



WORLDSEC LIMITED

Annual Report for the year ended 31 December 2013

CORPORATE INFORMATION

Board of Directors

Non-Executive Chairman

Alastair GUNN-FORBES

Executive Directors

Henry Ying Chew CHEONG (Deputy Chairman)
Ernest Chiu Shun SHE (appointed on 19 July 2013)

Non-Executive Directors

Mark Chung FONG
Martyr Stuart WELLS (appointed on 19 July 2013)

Company Secretary

May Yim CHAN (resigned on 2 August 2013)
Jordan Company Secretaries Limited (appointed on 2 August 2013)
21 St Thomas Street, Bristol B51 6JS, United Kingdom

Registered Office Address

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

Registration Number

EC21466 Bermuda

Principal Bankers

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

Auditors

Menzies LLP
Ashcombe House, 5 The Crescent, Leatherhead, Surrey KT22 8DY, United Kingdom

Principal Share Registrar and Transfer Office

Appleby Management (Bermuda) Ltd.
Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda

International Branch Registrar

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

United Kingdom Transfer Agent

Capita Registrars Limited
The Registry, 34 Beckenham Rd, Beckenham, Kent, BR3 4TU, United Kingdom

Investor Relations

For further information about Worldsec Limited, please contact:
Henry Ying Chew CHEONG
Executive Director
Worldsec Group
6th Floor, New Henry House, 10 Ice House Street, Central, Hong Kong

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CHAIRMAN'S STATEMENT

RESULTS

The audited consolidated loss of Worldsec Limited (the "Company"), and its subsidiaries (together the "Group") for the financial year 2013 was US\$273,000, compared with a loss of US\$304,000 in 2012. Loss per share was US 1 cent (2012: US 2 cents).

REVIEW

I am pleased to report that, with the shareholders' approval and support, the Company successfully completed its fund raising exercise in September 2013.

Through the open offer of 13,367,290 new shares to shareholders and the placing of 30,000,000 new shares to independent third-party investors at the issue price of US 10 cents per share, the Company has raised new equity capital of approximately US\$4.3 million before expenses. As at 31 December 2013, the net assets of the Group amounted to approximately US\$4.2 million (2012: US\$0.6 million), equivalent to approximately US 8 cents per share.

As explained in the fund raising documents, the purpose of the fund raising was to facilitate the reactivation of the business activities of the Group in order to invest primarily in smaller unlisted businesses based mainly in Greater China and the South East Asian region with a view to participating and benefiting from the investment opportunities from these relatively fast growing economies. In this connection, the Company has:

- appointed Messrs Ernest Chiu Shun She and Martyn Stuart Wells as executive and non-executive directors respectively to strengthen the Board;
- re-established the Audit Committee and the Remuneration Committee;
- reviewed, and where appropriate, revised the Group's internal control procedures; and
- put in place an operational structure to conduct its new investment business activities.

These measures have repositioned the Group to pursue its investment strategy in accordance with the new investment policy approved by shareholders in connection with the fund raising exercise.

PROSPECTS

The Board has since the approval by shareholders of the new investment policy actively looked for investment opportunities. With the increase in the Company's share capital, the strengthening of the Board with two additional directors, and a new operation structure, the Group is prepared to start a new chapter in its investment business activities. The Board, barring unforeseen circumstances and provided that suitable business propositions can be identified, aims to make two investments during the financial year 2014.

Alastair GUNN-FORBES
Non-Executive Chairman
30 April 2014

DIRECTORS' REPORT

The directors submit their annual report and the audited consolidated financial statements of the Company for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Company and its subsidiaries are primarily engaged in investment in unlisted companies in the Greater China and the South East Asian region.

REVIEW AND PROSPECTS

The results of the Group for the year are set out in the consolidated statement of profit or loss and other comprehensive income on page 12.

During the year, a Special General Meeting was held on 30 August 2013 in relation to a fund raising proposal by the Company. In the Special General Meeting, shareholders approved, amongst others, the increase in the Company's authorized share capital to US\$60 million, and the issue of up to 93,367,290 new shares of which (a) 13,367,290 new shares were subsequently issued to shareholders by way of open offer on the basis of one new share for every one share held, and (b) 30,000,000 new shares were issued to independent third-party investors by way of placing. Both tranches of the new shares were priced at US 10 cents per share and a total of approximately US\$4.3 million before expenses were raised to facilitate the reactivation of the business activities of the Group. In addition, the Board is authorized to issue the balance of up to 50,000,000 new shares, within the 12 months from the date of the registration document published by the Company on 2 August 2013, or if earlier, the date of the Annual General Meeting in 2014, to fund investment acquisitions or for cash. Shareholders also approved the adoption of the new investment policy aiming to invest primarily in smaller unlisted companies based mainly in Greater China and the South East Asian region.

Following the increase in the Company's share capital and the adoption of the new investment policy, the management has put in place an operation structure with the objective of conducting investment operations in accordance with the new investment policy as described in the fund raising documents. In this connection, a wholly-owned subsidiary under the name of Worldsec Investment (Hong Kong) Limited has been incorporated in Hong Kong to act as the Group's main operating subsidiary.

As previously announced, in order to strengthen the Board, the Company has appointed Messrs Ernest Chiu Shun She and Martyn Stuart Wells as executive and non-executive directors respectively. Their appointments were subsequently confirmed by shareholders in the Annual General Meeting held on 30 August 2013.

DIRECTORS' REPORT

In terms of corporate governance, the Company has re-established the Audit Committee and the Remuneration Committee to cope with matters relating to the operations of the Group following the reactivation of its business activities. The Board/management has also been reviewing, and where appropriate, revising the Group's internal control procedures with a view to ensuring that such procedures are consistent with the guidelines of the new investment policy and are appropriate for the new operation structure that has been put in place.

Meanwhile, with the reactivation of the Group's business activities, the Company has set up a depositary interest facility for effective share transfer electronically, arranging for a depositary to issue dematerialized depositary interests (the "Depositary Interests") in respect of shares for shareholders preferring to hold such shares in uncertificated form. The Depositary Interests may be held and transferred through the CREST electronic settlement system.

With the new equity capital raised, the net assets of the Group amounted to approximately US\$4.2 million as at 31 December 2013. Based on the latest audited consolidated financial statements, the net asset value per share was approximately US 8 cents. The proceeds from the fund raising has provided the Group with the investment capital to pursue its new investment strategy.

