

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take you are recommended to seek your own financial advice immediately from an independent financial adviser who specialises in advising on shares or other securities and who is authorised under the Financial Services and Markets Act 2000 ("FSMA") if you are resident in the United Kingdom, or if not, from another appropriately authorised independent financial adviser.

This document, which comprises a prospectus relating to Worldsec Limited (the "**Company**") prepared in accordance with the Prospectus Rules, has been approved by the Financial Conduct Authority (the "**FCA**") in accordance with section 87A of FSMA and has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules.

If you sell or have sold or otherwise transferred all of your Ordinary Shares in certificated form before 14 March 2018 (the date upon which the Ordinary Shares were marked "ex" the entitlement to the Open Offer) please send this document (but not any personalised Application Form) at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee except that such documents should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including but not limited to the Excluded Territories. If you sell or transfer or have sold or otherwise transferred only part of your holding of Ordinary Shares held in certificated form before 14 March 2018, you should refer to the instructions regarding split applications in Part 2 of this document and in the Application Form. If the Ordinary Shares which were sold or transferred were held in uncertificated form (that is in CREST) and were sold or transferred before the close of business on 13 March 2018, a claim transaction will automatically be generated by CREST which, on settlement, will transfer the appropriate number of Open Offer Entitlements to the purchaser or transferee.

The Existing Shares are admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities. Applications will be made to the UK Listing Authority for the New Shares to be admitted to the Official List and for the New Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that admission will become effective, and that dealings in the Open Offer Shares on the London Stock Exchange's main market for listed securities will commence, at 8.00 a.m. on 4 April 2018. It is expected that admission to the Official List of the Subsequent Placing Shares will become effective, and that dealings in the Subsequent Placing Shares, on the London Stock Exchange's main market for listed securities will commence between 4 April 2018 and 12 March 2019. No application has been or is currently intended to be, made for the New Shares to be admitted to listing or dealt in on any other stock exchange.

The Company and each of the Directors, whose names appear on page 28 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This document should be read in its entirety and, in particular, your attention is drawn to the section headed "Risk Factors" which should be taken into account when considering an investment in the Company.

Worldsec Limited

(Incorporated and registered in Bermuda under registration number EC21466)

OPEN OFFER OF 28,367,290 NEW SHARES

AT US\$0.15 PER NEW SHARE

SUBSEQUENT PLACINGS OF UP TO 100 MILLION NEW SHARES

Financial Adviser

Smith & Williamson Corporate Finance Limited

Smith & Williamson Corporate Finance Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, has been appointed to act as financial adviser to the Company in connection with the Issues. Dickson Minto W.S., which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, has been appointed to act as sponsor and UK solicitor to the Company in connection with the Issues. Persons receiving this document should note that, in connection with the Issues, Smith & Williamson Corporate Finance Limited and Dickson Minto W.S. are acting exclusively for the Company and no one else. Apart from the responsibilities and liabilities, if any, which may be imposed on Smith & Williamson Corporate Finance Limited and/or Dickson Minto W.S. by FSMA, Smith & Williamson Corporate Finance Limited and/or Dickson Minto W.S. will not be responsible to anyone other than the Company for providing the protections afforded to clients of Smith & Williamson Corporate Finance Limited and Dickson Minto W.S. or for advising any other person on the transactions and arrangements described in this document. No representation or warranty, express or implied, is made by Smith & Williamson Corporate Finance Limited and/or Dickson Minto W.S. as to any of the contents of this document for which the Company and the Directors are solely responsible. Neither Smith & Williamson Corporate Finance Limited nor Dickson Minto W.S. has authorised the contents of, or any part of, this document and (without limiting the statutory rights of any person to whom this document is issued) no liability whatsoever is accepted by Smith & Williamson Corporate Finance Limited and/or Dickson Minto W.S. for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which the Company and the Directors are solely responsible. Accordingly, Smith & Williamson Corporate Finance Limited and Dickson Minto W.S. disclaim (to the extent permitted by law) any liability which they might otherwise have in respect of any of the information or opinions contained in this document, whether arising in tort, contract or otherwise.

The latest time and date for acceptance and payment in full for New Shares under the Open Offer is expected to be 11.00 a.m. on 29 March 2018. The procedure for acceptance and payment is set out in Part 2 of this document and, where relevant, the Application Form.

Recipients of this document may not reproduce or distribute this document, in whole or in part, and may not disclose any of the contents of this document or use any information in it for any purpose other than considering an investment in the New Shares. Recipients of this document agree to the foregoing by accepting delivery of this document.

The contents of this document are not to be construed as legal, financial or tax advice. Investors should consult their own legal adviser, financial adviser or tax adviser for legal, financial or tax advice.

Capitalised terms have the meanings ascribed to them in Part 7 of this document.

OVERSEAS RESTRICTIONS

The distribution of this document and the Application Form, and the transfer of the New Shares through CREST or in or into jurisdictions other than the United Kingdom, may be restricted by law and therefore persons into whose possession this document or the Application Form comes should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction. In particular, subject to certain exceptions, this document and the Application Form and any other such documents should not be distributed, forwarded or transmitted in or into any of the Excluded Territories.

All Overseas Shareholders and any person (including, without limitation, a nominee or trustee) who has a contractual or legal obligation to forward this document or any Application Form, if and when received, or other document to a jurisdiction outside the United Kingdom should read paragraph 10 of Part 2 of this document.

United States

The New Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) (US Securities Act), or under the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred, distributed or delivered, directly or indirectly, within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The New Shares are being offered and sold only outside the United States to persons who are not "US Persons" and who are located outside the United States in "offshore transactions" in accordance with and in reliance on the exemption from the registration requirements of the US Securities Act provided by Regulation S thereunder. There will be no public offer of the New Shares in the United States.

The Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the "Investment Company Act"), and investors will not be entitled to the benefits of the Investment Company Act.

None of the New Shares or any other document connected with the arrangements described in this Prospectus have been or will be approved or disapproved by the United States Securities and Exchanges Commission (SEC), any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Shares or the accuracy or adequacy of the Prospectus or of the Application Form. Any representation to the contrary is a criminal offence in the United States.

Hong Kong

The contents of this document and its enclosures, if any, have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Issues. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice. This document and its enclosures, if any, may not be copied, transferred, distributed to any person in Hong Kong other than the addressee. If you have received this document or any copy or any part thereof in Hong Kong, for any reason whatsoever, and you are not the intended addressee, you must immediately return the document or any copy or any part thereof to Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW, United Kingdom or otherwise dispose of the document in a secure manner.

The New Shares to be issued pursuant to the Issues are not offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than to Qualifying Shareholders who are Overseas Shareholders with registered addresses in Hong Kong who do not number more than 50 persons, or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance.

No person has issued or had in its possession for the purposes of issue, and no person will issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong).

The issue of this document has not been authorised by the Securities and Futures Commission in Hong Kong nor has the document been registered by the Registrar of Companies in Hong Kong. This document does not constitute an offer or invitation to the public to acquire New Shares in the Issues.

Dated: 13 March 2018

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SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A-E (A.1-E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Since some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted into the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

Section A – Introduction and warnings		
<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
A.1	Warning	This summary should be read as an introduction to this Prospectus. Any decision to invest in the securities should be based on consideration of the document as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the EU, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries	Not applicable. The Company is not engaging any financial intermediaries for any resale of securities or final placement of securities after the publication of this document.

Section B – Issuer		
<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
B.1	Legal and commercial name	Worldsec Limited
B.2	Domicile and legal form	The Company is incorporated and registered in Bermuda as a Bermudan exempted company under registration number EC21466.
B.3	Nature of the issuer's current operations and principal activities	The Company is a closed-ended investment company listed under Chapter 15 of the Listing Rules. The Company invests in small to medium sized trading companies, both start-up/early stage growth and established, based mainly in the Greater China and South East Asian regions.
B.4a	Recent trends affecting the issuer	With the differing pace of the advanced economies in moving towards monetary policy normalisation, the uncertainty surrounding Britain's negotiations to exit the European Union, the uncertainty surrounding the policies of President Trump in the United States, the ongoing structural reforms in China, and the geopolitical tension in Asia and the Middle East, the investment climate around the world has been uncertain. But under an era of persistently low interest rates, stock markets have mostly been buoyant and asset valuations are considered by many to be inflated. This has made the investment environment challenging for private equity investment.
B.5	Group description	The Company is the holding company of a group of five wholly-owned subsidiaries, one of which is the intermediate holding company of two holding companies for the Group's investments and two of which are inactive.

B.6	Major shareholders	<p>As at the Latest Practicable Date, and so far as is known to the Company by virtue of notifications made to it pursuant to the Market Abuse Regulation and Chapter 5 of the Disclosure Guidance and Transparency Rules, the name of each person who, directly or indirectly, was interested in 5 per cent. or more of the voting rights in the Company, and the amount of such person's interest, was as follows:</p> <table><tr><td></td><td>At 9 March 2018</td><td>Percentage of issued Ordinary Shares</td></tr><tr><td>Lynchwood Nominees Limited</td><td>12,500,000</td><td>22.03%</td></tr><tr><td>HC Investment Holdings Limited⁽¹⁾</td><td>10,000,000</td><td>17.63%</td></tr><tr><td>Grand Acumen Holdings Limited⁽²⁾</td><td>6,450,000</td><td>11.37%</td></tr><tr><td>Luis Chi Leung Tong</td><td>5,000,000</td><td>8.81%</td></tr><tr><td>Vidacos Nominees Limited</td><td>5,000,000</td><td>8.81%</td></tr><tr><td>Henry Cheong</td><td>3,054,873</td><td>5.38%</td></tr></table> <p>Notes</p> <p>(1) Henry Cheong is the legal and beneficial owner of the entire issued share capital of HC Investment Holdings Limited.</p> <p>(2) Henry Cheong is the legal and beneficial owner of 25 per cent. of the issued shares in Grand Acumen Holdings Limited.</p>		At 9 March 2018	Percentage of issued Ordinary Shares	Lynchwood Nominees Limited	12,500,000	22.03%	HC Investment Holdings Limited ⁽¹⁾	10,000,000	17.63%	Grand Acumen Holdings Limited ⁽²⁾	6,450,000	11.37%	Luis Chi Leung Tong	5,000,000	8.81%	Vidacos Nominees Limited	5,000,000	8.81%	Henry Cheong	3,054,873	5.38%																																																									
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B.7	Key financial information	<p>The following tables set out summary financial information for the Group for the periods indicated. The data below have been extracted, without material adjustment, from the Group's audited consolidated financial information for the financial years ended 31 December 2014, 2015 and 2016 and from the unaudited consolidated financial information for the period ended 30 June 2017:</p> <p>Summarised consolidated income statement</p> <table><tr><td></td><td colspan="3">Year ended 31 December</td><td colspan="2">6 months ended 30 June</td></tr><tr><td></td><td>2014</td><td>2015</td><td>2016</td><td>2016</td><td>2017</td></tr><tr><td></td><td>(audited)</td><td>(audited)</td><td>(audited)</td><td>(unaudited)</td><td></td></tr><tr><td></td><td>US\$000</td><td>US\$000</td><td>US\$000</td><td>US\$000</td><td>US\$000</td></tr><tr><td>Revenue</td><td>8</td><td>96</td><td>96</td><td>48</td><td>48</td></tr><tr><td>Other income</td><td>–</td><td>–</td><td>99</td><td>–</td><td>3</td></tr><tr><td>Staff costs</td><td>(75)</td><td>(225)</td><td>(385)</td><td>(276)</td><td>(103)</td></tr><tr><td>Other expenses</td><td>(360)</td><td>(462)</td><td>(319)</td><td>(169)</td><td>(130)</td></tr><tr><td>Share of losses of a joint venture</td><td>(48)</td><td>(53)</td><td>(5)</td><td>(5)</td><td>(6)</td></tr><tr><td>Loss before income tax expense</td><td>(475)</td><td>(644)</td><td>(514)</td><td>(402)</td><td>(188)</td></tr><tr><td>Income tax expense</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td></tr><tr><td>Loss for the year/period</td><td>(475)</td><td>(644)</td><td>(514)</td><td>(402)</td><td>(188)</td></tr><tr><td>Loss per share – basic and diluted</td><td>(0.84) cent</td><td>(1.14) cents</td><td>(0.91) cent</td><td>(0.71) cent</td><td>(0.33) cent</td></tr></table>		Year ended 31 December			6 months ended 30 June			2014	2015	2016	2016	2017		(audited)	(audited)	(audited)	(unaudited)			US\$000	US\$000	US\$000	US\$000	US\$000	Revenue	8	96	96	48	48	Other income	–	–	99	–	3	Staff costs	(75)	(225)	(385)	(276)	(103)	Other expenses	(360)	(462)	(319)	(169)	(130)	Share of losses of a joint venture	(48)	(53)	(5)	(5)	(6)	Loss before income tax expense	(475)	(644)	(514)	(402)	(188)	Income tax expense	–	–	–	–	–	Loss for the year/period	(475)	(644)	(514)	(402)	(188)	Loss per share – basic and diluted	(0.84) cent	(1.14) cents	(0.91) cent	(0.71) cent	(0.33) cent
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		<div><div>Summarised consolidated balance sheet</div><table><tr><td></td><td>31-Dec-14 (audited) US\$000</td><td>31-Dec-15 (audited) US\$000</td><td>31-Dec-16 (audited) US\$000</td><td>30-Jun-17 (unaudited) US\$000</td></tr><tr><td>Total non-current assets</td><td>1,076</td><td>1,306</td><td>1,928</td><td>1,911</td></tr><tr><td>Total current assets</td><td>3,055</td><td>2,266</td><td>1,135</td><td>879</td></tr><tr><td>Total assets</td><td>4,131</td><td>3,572</td><td>3,063</td><td>2,790</td></tr><tr><td>Total current liabilities</td><td>(368)</td><td>(441)</td><td>(125)</td><td>(40)</td></tr><tr><td>Total non-current liabilities</td><td>—</td><td>—</td><td>—</td><td>—</td></tr><tr><td>Net assets</td><td>3,763</td><td>3,131</td><td>2,938</td><td>2,750</td></tr><tr><td>Total equity</td><td>3,763</td><td>3,131</td><td>2,938</td><td>2,750</td></tr></table><div>There has been no significant change to Group's financial condition and operating results during or subsequent to the period covered by the financial information in the tables above.</div></div>		31-Dec-14 (audited) US\$000	31-Dec-15 (audited) US\$000	31-Dec-16 (audited) US\$000	30-Jun-17 (unaudited) US\$000	Total non-current assets	1,076	1,306	1,928	1,911	Total current assets	3,055	2,266	1,135	879	Total assets	4,131	3,572	3,063	2,790	Total current liabilities	(368)	(441)	(125)	(40)	Total non-current liabilities	—	—	—	—	Net assets	3,763	3,131	2,938	2,750	Total equity	3,763	3,131	2,938	2,750
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B.8	Key pro forma financial information	Not applicable. No pro forma financial information is included in this document.																																								
B.9	Profit forecast	Not applicable. No profit forecast or estimate made.																																								
B.10	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. The audit reports on the historical financial information contained within the document were not qualified.																																								
B.11	Insufficiency of working capital	Not applicable. Taking into account the net proceeds of the Open Offer, the Company is of the opinion that the working capital available to the Group is sufficient for its present requirements, that is for at least 12 months from the date of this document.																																								
B.32	Issuer of the Depositary Interests	Link Market Services Trustees Limited																																								
B.34	Investment objective and policy	<div>Investment objective</div> <div>The Company's investment objective is to achieve attractive investment returns through capital appreciation on a medium to long term horizon. The Directors consider between 2 to 4 years to be medium term and long term to be over 4 years. The Directors intend to build an investment portfolio of small to medium sized companies based mainly in the Greater China and South East Asian regions. The Company may also take advantage of opportunities to invest in companies in other jurisdictions, such as the UK, which have close trading links with Greater China and South East Asia.</div> <div>Investment policy</div> <div>The Company invests in small to medium sized trading companies, both start-up/early stage growth and established, being companies with a turnover typically up to US\$20 million, based mainly in the Greater China and South East Asian regions. Investments are normally in equity or preferred equity but if appropriate convertible loans or preference shares may be utilised.</div> <div>The investment portfolio consists primarily of unlisted companies but the Directors will also consider investing in undervalued listed companies, if and when such an opportunity arises. Where suitable opportunities are identified, investment in companies considering a stock market listing at the pre-initial public offering stage will be considered.</div> <div>No more than 20 per cent. of the gross assets of the Group will be invested in any single investment at the time of investment. The Directors consider that opportunities will arise to invest in investee companies by the issue of</div>																																								

