
Bank interest income	(19)	(1)
Depreciation of right-of-use assets	32	32
Interest on lease liabilities	3	1
Share of losses of a joint venture	5	3
Gain on disposal of financial assets at fair value through profit or loss	(4)	(917)
Change in fair value of financial assets at fair value through profit or loss	(58)	(26)
Operating loss before working capital changes	(187)	(191)
Decrease/(Increase) in deposits and prepayments	2	(1)
Increase in other receivables	(3)	(98)
Decrease in other payables and accruals	(118)	(116)
Net cash used in operating activities	(306)	(406)
Cash flows from investing activities		
Bank interest income received	19	1
Investment in financial assets at fair value through profit and loss	-	(83)
Proceeds from disposal of financial assets at fair value through profit or loss	52	1,247
Net cash from investing activities	71	1,165
Cash flows from financing activities		
Repayment of principal portion of lease liabilities	(35)	(37)
Repayment of interest portion of lease liabilities	(3)	(1)
Net cash used in financing activities	(38)	(38)
Net (decrease)/increase in cash and cash equivalents	(273)	721
Cash and cash equivalents at beginning of the period	1,122	526
Effects of exchange rate changes	-	-
Cash and cash equivalents at end of the period		
Cash and bank balances	849	1,247

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 2024

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

The unaudited consolidated financial statements of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2024 (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 2023. The Interim Financial Statements have neither been audited nor reviewed by the external 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 year that began on 1 January 2024, 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 2023.

The Interim Financial Statements have been prepared on a going concern basis using the historical cost convention, 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 2023, except that it has adopted the following amendments to IFRSs:

Amendments to IFRS 16	Lease liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current and Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

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 2024 and 2023, an analysis of which is as follows:

	Unaudited Six months ended	
	30.6.2024	30.6.2023
	US$'000	US$'000
Dividend income from financial assets at fair value through profit or loss	48	48

5. OTHER INCOME, GAINS AND LOSSES, NET

	Unaudited Six months ended	
	30.6.2024	30.6.2023
	US$'000	US$'000
Gain on disposal of financial assets at fair value through profit or loss	1	917
Change in fair value of financial assets at fair value through profit or loss	60	26
Interest Income	19	1
Foreign exchange (loss)/gain, net	12	(3)
	92	941

6. BUSINESS AND GEOGRAPHICAL SEGMENTS

No business and geographical segment analyses are presented for the periods ended 30 June 2024 and 2023 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	
	30.6.2024	30.6.2023
	US$'000	US$'000
Wages and salaries	123	129
Contributions to pension and provident fund	3	3
	126	132

7. STAFF COSTS (CONTINUED)

Key management personnel of the Company are the directors only.

The directors' remuneration was as follows:

	Unaudited Six months ended 30.6.2024 US$'000	Unaudited Six months ended 30.6.2023 US$'000
Directors' fees	32	38
Other remuneration including contributions to pension and provident fund	-	-
	32	38

8. FINANCE COSTS

	Unaudited Six months ended 30.6.2024 US$'000	Unaudited Six months ended 30.6.2023 US$'000
Interest on lease liabilities	3	1

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 2024 and 2023.

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 30.6.2024	Unaudited Six months ended 30.6.2023
(Loss)/profit for the period attributable to owners of the Company (US$'000)	(146)	717
Weighted average number of ordinary shares for the purposes of basic and diluted earnings/(loss) per share	85,101,870	85,101,870
(Loss)/earnings per share – basic	US(0.17) cent	US0.84 cent
(Loss)/earnings per share – diluted	US(0.17) cent	US0.84 cent

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

Diluted (loss)/earnings per share was the same as basic (loss)/earnings per share for the six months ended 30 June 2024 and 2023 as there were no potential dilutive ordinary shares outstanding at the end of both periods.

11. SHARE CAPITAL

	Number of shares	Total value US$'000
Authorised:		
Ordinary shares of US$0.001 each		
As at 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024	60,000,000,000	60,000
Called up, issued and fully paid:		
Ordinary shares of US$0.001 each		
As at 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024	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 2024 and 2023.

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 scheme for the employees and directors.

On 20 February 2023, the Company granted 350,000 share options to Mr. Willis to subscribe on a one for one basis new ordinary shares of US$0.001 each in the share capital of the Company at an exercise price of US$0.034 per share under the scheme. The share options vested six months from the date of grant and were then exercisable within a period of 9.5 years.

The following table discloses the movement of the outstanding share options under the scheme during the periods ended 30 June 2024 and 2023.

13. SHARE-BASED PAYMENTS (CONTINUED)

		Number of options						
Grantee	Exercisable period	Balance at 1 January 2024	Granted during the period	Exercised during the period	Forfeited during the period	Lapsed during the period	Balance at 30 June 2024	Exercise price per share (US$)
Directors	20 August 2023 to 19 February 2033	350,000	-	-	-	-	350,000	0.034
	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
		5,350,000		-	-	-	5,350,000	

		Number of options						
Grantee	Exercisable period	Balance at 1 January 2023	Granted during the period	Exercised during the period	Forfeited during the period	Lapsed during the period	Balance at 30 June 2023	Exercise price per share (US$)
Directors	20 August 2023 to 19 February 2033	-	350,000	-	-	-	350,000	0.034
	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
		5,000,000	350,000	-	-	-	5,350,000	

The fair value of the share options granted under the scheme during the period ended 30 June 2023 was determined at the grant date to be US$5,000.

The share-based payment expenses of US$4,000 was charged to the profit or loss account for the Group during the period ended 30 June 2023.

No share option was exercised, expired or lapsed under the scheme during the periods ended 30 June 2024 and 2023.

14. CONTINGENT LIABILITIES

The Group had no material contingent liabilities at 30 June 2024 and 31 December 2023.

15. INTERIM REPORT

The Interim Report was approved and authorised for issue by the Board on 24 September 2024.

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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