As mentioned in the Chairman's Statement on page 1, the Board has actively been exploring investment opportunities and aims to make two investments during the current financial year. Shareholders will be informed as soon as the Board has identified a suitable business proposition.

DIRECTORS

The directors during the year and up to the date of this report were:

Non-Executive Chairman

Alastair Gunn-Forbes

Executive Directors

Henry Ying Chew Cheong

Ernest Chiu Shun She (appointed on 19 July 2013)

Non-Executive Directors

Mark Chung Fong

Martyn Stuart Wells (appointed on 19 July 2013)

Brief biographical notes on the directors serving at the date of this report are set out on pages 45 – 46.

Save as disclosed in note 18 to the consolidated financial statements, none of the directors had during the year or at the end of the year a material interest, directly or indirectly, in any contract of significance with the Company or any of its subsidiaries.

DIRECTORS' REPORT**DIRECTORS' INTERESTS**

The interests of the individuals who were directors during the year in the issued share capital of the Company, including the interests of persons connected with a director (within the meaning of Sections 252, 253 to 255 of the United Kingdom Companies Act 2006 as if the Company were incorporated in England), the existence of which was known to, or could with reasonable diligence be ascertained by, that director, whether or not held through another party, were as follows:

	At 1 January 2013	At 31 December 2013
	<u>No. of shares</u>	<u>No. of shares</u>
Alastair Gunn-Forbes	15,000	30,000
Henry Ying Chew Cheong (Note)	950,000	3,054,873
Mark Chung Fong	Nil	Nil
Ernest Chiu Shun She	183,365	366,730
Martyn Stuart Wells	Nil	Nil

Note: Mr Henry Ying Chew Cheong owns, in addition to the beneficial interest in 3,054,873 ordinary shares of US\$0.001 each in the Company, 2 ordinary shares of US\$1 each in Grand Acumen Holdings Limited ("GAH"), representing 25% of the issued share capital of GAH. As at 1 January 2013 and 31 December 2013, GAH beneficially owned 3,225,000 and 6,450,000 ordinary shares of US\$0.001 each in the Company respectively.

In addition, HC Investment Holdings Limited ("HCIH") is wholly owned by Mr Henry Ying Chew Cheong. As at 1 January 2013 and 31 December 2013, HCIH beneficially owned 2,751,000 and 10,000,000 ordinary shares of US\$0.001 each in the Company respectively.

Save as disclosed above, none of the directors named above had an interest, whether beneficial or non-beneficial, in any shares or debentures of any group companies at the beginning or at the end of the year. None of the directors named above, or members of their immediate families, held, exercised or were awarded any right to subscribe for any shares or debentures of the group companies during the year.

DIRECTORS' REMUNERATION

The remuneration of the directors for the year ended 31 December 2013 was as follows:

	Fees	Emoluments	Total
	US\$'000	US\$'000	US\$'000
Alastair Gunn-Forbes	7	-	7
Henry Ying Chew Cheong	7	-	7
Mark Chung Fong	17	-	17
Ernest Chiu Shun She	7	-	7
Martyn Stuart Wells	7	-	7
	<u>45</u>	<u>-</u>	<u>45</u>

PROVIDENT FUND AND PENSION CONTRIBUTION FOR DIRECTORS

During the year under review, there was no provident fund and pension contribution for the directors.

DIRECTORS' REPORT

LETTERS OF APPOINTMENT/ SERVICE CONTRACTS

Messrs Alastair Gunn-Forbes, Mark Chung Fong, and Martyn Stuart Wells, each has entered into a letter of appointment with the Company to serve as a non-executive director. Each of them is entitled to a fee of £10,000 per annum. The appointment may be terminated on one month notice in writing.

Messrs Henry Ying Chew Cheong and Ernest Chiu Shun She, each has entered into a letter of appointment with the Company to serve as an executive director. Each of them is entitled to a fee of £10,000 per annum. The appointment may be terminated on not less than six months notice in writing.

All directors are eligible to participate in the Group's bonus arrangements for employees at the discretion of the Remuneration Committee and the Board.

Save as disclosed above, there are no existing or proposed letters of appointment or service contracts between any of the directors and the Company or any of its subsidiaries which cannot be determined without payment of compensation (other than any statutory compensation) within one year.

MAJOR INTERESTS IN SHARES

At 22 April 2014, being the latest practicable date prior to the notice of meeting at which this annual report and consolidated financial statements are to be laid before the Company in general meeting, the Company was aware of the following direct or indirect interests (other than directors' interests) representing 5 per cent or more of the Company's issued share capital:

	<u>No. of shares</u>	<u>Percentage of issued share capital</u>
Capita IRG Trustee (Nominees) Limited	19,927,429	35.1%
Grand Acumen Holdings Limited	6,450,000	11.4%
HC Investment Holdings Limited	10,000,000	17.6%
Luis Chi Leung TONG	5,000,000	8.8%

GOING CONCERN

After making enquiries, and taking into account the increase in the equity capital of the Company and the reactivation of the Group's business activities, the directors has formed a judgement, at the time of approving the consolidated financial statements, that there was a reasonable expectation that the Group would have adequate resources to carry out its operations for the foreseeable future. For this reason, as stated in note 3 to the consolidated financial statements, the directors have adopted the going concern basis in preparing the consolidated financial statements.

DIRECTORS' REPORT

CORPORATE GOVERNANCE

The Company seeks to comply with the provisions of the UK Corporate Governance Code on corporate governance published by the Financial Reporting Council in September 2012 (the "UK Corporate Governance Code", which is publicly available on the webpage of the Financial Reporting Council, <https://www.frc.org.uk/Our-Work/Publications/Corporate-Governance/UK-Corporate-Governance-Code-September-2012.pdf>).

The Board, with a non-executive chairman and over half of its members being non-executive directors, is committed to high standard of corporate governance. All non-executive directors are considered by the Board as independent of management and free from any business or other relationship, which could materially interfere with the exercise of their independent judgement. All directors are able to take independent professional advice in furtherance of their duties, if necessary.

The Board is responsible for establishing strategic directions and setting objectives for the Company and making significant investment decisions and monitoring the performance of the Group. The management is responsible for the day to day running of the Group's operations.