		<p>new Ordinary Shares at a discount of no more than 10 per cent. of the mid-market price at the time of agreement of their issue in exchange for new equity, preferred equity or convertible instrument in the investee company. Target sectors are financial services, consumer retail distribution, natural resources and infrastructure but the Company will seek to take advantage of opportunities in other sectors if these arise.</p> <p>The Company's portfolio in due course will comprise at least five different investee companies, thereby reducing the potential impact of poor performance by any individual investment.</p> <p>The Company does not intend to take majority interests in any investee company, save in circumstances where the Company exercises any rights granted under legal agreements governing its investment. Each investment by the Company will be made on terms individually negotiated with each investee company, and the Company will seek to be able to exercise control over the affairs of any investee company in the event of a default by the investee company or its management of their respective obligations under the legal agreements governing each investment. Where appropriate, the Company will seek representation on the board of companies in which it invests. Where board representation is secured in an investee company, remuneration for such appointment will be paid to the benefit of the Company thereby enhancing returns on the investment. There will be no intention to be involved in the day to day management of the investee company. The Company will arrange no cross funding between investee companies and neither will any common treasury function operate for any investee company; each investee company will operate independently of each other investee company.</p> <p>Where the Company has cash awaiting investment, it seeks to maximize the return on such sums through investment in floating rate notes or similar instruments with banks or other financial institutions with an investment grade rating or investment in equity securities issued by companies which have paid dividends for each of the previous three years.</p> <p>Any material change to the Investment Policy may only be made with the prior approval of the Shareholders.</p>
B.35	Borrowing limits	<p>The Company has no intention to employ gearing, but reserves the right to gear the Company to a maximum level of 25 per cent. of the last published Net Asset Value of the Group should circumstances arise where, in the opinion of the Directors, the use of debt would be to the advantage of the Company and the Shareholders as a whole.</p>
B.36	Regulatory status	<p>Save for its compliance with the Act, the Listing Rules, the Disclosure Guidance and Transparency Rules, MAR and the Prospectus Rules, the Company is not a regulated entity.</p>
B.37	Typical investor	<p>A typical investor in the Company is a retail or institutional investor who wishes to have exposure to investments in small to medium sized trading companies, both start-up/early stage growth and established, typically with a turnover of up to US\$20 million, based mainly in the Greater China and South East Asia regions by way of a shareholding in a UK listed investment company with a portfolio of minority investments in investee companies. Such an investor need not be a sophisticated investor.</p> <p>An investment in the Company is only suitable for persons capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from the investment.</p> <p>Potential investors should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them. Investors who are unsure whether to invest should consider consulting a financial adviser to assess whether an investment in the Company is suitable.</p>

B.38	Investment of 20 per cent. or more of gross assets in single underlying asset or investment company	Not applicable. The Company will not invest 20 per cent. or more of gross assets in a single underlying issuer or investment company at the time of investment.
B.39	Investment of 40 per cent. or more of gross assets in single underlying asset or investment company	Not applicable. The Company will not invest 40 per cent. or more of gross assets in a single underlying issuer or investment company at the time of investment.
B.40	Applicant's service providers	Not applicable. The Company will not engage an independent investment manager or adviser, custodian, trustee or fiduciary.
B.41	Regulatory status of investment manager and custodian	Not applicable. The Company will not engage an independent investment manager, adviser, custodian, trustee or fiduciary.
B.42	Calculation and publication of Net Asset Value	Biannually, based on the Group's audited annual accounts and unaudited interim accounts, in accordance with the Company's valuation policy. Net asset values are notified via a Regulatory Information Service.
B.43	Cross liability	Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.
B.44	No financial statements have been made up	Not applicable. The Company has commenced operations and historical financial information is included within this document.
B.45	Portfolio	<p>The Company's portfolio currently comprises four unquoted investments:</p> <p><i>ayondo Holding AG</i></p> <p>In 2015 the Group acquired 3,300 shares in ayondo Holding AG ("Ayondo") for a cash consideration of CHF320,100 and in 2016 the Group acquired an additional 1,650 shares for a cash consideration of CHF160,050 (the Group's total equity interest in Ayondo is less than one per cent.). Ayondo is the holding company of a financial technology group and is incorporated in Switzerland with subsidiaries authorised and regulated by the FCA and the Federal Financial Supervisory Authority ("BaFin") in Germany specialising in social trading in contracts-for-differences and spread betting. The Ayondo group has recently secured a portfolio management licence under BaFin enabling its clients to tailor social trading activities with their overall investment strategies. Ayondo is seeking a listing through an initial public offering on Catalist, the sponsor-supervised board of the Singapore Stock Exchange.</p> <p><i>Velocity Mobile Limited</i></p> <p>In 2016 the Group acquired 195,991 shares in Velocity Mobile Limited ("Velocity") for a total cash consideration of GBP337,120 (the Group's total equity interest in Velocity is less than one per cent.). Velocity is a company incorporated in England and Wales. The Velocity group offers a mobile application to consumers to discover and make real-time reservations and settle bills at premier restaurants. A product of the Velocity group launched in 2016, 'Velocity Black', is a one-stop chat-based conversational commerce engine targeted at high value consumers for the mobile-to-offline lifestyle applications with special emphasis in the areas of restaurant, travel, and hotel bookings and payment. The Velocity group is also in the process of launching another new product, a globally connected customer relationship management system for its restaurant partners, and plans to expand its geographic coverage to include a number of Asian and Middle East cities.</p>

		<p><i>ICBC Specialised Ship Leasing Investment Fund</i></p> <p>In 2014 the Group acquired an 8 per cent. interest in the non-voting participating share capital of ICBC Specialised Ship Leasing Investment Fund (the "ICBC Shipping Fund") for a total cash consideration of US\$800,000. The ICBC Shipping Fund is incorporated in the Cayman Islands with the objective of achieving a stable return from investing primarily in marine vessels. The Group's investment in the ICBC Shipping Fund continued to provide a stable return through monthly dividends generating an unaudited revenue of US\$48,000 in the first half of 2017.</p> <p><i>Oasis Education Group Limited</i></p> <p>In 2014 the Group acquired a 50 per cent. equity interest in Oasis Education Group Limited ("Oasis") for a capital contribution of HK\$2 million and a shareholder loan of HK\$2 million. Oasis is an early-stage company incorporated in Hong Kong and is principally engaged, through a wholly-owned subsidiary in Shenzhen, in the provision of education consulting and support services to kindergartens in China. The first such kindergarten serviced by the Oasis group is located in Huizhou City of Guangdong Province (the "Huizhou Kindergarten"). The service agreement between the Oasis group and the Huizhou Kindergarten, which has facilities designed to cater for 300 pupils and which commenced classes in 2015, will run until the end of 2033. Under the consulting and support services provided by the Oasis group, the Huizhou Kindergarten reached a milestone in July 2017 with its first graduation of 34 pupils. For the academic term which commenced in September 2017, 59 new pupils enrolled bringing the total number of enrolment to 191. The Oasis group aims in the longer term to develop and expand the education consulting and supporting services to cover a network of kindergartens in China.</p>
B.46	Net Asset Value	The Company's unaudited net asset value per Ordinary Share as at 30 June 2017 was US\$0.0485.

Section C – Securities		
<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
C.1	Type and class of securities	<p>The Company will issue 28,367,290 Ordinary Shares under the Open Offer and up to 100,000,000 Ordinary Shares under the Subsequent Placings.</p> <p>The ISIN of the Ordinary Shares is BMG9774L1019 and the SEDOL number is 0980867.</p> <p>The ticker for the Ordinary Shares is WSL.</p>
C.2	Currency denomination of securities	The Ordinary Shares are denominated in US Dollars.
C.3	Details of share capital	At the date of this document the Company has 56,734,580 Ordinary Shares in issue, each fully paid and with a par value of US\$0.001.
C.4	Rights attaching to the securities	The Ordinary Shares carry equal rights to dividends, <i>pro rata</i> to holdings by Shareholders, together with equal rights of pre-emption (save to the extent that pre-emption rights have been waived by Shareholders) on the issue of new Ordinary Shares and equal rights to the capital of the Company upon a liquidation or winding up of the Company (after fees and satisfaction of the debts of the Company).
C.5	Restrictions on the free transferability of the securities	There are no restrictions on the free transferability of the Ordinary Shares.
C.6	Admission	Applications will be made to the UK Listing Authority for the New Shares to be admitted to listing on the Official List and to the London Stock Exchange for the New Shares to be admitted to trading on its main market for listed securities.

		<p>It is expected that Admission will become effective, and that dealings in the Open Offer Shares on the London Stock Exchange's main market for listed securities will commence, at 8.00 a.m. on 4 April 2018.</p> <p>It is further expected that admission to listing on the Official List of the Subsequent Placing Shares will become effective, and that dealings in the Subsequent Placing Shares on the London Stock Exchange's main market for listed securities will commence, between 4 April 2018 and 12 March 2019.</p>
C.7	Dividend policy	<p>The Board will consider a future dividend policy taking into account the Group's earnings, cash flows and balance sheet position. However, the Open Offer is being undertaken primarily to provide funds to make further investments and, in view of this, the Directors do not expect to declare any dividends in the near future, preferring to invest any returns into future growth of the business.</p>

Section D – Risks		
<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
D.1	Key risks that are specific to the Company or its industry	<p>The Company may not achieve its investment objective. Meeting that objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met.</p> <p>The Group does not engage the services of an external investment manager. The Board is responsible for overseeing the Group's investment management activities with management duties delegated to the executive directors. The Group is therefore heavily dependent on the executive directors' abilities to identify and evaluate investment targets, execute and implement investment decisions, monitor investment performance and execute and implement exit decisions. If such individuals were to leave the Group the loss of their services could severely impair its ability to develop its business and could have a material adverse effect on the business, financial condition, results of operation and prospects of the Group.</p> <p>The Group is exposed to various operational risks that are inherent in the running of its business, including, amongst others, the failure to comply with the Investment Policy, the failure to prevent misstatements, loss or fraud due to inadequacies in the Group's internal operational processes, and the failure to comply with applicable rules and regulations by the Group.</p> <p>The Company is subject to laws and regulations enacted by national and local governments. In particular, the Company is subject to and will be required to comply with certain regulatory requirements that are applicable to listed closed-ended investment companies. The Company must comply with the Prospectus Rules, the Disclosure Guidance and Transparency Rules, MAR and the rules of the London Stock Exchange.</p> <p>Any change in the law and regulation affecting the Company may have a material adverse effect on the ability of the Company to carry on its business and successfully pursue the Investment Policy and on the value of the Company and the Ordinary Shares. In such event, the investment returns of the Company may be materially adversely affected.</p> <p>Before the Company makes any new investment, it will conduct such due diligence that it considers reasonable or appropriate based on the facts and circumstances applicable to each investment. Nevertheless when conducting due diligence the Company will ultimately be required to rely on the resources available to it, including the information provided by the proposed portfolio company or its current owner and, in some case, third party investigations. Accordingly, there can be no assurance that the due diligence process will reveal or highlight all relevant facts that may be necessary or helpful in evaluating the investment opportunity, and there can be no assurance that the due diligence process will ensure the success of an investment. The performance of the Company's portfolio will be dependent upon a range of factors and investments may not perform in line with expectations.</p>

		<p>The Company's portfolio is relatively concentrated and currently consists of four investments. The performance of the Company's portfolio will be dependent upon a range of factors. These include but are not limited to (i) the quality of the initial investment decision; (ii) the business strategy of the portfolio company and the ability of each portfolio company to execute successfully its business strategy; (iii) the provision of adequate information on portfolio company performance which is accurate and timely; (iv) actual outcomes against the key assumptions underlying the portfolio company's financial projections; (v) the opportunities for the realisation of the Company's investments within the desired timeframe, and (vi) economic and market conditions. One or more of these factors could have a negative impact on the performance and valuation of a portfolio company and adversely affect the Company's actual returns, cash flows and financial condition.</p> <p>The Company primarily invests in unlisted companies which may involve a high degree of business and financial risk and may result in substantial losses. Investment in unlisted companies may be less liquid than that in publicly listed companies, and the Company may take longer to liquidate these positions than would be the case for publicly listed securities. Although these unlisted investments may be resold in privately negotiated transactions, the prices realised from these sales could be less than those originally paid by the Group. Further, companies whose securities are not publicly listed may not be subject to the disclosure and other investor protection requirements that would be applicable if their securities were publicly listed. The Company's investments in illiquid securities is subject to the risk that should the Company desire to sell any of these securities when a ready buyer is not available at a price that is deemed to be representative of their value, the Net Asset Value of the Group could be adversely affected.</p> <p>The market value of, and the income derived from, the Ordinary Shares can fluctuate. The market value of an Ordinary Share, as well as being affected by the Group's Net Asset Value and prospective Net Asset Value, also takes into account its dividend yield and prevailing interest rates. As such, the market value of an Ordinary Share may vary considerably from its underlying net asset value and investors may not get back the full value of their investment</p> <p>Fluctuations could also result from a change in national and/or global economic and financial conditions, the actions of governments in relation to changes in the national and global financial climate or taxation and various other factors and events, including variations in the Group's operating results, business developments of the Group and/or its competitors. Stock markets have been experiencing significant price and volume fluctuations that have affected market prices for securities.</p> <p>The price of an Ordinary Share may also be affected by speculation in the press or investment community regarding the business or investments of the Company or factors or events that may directly or indirectly affect its investments.</p> <p>The price of shares in an investment company is determined by the interaction of supply and demand for such shares in the market as well as the net asset value per share. The share price can therefore fluctuate and may represent a discount to the net asset value per share. This discount is itself variable as conditions for supply and demand change. This can mean that the prices of the Shares may go down as well as up and the Share price can fall when the Net Asset Value per Share rises, or <i>vice versa</i>. There is no guarantee that the market price of the Shares will fully reflect their underlying net asset value. The price of shares in an investment company may represent a premium to the net asset value per share. Investors purchasing Ordinary Shares at a premium to Net Asset Value per Share may not, in the event of a winding up of the Company, realise the full extent of their purchase price. The Company will typically take minority equity interests in companies. In addition, the Company may hold investments that include debt instruments and equity securities of companies that it does not control. Although the Company will seek investor protections and where appropriate board representation as a condition of investment, those investments will</p>
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		<p>nevertheless be subject to the risk that the portfolio company's board makes business, financial or management decisions with which the Company does not agree or that the majority stakeholders or the management of the company take risks or otherwise act in a manner that does not serve the Company's interests. If any of the foregoing were to occur, the value of the Company's investments could decrease and the Company's returns and cash flows could be adversely affected as a result.</p> <p>The legal systems in certain markets are developing and have undergone significant changes in recent years. The interpretation of, and procedural safeguards relating to, these legal and regulatory systems are still developing, creating the risk of inconsistency in their application and therefore uncertainty concerning actions that are necessary to guarantee compliance with those laws. The Company and companies in which it invests may not be able to obtain the legal remedies provided for under these laws and regulations in a reasonably timely manner and may not be able to enforce its rights (which therefore may not be adequately protected). A lack of legal certainty in operating the businesses of the Company or companies in which it invests, or their inability to obtain predictable legal remedies in a timely manner or at all, may have a material adverse effect on the Company's investments, results of operations and financial performance. Local legal counsel will be engaged to ensure compliance with local legislation.</p> <p>The Group's reporting currency is US Dollars, and the majority of its revenue is expected to be generated in US Dollars, HK Dollars, Renminbi and the currencies of South East Asian nations. As the Group intends to operate in diverse territories, the Group is subject to certain transactional currency exposures as a result of revenues generated and operating costs incurred by investee companies in other currencies. Fluctuations in currency exchange rates, which are unpredictable, will affect the value of the Group's assets and liabilities denominated, and revenues generated and operating costs incurred, in currencies other than US Dollars, each of which could have a material adverse effect on the Group's business, financial condition and results of operations. Where it is considered appropriate the Group will use hedging techniques to minimise its exposure to exchange rate risk.</p> <p>The Board regards the growth prospects of its prospective markets to be an important part of its strategy. However, there can be no assurance that growth will occur at the rate envisaged by the Board. Further, there may be increased competition for business in a reduced market and investee companies may experience difficulties in responding quickly to a downturn in demand.</p> <p>The Group focuses on investing in the private equity space. Faced with the peril of persistent economic vulnerability, most major central banks apart from the U.S. Federal Reserve continue to pursue accommodative monetary policies. Given the abundance of liquidity, the private equity space has been awash with investment capital and dry powder competing for quality deals. This has been driving up valuations and narrowing the spreads of investment returns, thereby limiting the availability of attractive investment opportunities for the Group.</p>
D.3	Key risks that are specific to the securities	<p>The Company is a Bermudan exempted company. As a result, the rights of holders of Ordinary Shares will be governed by Bermuda law and the Company's Memorandum of Association and Bye-Laws. The rights of shareholders under Bermuda law may differ from the rights of shareholders of companies incorporated in other jurisdictions. It is doubtful whether courts in Bermuda will enforce judgments obtained in other jurisdictions, including those of the United Kingdom, against the Company or its Directors or officers under the securities laws of those jurisdictions or entertain actions in Bermuda against the Company or its Directors or officers under the securities laws of other jurisdictions.</p> <p>The Company's Bye-Law 8 (Directors' power to allot) gives the Directors the unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any Ordinary Shares up to an aggregate amount representing 20 per cent. of the issued share capital of the Company in any calendar year (which, for the purposes of Bye-Law 8 is from 1 January to</p>

