



**WORLDSEC LIMITED**

Interim Report for the six months ended 30 June 2013



# **Worldsec Limited**

## **Interim Report for the six months ended 30 June 2013**

The board (the “Board”) of directors of Worldsec Limited (the “Company”) hereby submit the interim report on the Company and its subsidiaries (collectively known as the “Group”) for the six months ended 30 June 2013.

For the six months ended 30 June 2013, the Group incurred a net loss of US\$108,000. This compares with a net loss of US\$94,000 for the corresponding period in the previous year. As at 30 June 2013, the Group’s total equity stood at US\$0.53 million as compared to US\$0.63 million as at 31 December 2012.

On 2 August 2013, the Company announced a proposal to, inter alia, (i) raise new equity capital by way of (a) an open offer of 13,367,290 new shares at US\$0.10 each to shareholders on the basis of one new share for every existing share held, and (b) a placing of up to 30,000,000 new shares at US\$0.10 each, and (ii) adopt a new investment policy focusing primarily on investing in smaller unlisted businesses based mainly in the relatively fast growing economies of Greater China and South East Asia. Details of the proposal, which is subject to shareholders approval at the special general meeting to be held on 30 August 2013, are set out in the circular and the summary and securities note published by the Company on 2 August 2013.

With a view to strengthening the Board in anticipation of the proposed adoption of its new investment policy, the Company has appointed Mr. Ernest Chiu Shun She as an executive director and Mr. Martyn Stuart Wells as a non-executive director. Both Mr. She and Mr. Wells have substantial experience in relation to investments in Greater China and South East Asia.

Meanwhile, to facilitate effective share transfer electronically, the Company has established a depositary interest facility, arranging for a depositary to issue dematerialised depositary interests (the “Depositary Interests”) in respect of shares for shareholders preferring to hold such shares in uncertificated form. The Depositary Interests may then be held and transferred through the CREST electronic settlement system. Detailed information on the depositary interest arrangement can be found in paragraph 13 of Part V of the registration document published by the Company on 2 August 2013.

Subject to shareholders approval of, inter alia, the proposed fund raising and the proposed adoption of its new investment policy at the special general meeting on 30 August 2013, the Company will enter into a new era focusing primarily on investments in smaller unlisted businesses based mainly in Greater China and South East Asia with a view to participating in and benefiting from the investment opportunities under the relatively fast growing economic environment. Given the track record and connections of the Board in the target regions, I am confident on the future prospects of the Group and the ability of the Company to create and generate shareholders value over the longer term.

By order of the Board

Alastair GUNN-FORBES  
Non-Executive Chairman

28 August 2013

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 JUNE 2013**

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	<u>Notes</u>	Unaudited Six months ended <u>30.6.2013</u> US\$'000	Audited Year ended <u>31.12.2012</u> US\$'000
Other income and gain	5	-	-
Staff costs		(7)	(8)
Other expenses		(101)	(86)
<b>Loss before tax</b>		<b>(108)</b>	<b>(94)</b>
Income tax expense	6	-	-
<b>Loss for the period/year</b>		<b>(108)</b>	<b>(94)</b>
Other comprehensive income, net of income tax			
Exchange differences on translating foreign operations		(1)	(1)
Other comprehensive income for the year, net of income tax		(1)	(1)
<b>Total comprehensive income for the year</b>		<b>(109)</b>	<b>(95)</b>
<b>Loss attributable to:</b>			
<b>Owners of the Company</b>		<b>(108)</b>	<b>(94)</b>
<b>Total comprehensive income attributable to:</b>			
<b>Owners of the Company</b>		<b>(109)</b>	<b>(95)</b>
<b>Loss per share – basic and diluted</b>	7	<b>(0.8) cent</b>	<b>(0.7) cent</b>
			<b>(2) cents</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT 30 JUNE 2013**

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	<u>Notes</u>	<b>Unaudited Six months ended 30.6.2013 US\$'000</b>	<b>30.6.2012 US\$'000</b>	<b>Audited Year ended 31.12.2012 US\$'000</b>
<b>Current assets</b>				
Cash and bank balances		774	1,096	909
<b>Current liabilities</b>				
Other payables and accruals		(249)	(254)	(275)
<b>Net current assets</b>		525	842	634
<b>Net assets</b>		<b>525</b>	<b>842</b>	<b>634</b>
<b>Capital and reserves</b>				
Share capital	8	13	13	13
Contributed surplus	9	9,646	9,646	9,646
Foreign currency translation reserve	9	(5)	(6)	(4)
Special reserve	9	625	625	625
Accumulated losses	9	(9,754)	(9,436)	(9,646)
<b>Total equity</b>		<b>525</b>	<b>842</b>	<b>634</b>

**CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE PERIOD ENDED 30 JUNE 2013**

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	Unaudited Six months ended <u>30.6.2013</u> US\$'000	Unaudited Six months ended <u>30.6.2012</u> US\$'000	Audited Year ended <u>31.12.2012</u> US\$'000
<b>Cash flows from operating activities</b>			
Loss for the period/year	(108)	(94)	(304)
Interest income	-	-	-
	(108)	(94)	(304)
<b>Movement in working capital</b>			
Decrease in other payables and accruals	(26)	(26)	(5)
<b>Net cash used in operating activities</b>	<u>(134)</u>	<u>(120)</u>	<u>(309)</u>
<b>Cash flow from investing activities</b>			
Interest received	-	-	-
<b>Net cash inflow from investing activities</b>	-	-	-
<b>Net decrease in cash and cash equivalents</b>	(134)	(120)	(309)
<b>Cash and cash equivalents at beginning of the period/year</b>	909	1,217	1,217
<b>Effects of exchange rate changes</b>	(1)	(1)	1
<b>Cash and cash equivalents at end of the period/year</b>	<u>774</u>	<u>1,096</u>	<u>909</u>
Cash and bank balances	<u>774</u>	<u>1,096</u>	<u>909</u>

## **NOTES TO THE INTERIM REPORT FOR THE PERIOD ENDED 30 JUNE 2013**

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### **1. GENERAL INFORMATION**

The Company is a public listed company incorporated in Bermuda and its shares are listed on the London Stock Exchange. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information in the interim report.