While the Board is committed to high standard of corporate governance, the Company did not during the financial year 2013 comply with all the relevant provisions set out in the UK Corporate Governance Code due to various reasons as explained below in this report.

For the period from 1 January 2013 to 2 August 2013:

- (i) the responsibilities of committees such as audit and remuneration committees had been reverted to the Board as a whole;
- (ii) certain internal control procedures previously adopted by the Group became inapplicable on the liquidation of Worldsec International Limited in 2003, those procedures being applicable to a trading operation only. However, the Board had implemented suitable alternative measures to safeguard the Group's assets.

On 2 August 2013, following the appointment of Messrs Ernest Chiu Shun She and Martyn Stuart Wells to join the Board, both the Audit Committee and the Remuneration Committee were re-established in order to cope with matters relating to the Group's operations expected to arise as a result of the reactivation of its business activities.

At the same time, in connection with the fund raising exercise, the Board also conducted a review of the effectiveness of the risk management and internal control systems of the Group, including those in relation to the financial reporting process. Furthermore, the Board/management has, following the approval by shareholders in the Special General Meeting on 30 August 2013 of the new investment policy, reviewed and revised certain parts of the Group's internal control procedures, and will continue to update such procedures, in order to address and control the business operational risks in the light of the guidelines of the new investment policy and with a view to meeting the standard as required by the UK Corporate Governance Code.

Although the Board believes that a Nomination Committee, which makes recommendations to the Board on all new board appointments, will ensure shareholders as to the suitability of a chosen director, the Board considers that it is a "small" Board in the context of the UK Corporate Governance Code and has therefore decided that it would not be necessary to establish such a committee.

Again, because of the "small" size of the Board, the Board has not appointed a senior independent director and does not consider an annual self-evaluation to be particularly meaningful.

DIRECTORS' REPORT

Likewise, as the Group is at the initial stage of reactivating its business activities and the scale of its operations is relatively insubstantial, the Board has decided that it would not be necessary or cost-effective to set up an internal audit function.

AUDIT COMMITTEE

The Audit Committee is chaired by Mr Mark Chung Fong and its other current member is Mr Martyn Stuart Wells. The Audit Committee is appointed by the Board and the committee's membership is comprised of non-executive directors.

The terms of reference of the Audit Committee generally follows, where applicable, those stated in the code provisions of the UK Corporate Governance Code.

The Audit Committee meets not less than two times a year and its responsibilities include, amongst others, the examination and review of the Group's risk management, internal financial controls and financial and accounting policies and practices, as well as overseeing and reviewing the work of the Company's external auditors, their independence and the fees paid to them.

Given that HLB Hodgson Impey Cheng resigned as the Company's external auditors and that Menzies LLP were appointed to carry out the audit work for the Group in February 2014, no assessment of the external audit process was carried out during the financial year 2013.

Subsequent to the year end, the matters that have been examined and reviewed by the Audit Committee in relation to the financial year 2013 included (i) the appointment of Menzies LLP as the Company's external auditors to replace HLB Hodgson Impey Cheng for the 2013 audit and, (ii) the financial statements and reports of the Group for the year ended 31 December 2013. In appointing Menzies LLP, the Audit Committee took into consideration, amongst others, Menzies LLP's independence, objectivity and terms of engagement.

The appointment of Menzies LLP as the Company's external auditors will be kept under annual review, and if satisfactory, Menzies LLP will be recommended by the Audit Committee for reappointment. There are, however, no contractual obligations that would restrict the Audit Committee's choice of external auditors for the Company.

DIRECTORS' REPORT

REMUNERATION COMMITTEE

The Remuneration Committee is chaired by Mr Alastair Gunn-Forbes and its other current members are Messrs Mark Chung Fong and Martyn Stuart Wells.

The Remuneration Committee is appointed by the Board and the committee's membership is comprised of non-executive directors.

The Remuneration Committee meets not less than two times a year and its responsibilities include, amongst others, the evaluation of the performance of the executive directors and senior staff, and the comparison of the Group's remuneration policy with similar organizations in the market to form the basis for the recommendations to the Board to determine the remuneration packages, which may include the grant of share options under the Company's Share Option Scheme, for individual staff and director members.

Subsequent to the year end, the matters that have been discussed by the Remuneration Committee in relation to the financial year 2013 included the review of the remuneration packages for the executive directors.

MEETINGS

The Board held 5 meetings during the financial year 2013 and the table below gives the attendance record.

Director	Board meeting
Alastair Gunn-Forbes	4/5
Henry Ying Chew Cheong	5/5
Ernest Chiu Shun She	4/4
Mark Chung Fong	5/5
Martyn Stuart Wells	4/4

In addition to the above board meetings, pursuant to the Company's bye-laws, two written resolutions were passed by all the directors during the year.

Furthermore, a meeting of the Board Committee was held on 2 August 2013 to finalise all matters related to the Company's fund raising.

As the Group had remained basically inactive until the reactivation of its business activities as a result of the approval by shareholders of, amongst others, the Company's fund raising and the new investment policy in the Special General Meeting on 30 August 2013, there were no meetings of the Audit Committee or the Remuneration Committee held during the year.

WORLDSEC LIMITED

DIRECTORS' REPORT

WORLDSEC EMPLOYEE SHARE OPTION SCHEME 1997

No share options have been granted under the Company's Share Option Scheme since its adoption in a general meeting on 26 February 1997. No director held any option to subscribe for shares in the Company during the year.

RELATION WITH SHAREHOLDERS

Communication with shareholders is given high priority. Information about the Group's activities is provided in the annual report and the interim report which are sent to shareholders. All shareholders are encouraged to attend the Annual General Meeting at which directors are introduced and available for questions. Enquiries are dealt with in an informative and timely manner. Directors, including non-executive directors, are also available to meet with major shareholders on request.

AUDITORS

The consolidated financial statements have been audited by Menzies LLP.

A resolution will be submitted to the Annual General Meeting to re-appoint Menzies LLP as the Company's external auditors.