		<p>31 December) to such persons, at such times and generally on such terms and conditions as the Directors may determine.</p> <p>Bermuda law does not provide shareholders with pre-emption rights over the issue of new shares. Under the Company's Bye-Laws, Shareholders may by ordinary resolution increase the capital of the Company and direct that new shares or any of them shall be offered in the first instance either at par or at a premium or (subject to the Bermuda Act) at a discount to all the holders for the time being of shares of any class or classes in proportion to the number of such shares held by them respectively.</p> <p>Class actions and derivative actions are generally not available to shareholders under the laws of Bermuda. The Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong done to the company where the act complained of is alleged to be beyond the corporate power of the company or is illegal or would result in the violation of the company's memorandum of association and bye laws. Furthermore, consideration would be given by the court to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company's shareholders than actually approved it.</p> <p>A statutory right of action is conferred on subscribers of shares in a company against persons, including directors and officers, responsible for the issue of a prospectus in respect of damage suffered by reason of an untrue statement therein, but this confers no right of action against the company itself. In addition, such company, as opposed to its shareholders, may take action against its officers including directors, for breach of their statutory and fiduciary duty to act honestly and in good faith with a view to the best interests of the company.</p> <p>The Takeover Code does not apply to the Company as the Company is not considered to be resident in the United Kingdom, the Channel Islands or the Isle of Man and is not incorporated in any of these jurisdictions. Prospective Shareholders should note that the Company may not be subject to, and accordingly Shareholders may not obtain the benefit of protection of, any takeover code or similar regulation. However, any person considering acquiring a substantial stake in the Company should have regard to the possibility that should any takeover regulations apply to the Company, such acquisition may have significant consequences, including the possible obligation to make a mandatory bid for the remaining issued Shares. Prospective Shareholders who are in any doubt as to their position are advised to seek independent legal advice.</p>
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Section E – Offer		
<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
E.1	Proceeds and expenses of the issue	<p>The estimated gross proceeds of the Open Offer are approximately US\$4.2 million and the estimated costs of the Open Offer are approximately US\$0.6 million.</p> <p>Assuming that all of the Subsequent Placing Shares available for issue under the Subsequent Placings are issued in a single placing at a Subsequent Placings Price of US\$0.15 the gross proceeds of the Subsequent Placings would be US\$15 million and the estimated aggregate costs of the Subsequent Placings would be approximately US\$0.7 million.</p>
E.2a	Reasons for the issue, use of proceeds and estimated net amount of proceeds	<p>The Company is listed under Chapter 15 of the Listing Rules as a closed-ended investment fund. The Company aims to make further investments in unlisted companies mainly in the Greater China and the South East Asia regions.</p> <p>The Open Offer will enable the Company to raise investment capital to pursue this objective and service the Group's working capital requirements. The proceeds of the Open Offer will be invested in accordance with the Investment Policy.</p>

		<p>The estimated net proceeds of the Open Offer are approximately US\$3.6 million.</p> <p>The Company may also issue up to 100 million Subsequent Placing Shares. The proceeds of the Subsequent Placings will be invested in accordance with the Investment Policy.</p> <p>Assuming that all of the Subsequent Placing Shares available for issue under the Subsequent Placings are issued in a single placing at a Subsequent Placings Price of US\$0.15 the net proceeds of the Subsequent Placings would be approximately US\$14.3 million.</p>
E.3	Terms and conditions of the issue	<p>The Open Offer is conditional upon:</p> <ul style="list-style-type: none"> ● the Open Offer & Underwriting Agreement becoming unconditional in all respects save for the condition relating to Admission and not having been terminated in accordance with its terms; and ● Admission becoming effective by not later than 8.00 a.m. on 4 April 2018 (or such later time and date as may be agreed pursuant to the Open Offer & Underwriting Agreement). <p>Each of the Subsequent Placings is conditional upon:</p> <ul style="list-style-type: none"> ● appropriate Shareholder authority for the issue of New Shares remaining in place; ● the Subsequent Placings Price being determined by the Directors; and ● a valid supplementary prospectus being published by the Company if such is required by the Prospectus Rules.
E.4	Material interests	<p>Following the Open Offer (assuming no Shares are applied for under the Open Offer other than pursuant to the Directors' Undertakings) the interest of Henry Cheong, including the holdings of his associates, will amount to 56.02 per cent. of the Enlarged Share Capital. Henry Cheong has undertaken to the Company that, following the completion of the Open Offer, if necessary he will sell sufficient Ordinary Shares to ensure that the percentage of Ordinary Shares in public hands does not fall below 25 per cent. (or such lower percentage as the FCA may permit) as a result of the Open Offer.</p>
E.5	Name of person selling securities/ lock-up agreements	<p>No person or entity is offering to sell Ordinary Shares as part of the Open Offer and no lock-up agreements have been entered into.</p>
E.6	Dilution	<p>Qualifying Shareholders who take up their Open Offer Entitlements in full will not suffer dilution of their interests as a result of the Open Offer. Qualifying Shareholders who do not take up any of their Open Offer Entitlements will suffer dilution of 33 per cent. to their interests in the Company as a result of the Open Offer.</p> <p>Assuming that the maximum number of Subsequent Placing Shares available for issue are issued under the Subsequent Placings, Shareholders who do not acquire any of the Subsequent Placing Shares will suffer a dilution of 54 per cent. to their interests in the Company.</p>
E.7	Estimated expenses charged to the investor by the issuer	<p>The costs and expenses of the Open Offer and any Subsequent Placings will be borne by the Company; no expenses will be charged to investors by the Company.</p>

RISK FACTORS

Any investment in the Company, including the acquisition of any New Shares, is subject to a number of risks. Prior to taking any decision relating to the Open Offer and/or the Subsequent Placings, prospective investors should consider carefully the factors and risks associated with any investment in the Company and the Group's business together with all other information contained in this document and the information incorporated by reference.

The risks referred to below do not purport to be exhaustive and are not set out in any particular order of priority and are not the only ones that the Company will face. Some risks are not yet known and some that are not currently deemed material could later turn out to be material. Any of these risks could materially affect the Group, its reputation, business, results of operations and overall financial condition. In such a case, the market price of Ordinary Shares may decline and Shareholders could lose all or part of their investment.

An investment in the Company is suitable only for investors who are capable of evaluating the risks and merits of such investment, who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, who fully understand and are willing to assume the risks involved in investing in the Company and who have sufficient resources to bear any loss (which may be equal to the amount invested) which might result from such investment.

Investors and prospective investors should consider carefully whether an investment in the Company is suitable for them in light of the information in this document, together with the information incorporated by reference, the financial resources available to them, and their personal circumstances. Investors and prospective investors who are unsure whether to invest should seek independent professional advice to assess whether an investment in the Company is suitable.

Should any of the risks below materialise then the Group may suffer adverse financial consequences which may impact upon the returns of investment made by any Shareholder.

1. Risks relating to the Shares

Market value of Shares

The market value of, and the income derived from, the Ordinary Shares can fluctuate. The market value of an Ordinary Share, as well as being affected by the Group's Net Asset Value and prospective Net Asset Value, also takes into account its dividend yield and prevailing interest rates. As such, the market value of an Ordinary Share may vary considerably from its underlying net asset value and investors may not get back the full value of their investment

Fluctuations could also result from a change in national and/or global economic and financial conditions, the actions of governments in relation to changes in the national and global financial climate or taxation and various other factors and events, including variations in the Group's operating results, business developments of the Group and/or its competitors. Stock markets have been experiencing significant price and volume fluctuations that have affected market prices for securities.

The price of an Ordinary Share may also be affected by speculation in the press or investment community regarding the business or investments of the Company or factors or events that may directly or indirectly affect its investments.

The price of shares in an investment company is determined by the interaction of supply and demand for such shares in the market as well as the net asset value per share. The share price can therefore fluctuate and may represent a discount to the net asset value per share. This discount is itself variable as conditions for supply and demand change. This can mean that the prices of the Shares may go down as well as up and the Share price can fall when the Net Asset Value per Share rises, or *vice versa*. There is no guarantee that the market price of the Shares will fully reflect their underlying net asset value. The price of shares in an investment company may represent a premium to the net asset value per share. Investors purchasing Ordinary Shares at a premium to Net Asset Value per Share may not, in the event of a winding up of the Company, realise the full extent of their purchase price.

Market liquidity of Shares

Although the Shares are listed on the Official List and traded on the Main Market, it is possible that there may not be a liquid market in the Ordinary Shares and Shareholders may have difficulty in selling them. Given their illiquid nature it is anticipated that the Ordinary Shares will usually be at a discount to their underlying net asset value.

2. Risks relating to the Group

The Company may not meet its investment objective

The Company may not achieve its investment objective. Meeting that objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met.

The Company's ability to meet its investment objective will largely depend on its ability to identify suitable investments that are in accordance with the Company's investment objective and policy. There can be no assurance that the Company will be successful in implementing the investment strategy of the Company as it cannot be guaranteed that it will be able to select appropriate investment opportunities.

The Group may be unable to retain members of its senior management team or attract or retain other key employees

The Group does not engage the services of an external investment manager. The Board is responsible for overseeing the Group's investment management activities with management duties delegated to the executive directors. The Group is therefore heavily dependent on the executive directors' abilities to identify and evaluate investment targets, execute and implement investment decisions, monitor investment performance and execute and implement exit decisions. If such individuals were to leave the Group the loss of their services could severely impair its ability to develop its business and could have a material adverse effect on the business, financial condition, results of operation and prospects of the Group.

Various operational risks exist in the running of the Group's business

The Group is exposed to various operational risks that are inherent in the running of its business, including, amongst others, the failure to comply with the Investment Policy, the failure to prevent misstatements, loss or fraud due to inadequacies in the Group's internal operational processes, and the failure to comply with applicable rules and regulations by the Group.

Changes in laws or regulations governing the Company's operations may adversely affect the Company's business

The Company is subject to laws and regulations enacted by national and local governments. In particular, the Company is subject to and will be required to comply with certain regulatory requirements that are applicable to listed closed-ended investment companies. The Company must comply with the Prospectus Rules, the Disclosure Guidance and Transparency Rules, MAR and the rules of the London Stock Exchange.

Any change in the law and regulation affecting the Company may have a material adverse effect on the ability of the Company to carry on its business and successfully pursue the Investment Policy and on the value of the Company and the Ordinary Shares. In such event, the investment returns of the Company may be materially adversely affected.

3. Risks relating to geographies in which the Group intend to invest

Changes in the economic environment in Greater China and South East Asia may negatively impact on the demand for the services provided by companies in the Company's investment portfolio

The operating and financial performance of the Group will be influenced by the economic conditions of the regions in which both it, and its prospective investee companies, operate. The Group intends to focus on companies principally operating in Greater China and South East Asia and the Group is therefore necessarily exposed to the economic, political and business risks associated with Greater China and South East Asia. Specifically changes in economic conditions in Greater China and South East Asia (for example, interest rates, inflation, rates of tax, industry conditions, regulatory protection, competition, political and diplomatic events and other factors) or adverse economic conditions in Greater China and South East Asia could

substantially and adversely affect the demand for the services provided by companies in the Company's investment portfolio and consequently have a material adverse effect on their businesses, and consequently that of the Group.

The Chinese economy has experienced uneven growth both geographically and between various sectors of the economy. The government of China has implemented various measures from time to time to control the rate of economic growth and could continue do so in the future. Some of these measures may have a negative effect on the businesses of the Group's target investment base. For example, the operating results and financial position of investee companies may be adversely affected by changes in the rates or methods of taxation and imposition of additional restrictions on currency conversion and remittances abroad. This may reduce the demand for the services of investee companies and in turn this may have a material adverse effect on their businesses. Similar risks apply to investments made in companies operating in South East Asia.

Changes in the political environment in China may negatively impact on the demand for the services provided by companies in the Company's investment portfolio

The relationship between China and the rest of the international community may change over time. Change in political conditions in China may lead to less liberal or less business friendly investment policies. Changes in political conditions in China may also lead to the implementation of embargoes or economic sanctions by developed countries against Chinese companies or companies doing business in China, which in turn could have a material adverse effect on the Group's investments.

The Chinese economy has been undergoing a transition from a planned economy to a more market-oriented economy. Although in recent years the government of China has implemented economic reforms and reduced state ownership and established better corporate governance in business enterprises, a substantial portion of productive assets in China are still owned by the government of China. In addition, the government of China continues to play a significant role in regulating industry by imposing industrial policies. It also exercises significant control over economic growth through the allocation of resources, control of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. The demand for the products and services of investee companies may decline if the government of China were to reverse recent trends and impose restrictions which affect, directly or indirectly, the businesses of the investee companies.

4. Risks relating to the Company's investments

Due diligence undertaken in connection with the Company's investments may not reveal all of the facts that may be relevant to an investment

Before the Company makes any new investment, it will conduct such due diligence that it considers reasonable or appropriate based on the facts and circumstances applicable to each investment. When considering due diligence the Company evaluates a number of important business, management, financial, tax, accounting, legal, corporate responsibility and environmental issues in determining whether or not to proceed with an investment. External consultants, legal advisers and accountants may be involved in the due diligence process to varying degrees depending on the type of investment. Nevertheless when conducting due diligence the Company will ultimately be required to rely on the resources available to it, including the information provided by the proposed portfolio company or its current owner and, in some case, third party investigations. Accordingly, there can be no assurance that the due diligence process will reveal or highlight all relevant facts that may be necessary or helpful in evaluating the investment opportunity, and there can be no assurance that the due diligence process will ensure the success of an investment. Furthermore, if a potential portfolio company is quoted, due diligence may be limited to information in the public domain as access may not be granted to the company's records. Any warranties or indemnity cover provided by the selling shareholders, management or the potential portfolio company may be limited or unavailable for a number of reasons including market practice or because the potential portfolio company is publicly quoted. As a result, there is the risk that, following the completion of a transaction or the making of an investment, liabilities or other unforeseen matters of an adverse nature may come to light which had not been revealed, or had only been partially revealed, by the due diligence and which may or may not be subject to a warranty or indemnity. Were this to happen in relation to any of the investments to be made by the Company, it could have an adverse effect on the investment in question, as well as the Company's returns, and ability to realise any cash from its investment.

The performance of the Company's portfolio will be dependent upon a range of factors and investments may not perform in line with expectations

The Company's portfolio is relatively concentrated and currently consists of four investments. The performance of the Company's portfolio will be dependent upon a range of factors. These include but are not limited to (i) the quality of the initial investment decision; (ii) the business strategy of the portfolio company and the ability of each portfolio company to execute successfully its business strategy; (iii) the provision of adequate information on portfolio company performance which is accurate and timely; (iv) actual outcomes against the key assumptions underlying the portfolio company's financial projections; (v) the opportunities for the realisation of the Company's investments within the desired timeframe, and (vi) economic and market conditions. One or more of these factors could have a negative impact on the performance and valuation of a portfolio company and adversely affect the Company's actual returns, cash flows and financial condition.

The Company invests in securities which may be illiquid

The Company primarily invests in unlisted companies which may involve a high degree of business and financial risk and may result in substantial losses. Investment in unlisted companies may be less liquid than that in publicly listed companies, and the Company may take longer to liquidate these positions than would be the case for publicly listed securities. Although these unlisted investments may be resold in privately negotiated transactions, the prices realised from these sales could be less than those originally paid by the Group. Further, companies whose securities are not publicly listed may not be subject to the disclosure and other investor protection requirements that would be applicable if their securities were publicly listed. The Company's investments in illiquid securities is subject to the risk that should the Company desire to sell any of these securities when a ready buyer is not available at a price that is deemed to be representative of their value, the Net Asset Value of the Group could be adversely affected.