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

In the current period, the Group has adopted all of the new and revised IFRSs issued by the International Accounting Standards Board (the “IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”) of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 1 July 2012 and 1 January 2013. The adoption of these new and revised IFRSs has no significant impact on the financial statements of the Group.

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

IFRS 9	Financial Instruments <sup>2</sup>
IAS 32 (Amendments)	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2014

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2015

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

Save as disclosed above, the accounting policies adopted in preparing this report are consistent with those adopted in preparing the consolidated financial statements of the Group for the year ended 31 December 2012.

## **NOTES TO THE INTERIM REPORT (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2013**

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### **3. BASIS OF PREPARATION**

The financial statements have been prepared in accordance with IFRSs. It has been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the Group's assets to net realizable value, as the Group no longer has a trading operation. Provision has also been made for any onerous contractual commitments at the end of the reporting period. The financial statements do not include any provision for the future costs of terminating the business of the Company except to the extent that such costs were committed at the end of the reporting period. Accordingly, all assets are classified as current assets.

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

### **4. BUSINESS AND GEOGRAPHICAL SEGMENTS**

No business and geographical segment analyses are presented for the periods ended 30 June 2013 and 30 June 2012 as the Group has only maintained a minimum operation during the period.

### **5. OTHER INCOME AND GAIN**

	<b>Unaudited Six months ended <u>30.6.2013</u> US\$'000</b>	<b>Unaudited Six months ended <u>30.6.2012</u> US\$'000</b>	<b>Audited Year ended <u>31.12.2012</u> US\$'000</b>
Sundry Income	-	-	-
Interest income	-	-	-
	<hr/>	<hr/>	<hr/>
	-	-	-

### **6. INCOME TAX EXPENSE**

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

### **7. LOSS PER SHARE**

Calculation of loss per share was based on the following:

	<b>Unaudited Six months ended <u>30.6.2013</u></b>	<b>Unaudited Six months ended <u>30.6.2012</u></b>	<b>Audited Year ended <u>31.12.2012</u></b>
Loss for the period/year	<hr/> <b>US\$(108,000)</b>	<hr/> <b>US\$(94,000)</b>	<hr/> <b>US\$(304,000)</b>
Weighted average number of shares in issue	<hr/> <b>13,367,290</b>	<hr/> <b>13,367,290</b>	<hr/> <b>13,367,290</b>
Loss per share – basic and diluted	<hr/> <b>(0.8) cent</b>	<hr/> <b>(0.7) cent</b>	<hr/> <b>(2) cents</b>

No diluted effect in loss per share as no diluting events existed during the periods/year.

**NOTES TO THE INTERIM REPORT (CONTINUED)  
FOR THE PERIOD ENDED 30 JUNE 2013**

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**8. SHARE CAPITAL**

	US\$
Authorised:	
50,000,000,000 ordinary shares of US\$0.001 each as at 30 June 2012, 31 December 2012 and 30 June 2013	<u>50,000,000</u>
Called up, issued and fully paid:	
13,367,290 ordinary shares of US\$0.001 each as at 30 June 2012, 31 December 2012 and 30 June 2013	<u>13,367</u>

**9. RESERVES**

	<u>Contributed surplus</u>  US\$'000	<u>Foreign currency translation reserve</u>  US\$'000	<u>Special reserve</u>  US\$'000	<u>Accumulated losses</u>  US\$'000
Balance at 1 January 2012	9,646	(5)	625	(9,342 )
Loss for the period	-	(1)	-	(94 )
Balance at 1 July 2012	9,646	(6)	625	(9,436 )
Loss for the period	-	2	-	(210 )
Balance at 1 January 2013	9,646	(4)	625	(9,646 )
Loss for the period	-	(1)	-	(108 )
Balance at 30 June 2013	<u>9,646</u>	<u>(5)</u>	<u>625</u>	<u>(9,754 )</u>

**10. SUBSEQUENT EVENT**

On 2 August 2013, the Company announced a proposal to, inter alia, (i) raise new equity capital by way of (a) an open offer of 13,367,290 new shares at US\$0.10 each to shareholders on the basis of one new share for every existing share held, and (b) a placing of up to 30,000,000 new shares at US\$0.10 each, and (ii) adopt a new investment policy. The proposed fund raising and the proposed adoption of the new investment policy by the Company are subject to shareholders approval at the special general meeting to be held on 30 August 2013. Should the proposal be approved, the Company will operate as a closed ended investment company focusing primarily on investments in smaller unlisted businesses based mainly in Greater China and South East Asia.

**11. INTERIM REPORT**

The interim report will be sent to shareholders on or about 31 August 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  
Martyn Stuart WELLS (appointed on 19 July 2013)

#### **Company Secretary**

May Yim CHAN (resigned on 2 August 2013)  
Jordans Company Secretaries Limited (appointed on 2 August 2013)  
21 St Thomas Street, Bristol BS1 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**

HLB Hodgson Impey Cheng  
Certified Public Accountants  
31st Floor, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong

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

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

#### **International Branch Registrar**

Capita Registrars (Jersey) Limited  
12 Castle Street, St Helier, Jersey, JE2 3RT, Channel Islands

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

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

#### **Investor Relations**

For further information about Worldsec Limited, please contact:

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