On behalf of the Board

Henry Ying Chew Cheong
Executive Director
30 April 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required under the Bermuda Companies Act 1981 to prepare consolidated financial statements for each financial year. The directors acknowledge responsibility for the preparation of the consolidated financial statements for the year ended 31 December 2013, which give a true and fair view of the state of affairs of the Company and the Group as at the end of that financial year and of the profit or loss of the Group for that year and which provide the necessary information for shareholders to assess the business activities and performance of the Group during that year. In preparing these consolidated financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimate that are reasonable and prudent;
- state whether the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards; and
- prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors confirm that they have met the above requirements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group. They are also responsible for the Group's system of internal financial controls, for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

On behalf of the Board

Henry Ying Chew Cheong
Executive Director
30 April 2014

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WORLDSEC LIMITED *(incorporated in Bermuda with limited liability)*

Report on the financial statements

We have audited the consolidated financial statements of Worldsec Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated and the company statements of financial position at 31 December 2013, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs).

This report is made solely to the Company's members, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981 and for no other purpose. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 10, the directors are responsible for the preparation of the consolidated financial statements in accordance with IFRS and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the consolidated financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material error.

Scope of the audit of the consolidated financial statements

A description of an audit of consolidated financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion

In our opinion:

- The consolidated financial statements, in all material respects, give a true and fair view of the statement of the Group's and of the Company's affairs as at 31 December 2013 and the Group's loss and cash flows for the year then ended;
- The consolidated financial statements have been properly prepared in accordance with International Financial Reporting Standards;
- The consolidated financial statements have been prepared in accordance with the requirements of the Bermuda Companies Act 1981

Other matters

We have nothing to report in respect of the following matters under the UK Listing Rules, which we are required to review:

- Directors' report in relation to going concern; and
- The part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013**

	<u>Notes</u>	Year ended 31 December	
		<u>2013</u> US\$'000	<u>2012</u> US\$'000
Turnover		-	-
Finance costs		-	-
Staff costs	8	(45)	(16)
Other expenses		(228)	(288)
Loss before tax	9	(273)	(304)
Income tax expense	10	-	-
Loss for the year		(273)	(304)
Other comprehensive income, net of income tax			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		2	1
Other comprehensive income for the year, net of income tax		2	1
Total comprehensive expense for the year		(271)	(303)
Loss attributable to :			
Owners of the Company		(273)	(304)
Total comprehensive expense attributable to :			
Owners of the Company		(271)	(303)
Loss per share - basic and diluted	11	(1) cent	(2) cents

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

WORLDSEC LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2013**

	<u>Notes</u>	<u>2013</u> US\$'000	<u>2012</u> US\$'000
Current assets			
Cash and cash equivalents	14	4,702	909
Current liabilities			
Other payables and accruals	15	<u>(458)</u>	<u>(275)</u>
Net assets		<u>4,244</u>	<u>634</u>
Capital and reserves			
Share capital	16	57	13
Share premium	17	3,837	-
Contributed surplus	17	9,646	9,646
Foreign currency translation reserve		(2)	(4)
Special reserve		625	625
Accumulated losses		<u>(9,919)</u>	<u>(9,646)</u>
Total equity		<u>4,244</u>	<u>634</u>

The consolidated financial statements on pages 12 to 44 were approved and authorized for issue by the Board of Directors on 30 April 2014 and signed on its behalf by:

Alastair Gunn-Forbes
Director

Henry Ying Chew Cheong
Director

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

WORLDSEC LIMITED

**STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2013**

	<u>Notes</u>	<u>2013</u> US\$'000	<u>2012</u> US\$'000
Non-current assets			
Interests in subsidiaries	12	<u>1,926</u>	<u>1,989</u>
Current assets			
Amounts due from subsidiaries	13	-	317
Cash and cash equivalents	14	<u>4,640</u>	<u>845</u>
		<u>4,640</u>	<u>1,162</u>
Current liabilities			
Other payables and accruals	15	(371)	(188)
Amounts due to subsidiaries	13	<u>(2,331)</u>	<u>(2,329)</u>
		<u>(2,702)</u>	<u>(2,517)</u>
Net current assets/(liabilities)		<u>1,938</u>	<u>(1,355)</u>
Net assets		<u>3,864</u>	<u>634</u>
Capital and reserves			
Share capital	16	57	13
Share premium	17	3,837	-
Contributed surplus	17	9,646	9,646
Accumulated losses	17	<u>(9,676)</u>	<u>(9,025)</u>
Total equity		<u>3,864</u>	<u>634</u>

Alastair Gunn-Forbes
Director

Henry Ying Chew Cheong
Director

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Share capital	Share premium	Contributed surplus	Foreign currency translation reserve	Special reserve	Accumulated losses	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	(Note 16)	(Note 17)	(Note 17)	(Note (i))	(Note (ii))		
Balance at 1 January 2012	13	-	9,646	(5)	625	(9,342)	937
Loss for the year							
Other comprehensive income for the year	-	-	-	-	-	(304)	(304)
	-	-	-	1	-	-	1
Total comprehensive expense for the year	-	-	-	1	-	(304)	(303)
Balance at 31 December 2012 and 1 January 2013	13	-	9,646	(4)	625	(9,646)	634
Loss for the year	-	-	-	-	-	(273)	(273)
Other comprehensive income for the year	-	-	-	2	-	-	2
Total comprehensive expense for the year	-	-	-	2	-	(273)	(271)
Issue of new shares by way of open offer and placing	44	4,293	-	-	-	-	4,337
Transaction costs attributable to issue of new shares	-	(456)	-	-	-	-	(456)
Balance at 31 December 2013	57	3,837	9,646	(2)	625	(9,919)	4,244

Notes:

- (i) Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency were recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Such exchange differences accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.
- (ii) The special reserve of the Company represents the amount arising from the difference between the nominal value of the issued share capital of each subsidiary and the nominal value of the issued share capital of the Company along with the surplus arising in a subsidiary on group reorganization completed on 26 February 2007.