Unlisted investments are inherently difficult to value as there is no liquid marketing or pricing mechanism. The Directors value the unlisted investments using primary valuation methodologies such as earnings multiples, discounted cash flows, recent transaction comparisons and net assets based on the information or data in the financial reports as provided by the investee companies. Although the Directors evaluate all such information and data, they may not be in a position to confirm the completeness, genuineness, timeliness or accuracy of such information or data. As a result, valuations are subject to substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sale prices of such investments even where such sales occur shortly after the date of the valuation. If sales of investments result in fewer proceeds than estimated, the Net Asset Value of the Group may be reduced.

The Company will have investments in portfolio companies that it does not control, exposing it to the risk of decisions made by others with which the Company may not agree or which may be unfavourable to the Company's interests

The Company will typically take minority equity interests in companies. In addition, the Company may hold investments that include debt instruments and equity securities of companies that it does not control. Although the Company will seek investor protections and where appropriate board representation as a condition of investment, those investments will nevertheless be subject to the risk that the portfolio company's board makes business, financial or management decisions with which the Company does not agree or that the majority stakeholders or the management of the company take risks or otherwise act in a manner that does not serve the Company's interests. If any of the foregoing were to occur, the value of the Company's investments could decrease and the Company's returns and cash flows could be adversely affected as a result.

The Company will invest in companies operating in markets where legal systems are still developing. Some of the legal systems the Company or companies in which it invests rely on to conduct its business do not offer the certainty or predictability of legal systems in mature markets and, as a result, the Company or companies in which it invests may not be able to protect their rights adequately and their businesses may suffer

The legal systems in certain markets are developing and have undergone significant changes in recent years. The interpretation of, and procedural safeguards relating to, these legal and regulatory systems are still developing, creating the risk of inconsistency in their application and therefore uncertainty concerning actions that are necessary to guarantee compliance with those laws. The Company and companies in which it

invests may not be able to obtain the legal remedies provided for under these laws and regulations in a reasonably timely manner and may not be able to enforce its rights (which therefore may not be adequately protected). A lack of legal certainty in operating the businesses of the Company or companies in which it invests, or their inability to obtain predictable legal remedies in a timely manner or at all, may have a material adverse effect on the Company's investments, results of operations and financial performance. Local legal counsel will be engaged to ensure compliance with local legislation.

The Group is exposed to fluctuations in currency exchange rates

The Group's reporting currency is US Dollars, and the majority of its revenue is expected to be generated in US Dollars, HK Dollars, Renminbi and the currencies of South East Asian nations. As the Group intends to operate in diverse territories, the Group is subject to certain transactional currency exposures as a result of revenues generated and operating costs incurred by investee companies in other currencies. Fluctuations in currency exchange rates, which are unpredictable, will affect the value of the Group's assets and liabilities denominated, and revenues generated and operating costs incurred, in currencies other than US Dollars, each of which could have a material adverse effect on the Group's business, financial condition and results of operations. Where it is considered appropriate the Group will use hedging techniques to minimise its exposure to exchange rate risk.

Growth within the Group's target market may be slower than envisaged

The Board regards the growth prospects of its prospective markets to be an important part of its strategy. However, there can be no assurance that growth will occur at the rate envisaged by the Board. Further, there may be increased competition for business in a reduced market and investee companies may experience difficulties in responding quickly to a downturn in demand.

The availability of attractive investment opportunities for the Group may be limited

The Group focuses on investing in the private equity space. Faced with the peril of persistent economic vulnerability, most major central banks apart from the U.S. Federal Reserve continue to pursue accommodative monetary policies. Given the abundance of liquidity, the private equity space has been awash with investment capital and dry powder competing for quality deals. This has been driving up valuations and narrowing the spreads of investment returns, thereby limiting the availability of attractive investment opportunities for the Group.

5. Risks relating to incorporation in Bermuda

The Company is a Bermudan company and it may be difficult for Shareholders and investors to enforce judgments against the Company or its Directors and executive officers

The Company is a Bermudan exempted company. As a result, the rights of holders of Ordinary Shares will be governed by Bermuda law and the Company's Memorandum of Association and Bye-Laws. The rights of shareholders under Bermuda law may differ from the rights of shareholders of companies incorporated in other jurisdictions. It is doubtful whether courts in Bermuda will enforce judgments obtained in other jurisdictions, including those of the United Kingdom, against the Company or its Directors or officers under the securities laws of those jurisdictions or entertain actions in Bermuda against the Company or its Directors or officers under the securities laws of other jurisdictions. Although, under the Listing Rules, the Company must first offer Shares for cash *pro rata* to existing Shareholders unless the disapplication of pre-emption rights has been authorised by Shareholders.

Shareholders are not provided with pre-emption rights under Bermuda law

Bermuda law does not provide shareholders with pre-emption rights over the issue of new shares. Under the Company's Bye-Laws, Shareholders may by ordinary resolution increase the capital of the Company and direct that new shares or any of them shall be offered in the first instance either at par or at a premium or (subject to the Bermuda Act) at a discount to all the holders for the time being of shares of any class or classes in proportion to the number of such shares held by them respectively.

The Directors have the power to allot Shares

The Company's Bye-Law 8 (Directors' power to allot) gives the Directors the unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any Ordinary Shares up to an aggregate amount

representing 20 per cent. of the issued share capital of the Company in any calendar year (which, for the purposes of Bye-Law 8 is from 1 January to 31 December) to such persons, at such times and generally on such terms and conditions as the Directors may determine.

Shareholders may be restricted by Bermuda law from bringing legal action against the Company's officers and Directors

Class actions and derivative actions are generally not available to shareholders under the laws of Bermuda. The Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong done to the company where the act complained of is alleged to be beyond the corporate power of the company or is illegal or would result in the violation of the company's memorandum of association and bye laws. Furthermore, consideration would be given by the court to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company's shareholders than actually approved it.

A statutory right of action is conferred on subscribers of shares in a company against persons, including directors and officers, responsible for the issue of a prospectus in respect of damage suffered by reason of an untrue statement therein, but this confers no right of action against the company itself. In addition, such company, as opposed to its shareholders, may take action against its officers including directors, for breach of their statutory and fiduciary duty to act honestly and in good faith with a view to the best interests of the company.

The Takeover Code does not apply to the Company

The Takeover Code does not apply to the Company as the Company is not considered to be resident in the United Kingdom, the Channel Islands or the Isle of Man and is not incorporated in any of these jurisdictions. Prospective Shareholders should note that the Company may not be subject to, and accordingly Shareholders may not obtain the benefit of protection of, any takeover code or similar regulation. However, any person considering acquiring a substantial stake in the Company should have regard to the possibility that should any takeover regulations apply to the Company, such acquisition may have significant consequences, including the possible obligation to make a mandatory bid for the remaining Shares. Prospective Shareholders who are in any doubt as to their position are advised to seek independent legal advice.

IMPORTANT INFORMATION

General

Investors should rely only on the information in this document. No person has been authorised to give any information or to make any representations in connection with the arrangements or proposals described in this document other than as expressly set out and contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors, Smith & Williamson or Dickson Minto.

Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G of FSMA, Rule 3.4.1 of the Prospectus Rules and Rule 4.4.1 of the Listing Rules, neither the delivery of this document nor any sale of Ordinary Shares made under this document shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or of the Group taken as a whole since the date hereof or that the information contained herein is correct as of any time subsequent to the earlier of the date hereof and any earlier specified date with respect to such information.

Prospective investors should read the entirety of this document and, in particular, the section headed “Risk Factors”. Investors should ensure that they read the whole of this document and not just rely on key information or information summarised within it. Prospective investors should rely upon their own examination and assessment of the Company and the terms of this document, including the risks involved.

Subscribers for New Shares will be deemed to have acknowledged that, in acquiring such New Shares: (i) they have not relied on Smith & Williamson, Dickson Minto or any person affiliated with Smith & Williamson and/or Dickson Minto in connection with any investigation of the accuracy of any information contained in this document; and (ii) they have relied only on the information contained in this document, and no person has been authorised to give any information or to make any representation concerning the Company or the New Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by or on behalf of the Company, the Directors, Smith & Williamson or Dickson Minto.

The contents of the Company’s website do not form part of this document and prospective investors should not rely on them.

Presentation of financial information

The Company publishes its financial statements in US Dollars (**US\$** or **dollars**). The abbreviations **US\$ m** or **US\$ million** represent millions of dollars, and references to cents represent cents in the US. The abbreviations **£ m** or **£ million** represent millions of pounds sterling, references to pence and **p** represent **pence** in the UK, references to HK\$ are to Hong Kong dollars and references to **CHF** are to Swiss francs.

The financial information presented in this document, whether in tables or otherwise, may have been rounded to the nearest whole number or the nearest decimal place. Therefore, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Legal and regulatory environment

The Company is a limited liability company incorporated in Bermuda and, therefore, operates subject to Bermuda law. The rights of holders of Ordinary Shares are governed by the Company’s Memorandum of Association and Bye-Laws. These rights differ from the rights of shareholders in UK corporations, US corporations and some other non-UK corporations. Any person wishing to have a detailed summary of Bermuda company law, or advice on the differences between it and the laws of any jurisdiction with which he is more familiar, is recommended to seek independent legal advice.

Securities issued by companies incorporated in Bermuda, such as the Company, cannot be held or transferred in the CREST system. However, to enable investors to settle such securities through the CREST system, a depositary or custodian can hold the relevant securities and issue dematerialised depositary interests representing the underlying securities which are held on trust for the holders of the depositary interests.

The Company has appointed Link Trustees as its depositary, which will issue Depositary Interests in respect of the underlying Ordinary Shares. The Depositary Interests will be independent securities constituted under English law which may be held and transferred through the CREST system.

Sources of information

The financial information relating to the Group as at and for the six months ended 30 June 2017 and the years ended 31 December 2016, 2015 and 2014 is incorporated by reference into this document and has been extracted without material adjustment from the unaudited consolidated financial statements of the Group contained in its 2017 interim report and the audited consolidated financial statements of the Group contained in its 2016, 2015 and 2014 annual reports. The audits of the financial information contained in the Company's 2016, 2015 and 2014 annual reports were performed in accordance with International Standards on Auditing issued by the International Federation of Accountants.

The documents incorporated by reference herein are important and should be reviewed along with this document. Copies of the documents incorporated by reference will be available for inspection in accordance with paragraph 20 of Part 6 of this document.

None of the financial information included in or incorporated by reference herein was prepared in accordance with generally accepted accounting principles in the United States or audited in accordance with auditing standards generally accepted in the United States or auditing standards of the Public Company Accounting Oversight Board (United States).

The financial information included in this document or incorporated by reference into this document is not intended to comply with SEC reporting requirements. Compliance with such requirements would require the modification or exclusion of certain financial measures and the presentation of certain other information not included herein.

Forward-Looking Statements

This document and the information incorporated by reference into this document contains certain forward-looking statements which may include reference to one or more of the following: the Group's financial condition, results of operations, cash flows, dividends, financing plans, business strategies, operating efficiencies or synergies, budgets, capital and other expenditure, competitive positions, plans and objectives of management and other matters. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "annualised", "goal", "target", "aim", "may", "will", "would", "could" or "should" or (in each case, their negative or other variations or comparable terminology). Statements in this document that are not historical facts are hereby identified as "forward-looking statements". Such forward-looking statements, including, without limitation, those relating to future business prospects, revenue, capital needs, expected cost savings, interest costs and income, in each case relating to the Group, wherever they occur in this document, are not necessarily based on assumptions reflecting the views of the Company and involve a number of known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements. Such forward looking statements should, therefore, be considered in the light of various important factors. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation: economic and business cycles, the terms and conditions of the Company's financing arrangements, including fluctuations in interest rates, foreign currency rate fluctuations, competition in Worldsec's and its investee companies' principal markets, acquisitions or disposals of businesses or assets by the Company and trends in its and its investee companies' principal industries and markets.

These forward looking statements are further qualified by the risk factors disclosed, or incorporated by reference, in this document that could cause actual results to differ materially from those in the forward-

looking statements. Forward-looking statements should, therefore, be construed in light of such risk factors and undue influence should not be placed on forward-looking statements. You are advised to read this document and the information incorporated by reference into this document in their entirety, and, in particular, the section headed Risk Factors, Part 2 and Part 5 for a further discussion of the factors that could affect the Group's future performance and markets in which it operates.

These forward-looking statements speak only at the date of this document and are not intended to give any assurances in respect of the future performance of the Company. Except as required by the Listing Rules, the Disclosure Guidance and Transparency Rules, MAR, the Prospectus Rules and any law, the Company: (i) does not have any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, further events or otherwise; and (ii) expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The information in this Prospectus will, however, be updated as required by the Prospectus Rules, Listing Rules and Disclosure Guidance and Transparency Rules, as appropriate. In light of these risks, uncertainties and assumptions, the forward-looking statements discussed in this document might not occur. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision. Nothing in this document qualifies or should be deemed to qualify the working capital statement given in this document.

Further Share issues

This document assumes that no further Ordinary Shares will be issued after the date of this document and before the completion of the Open Offer. The Company may, at the discretion of the Directors and subject to appropriate Shareholder authority for the issue of New Shares being in place, issue up to 100 million Subsequent Placing Shares at any time within a period of up to 12 months from the date of this document. In the event that there are any significant changes affecting any of the matters described in this Prospectus or where any significant new matters have arisen after the publication of this Prospectus and prior to any subsequent Admission of any Ordinary Shares issued pursuant to the Issues, the Company will publish a supplementary prospectus giving details of the significant change(s) or the significant new matter(s).

EXPECTED TIMETABLE

Open Offer

Record Date for entitlement under the Open Offer	6.00 p.m. on 12 March 2018
Announcement of the Open Offer, and publication and posting of Prospectus and Application Forms	13 March 2018
Ex-Entitlement date for the Open Offer	14 March 2018
Open Offer Entitlements credited to CREST stock accounts of Qualifying CREST Shareholders ⁽¹⁾	15 March 2018
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 23 March 2018
Latest time for depositing Open Offer Entitlements into CREST	3.00 p.m. on 26 March 2018
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 27 March 2018
Latest time for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 29 March 2018
Results of the Open Offer announced through a Regulatory Information Service	3 April 2018
Admission and commencement of dealings in the Open Offer Shares, fully paid, on the London Stock Exchange	4 April 2018
CREST accounts credited with uncertificated Ordinary Shares	4 April 2018
Where applicable, definitive share certificates despatched by post in the week commencing	9 April 2018

Subsequent Placings

Admission and commencement of dealings in Subsequent Placing Shares, fully paid, on the London Stock Exchange	between 4 April 2018 and 12 March 2019
Publication of Subsequent Placings Price in respect of each Issue under the Subsequent Placings	as soon as practicable following announcement of each Issue under the Subsequent Placings
Crediting of CREST accounts in respect of Subsequent Placing Shares	8.00 a.m. on each day on which Subsequent Placing Shares are issued
Definitive share certificates despatched by post	where applicable, one week following the issue of the Subsequent Placing Shares

Notes

- (1) The right to subscribe for Open Offer Shares in the Open Offer is subject to certain restrictions relating to Shareholders with registered addresses, or who are resident, outside the UK. See Part 2 of this document.
- (2) Each of the times and dates set out in the above timetable of principal events and mentioned elsewhere in this document may be adjusted by the Company with the agreement of Smith & Williamson and Dickson Minto, in which event details of the new times and dates will be notified to the FCA, the London Stock Exchange and, where appropriate, Qualifying Shareholders.
- (3) All references to times in this timetable are to London times unless otherwise stated.
- (4) If you have any questions relating to this document, and the completion and return of the Application Form, please telephone Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

ISSUES STATISTICS

Number of Ordinary Shares in issue at the date of this document	56,734,580
Basis of Open Offer	1 Open Offer Share for every 2 Existing Shares held
Number of Open Offer Shares to be issued under the Open Offer	28,367,290
Open Offer Price per Open Offer Share	US\$0.15
Gross proceeds of the Open Offer	US\$4.2 million
Estimated net proceeds receivable by the Company after expenses ⁽¹⁾	US\$3.6 million
Open Offer Shares as a percentage of Enlarged Share Capital	33.3%
Number of Ordinary Shares in issue immediately following completion of the Open Offer ⁽²⁾	85,101,870
Number of Ordinary Shares to be issued under Subsequent Placings	up to 100,000,000
Subsequent Placing Shares as a percentage of Enlarged Share Capital ⁽³⁾	117.5%
Enlarged issued share capital upon completion of Subsequent Placings ⁽³⁾	up to 185,101,870

DEALING CODES

The dealing codes for the Ordinary Shares are as follows:

ISIN	BMG9774L1019
SEDOL	0980867
Ticker	WSL

Notes:

- (1) Fees and expenses in respect of the Open Offer are expected to be approximately US\$0.6 million.
- (2) Assuming that no Ordinary Shares, other than the Open Offer Shares, are issued between the date of this document and completion of the Open Offer.
- (3) Assuming that no Ordinary Shares, other than the New Shares, are issued between the date of this document and completion of the Subsequent Placings. Subsequent Placing Shares which may be issued after Admission will be issued at a price to be determined by reference to the mid-market price at the time of agreeing the placing of the Subsequent Placing Shares, which issue price shall not be at a discount greater than 10 per cent. of that mid-market price.

DIRECTORS, REGISTERED OFFICE AND ADVISERS

Directors	Alastair Gunn-Forbes (<i>Non-Executive Chairman</i>) Henry Cheong (<i>Deputy Chairman</i>) Ernest She (<i>Executive Director</i>) Mark Fong (<i>Non-Executive Director</i>) Martyn Wells (<i>Non-Executive Director</i>) <i>all of the registered office below</i>
Registered Office	Canon's Court 22 Victoria Street Hamilton HM12 Bermuda
Company Secretary	Jordan Company Secretaries Limited First Floor, Templeback Bristol BS1 6FL United Kingdom
Financial Adviser	Smith & Williamson Corporate Finance Limited 25 Moorgate London EC2R 6AY United Kingdom
Sponsor and Legal Adviser to the Company as to English law	Dickson Minto W.S. Broadgate Tower London EC2A 2EW United Kingdom
Legal Adviser to the Company as to Bermuda law	Appleby 2206-19 Jardine House Connaught Place, Central Hong Kong
Legal Adviser to the Company as to Hong Kong law	Charltons 12th Floor, Dominion Centre 43-59 Queen's Road East Hong Kong
English Legal Adviser to Smith & Williamson	Ashfords LLP 1 New Fetter Lane London EC4A 1AN United Kingdom
Reporting Accountant	BDO Financial Services Limited 25th Floor, Wing On Centre 111 Connaught Road, Central Hong Kong
Auditor	BDO Limited 25th Floor, Wing On Centre 111 Connaught Road Central Hong Kong

**Receiving Agent and United
Kingdom Transfer Agent**

Link Asset Services
Corporate Actions
The Registry, 34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom

**Principal Share Registrar and
Transfer Office**

Estera Management (Bermuda) Limited
Canon's Court, 22 Victoria Street
Hamilton HM12
Bermuda

PART 1

LETTER FROM THE CHAIRMAN



Worldsec Limited

(Incorporated and registered in Bermuda with registered number EC21466)

Directors

Alastair Gunn-Forbes
Henry Ying Chew Cheong
Ernest Chiu Shun She
Mark Chung Fong
Martyn Stuart Wells

Registered office

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

13 March 2018

Dear Shareholder

Open Offer and Subsequent Placings

1. Introduction

The Company is raising approximately US\$4.2 million (US\$3.6 million net of expenses) by way of the Open Offer. In addition the Board believes that it is in the best interests of Shareholders to continue to expand the size of the Company. Therefore the Board is also proposing to carry out Subsequent Placings, when the demand arises, until 12 March 2019.

The purpose of this document is to provide Shareholders with an outline of the background to and reasons for, together with details of, the Issues.

2. Background to and reasons for the Open Offer

In 2013, the Board determined that the future direction of the Group lay in investing in small and medium sized businesses based mainly in Greater China and South East Asia and raised approximately US\$4.3 million of new equity capital in order to facilitate the creation of the new business.

Since that time, the Company has invested most of the funds raised in 2013. Given the persistently low interest rate environment in recent years that has been conducive to asset price appreciation, the Company has continued to face challenges in identifying quality deals that would provide attractive returns while meeting its investment criteria. The relatively small size of the Company, which in turn limits the amount of funds available for each investment, further narrows the availability of investment opportunities for the Group.

In this challenging environment, the Company has therefore decided to raise fresh capital to strengthen its capital base in order to better position the Group to further the development and expansion of its investment portfolio. Accordingly the Company has decided to offer existing Shareholders the opportunity to invest via the Open Offer, which has been underwritten by Henry Cheong, and is being made to Qualifying Shareholders *pro rata* to their existing holdings.

3. Structure of the Issues

The New Shares, when issued and fully paid, will rank *pari passu* in all respects with the existing Ordinary Shares in issue at the relevant date, including the right to receive dividends or distributions made, paid or declared after the date of their issue.

The Issues will involve the following:

3.1 Open Offer

Subject to the conditions to the Open Offer being satisfied, Qualifying Shareholders will be offered the opportunity to subscribe for Open Offer Shares at a price of US\$0.15 per Open Offer Share on the basis of 1 Open Offer Share for every 2 Existing Shares held.

All of the Directors who currently hold Ordinary Shares, Henry Cheong, Alastair Gunn-Forbes and Ernest She, have undertaken to take up in full their entitlements under the Open Offer in respect of a total of 9,950,801 Ordinary Shares and the balance of 18,416,489 New Shares being offered pursuant to the Open Offer is being underwritten by Henry Cheong in his personal capacity. In addition, Henry Cheong has undertaken to the Company that, following the completion of the Open Offer, if necessary he will sell sufficient Ordinary Shares to ensure that the percentage of Ordinary Shares in public hands does not fall below 25 per cent. (or such lower percentage as the FCA may permit) as a result of the Open Offer.

3.2 Subsequent Placings

Where there is sufficient investor demand and the Directors believe that it is in the best interests of the Company and Shareholders, the Company intends to carry out Subsequent Placings. The Subsequent Placing Shares will be issued at a price to be determined by reference to the mid-market price at the time of agreeing the placing of the Subsequent Placing Shares. The Subsequent Placings Price will not be at a discount greater than 10 per cent. of that mid-market price.

In the context of Subsequent Placings, the Company has been in recent discussions with a potential corporate investor about participating in a placing of around 50 million Ordinary Shares at the Open Offer Price. There can be no certainty or assurance as to whether such an investment may or may not occur nor, if it were to occur, as to its timing, quantum or terms.

Further details on the Issues are set out below.

4. Details of the Open Offer

The Company is proposing to raise gross proceeds of approximately US\$4.2 million by way of the Open Offer.

The Open Offer Shares will be offered for subscription to Qualifying Shareholders by way of Open Offer Entitlements, on the basis of:

1 Open Offer Share at US\$0.15 each for every 2 Existing Shares

held by Qualifying Shareholders on the terms and conditions set out in Part 2 of this document. Holdings of Existing Shares under different designations, in different accounts or on different registers will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer. Fractional entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares and will be disregarded in calculating individual Open Offer Entitlements.

If you have sold or otherwise transferred all of your Shares before the Ex-Entitlement Date, you are not entitled to participate in the Open Offer.

The Open Offer Price of US\$0.15 per Open Offer Share, which is payable in full on acceptance by no later than 11.00 a.m. on 29 March 2018 represents a 171 per cent. premium at the Exchange Rate to the closing price of 4 pence per Ordinary Share on 12 March 2018 (being the last business day before the announcement of the Open Offer).

The Open Offer is underwritten to the extent of 18,416,489 Ordinary Shares by Henry Cheong in his personal capacity, pursuant to, and subject to the terms of, the Open Offer & Underwriting Agreement. The principal terms of the Open Offer & Underwriting Agreement are summarised in paragraph 10.1(i) of Part 6 of this document.

The Open Offer is conditional upon:

- 4.1 the Open Offer & Underwriting Agreement becoming unconditional in all respects save for the condition relating to Admission and not having been terminated in accordance with its terms; and
- 4.2 Admission becoming effective by not later than 8.00 a.m. on 4 April 2018 (or such later time and date as may be agreed pursuant to the Open Offer & Underwriting Agreement).

If any of such conditions are not satisfied the Open Offer will not proceed and any Open Offer Entitlements admitted to CREST will thereafter be disabled.

Details of further terms and conditions of the Open Offer, including the procedure for acceptance and payment and the procedure in respect of entitlements not taken up, are set out in Part 2 of this document and, where relevant, will also be set out in the Application Form.

Overseas Shareholders should refer to paragraph 10 of Part 2 of this document for further information on their ability to participate in the Open Offer.

Qualifying Certificated Shareholders will have received an Application Form with this document which sets out the maximum number of Open Offer Shares for which they are entitled to apply in respect of their Open Offer Entitlements, as shown in Box 5 on their Application Form. Qualifying Certificated Shareholders may apply for any whole number of Open Offer Shares up to but not exceeding their Open Offer Entitlements.

Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST of their Open Offer Entitlements and may apply for any whole number of Open Offer Shares up to but not exceeding their Open Offer Entitlements.

Qualifying Shareholders with holdings of Existing Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating their entitlements under the Open Offer.

Shareholders should note that the Open Offer is not a rights issue. Qualifying CREST Shareholders should also note that although the Open Offer Entitlements will be admitted to CREST and be enabled for settlement, an application in respect of an entitlement under the Open Offer may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear UK & Ireland's Claims Processing Unit. Qualifying Certificated Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not accept and apply under the Open Offer, but will be subscribed by Henry Cheong in accordance with the terms of the Open Offer & Underwriting Agreement.

5. Details of the Subsequent Placings

The Subsequent Placings comprise up to 100 million Subsequent Placing Shares (representing 117.5 per cent. of the Company's issued ordinary share capital following the completion of the Open Offer).

In the event that there are any significant changes affecting any of the matters described in this Prospectus or where any significant new matters have arisen after the publication of this Prospectus and prior to any subsequent Admission of any New Shares issued pursuant to the Subsequent Placings, the Company will publish a supplementary prospectus giving details of the significant change(s) or the significant new matter(s).

Each of the Subsequent Placings is conditional upon:

- 5.1 appropriate Shareholder authority for the issue of Subsequent Placing Shares remaining in place;
- 5.2 the Subsequent Placings Price being determined by the Directors; and
- 5.3 a valid supplementary prospectus being published by the Company if such is required by the Prospectus Rules.

In circumstances where these conditions are not fully met, the relevant Subsequent Placing will not take place.

6. Use of proceeds

The Directors will invest the net proceeds of the Open Offer, estimated to amount to approximately US\$3.6 million in accordance with the Investment Policy.

The Prospectus is valid for a period of up to 12 months from its date of publication. During this period, the Company may, at the discretion of the Directors and subject to appropriate Shareholder authority being in place, issue up to 100 million new Ordinary Shares in one or more tranches under the Subsequent Placings in addition to the Open Offer Shares, (i) otherwise than for cash, as all or part consideration on the acquisition of shares in investee companies and/or (ii) for cash to be invested in accordance with the Investment Policy.

7. Current investment portfolio

The table below sets out the current investment portfolio of the Company:

	<i>Unaudited book value in the Company's accounts at 30 June 2017 US\$000</i>
ayondo Holding AG	488
Velocity Mobile Limited	496
ICBC Specialised Ship Leasing Investment Fund	800
Oasis Education Group Limited	
– share of net assets	117
– amount due to the Group	257
	<hr/>
	2,158

Notes

- In the Company's unaudited interim accounts for the six months ended 30 June 2017:
 - ayondo Holdings AG, Velocity Mobile Limited and ICBC Specialised Ship Leasing Investment Fund were designated as available-for-sale financial assets and held at cost (the Directors having concluded that no impairment provision needed to be made).
 - Oasis Education Group Limited was accounted for as an interest in a joint venture and held at share of net assets plus the amount due to the Group.
- The investments described above represent the Group's principal investments for the period from 1 January 2014 to the date of this document.
- The Net Asset Value per Ordinary Share based on the unaudited consolidated interim financial statements of the Group as at 30 June 2017 was US\$0.0485 per Ordinary Share.

7.1 ayondo Holding AG

In 2015 the Group acquired 3,300 shares in ayondo Holding AG ("Ayondo") for a cash consideration of CHF320,100 and in 2016 the Group acquired an additional 1,650 shares for a cash consideration of CHF160,050 (the Group's total equity interest in Ayondo is less than one per cent.). Ayondo is the holding company of a financial technology group and is incorporated in Switzerland with subsidiaries authorised and regulated by the FCA and the Federal Financial Supervisory Authority ("BaFin") in Germany specialising in social trading in contracts-for-differences and spread betting. The Ayondo group has recently secured a portfolio management licence under BaFin enabling its clients to tailor social trading activities with their overall investment strategies.

Ayondo is seeking a listing through an initial public offering on Catalist, the sponsor-supervised board of the Singapore Stock Exchange.

7.2 Velocity Mobile Limited

In 2016 the Group acquired 195,991 shares in Velocity Mobile Limited ("Velocity") for a total cash consideration of GBP337,120 (the Group's equity interest in Velocity is less than one per cent.). Velocity is a company incorporated in England and Wales. The Velocity group offers a mobile application to consumers to discover and make real-time reservations and settle bills at premier restaurants. In addition, a product of the Velocity group launched in 2016, 'Velocity Black', is a one-stop chat-based conversational commerce engine targeted at high value consumers for the mobile-to-offline lifestyle applications with special emphasis

in the areas of restaurant, travel, and hotel bookings and payment. The Velocity group is also in the process of launching another new product, a globally connected customer relationship management system for its restaurant partners, and plans to expand its geographic coverage to include a number of Asian and Middle East cities.

7.3 ICBC Specialised Ship Leasing Investment Fund

In 2014 the Group acquired an 8 per cent. interest in the non-voting participating share capital of ICBC Specialised Ship Leasing Investment Fund (the “ICBC Shipping Fund”) for a total cash consideration of US\$800,000. The ICBC Shipping Fund is incorporated in the Cayman Islands with the objective of achieving stable return from investing primarily in marine vessels. The Group’s investment in the ICBC Shipping Fund continued to provide a stable return through monthly dividends generating an unaudited revenue of US\$48,000 in the first half of 2017.

7.4 Oasis Education Group Limited

In 2014 the Group acquired a 50 per cent. equity interest in Oasis Education Group Limited (“Oasis”) for a capital contribution of HK\$2 million and a shareholder loan of HK\$2 million. Oasis is an early-stage company incorporated in Hong Kong and is principally engaged, through a wholly-owned subsidiary in Shenzhen, in the provision of education consulting and support services to kindergartens in China. The first such kindergarten serviced by the Oasis group is located in Huizhou City of Guangdong Province (the “Huizhou Kindergarten”). The service agreement between the Oasis group and the Huizhou Kindergarten, which has facilities designed to cater for 300 pupils and which commenced classes in 2015, will run until the end of 2033. Under the consulting and support services provided by the Oasis group, the Huizhou Kindergarten reached a milestone in July 2017 with its first graduation of 34 pupils. For the academic term which commenced in September 2017, 59 new pupils enrolled bringing the total number of enrolment to 191. The Oasis group aims in the longer term to develop and expand the education consulting and supporting services to cover a network of kindergartens in China.

8. Current trading and prospects

With the differing pace of the advanced economies in moving towards monetary policy normalisation, the uncertainty surrounding Britain’s negotiations to exit the European Union, the uncertainty surrounding the policies of President Trump in the United States, the ongoing structural reforms in China, and the geopolitical tension in Asia and the Middle East, the investment climate around the world has been uncertain. But under an era of persistently low interest rates, stock markets have mostly been buoyant and asset valuations are considered by many to be inflated. This has made the investment environment challenging for private equity investment. Nonetheless, to better position the Group for long term growth, the Company has been actively exploring various alternatives with a view to raising fresh capital in order to strengthen its capital base to meet future opportunities: this has led to the Open Offer.

9. Dividends and dividend policy

The Board will consider a future dividend policy taking into account the Group’s earnings, cash flows and balance sheet position. However, the Open Offer is being undertaken to provide funds for additional investments to develop and expand the investment portfolio of the Group and, in view of this, the Directors do not expect to declare any dividends in the near future, preferring to invest any returns into the future growth of the business.

10. Overseas Shareholders

It is the responsibility of any Overseas Shareholders (including, without limitation, custodians, agents, nominees and trustees) wishing to take up their Open Offer Entitlements to satisfy themselves as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory. The attention of such Overseas Shareholders is drawn to the information in paragraph 10 of Part 2 of this document.

Subject to certain exceptions, Application Forms will not be sent to, and the Open Offer Entitlements will not be credited to a stock account in CREST of, any Shareholders with a registered address in the United States or any other of the Excluded Territories.

Notwithstanding any other provision of this document or the Application Form, Worldsec reserves the right to permit any Shareholder on the register of members of the Company at the Record Date to take up his Open Offer Entitlement if Worldsec, in its sole and absolute discretion, is satisfied that the transaction in question will not violate applicable laws.