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	<u>Note</u>	Year ended 31 December	
		<u>2013</u> US\$'000	<u>2012</u> US\$'000
Cash flows from operating activities			
Loss for the year		<u>(273)</u>	<u>(304)</u>
		(273)	(304)
Movements in working capital			
Increase/(decrease) in other payables and accruals		<u>183</u>	<u>(5)</u>
		183	(5)
Net cash used in operating activities			
		<u>(90)</u>	<u>(309)</u>
		(90)	(309)
Cash flows from financing activities			
Proceeds from issue of new shares		4,337	-
Payment for share issue costs		<u>(456)</u>	<u>-</u>
		4,337	-
Net cash from financing activities			
		<u>3,881</u>	<u>-</u>
		3,881	-
Net increase/(decrease) in cash and cash equivalents			
		3,791	(309)
Cash and cash equivalents at the beginning of the year			
		909	1,217
Effects of exchange rate changes		<u>2</u>	<u>1</u>
		911	1,218
Cash and cash equivalents at the end of the year			
	14	<u>4,702</u>	<u>909</u>
		4,702	909

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

1. GENERAL INFORMATION

The Company is a public listed company incorporated in Bermuda and its shares are listed on the London Stock Exchange. The address of the registered office of the Company is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and the address of the principal place of business of the Company is 6th Floor, New Henry House, 10 Ice House Street, Central, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are set out in note 12 to the consolidated financial statements.

The functional currency of the Company is Hong Kong Dollars ("HKD"). The consolidated financial statements of the Group are presented in United States Dollars ("US\$" or "USD"), which is a currency widely and commonly recognized in the global economy and is freely convertible into a number of foreign currencies. Therefore, the directors consider the presentation in US\$ to be more useful for its current and potential investors.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

2.1 New and revised IFRSs applied with no material effect on the consolidated financial statements

The following new and revised IFRSs have been applied by the Group in the current year and have affected the presentation and disclosures set out in these consolidated financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years.

IFRSs (Amendments)	Annual improvements to IFRSs 2009-2011 cycle except for the amendments to IAS 1
IAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
IAS 19 (as revised in 2011)	Employee Benefits
IFRS 7 (Amendments)	Disclosures - Offsetting Financial Assets and Financial Liabilities
IFRS 10	Consolidated Financial Statements
IFRS 12	Disclosure of Interests on Other Entities
IFRS 13	Fair Value Measurement

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.1 New and revised IFRSs applied with no material effect on the consolidated financial statements (continued)

Except as described below, the application of the above new and revised IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to IAS 1 *Presentation of Items of Other Comprehensive Income* for the first time in the current year. The amendments introduce new terminology, whose use is not mandatory, for the statement of comprehensive income and income statement. Under the amendments to IAS 1, the 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income'. The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and revised IFRSs in issue but not yet effective

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

IAS 16	Property, plant and equipment ¹
IAS 19	Employee Benefits ¹
IAS 24	Related Party Disclosures ¹
IAS 27	Separate Financial Statements ²
IAS 32 (Amendments)	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities ²
IAS 36	Impairment of Assets ²
IAS 38	Intangible Assets ¹
IAS 39	Financial Instruments: Recognition and Measurement ²
IAS 40	Investment Property ¹
IFRS 2	Share-based Payment ¹
IFRS 3 (as revised in 2008)	Business Combinations ¹
IFRS 8	Operating Segments ¹
IFRS 9	Financial Instruments ³
IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures ³
IFRS 10, 12 and IAS 27 2011 (Amendments)	Investment Entities ²
IFRS 14	Regulatory Deferral Accounts ⁴
IFRIC 21	Levies ²

¹ Effective for annual periods beginning on or after 1 July 2014

² Effective for annual periods beginning on or after 1 January 2014

³ Effective for annual periods beginning on or after 1 January 2015

⁴ Effective for annual periods beginning on or after 1 January 2016

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and revised IFRSs in issue but not yet effective (continued)

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of IFRS:

- All recognized financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss is presented in profit or loss.

The directors anticipate that the application of IFRS 9 in the future may have a significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until a detailed review has been completed.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRSs issued by the International Accounting Standards Board.

Basis of preparation

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

Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value of measurement and/or disclosure purposes in these consolidated financial statements is determined on such basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

As at 31 December 2013 and 2012, the Group did not have any assets or liabilities that were measured at the above fair value measurements hierarchy.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holding of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (continued)

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into United States Dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognized in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'loss before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets

Financial assets are classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including cash and bank balance) are measured at amortized cost using the effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities (including other payables and accruals) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

**4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

In the application of the Group's accounting policies, which are described in note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no estimates and assumptions used in these financial statements that the directors expect would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

5. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	<u>2013</u> US\$'000	<u>2012</u> US\$'000
<u>Financial assets</u>		
Loans and receivables (including cash and cash equivalents)	<u>4,702</u>	<u>909</u>
<u>Financial liabilities</u>		
Other payables and accruals	<u>458</u>	<u>275</u>

(b) Financial risk management objectives

The management monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risks (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The Group does not enter into or trade derivative financial instruments for speculative purposes.

Market risks

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

(i) Foreign currency risk

Certain financial assets and financial liabilities of the Group are denominated in foreign currencies other than the functional currency of the relevant group companies, which exposes the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

5. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives (continued)

Market risks (continued)

(i) *Foreign currency risk (continued)*

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of reporting period were as follows:

	<u>Liabilities</u>		<u>Assets</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	US\$'000	US\$'000	US\$'000	US\$'000
HKD	113	113	122	57
Others	226	25	35	38
	<u>339</u>	<u>138</u>	<u>157</u>	<u>95</u>

The following table details the Group's sensitivity to a 10% (2012: 10%) increase and decrease in USD against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts its translation as at year end for a 10% (2012: 10%) change in the relevant foreign currencies rates. A positive number below indicates a decrease in loss for the year where USD strengthens 10% (2012: 10%) against the relevant foreign currency. For a 10% (2012: 10%) weakening of USD against the relevant foreign currencies there would be an equal and opposite impact on the loss for the year.

	<u>2013</u>	<u>2012</u>
	US\$'000	US\$'000
Decrease in post-tax loss for the year		
HKD impact	1	6
	<u>1</u>	<u>6</u>
Increase in post-tax loss for the year		
Others impact	(27)	(1)
	<u>(27)</u>	<u>(1)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

5. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives (continued)

Market risks (continued)

(ii) *Interest rate risk*

The Group's exposure to changes in interest rate is mainly attributable to its bank deposits at variable interest rates. Bank deposits at variable rates expose the Group to cash flow interest rate risk.

The directors consider that the exposure to cash flow interest rate risk was insignificant. Hence, no sensitivity analysis on the exposure to the Group's cash flow interest rate risk is presented.

(iii) *Price risk*

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from foreign currency risk), whether caused by factors specific to an individual investment or its issuer, or factors affecting all instruments.