The provisions of paragraph 10 of Part 2 of this document will apply generally to Overseas Shareholders who cannot or do not take up their entitlements to subscribe for Open Offer Shares.

11. Typical investor

A typical investor in the Company is a retail or institutional investor who wishes to have exposure to investments in small to medium sized companies, both start-up/early stage growth and established, typically with a turnover of up to US\$20 million, based mainly in the Greater China and South East Asia regions by way of a shareholding in a UK listed investment company with a portfolio of minority investments in investee companies. Such an investor need not be a sophisticated investor.

12. Admission, dealings and settlement

Applications will be made to the UK Listing Authority for the New Shares to be admitted to the Official List and to the London Stock Exchange for such Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

It is expected that Admission will be effective and dealings will commence in the Open Offer Shares at 8.00 a.m. (London time) on 4 April 2018. It is expected that admission to listing on the Official List of the Subsequent Placing Shares will become effective, and that dealings in the Subsequent Placing Shares, on the London Stock Exchange's main market for listed securities will commence between 4 April 2018 and 12 March 2019.

The New Shares will not be capable of being held or transferred in the CREST system because they are issued by a non-UK company. However, in order to enable Shareholders effectively to settle their Shares through the CREST system, a depositary arrangement involving the issue of dematerialised depositary interests representing the underlying Shares has been put in place. Pursuant to this arrangement a depositary, Link Trustees, will hold the New Shares, where a Shareholder wishes to hold these in otherwise than certificated form, and issue dematerialised Depositary Interests representing the underlying Shares which will be held on trust for the holders of the Depositary Interests. The Depositary Interests are independent securities constituted under English law and may be held and transferred through the CREST system.

13. Taxation

Your attention is drawn to paragraph 18 of Part 6 of this document in relation to taxation matters. If you are in any doubt as to your tax position, you should consult your own professional adviser without delay.

14. Action to be taken in respect of the Open Offer

If you are a Qualifying Certificated Shareholder, you will find enclosed with this document an Application Form to apply for New Shares under the Open Offer. If you wish to take up any or all of your entitlement to subscribe for Open Offer Shares under the Open Offer, you should complete the enclosed Application Form in accordance with the procedure for application set out in paragraph 4.1 of Part 2 of this document and in the Application Form. Completed Application Forms, accompanied by full payment in accordance with the instructions in paragraph 4.1 of Part 2 should be returned by post or by hand (during normal business hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, in either case as soon as possible and in any event so as to be received by no later than 11.00 a.m. on 29 March 2018.

If you are a Qualifying CREST Shareholder, no Application Form is enclosed and you will receive a credit to your appropriate stock account in CREST in respect of your Open Offer Entitlements under the Open Offer. You should refer to the procedure for application set out in Part 2 of this document.

The latest time for applications and payment in full under the Open Offer to be received, whether from Qualifying Certificated Shareholders or from Qualifying CREST Shareholders, is 11.00 a.m. on 29 March 2018. The procedure for application and payment depends on whether, at the time at which the application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have your Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement. The procedures for application and payment are set out in Part 2 of this document. Further details are included in the Application Forms sent to Qualifying Certificated Shareholders.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

The attention of Overseas Shareholders is drawn to paragraph 10 of Part 2 of this document.

Further details of the Open Offer are set out, in the case of Qualifying Certificated Shareholders, in the Application Form.

If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA immediately if you are in the United Kingdom or, if you are not, from another appropriately authorised independent professional adviser.

15. Directors' intentions regarding the Open Offer

The Directors are fully supportive of the Issues and those Directors who are also Shareholders have undertaken to take up in full their Open Offer Entitlements to an aggregate of 9,950,801 Open Offer Shares.

16. Further information

Your attention is drawn to the further information set out in Parts 2 to 6 of this document. You are advised to read the whole of this document and not to rely solely on the information set out in this letter. In addition you should consider the risk factors set out in pages 15 to 20 (inclusive) of this document.

Yours sincerely

Alastair Gunn-Forbes

Chairman

PART 2

TERMS AND CONDITIONS OF THE ISSUES

1. Introduction

This document (and, for Qualifying Certificated Shareholders only, the Application Form) contain the formal terms and conditions of the Issues. The attention of Qualifying Shareholders is drawn to paragraphs 4.1 and 4.2 of this Part 2 which give details of the procedure for application and payment for the Open Offer Shares. The attention of Overseas Shareholders is drawn to paragraph 10 of this Part 2 below.

Upon completion of the Open Offer, the Open Offer Shares will represent 50.0 per cent. of the Existing Shares and 33.3 per cent. of the Enlarged Share Capital.

If the maximum number of Subsequent Placing Shares are issued, the Subsequent Placing Shares will represent 117.5 per cent. of the Enlarged Share Capital.

The Open Offer is being made to Qualifying Shareholders, being holders of Existing Shares as set out on the register of members of the Company (other than Excluded Territory Shareholders). The Open Offer is an opportunity for Qualifying Shareholders to apply for, in aggregate, 28,367,290 New Shares on a *pro rata* basis by reference to their holding of Shares as at the Record Date at the Open Offer Price in accordance with the terms of the Open Offer. Each such applicant will be entitled to apply for Open Offer Shares in the proportions detailed below.

Any Shareholders who have sold or transferred all or part of their registered holding of Shares prior to the close of business on 13 March 2018 are advised to consult their stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for New Shares under the Open Offer may be a benefit which may be claimed from them by the purchasers or transferees under the rules of the London Stock Exchange.

The results of the Open Offer are expected to be announced on or around 3 April 2018 through a Regulatory Information Service announcement.

The Open Offer Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Shares including the rights to all dividends and distributions hereafter declared, made or paid.

The ISIN for the New Shares and the Depositary Interests is BMG9774L1019.

2. Details of the Open Offer

The Company proposes to raise gross proceeds of approximately US\$4.2 million through an offer to Qualifying Shareholders to subscribe for 28,367,290 New Shares. Subject to the fulfilment or waiver of the conditions of the Open Offer & Underwriting Agreement and to the terms and conditions set out below and in the Application Form (if they receive one), all Qualifying Shareholders (including Overseas Shareholders (other than Excluded Territory Shareholders)) are invited to apply to subscribe for New Shares in proportion to their holdings of Existing Shares at the Open Offer Price (payable in full on application) on the following basis:

1 New Share at US\$0.15 each for every 2 Existing Shares held

Fractional entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares and will be disregarded in calculating individual Open Offer Entitlements.

All of the Directors who currently hold Shares have undertaken to take up in full their entitlements under the Open Offer in respect of a total of 9,950,801 New Shares and the balance of 18,416,489 New Shares being offered pursuant to the Open Offer is being underwritten by Henry Cheong in his personal capacity.

The Open Offer Entitlements, in the case of the Qualifying Certificated Shareholders, are set out in Box 5 of their Application Form, or, in the case of Qualifying CREST Shareholders, are equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST.

Qualifying Shareholders with holdings of Existing Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating their entitlements under the Open Offer, as will holdings under different designations and in different accounts.

No application in excess of a Qualifying Shareholder's maximum pro-rata entitlement will be met, and any Qualifying Shareholder so applying will be deemed to have applied for his maximum entitlement only. Any monies paid in excess of the amount due in respect of an application will be returned to the applicant (at the applicant's risk) without interest within 14 days by way of cheque or CREST payment, as appropriate, save that any amount less than US\$10 shall be retained for the benefit of the Company.

Qualifying Shareholders may apply for less than their maximum pro-rata entitlement should they wish to do so.

If you are a Qualifying Certificated Shareholder, the Application Form shows the number of Existing Shares registered in your name on the Record Date (in Box 4) and also shows the maximum number of New Shares for which you are entitled to apply pursuant to your Open Offer Entitlement (in Box 5 of the Application Form).

Qualifying CREST Shareholders will have Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraph 4.2 of this Part 2 and also to the CREST Manual for further information on the relevant CREST procedures.

Shareholders who are located or resident in, or who are citizens of, or who have a registered address in an Excluded Territory (regardless of the number of Shares that they hold) will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 10 of this Part 2.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Certificated Shareholders should note that their Application Form is not a negotiable document and cannot be traded. Qualifying CREST Shareholders should note that, although their Open Offer Entitlements will be credited to their CREST accounts and be enabled for settlement, applications in respect of Open Offer Entitlements will not be tradable or listed, and applications in respect of the same may only be made by the Qualifying CREST Shareholder originally entitled, or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's claims processing unit. New Shares which are not taken up under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer. Qualifying Shareholders who do not take up their entitlements to apply for Open Offer Shares will have no rights under the Open Offer. Any New Shares which are not applied for in respect of the Open Offer will be dealt with in accordance with the terms of the Open Offer & Underwriting Agreement.

The Ordinary Shares may be delivered, held and settled in CREST by means of dematerialised Depositary Interests representing such Ordinary Shares. Therefore, all New Shares, when issued and fully paid, may be held and transferred by means of CREST.

Providing the conditions for admission of the Open Offer Shares have been met, the Open Offer Entitlements are expected to be credited to the CREST stock accounts of Qualifying CREST Shareholders with effect from 8.00 a.m. on 4 April 2018.

The Open Offer Entitlements are entitlements to subscribe for the New Shares subject to payment of the Open Offer Price.

None of the Open Offer Shares are being made available to the public other than pursuant to the Open Offer.

3. Conditions and further terms of the Open Offer

The Open Offer is conditional, upon:

- 3.1 the Open Offer & Underwriting Agreement becoming unconditional in all respects save for the condition relating to Admission and not having been terminated in accordance with its terms; and
- 3.2 Admission becoming effective by not later than 8.00 a.m. on 4 April 2018 (or such later time and date as may be agreed pursuant to the Open Offer & Underwriting Agreement).

The Open Offer & Underwriting Agreement is conditional upon certain matters being satisfied or not breached prior to Admission and may be terminated by the Company, the Underwriter and Smith & Williamson upon the occurrence of certain specified events, in which case the Open Offer will not proceed. The Open Offer & Underwriting Agreement is not capable of termination (including in respect of any statutory withdrawal rights) from the date of Admission. A summary of certain terms and conditions of the Open Offer & Underwriting Agreement is set out in paragraph 10.1(i) of Part 6 of this document.

Accordingly, if any condition is not satisfied, the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.

No temporary documents of title will be issued. Definitive certificates in respect of New Shares subscribed for under the Open Offer are expected to be posted to each Qualifying Certificated Shareholder on or around 9 April 2018. Pending receipt of the certificates, transfers of New Shares will be certified against the register of members of the Company. In respect of Qualifying CREST Shareholders, the New Shares are expected to be credited to stock accounts maintained in CREST as soon as practicable after 8.00 a.m. on 4 April 2018.

Applications will be made for the New Shares to be admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities. The application for admission to the Official List in respect of the New Shares is an application for a premium listing. Admission of the Open Offer Shares is expected to occur on 4 April 2018, when dealings on the London Stock Exchange are expected to commence.

All documents, including Application Forms and cheques and banker's drafts, posted to or by Qualifying Shareholders and/or their transferees or renouces (or their agents, as appropriate) will be posted at their own risk.

Shareholders who complete an Application Form will be deemed to have given the representations and warranties set out in paragraph 4.1.6 below, unless the requirement is waived by the Company and Smith & Williamson.

Shareholders who make a valid application through the CREST application procedures will be deemed to have given the representations and warranties set out in paragraphs 4.2.8 below, unless the requirement is waived by the Company and Smith & Williamson.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will notify the UK Listing Authority and make an appropriate announcement on a Regulatory Information Service giving details of the revised dates. The Company may also notify Qualifying Shareholders as appropriate.

All references to dates and times in this Part 2 should be read as being subject to such adjustment.

4. Action to be taken in respect of the Open Offer

Qualifying Certificated Shareholders who do not want to apply for New Shares under the Open Offer should take no action and should not complete or return the Application Form.

If you are in any doubt as to the action you should take, or the contents of this document, you should seek immediately your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent adviser duly authorised under FSMA who specialises in advising on investments in shares and other securities if you are resident

in the United Kingdom, or if not, from another appropriately authorised independent financial adviser.

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you have an Application Form in respect of your Open Offer Entitlements or you have Open Offer Entitlements credited to your CREST stock account in respect of such entitlement.

Qualifying Certificated Shareholders who apply for New Shares will be allotted their New Shares in certificated form. Qualifying CREST Shareholders will be allotted their New Shares in CREST. It will be possible for Qualifying Certificated Shareholders to deposit Open Offer Entitlements into CREST and for Qualifying CREST Shareholders to withdraw Open Offer Entitlements from CREST but only to satisfy a *bona fide* market claim. Further information on deposit and withdrawal from CREST is set out in paragraph 4.2.5 of this Part 2.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer.

Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

The total number of Open Offer Shares is fixed and will not be increased.

Excess monies in respect of applications in excess of a Qualifying Shareholder's Open Offer Entitlement will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

If you are a Shareholder, with a registered address in an Excluded Territory please refer to paragraph 11 below.

If you are a Qualifying Shareholder holding Ordinary Shares on behalf of, or for the account or benefit of any person on a non-discretionary basis who is in the United States or any state or jurisdiction of the United States, please refer to paragraph 11 below.

If you are a Qualifying Shareholder and have any queries about the Open Offer or on the procedure for acceptance and payment queries should be addressed to Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

4.1 If you have an Application Form showing your Open Offer Entitlements in respect of your entitlement under the Open Offer:

4.1.1 General

Subject to what is provided in paragraphs 10 and 11 of this Part 2 in relation to Overseas Shareholders, Qualifying Certificated Shareholders will receive an Application Form for the New Shares. The Application Form shows the number of Existing Shares registered in their name on the Record Date in Box 4 of the Application Form. It also shows the maximum number of New Shares for which they are entitled to apply in respect of their Open Offer Entitlements in Box 5 of the Application Form.

Qualifying Certificated Shareholders may apply for less than their maximum pro-rata entitlement should they wish to do so.

Qualifying Certificated Shareholders may also receive an Application Form by virtue of a *bona fide* market claim (see paragraph 4.1.2 below).

Each Qualifying Certificated Shareholder who wishes to take up any Open Offer Entitlements will be required, prior to receiving any New Shares, to make the representations, warranties,

agreements and acknowledgements set out in paragraph 4.1.6 of this Part 2 and as included in the Application Form. Certificates representing New Shares will not be delivered to any person unless and until the Company and the Receiving Agent have received a duly signed Application Form including an acknowledgement of such representations, warranties, agreements and acknowledgements.

The instructions and other terms set out in the Application Form constitute part of the terms of the Open Offer to Qualifying Certificated Shareholders.

4.1.2 ***Bona fide market claims***

Applications to acquire New Shares may only be made on the Application Form and may only be made by the Qualifying Certificated Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Shares through the market prior to 8.00 a.m. on 14 March 2018, the date upon which the Existing Shares are expected to be marked “ex” for the purpose of the entitlement to participate in the Open Offer by the London Stock Exchange. Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 27 March 2018. The Application Form is not a negotiable document and cannot be traded. A Shareholder who has sold or otherwise transferred all or part of his holding of Shares prior to the date upon which the Existing Shares were marked “ex” for the purpose of the entitlement to participate in the Open Offer should consult his broker or other professional adviser as soon as possible, as the invitation to acquire New Shares under the Open Offer may be a benefit which may be claimed by the transferee.

Shareholders who have sold all of their registered holdings prior to 6.00 p.m. on 13 March 2018 should complete Box 8 on the Application Form and immediately send the form to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee, or directly to the purchaser or transferee, if known. Subject to certain exceptions, the Application Form should not, however, be forwarded to or transmitted in or into any Excluded Territory. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 4.2.2 below.

Qualifying Certificated Shareholders who have sold or otherwise transferred part only of their Existing Shares shown on Box 4 of their Application Form prior to 6.00 p.m. on 13 March 2018 should complete Box 8 of the Application Form and immediately deliver the Application Form, together with a letter stating the number of Application Forms required, the total number of Existing Shares to be included in each Application Form (the aggregate of which must equal the number shown in Box 4 of the Application Form initially received by such Qualifying Certificated Shareholder) and the total number of Open Offer Entitlements to be included in each Application Form (the aggregate of which must equal the number shown in Box 5 of the corresponding Application Form), to the stockbroker, bank or other agent through whom the sale or transfer was effected or return it by post (during normal business hours) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by 3.00 p.m. on 27 March 2018. Link Asset Services will then create new Application Forms, mark the Application Forms “Declaration of sale or transfer duly made” and send them by post to the person submitting the original Application Form.

4.1.3 ***Application procedure***

Qualifying Certificated Shareholders wishing to apply to acquire New Shares (whether in respect of all or part of their Open Offer Entitlements) should complete the Application Form in accordance with the instructions printed on it and as set out below.

Completed Application Forms should be posted in the accompanying pre-paid envelope (in the UK only) or returned by post or by hand (during normal office hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (who will act as Receiving Agent in relation to the Open Offer) so as to be received by no later than 11.00 a.m. on 29 March 2018, after which time, subject to the limited exceptions set out below,

Application Forms will not be valid. Applications delivered by hand will not be checked upon delivery and no receipt will be provided. Qualifying Certificated Shareholders should note that applications, once made, will, subject to the very limited withdrawal rights set out in this document, be irrevocable and receipt of any application (whether such application is delivered by hand, by post or otherwise) will not be acknowledged. If an Application Form is being sent by first class post in the UK, Qualifying Certificated Shareholders are recommended to allow at least four Business Days for delivery. If however, there should be any postal delays or disruptions as a result of industrial action or otherwise, Qualifying Certificated Shareholders should act promptly to make alternative arrangements if they wish to participate in the Open Offer.

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (a) Application Forms received after 11.00 a.m. on 29 March 2018; or
- (b) applications in respect of which remittances are received before 11.00 a.m. on 29 March 2018 from authorised persons (as defined in FSMA) specifying the New Shares applied for and undertaking to lodge an Application Form in due course but, in any event, within two Business Days.

Multiple applications will not be accepted. All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk. If New Shares have already been allotted to a Qualifying Certificated Shareholder and such Qualifying Certificated Shareholder's cheque or banker's draft is not honoured upon first presentation or such Qualifying Certificated Shareholder's application is subsequently otherwise deemed to be invalid, the Company shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements for the sale of such New Shares on behalf of such Qualifying Certificated Shareholder and to hold the proceeds of sale (net of the Company's reasonable estimate of any loss that it has suffered as a result of any cheque or banker's draft not being honoured upon first presentation or such Qualifying Certificated Shareholder's application for New Shares being otherwise treated as invalid (including VAT) including any stamp duty or SDRT payable on the transfer of such New Shares) and all other amounts payable by such Qualifying Certificated Shareholder pursuant to the provisions herein in respect of the subscription for such New Shares, on behalf of such Qualifying Certificated Shareholder. Other than to the extent required by law, none of Link Asset Services, the Company, the Directors, or any other person, shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Certificated Shareholder as a result.

4.1.4 **Payment**

Completed Application Forms should be returned with a cheque or banker's draft drawn in US Dollars on a bank or building society in the UK which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by any of those companies or committees. Such cheques or banker's drafts must bear the appropriate sort code in the top right hand corner and must be for the full amount payable on application.

Cheques should be drawn on a personal account in respect of which the Qualifying Certificated Shareholder has sole or joint title to the funds and should be made payable to "Link Market Services Limited re: Worldsec Open Offer" and crossed "A/C Payee Only". Third-party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Certificated Shareholder has title to the underlying funds by inserting the applicant name on the back of the banker's draft or the building society cheque and adding their stamp) will not be accepted. Payments via CHAPS, BACS or electronic transfer will also not be accepted. All documents and cheques sent through the post to and from the Qualifying Certificated Shareholder will be sent at his own risk and any cheques not received by

Link Asset Services will need to be re-issued and re-sent by the Qualifying Certificated Shareholder.

Cheques and banker's drafts will be presented for payment on receipt and it is a term of the Open Offer that cheques and banker's drafts will be honoured on first presentation. The Company may elect to treat as valid or invalid any applications made by Qualifying Certificated Shareholders in respect of which cheques are not so honoured. Should such cheques or banker's drafts not be so honoured, the Company may undertake any action to recover the value of the application and any costs associated with such recovery (including the forfeiture and sale of any New Shares allotted pursuant to such an application). If cheques or banker's drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be kept in a bank account until all the conditions are met. No interest will be paid on such payments. If the Open Offer does not become unconditional no New Shares will be issued and all monies will be returned, (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer.

4.1.5 *Incorrect Sums*

If an Application Form encloses a payment for an incorrect sum, the Company through Link Asset Services reserves the right:

- (a) to reject the application in full and return the cheque or banker's draft, or refund the payment to the Qualifying Certificated Shareholder in question (without interest); or
- (b) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Open Offer Price, refunding any unutilised sum to the Qualifying Certificated Shareholder in question (without interest), save that any sums of less than US\$10 will be retained for the benefit of the Company; or
- (c) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying Certificated Shareholder in question (without interest), save that any sums of less than US\$10 will be retained for the benefit of the Company.

All monies received by the Receiving Agent in respect of Open Offer Shares will be held in a separate account by the Receiving Agent.

4.1.6 *Effect of Application*

By completing and delivering an Application Form, amongst other things, the applicant:

- (a) represents and warrants to the Company that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer in respect of his Open Offer Entitlements (in so far as application in respect of the same has been made) and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for New Shares or acting on behalf of any such person on a non-discretionary basis;
- (b) agrees with the Company that all applications under the Open Offer and contracts resulting therefrom shall be governed by, and construed in accordance with, the laws of England and Wales;
- (c) confirms to the Company that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Company contained in this document (including information incorporated by reference);

- (d) confirms to the Company that no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries or the New Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company;
- (e) represents and warrants to the Company that he is the Qualifying Certificated Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (f) represents and warrants to the Company that if he has received some or all of his Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (g) requests that the Open Offer Shares, to which he will become entitled, be issued to him on the terms set out in this document and the Application Form;
- (h) represents and warrants to the Company that he is not, nor is he applying on behalf of any person who is, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Excluded Territory or any jurisdiction in which the application for New Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the New Shares which are the subject of his application in any Excluded Territory or to, or for the benefit of, a person who is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Excluded Territory or any jurisdiction in which the application for New Shares is prevented by law, nor acting on behalf of any such person on a non-discretionary basis nor is he a person otherwise prevented by legal or regulatory restrictions from applying for New Shares under the Open Offer nor acting on behalf of any such person on a non-discretionary basis (except where proof satisfactory to the Company, in its sole and absolute discretion, has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which the Company, in its sole and absolute discretion, regards as unduly burdensome);
- (i) represents and warrants to the Company that (1) he is not a **US Person** (as defined in Regulation S), is not located within the United States and is not acquiring the Open Offer Entitlements and the New Shares for the account or benefit of a US Person or any person located in the United States; (2) he is acquiring the Open Offer Entitlements and the New Shares in an **offshore transaction** meeting the requirements of Regulation S; (3) he is acquiring the Open Offer Entitlements and the New Shares for his own account or for one or more investment accounts for which he is acting as a fiduciary or agent, that is not a **US Person** (as defined in Regulation S) and is located outside the United States in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the New Shares in any manner that would violate the US Securities Act, the Investment Company Act, or any other applicable US securities laws; (4) he understands and acknowledges that the Open Offer Entitlements and the New Shares have not been, and will not be, registered under the US Securities Act, or registered or qualified with any securities regulatory authority of any state or other jurisdiction of the United States, that neither the Open Offer Entitlements nor the New Shares may be offered, sold, resold, taken up, exercised, renounced, transferred, delivered or distributed, directly or indirectly, within the United States or to, or for the account or benefit of, **US Persons** (as defined in Regulation S), and that the New Shares may not, for a period of 40 days after the last issuance thereof by the Company, be offered, sold, resold, renounced, transferred, delivered or distributed, directly or indirectly, into or within the United States or to, or for the account or benefit of, **US Persons** (as defined in Regulation S); and (5) he understands and acknowledges that the Company has not registered and will not register as an investment company under the Investment Company Act;
- (j) represents and warrants to the Company that no portion of the assets used to purchase, and no portion of the assets used to hold, the New Shares or any beneficial interest therein constitutes or will constitute the assets of (1) an **employee benefit plan** as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (2) a plan as defined in Section 4975 of the US Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (3) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is

subject to Title I of ERISA or Section 4975 of the US Tax Code and in addition, if he is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code, his purchase, holding, and disposition of the Shares will not constitute or result in a non-exempt violation of any such substantially similar law; understands and acknowledges that the Company reserves the right to make inquiries of any holder of the New Shares or interests therein at any time as to such person's status under the federal US securities laws and to require any such person that has not satisfied the Company that the holding by such person will not violate or require registration under the US securities laws to transfer such New Shares or interests in accordance with the Bye-Laws;

- (k) represents and warrants to the Company that (1) he has received (outside the United States) this document, carefully read and understands this document; and (2) he has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document (or any part thereof) or any other presentation or offering materials concerning the New Shares to or within the United States or to any US Person, nor will he do any of the foregoing;
- (l) represents and warrants to the Company that (1) at the time the New Shares are acquired, he is not an affiliate of the Company or a person acting on behalf of such an affiliate; and (2) he is not acquiring the New Shares for the account or benefit of an affiliate of the Company or of a person acting on behalf of such an affiliate;
- (m) understands and acknowledges that if any New Shares are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

IN ADDITION, THE SECURITIES OF WORLDSEC REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, RESOLD, TRANSFERRED, DELIVERED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, INTO OR WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, **US PERSONS** (AS DEFINED IN REGULATION S UNDER THE US SECURITIES ACT) FOR A PERIOD OF 40 DAYS AFTER THE LAST ISSUANCE THEREOF BY THE COMPANY;

- (n) represents and warrants to the Company that if in the future he decides to offer, sell, transfer, assign or otherwise dispose of the New Shares, he will do so prior to the expiration of 40 days after the last issuance thereof by the Company only: (1) in an offshore transaction complying with the provisions of Regulation S under the US Securities Act to a person outside the United States and not known by the transferor to be a US Person (as defined in Regulation S), by pre-arrangement or otherwise; or (2) to the Company or a subsidiary thereof;
- (o) represents and warrants to the Company that, if he is acquiring any New Shares as a fiduciary or agent for one or more accounts, he has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account; and
- (p) understands and acknowledges that the Company, Smith & Williamson, their directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements and that if any of the representations, warranties, acknowledgments or agreements made by him are no longer accurate or have not been complied with, he will immediately notify the Company.

Further representations and warranties are included in paragraph 12.1 of this Part 2.

Qualifying Certificated Shareholders who do not want to apply for the New Shares under the Open Offer should take no action and should not complete or return the Application Form.

On the basis that Application Forms are posted on 13 March 2018, and that dealings in New Shares commence at 8.00 a.m. on 4 April 2018, the latest time and date for acceptance and payment in full will be 11.00 a.m. on 29 March 2018.

4.2 If you have Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer:

4.2.1 General

Subject to what is provided in paragraphs 10 and 11 of this Part 2 in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlement under the Open Offer.

Qualifying CREST Shareholders may apply for less than their maximum pro-rata entitlement should they wish to do so.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Shares held by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements have been allocated.

Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities. The Open Offer Entitlements will not be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for New Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions in paragraphs 4.2.3, 4.2.4 and 4.2.5 below and must not return a paper form and cheque. Should a Qualifying CREST Shareholder cease to hold all of his Existing Shares as a result of one or more *bona fide* market claims, the Open Offer Entitlements credited to CREST and allocated to the relevant Qualifying CREST Shareholder will be transferred to the purchaser. Please note that a separate Unmatched Stock Event (USE) instruction must be sent to Euroclear in respect of any application in respect of Open Offer Entitlements in the CREST system.

If for any reason the Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 6.00 p.m. on 16 March 2018, or such later time and/or date as the Company may decide, a form of application will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements which should have been credited to their stock accounts in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and a Regulatory Information Service announcement will be made to this effect.

A Qualifying CREST Shareholder who wishes to apply to acquire some or all of their entitlements to New Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for New Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

4.2.2 Bona fide market claims

The Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying CREST Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly.

4.2.3 **USE Instructions**

A Qualifying CREST Shareholder who is a CREST member and who wants to apply for New Shares in respect of all or some of his Open Offer Entitlements in CREST must send (or, if he is a CREST sponsored member, procure that his CREST sponsor sends) a USE Instruction to Euroclear which, on its settlement, will have the following effect:

- (a) the crediting of a stock account of Link Market Services under the participant ID and member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of New Shares applied for; and
- (b) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of Link Market Services in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of New Shares referred to in (a) above.

4.2.4 **Content of a USE Instruction in respect of Open Offer Entitlements for New Shares**

The USE Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (a) the number of New Shares for which application is being made (and hence the number of the Open Offer Entitlements being delivered to Link Market Services);
- (b) the ISIN of the Open Offer Entitlements. This is BMG9774L2009;
- (c) the CREST participant ID of the accepting CREST member;
- (d) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (e) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA33;
- (f) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 29413WOR;
- (g) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of New Shares referred to in (a) above;
- (h) the intended settlement date. This must be on or before 11.00 a.m. on 29 March 2018; and
- (i) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 29 March 2018.

In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

- (a) a contact name and telephone number (in the free format shared note field); and
- (b) a priority of at least 80.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 4 April 2018 or such later time and date as the Company and Smith & Williamson may agree (and notified to Shareholders), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Link Asset Services will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies will be retained for the benefit of the Company.

4.2.5 ***Deposit of Open Offer Entitlements into, and withdrawal of Open Offer Entitlements from, CREST***

A Qualifying Certificated Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements in his Application Form may be converted into Open Offer Entitlements that are deposited into CREST (either into the account of the Qualifying Certificated Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim). Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form. If you are the registered holder(s) of the Existing Shares set out in Box 4 of the Application Form, Box 11 which is entitled "CREST Deposit Form" should be completed and then the Application Form deposited with the CREST Courier and Sorting Service. In addition, the normal CREST stock deposit procedures will need to be carried out, except that it will not be necessary to complete and lodge a separate CREST transfer form (as prescribed under the Stock Transfer Act 1963) with the CREST Courier and Sorting Service.

If you are entitled to the Open Offer Entitlements shown in Box 5 of the Application Form by virtue of a *bona fide* market claim, the declaration in Box 8 of the Application Form must have been completed or (in the case of an Application Form which may have been split) marked "Declaration of sale duly made", and then the CREST Deposit Form in Box 11 must be completed and deposited with the CREST Courier and Sorting Service in accordance with the instructions above. A holder of more than one Application Form who wishes to deposit the Open Offer Entitlements shown on those Application Forms into CREST must complete Box 11 of each Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 29 March 2018.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to convert the entitlement under the Open Offer set out in such Application Form into Open Offer Entitlements in CREST, is 3.00 p.m. on 26 March 2018 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 23 March 2018 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the conversion or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 29 March 2018.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Certificated Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty (in addition to and not limiting any other representation or warranty) to the Company and the Receiving Agent by the relevant CREST member(s) that it/they is/are not in breach of any of the representations, warranties, acknowledgements and confirmations on page 2 of the Application Form or the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into "CREST" on page 3 of the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member(s) that, subject to certain exceptions, in the Company's sole and absolute discretion, it/they is/are not in or citizen(s) or resident(s) of any Excluded Territory or any jurisdiction in which the application for New Shares is prevented by law, and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

4.2.6 **Validity of application**

A USE Instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 29 March 2018 will constitute a valid application under the Open Offer.