At 31 December 2013, the Company was not exposed to any significant price risk.

Credit risk

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognized financial assets as stated in the consolidated statement of financial position.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Other than concentration of credit risk on liquid funds which are deposited with banks with a high credit rating, the Group does not have any other significant concentration of credit risk.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

5. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives (continued)

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk management framework to meet the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Liquidity table

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	On demand or less than 1 year	
	<u>2013</u>	<u>2012</u>
	US\$'000	US\$'000
Other payables and accruals	<u>458</u>	<u>275</u>

(c) Fair value of financial instruments

The directors consider that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximated their fair values.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

6. CAPITAL RISK MANAGEMENT

Subsequent to the increase in the Company's share equity and the reactivation of the Group's business activities during the year, the Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The Group monitors capital on the basis of the net debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debt which includes other payables and accruals less cash and cash equivalents. Adjusted capital comprises all components of equity which includes share capital, share premium, contributed surplus, reserves and accumulated losses.

Net debt-to-adjusted capital ratio

The Group's risk management reviews the capital structure on an annual basis. As part of this review, the management considers the cost of capital and risk associated with capital.

The net debt-to-adjusted capital ratio as at 31 December 2013 and 2012 were as follows:

	<u>2013</u> US\$'000	<u>2012</u> US\$'000
Total debt	458	275
Less: Cash and cash equivalents	<u>(4,702)</u>	<u>(909)</u>
Net debt	<u>-</u>	<u>-</u>
Adjusted capital	<u>4,244</u>	<u>634</u>
Debt-to-adjusted capital ratio	<u>0%</u>	<u>0%</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

7. SEGMENT INFORMATION

No segment analysis is presented for the years ended 31 December 2013 and 2012 as the Group had only maintained a minimum operation during both years.

8. STAFF COSTS

The aggregate cost of persons employed by the Group was as follows:

	Year ended 31 December	
	<u>2013</u>	<u>2012</u>
	US\$'000	US\$'000
Wages and salaries	<u>45</u>	<u>16</u>

Directors' remuneration was as follows:

	Year ended 31 December	
	<u>2013</u>	<u>2012</u>
	US\$'000	US\$'000
Fees	45	16
Other remuneration including contributions to pension and provident fund	<u>-</u>	<u>-</u>
	<u>45</u>	<u>16</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

9. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	Year ended 31 December	
	<u>2013</u>	<u>2012</u>
	US\$'000	US\$'000
Auditors' remuneration	41	22
Net foreign exchange loss	<u>1</u>	<u>-</u>

10. INCOME TAX EXPENSE

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

The tax charge for 2013 and 2012 can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 31 December	
	<u>2013</u>	<u>2012</u>
	US\$'000	US\$'000
Loss before tax	<u>273</u>	<u>304</u>
Loss before tax calculated at 16.5% (2012:16.5%)	45	50
Tax effect of estimated tax losses not recognized	<u>(45)</u>	<u>(50)</u>
Tax charge for the year	<u>-</u>	<u>-</u>

No deferred tax had been recognized in the financial statements as the Group and the Company did not have material temporary difference arising between the tax bases of assets and liabilities and their carrying amounts as at 31 December 2013 and 2012.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

11. LOSS PER SHARE

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

	Year ended 31 December	
	<u>2013</u>	<u>2012</u>
Loss for the year attributable to owners of the Company	<u>US\$273,000</u>	<u>US\$304,000</u>
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	<u>27,387,400</u>	<u>13,367,290</u>
Loss per share – basic and diluted	<u>1 cent</u>	<u>2 cents</u>

12. INTERESTS IN SUBSIDIARIES

	<u>2013</u>	<u>2012</u>
	US\$'000	US\$'000
The Company		
Unlisted shares, at cost	6,450	6,450
Less: impairment loss	<u>(4,524)</u>	<u>(4,461)</u>
	<u>1,926</u>	<u>1,989</u>

The Company had provided an impairment loss of approximately US\$63,000 (2012: US\$62,000) for the year ended 31 December 2013 to write down its investments to net asset value.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

12. INTERESTS IN SUBSIDIARIES (CONTINUED)

Details of the Company's subsidiaries at 31 December 2013 were as follows:

<u>Name</u>	<u>Country of incorporation and operation</u>	<u>Proportion of ownership interest</u>	<u>Proportion of voting power held</u>	<u>Principal activities</u>
Worldsec Financial Services Limited	British Virgin Islands	100%	100%	Investment holding
Worldsec Corporate Finance Limited	British Virgin Islands	100%*	100%*	Inactive
Worldsec International NV	Netherlands Antilles	100%*	100%*	Investment holding
Worldsec International (Netherlands) BV	Netherlands	100%*	100%*	Investment holding
Worldsec International (PH) BV	Netherlands	100%*	100%*	Investment holding
Worldsec Investment (Hong Kong) Limited	Hong Kong	100%*	100%*	Investment holding

* Indirectly held subsidiary

All subsidiaries were included in the consolidation.

13. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	<u>2013</u>	<u>2012</u>
The Company	US\$'000	US\$'000
Amounts due from subsidiaries	380	317
Less: impairment loss	(380)	-
	<u>-</u>	<u>317</u>
Amounts due to subsidiaries	<u>(2,331)</u>	<u>(2,329)</u>

The Company had provided an impairment loss of approximately US\$380,000 (2012: \$Nil) for the year ended 31 December 2013 because these subsidiaries had insufficient assets to be realized to recover the Company's interests therein.

The amounts due from/(to) subsidiaries were unsecured, interest-free and had no fixed terms of repayment.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

14. CASH AND CASH EQUIVALENTS

For the purposes of the consolidated statement of cash flows, cash and cash equivalents included cash on hand and in banks. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	US\$'000	US\$'000	US\$'000	US\$'000
Cash balances	1	1	1	1
Bank balances	4,701	908	4,639	844
	4,702	909	4,640	845

Bank balances bore interest at the then prevailing market rates ranging from 0.001% to 0.01% (2012: 0.001% to 0.01%) per annum and had original maturities of three months or less.

15. OTHER PAYABLES AND ACCRUALS

	<u>The Group</u>		<u>The Company</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	US\$'000	US\$'000	US\$'000	US\$'000
Other payables	193	193	147	147
Accruals	265	82	224	41
	458	275	371	188

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

16. SHARE CAPITAL

	<u>2013</u> US\$	<u>2012</u> US\$
Authorized:		
60,000,000,000 (2012: 50,000,000,000) ordinary shares of US\$0.001 each	<u>60,000,000</u>	<u>50,000,000</u>
	Number of shares	Total value US\$'000
At 1 January 2012, 31 December 2012 and 1 January 2013	50,000,000,000	50,000
Additions during the year (Note i)	<u>10,000,000,000</u>	<u>10,000</u>
At 31 December 2013	<u>60,000,000,000</u>	<u>60,000</u>
Called up, issued and fully paid:		
56,734,580 (2012: 13,367,290) ordinary shares of US\$0.001 each	<u>56,735</u>	<u>13,367</u>
	Number of shares	Total value US\$'000
At 1 January 2012, 31 December 2012 and 1 January 2013	13,367,290	13,367
Issue of new shares by way of placing (Note ii)	30,000,000	30,000
Issue of new shares by way of open offer (Note iii)	<u>13,367,290</u>	<u>13,368</u>
At 31 December 2013	<u>56,734,580</u>	<u>56,735</u>

Notes:

- (i) Pursuant to the ordinary resolution passed on 30 August 2013, the authorized share capital of the Company was increased from US\$50,000,000 divided into 50,000,000,000 ordinary shares of US\$0.001 each to US\$60,000,000 divided into 60,000,000,000 ordinary shares of US\$0.001 each by the creation of an additional 10,000,000,000 ordinary shares of US\$0.001 each.
- (ii) In September 2013, the Company issued 30,000,000 ordinary shares of US\$0.001 each in the share capital of the Company at a price of US\$0.10 per share by way of placing to independent investors, giving rise to gross proceeds of US\$3 million.
- (iii) In September 2013, the Company issued 13,367,290 ordinary shares of US\$0.001 each in the share capital of the Company at a price of US\$0.10 per share by way of open offer on the basis of 1 new share for every 1 ordinary share held by qualifying shareholders, giving rise to gross proceeds of US\$1.3 million.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**
17. RESERVES

The Company	Share <u>Premium</u> US\$'000	Contributed <u>Surplus</u> US\$'000 (Note (i))	Accumulated <u>Losses</u> US\$'000
Balance as at 1 January 2012	-	9,646	(8,722)
Total comprehensive expense for the year	-	-	(303)
Balance as at 31 December 2012 and 1 January 2013	-	9,646	(9,025)
Total comprehensive expense for the year	-	-	(651)
Issue of new shares by way of open offer and placing	4,293	-	-
Transaction costs attributable to issue of new shares	(456)	-	-
Balance as at 31 December 2013	<u>3,837</u>	<u>9,646</u>	<u>(9,676)</u>

The Group	Share <u>Premium</u> US\$'000	Contributed <u>Surplus</u> US\$'000 (Note (i))	Foreign Currency Translation <u>Reserve</u> US\$'000 (Note (ii))	Special <u>Reserve</u> US\$'000 (Note (iii))	Accumulated <u>Losses</u> US\$'000
Balance as at 1 January 2012	-	9,646	(5)	625	(9,342)
Total comprehensive expense for the year	-	-	1	-	(304)
Balance as at 31 December 2012 and 1 January 2013	-	9,646	(4)	625	(9,646)
Total comprehensive expense for the year	-	-	2	-	(273)
Issue of new shares by way of open offer and placing	4,293	-	-	-	-
Transaction costs attributable to issue of new shares	(456)	-	-	-	-
Balance as at 31 December 2013	<u>3,837</u>	<u>9,646</u>	<u>(2)</u>	<u>625</u>	<u>(9,919)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

17. RESERVES (CONTINUED)

Notes:

- (i) The contributed surplus of the Company represents the amount arising from the reduction in the nominal value of the authorized and issued shares of the Company and the reduction in the share premium account of the Company pursuant to an ordinary resolution passed on 23 July 2003.
- (ii) Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency were recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Such exchange differences accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.
- (iii) The special reserve of the Company represents the amount arising from the difference between the nominal value of the issued share capital of each subsidiary and the nominal value of the issued share capital of the Company along with the surplus arising in a subsidiary on group reorganization completed on 26 February 2007.

18. RELATED PARTY TRANSACTIONS

The Company did not have an ultimate controlling party as at 31 December 2013.

Save as those disclosed elsewhere in the consolidated financial statements, the Group entered into the following transactions with related parties during the year:

(i)	<u>Name of related company</u>	<u>Nature of transaction</u>	<u>2013</u> US\$'000	<u>2012</u> US\$'000
	WAG Worldsec Corporate			
	Finance Limited (<i>Note</i>)	Accounting fee	<u>18</u>	<u>17</u>

Note: Mr Henry Ying Chew Cheong, a director of the Company, had beneficial interest (approximately 34%) in the related company.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

18. RELATED PARTY TRANSACTIONS (CONTINUED)

- (ii) With reference to the open offer of new shares to shareholders to raise new equity capital of the Company which was approved by shareholders in the Special General Meeting on 30 August 2013, Messrs Alastair Gunn-Forbes, Henry Ying Chew Cheong and Ernest Chiu Shun She, being directors of the Company, had each subscribed in full for their entitlements (including, in the case of Mr Henry Ying Chew Cheong, the entitlements belonging to his associates).

In addition, Mr Henry Ying Chew Cheong had entered into an underwriting agreement with the Company to underwrite 6,242,925 new shares under the open offer (being the number of shares not owned by him, his associates or other directors).

- (iii) With reference to the placing of new shares to independent third-party investors to raise new equity capital of the Company which was approved by shareholders in the Special General Meeting on 30 August 2013, Mr Henry Ying Chew Cheong was approved by shareholders to participate in the placing of new shares of up to 6,242,925 new shares. Under the terms of the underwriting agreement in connection with the open offer referred to above, Mr Henry Ying Chew Cheong had agreed to acquire an aggregated maximum of 6,242,925 new shares in the open offer and placing.

As previously announced, the number of new shares required to be taken up by Mr Henry Ying Chew Cheong in his capacity as the underwriter in connection with the open offer amounted to 5,652,873 new shares and he did not acquire any new shares from the placing as valid acceptances for the maximum subscription of the placing were received.

Compensation of key management personnel

Key management personnel of the Company are the directors of the Company only. The remuneration of directors is set out on the consolidated statement of profit or loss and other comprehensive income and with additional disclosure in note 8 to the consolidated financial statements.

19. CONTINGENT LIABILITIES

The Group and the Company had no material contingent liabilities as at 31 December 2013 (2012: \$Nil).

----- End of notes -----

BIOGRAPHICAL NOTES ON THE DIRECTORS

The Board has ultimate responsibility for the Group's affairs.

Brief biographical notes on the directors of the Company are set out below:

Alastair Gunn-Forbes - Non-Executive Chairman - aged 69

Mr Gunn-Forbes has been associated with Asian regional stock markets since 1973 when he was a fund manager at Brown Shipley Ltd. Subsequently, he was a director of W.I Carr, Sons & Co. (Overseas) Ltd until 1985, since when he has held directorships with other Asian securities firms in the United Kingdom prior to joining the Group in 1993. Mr Gunn-Forbes is the Chairman of Opera Holdings, a recruitment company and also the Chairman of FutureBiogas, a green energy company.

Henry Ying Chew Cheong - Executive Director and Deputy Chairman - aged 66

Mr Cheong holds a Bachelor of Science (Mathematics) degree from Chelsea College, University of London and a Master of Science (Operational Research and Management) degree from Imperial College, University of London.

Mr Cheong has over 35 years of experience in the securities industry. Mr Cheong and The Mitsubishi Bank in Japan (now known as The Bank of Tokyo-Mitsubishi UFJ Ltd) founded the Worldsec Group in 1991. In late 2002, Worldsec Group sold certain securities businesses to UOB Kay Hian and following that Mr Cheong became the Chief Executive Officer of UOB Asia (Hong Kong) Ltd until early 2005. Prior to the formation of the Worldsec Group, Mr Cheong was a director of James Capel (Far East) Ltd for five years with overall responsibility for Far East Sales. His earlier professional experience includes 11 years with Vickers da Costa Limited in Hong Kong latterly as Managing Director.

Mr Cheong is an Independent Non-Executive Director of Cheung Kong (Holdings) Limited, Cheung Kong Infrastructure Holdings Limited, CNNC International Limited, Creative Energy Solutions Holdings Limited, Hutchison Telecommunications Hong Kong Holdings Limited, New World Department Store China Limited, Greenland Hong Kong Holdings Limited (formerly known as SPG Land (Holdings) Limited) and TOM Group Limited, all being listed companies in Hong Kong. Mr Cheong is also an Independent Director of BTS Group Holdings Public Company Limited, being listed in Thailand. Mr Cheong was previously an Independent Non-Executive Director of FPP Japan Fund Inc. (formerly known as FPP Golden Asia Fund Inc. and Jade Asia Pacific Fund Inc.), a company listed in Ireland (resigned on 21 October 2008), and an Independent Non-executive Director of Hong Kong Jewellery Holding Limited (formerly known as Excel Technology International Holdings Limited), a company listed in Hong Kong (resigned on 3 July 2012).

Mr Cheong is a member of the Advisory Committee of the Securities and Futures Commission and also a member of the Securities and Futures Appeals Tribunal in Hong Kong. Mr Cheong was previously a member of Disciplinary Panel A of Hong Kong Institute of Certified Public Accountants (from 2005-2011), a member of the Corporate Advisory Council of the Hong Kong Securities Institute (from 2002-2009), a member of the Advisory Committee (from 1993-1999) to the Securities and Futures Commission ("SFC"), a member of the Board of Director of the Hong Kong Future Exchange Limited (from 1994-2000), a member of GEM Listing Committee and Main Board Listing Committee of Hong Kong Exchange and Clearing Limited ("HKEX") (from May 2002-May 2006), a member of Derivatives Market Consultative Panel of HKEX (from April 2000-May 2006), a member of the Process Review Panel for the SFC (from November 2000-October 2006) and a member of the Committee on Real Estate Investment Trust of the SFC (from September 2003-August 2006).

BIOGRAPHICAL NOTES ON THE DIRECTORS

Ernest Chiu Shun She - Executive Director – aged 53

Mr She is an investment banker with extensive experience in the field of corporate finance having covered a broad and diverse range of financial advisory and fund raising activities in the Asian regional stock markets and has held executive management positions and directorships at Worldsec Corporate Finance Limited and UOB Asia (Hong Kong) Limited.

Mr She was one of the cofounding team members at the Worldsec Group of companies when they were established in the early 1990s. Between 1991 and until the disposal by the Group of certain securities businesses to UOB Kay Hian Holdings Limited in 2002, Mr She spent a total of eleven years holding senior management positions at Worldsec Corporate Finance Limited and Worldsec International Limited with the main responsibility of developing and overseeing the Group's corporate finance activities.

Prior to his tenure at the Worldsec Group of companies, Mr She was an investment analyst and an associate director at James Capel (Far East) Limited where he was primarily responsible for equity research in the real estate sector.

Mr She graduated from the University of Toronto with a Bachelor of Applied Science degree in Industrial Engineering and obtained from the Imperial College of Science and Technology a Master of Science degree in Management Science specialising in Operational Research. Mr She is a Chartered Financial Analyst.

From 2004 to 2010, Mr She served as an Independent Non-Executive Director and the Chairman of the Audit Committee of New Island Printing Holdings Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Mr She rejoined the Group in July 2013.

Mark Chung Fong - Non-Executive Director - aged 62

Mr Fong was an Executive Director for China development of Grant Thornton International Ltd, a corporation incorporated in England and had retired from Grant Thornton effective from 1 January 2014. He has more than 30 years' experience in the accounting profession. Mr Fong holds a Master of Science degree from the University of Surrey. He is a Fellow of the Institute of Chartered Accountants in England and Wales and a Fellow and a Past President of the Hong Kong Institute of Certified Public Accountants.

Martyn Stuart Wells - Non-Executive Director – aged 69

Mr Wells was formerly an Executive Director of Citicorp International Limited and has over 30 years' experience in the securities industry. In 1969 he joined Vickers da Costa, international stockbrokers. He was involved in the fund management industry for 20 years and participated in the launch of several country funds investing in the Asian region, serving as a director or as a member of the investment advisory councils of several of those funds. He lived in Hong Kong for almost 28 years and since 2000 has resided in England.