4.2.7 **CREST procedures and timings**

Qualifying CREST Shareholders and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE Instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 29 March 2018. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

4.2.8 **Effect of Application**

A Qualifying CREST Shareholder who makes or is treated as making a valid application in accordance with the above procedures thereby:

- (a) represents and warrants that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer in respect of his Open Offer Entitlements (in so far as an application in respect of the same has been made) and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for New Shares or acting on behalf of any such person on a non-discretionary basis;
- (b) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Link Asset Services' payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (c) agrees that all applications under the Open Offer and contracts resulting therefrom shall be governed by, and construed in accordance with, the laws of England and Wales;
- (d) confirms that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Company contained in this document (including information incorporated by reference);
- (e) confirms that no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries or the New Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company;
- (f) represents and warrants that he is the Qualifying CREST Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (g) represents and warrants that if he has received some or all of his Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;

- (h) requests that the New Shares to which he will become entitled be issued to him on the terms set out in this document, subject to the Memorandum of Association and Bye-Laws of the Company;
- (i) represents and warrants to the Company that he is not, nor is he applying on behalf of any person who is, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Excluded Territory or any jurisdiction in which the application for New Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the New Shares which are the subject of his application in any Excluded Territory or to, or for the benefit of, a person who is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Excluded Territory or any jurisdiction in which the application for New Shares is prevented by law, nor acting on behalf of any such person on a non- discretionary basis nor is he a person otherwise prevented by legal or regulatory restrictions from applying for New Shares under the Open Offer nor acting on behalf of any such person on a non-discretionary basis (except where proof satisfactory to the Company, in its sole and absolute discretion, has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which the Company, in its sole and absolute discretion, regards as unduly burdensome);
- (j) represents and warrants to the Company that (1) he is not a US Person, is not located within the United States and is not acquiring any Open Offer Entitlements or New Shares for the account or benefit of a US Person; (2) he is acquiring the Open Offer Entitlements or the New Shares in an offshore transaction meeting the requirements of Regulation S; (3) he is acquiring the Open Offer Entitlements or the New Shares for his own account or for one or more investment accounts for which it he acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of such Shares in any manner that would violate the US Securities Act, the Investment Company Act or any other applicable securities laws; (4) he understands and acknowledges that the Open Offer Entitlements and the New Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, resold, taken up, exercised, renounced, transferred, delivered or distributed, directly or indirectly, within the United States or to, or for the account or benefit of, US Persons; and (5) he understands and acknowledges that the Company has not registered and will not register as an investment company under the Investment Company Act;
- (k) represents and warrants to the Company that no portion of the assets used to purchase, and no portion of the assets used to hold, the New Shares or any beneficial interest therein constitutes or will constitute the assets of (1) an employee benefit plan as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (2) a plan as defined in Section 4975 of the US Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (3) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the US Tax Code and in addition, if he is a governmental, church, non- US or other employee benefit plan that is subject to any federal, state, local or non US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code, his purchase, holding, and disposition of the Shares will not constitute or result in a non-exempt violation of any such substantially similar law;
- (l) understands and acknowledges that the Company reserves the right to make inquiries of any holder of the New Shares or interests therein at any time as to such person's status under the federal US securities laws and to require any such person that has not satisfied the Company that the holding by such person will not violate or require registration under the US securities laws to transfer such New Shares or interests in accordance with the Bye-Laws;
- (m) represents and warrants to the Company that (1) he has received (outside the United States) this document, carefully read and understands this document; and (2) he has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document (or any part thereof) or any other presentation or offering materials concerning

the New Shares to or within the United States or to any US Person, nor will he do any of the foregoing;

- (n) represents and warrants to the Company that (1) at the time the New Shares are acquired, he is not an affiliate of the Company or a person acting on behalf of such an affiliate; and (2) he is not acquiring the New Shares for the account or benefit of an affiliate of the Company or of a person acting on behalf of such an affiliate;
- (o) represents and warrants to the Company that if in the future he decides to offer, sell, transfer, assign or otherwise dispose of the New Shares, he will do so only (1) in an offshore transaction complying with the provisions of Regulation S under the US Securities Act to a person outside the United States and not known by the transferor to be a US Person, by pre-arrangement or otherwise; or (2) to the Company or a subsidiary thereof;
- (p) represents and warrants to the Company that, if he is acquiring any Shares as a fiduciary or agent for one or more accounts, he has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account; and
- (q) understands and acknowledges that the Company, Smith & Williamson, their directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements and that if any of the representations, warranties, acknowledgments or agreements made by it are no longer accurate or have not been complied with, he will immediately notify the Company.

Further representations and warranties are included in paragraph 12.2 of this Part 2.

4.2.9 *Incorrect or incomplete applications*

If a USE Instruction includes a CREST payment for an incorrect sum, the Company, through the Receiving Agent, reserves the right:

- (a) to reject the application in full and refund the payment to the CREST member in question (without interest); or
- (b) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of New Shares as would be able to be applied for with that payment at the Open Offer Price, refunding any unutilised sum to the CREST member in question (without interest); or
- (c) in the case that an excess sum is paid, to treat the application as a valid application for all the New Shares referred to in the USE Instruction, refunding any unutilised sum to the CREST member in question (without interest).

4.2.10 *Company's discretion as to the rejection and validity of applications*

The Company may in its sole discretion:

- (a) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part 2;
- (b) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE Instruction and subject to such further terms and conditions as the Company may determine;
- (c) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction and these matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

- (d) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE Instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for New Shares by means of the above procedures (although in normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by Link Asset Services in connection with CREST).

4.2.11 ***Lapse of the Open Offer***

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 4 April 2018 or such later time and date as the Company, Smith & Williamson and the Underwriter may agree, the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Link Asset Services will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies, if any, will be retained for the benefit of the Company.

5. Money Laundering Regulations

It is a term of the Open Offer that, to ensure compliance with the Money Laundering Regulations, the Receiving Agent, Link Asset Services, may require verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment (which requirements are referred to below as the "verification of identity requirements"). The person(s) (the "acceptor") who, by lodging an Application Form with payment, as described above, including any person who appears to the Receiving Agent to be acting on behalf of some other person, accept(s) the Open Offer in respect of the New Shares (the "relevant Shares") comprised in such Application Form shall thereby be deemed to agree to provide the Receiving Agent and/or the Company with such information and other evidence as they or either of them may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to an application and the verification of identity requirements have not been satisfied (which the Receiving Agent shall in its absolute discretion determine) by 11.00 a.m. on 29 March 2018, the Company may, in its absolute discretion, and without prejudice to any other rights of the Company, treat the acceptance as invalid or may confirm the allotment of the relevant Shares to the acceptor but (notwithstanding any other term of the Open Offer) such Shares will not be issued to him or registered in his name until the verification of identity requirements have been satisfied (which the Receiving Agent shall in their absolute discretion determine). If the application is not treated as invalid and the verification of identity requirements are not satisfied within such period, being not less than seven days after a request for evidence of identity is despatched to the acceptor, as the Company may in its absolute discretion allow, the Company will be entitled to make arrangements (in its absolute discretion as to manner, timing and terms) to sell the relevant Shares (and for that purpose the Company will be expressly authorised to act as agent of the acceptor). Any proceeds of sale (net of expenses) of the relevant Shares which shall be issued to and registered in the name of the purchaser(s) or an amount equivalent to the original payment, whichever is the lower, will be held by the Company on trust for the acceptor, subject to the requirements of the Money Laundering Regulations. The Receiving Agent is entitled in its absolute discretion to determine whether the verification of identity requirements apply to any acceptor and whether such requirements have been satisfied. Neither the Company, the Directors, the Underwriter, Smith & Williamson nor the Receiving Agent will be liable to any person for any loss suffered or incurred as a result of the exercise of any such discretion or as a result of any sale of relevant Shares.

Return of an Application Form with the appropriate remittance will constitute a warranty from the acceptor that the Money Laundering Regulations will not be breached by acceptance of such remittance and an undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purpose of the Money Laundering Regulations. If the verification of identity requirements apply, failure to provide the necessary evidence of identity may result in your acceptance being treated as invalid or in delays in the despatch of a receipted fully paid Application Form or a share certificate.

The verification of identity requirements will not usually apply if:

- 5.1 the acceptor is a regulated UK broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
- 5.2 the acceptor is a company whose securities are listed on a regulated market subject to specified disclosure obligations; or
- 5.3 or the acceptor (not being an acceptor who delivers his acceptance in person) makes payment by way of a cheque drawn on an account in the name of such acceptor; or
- 5.4 the acceptor is an organisation required to comply with the Money Laundering Directive 2015/849/EU of the European Parliament and of the EU Council of 20 May 2015 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing (the **EU Money Laundering Directive**); or the acceptor (not being an acceptor who delivers his application in person) makes payment through an account in the name of such acceptor with a credit institution which is subject to the EU Money Laundering Directive or with a credit institution situated in a non-EEA state which imposes requirements equivalent to those laid down in the EU Money Laundering Directive; or
- 5.5 the aggregate subscription price for the relevant New Shares is less than €15,000 (approximately US\$12,200 at the Latest Practicable Date).

Where the verification of identity requirements apply, please note the following in respect of the Open Offer as this will assist in satisfying the requirements. Satisfaction of these requirements may be facilitated in the following ways:

- 5.6 if payment is made by cheque or banker's draft in US Dollars drawn on a branch in the United Kingdom of a bank or building society and bears a UK bank sort code number in the top right-hand corner, the following applies. Cheques, which must be drawn on the personal account of the individual applicant where he has sole or joint title to the funds, should be made payable to "Link Market Services Limited re: Worldsec Limited Open Offer" and crossed "A/C payee only". Third party cheques will not be accepted with the exception of building society cheques or banker's draft, where the building society or bank has confirmed the name of the account holder by adding this to the back of the draft/cheque and by stamping or endorsing the building society cheque/banker's draft to such effect. The account name should be the same as that shown on the application; or
- 5.7 if an Application Form is lodged by hand by the acceptor in person, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and evidence of his name and address from an appropriate third party, for example, a recent bill from a gas, electricity or telephone company or a bank statement, in each case bearing the acceptor's name and address (originals of such documents (not copies) are required; such documents will be returned in due course); or
- 5.8 if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in paragraph 5.4 above or which is subject to anti-money laundering regulations in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, members of the Gulf Co-operation Council, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, the Russian Federation, Singapore, South Africa, Switzerland, Turkey and the United States of America), the agent should provide written confirmation with the Application Form that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the persons for whom it acts and that it will on demand make such evidence available to Link Asset Services and/or any relevant regulatory or investigatory authority.

In order to confirm the acceptability of any written assurance referred to above or in any other case, the acceptor should contact the Receiving Agent (telephone number as detailed on page 38 of this Part 2). Please note that the Receiving Agent is unable to give advice on the merits of the Open Offer or to provide legal, financial, tax or investment advice.

6. Applications by holders of uncertificated Existing Shares (that is in CREST)

- 6.1 If you hold your Open Offer Entitlements in CREST and apply for New Shares in respect of all or some of your Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, Link Asset Services is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact Link Asset

Services before sending any USE Instruction or other instruction so that appropriate measures may be taken.

- 6.2 Submission of a USE Instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to Link Asset Services such information as may be specified by Link Asset Services as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to Link Asset Services as to identity, Link Asset Services may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the New Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the New Shares represented by the USE Instruction will not be valid, without prejudice to the right of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of failure to provide satisfactory evidence.

7. Details of the Subsequent Placings

Following the completion of the Open Offer the Board believes that it is in the best interests of the Shareholders to continue to expand the Company. Therefore the Board is proposing to carry out Subsequent Placings, when the demand arises, until 12 March 2019.

The Subsequent Placings comprise up to 100 million Subsequent Placing Shares (representing 117.5 per cent. of the Enlarged Share Capital).

The Company has been in recent discussions with a potential corporate investor about participating in a placing of around 50 million Ordinary Shares at the Open Offer Price. There can be no certainty or assurance as to whether such an investment may or may not occur nor, if it were to occur, as to its timing, quantum or terms.

In the event that there are any significant changes affecting any of the matters described in this Prospectus or where any significant new matters have arisen after the publication of this Prospectus and prior to any subsequent Admission of any New Shares issued pursuant to the Subsequent Placings, the Company will publish a supplementary prospectus giving details of the significant change(s) or the significant new matter(s).

Each of the Subsequent Placings is conditional upon:

- 7.1 appropriate Shareholder authority for the issue of New Shares remaining in place;
- 7.2 the Subsequent Placings Price being determined by the Directors; and
- 7.3 a valid supplementary prospectus being published by the Company if such is required by the Prospectus Rules.

In circumstances where these conditions are not fully met, the relevant Subsequent Placing will not take place.

8. Issue of New Shares in certificated form

Definitive share certificates in respect of the New Shares issued under the Open Offer to be held in certificated form are expected to be despatched by post on 9 March 2018 at the risk of the person(s) entitled to them, to accepting Qualifying Certificated Shareholders or their agents or in the case of joint holdings, to the first-named Shareholder at their registered address (unless a lodging agent's stamp or details appear in the relevant box of the Application Form). After despatch of definitive share certificates, Application Forms will cease to be valid for any purpose whatsoever. Pending despatch of definitive share certificates, instruments of transfer of the New Shares will be certified by the Company's registrar against the register of members of the Company.

9. Taxation

The information contained in Part 6 of this document is intended only as a general guide to the current tax position in Bermuda and the United Kingdom. Qualifying Shareholders should consult their own appropriately qualified tax advisers regarding the tax treatment of the Open Offer in light of their own circumstances.

10. Overseas Shareholders

This document has been approved by the FCA, being the competent authority in the United Kingdom, in accordance with section 85 of FSMA. The making of the Open Offer and/or the issue of New Shares pursuant to the Open Offer and/or the distribution of this document or any other document relating to the Open Offer (including an Application Form) to persons located or resident in or who have a registered address in countries other than the United Kingdom or to persons who are nominees of or custodian, trustee or guardians for any such person or entities, may be affected by the law or regulatory requirements of the relevant jurisdiction. Those persons in any doubt as to their position should consult an appropriate professional adviser without delay.

The acceptance of the Open Offer by persons who have registered addresses outside the United Kingdom, or who are resident in countries outside the United Kingdom, or to persons who are nominees of or custodians, trustees or guardians for any such person or entities may be affected by the laws of the relevant jurisdiction. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlements.

It is also the responsibility of all persons (including, without limitation, custodians, nominees, agents, guardians and trustees) outside the United Kingdom wishing to take up their entitlements under the Open Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. The comments set out in this paragraph 10 are intended as a general guide only and any Qualifying Shareholders who are in doubt as to their position should consult their professional advisers without delay.

Receipt of this document and/or the Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST must be treated as sent for information only and should not be copied or redistributed.

The Application Form will not be sent to, and Open Offer Entitlements will not be credited to stock accounts in CREST of, persons with registered addresses in any Excluded Territory or their agent or intermediary, except where the Company is satisfied, in its sole and absolute discretion, that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or the Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him, nor should he in any event use any such Application Form and/or credit of Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him and such Application Form and/or credit of Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST must be treated as sent for information only and should not be copied or redistributed. It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for New Shares under the Open Offer to satisfy himself as to the full observance of the applicable laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company nor any of its respective representatives makes any representation to any offeree or purchaser of the New Shares regarding the legality of such an investment in the New Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or the Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send any of those

documents nor transfer Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or the Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his custodian, agent, nominee or trustee, he must not seek to apply for New Shares unless proof can be provided to satisfy the Company, in its sole and absolute discretion, that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or the Application Form and/or transfers Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part 2 and specifically the contents of this paragraph 10.

The Company reserves the right to treat as invalid any application or purported application for New Shares that appears to the Company or its agents to have been executed, effected or dispatched from an Excluded Territory or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the certificates of New Shares or in the case of a credit of Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be in an Excluded Territory, or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

Notwithstanding any other provision of this document or the Application Form, the Company reserves the right to permit any person to apply for New Shares if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for New Shares should note that payment must be made in US Dollar denominated cheques or bankers' drafts.

The Company, with the agreement of Smith & Williamson, reserves the right to treat as invalid and will not be bound to allot or issue any New Shares in respect of any acceptance or purported acceptance of the Open Offer which:

- 10.1 appears to the Company or Smith & Williamson or their respective agents to have been executed, effected or despatched in a manner which may involve a breach of the registration or other legal requirements of the United States or another Excluded Territory; or
- 10.2 in the case of an Application Form, provides an address for delivery of the share certificates in the United States or another Excluded Territory or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates unless the Company in its absolute discretion is satisfied with the agreement of Smith & Williamson that such action would not result in the contravention of any registration or other legal requirement.

The attention of Overseas Shareholders with registered addresses, or who are resident or located, in the United States or any of other Excluded Territories or who are nominees, custodians or trustees of such persons is drawn to paragraph 11 below.

None of the Company, Smith & Williamson, the Underwriter or any other person shall be responsible or have any liability whatsoever for any loss or damage (actual or alleged) arising from the exercise of any discretion under the terms of the Open Offer.

Despite any other provision of this document or the Application Form, the Company and Smith & Williamson reserve the right to permit any Shareholder to take up his entitlement if the Company and Smith & Williamson are satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders should note that all subscription monies must be in US Dollars by cheque or banker's draft and should be drawn on a bank in the UK, made payable to "Link Market Services Limited re: Worldsec Limited – Open Offer" and crossed "A/C payee only".

11. Restricted jurisdictions

Due to restrictions under the securities laws of the Excluded Territories, and subject to certain limited exceptions, Shareholders will not qualify to participate in the Open Offer and will not be sent the Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements. The New Shares have not been and will not be registered under the relevant laws of any Excluded Territory or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Excluded Territory or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Excluded Territory except pursuant to an applicable exemption established to the satisfaction of the Company in its absolute discretion with the agreement of Smith & Williamson.

United States of America

The Open Offer Entitlements and the New Shares have not been and will not be registered under the US Securities Act, or under any securities laws of any state or other jurisdiction of the United States. The Open Offer Entitlements and the New Shares may not be offered, sold, resold, taken up, exercised, renounced, transferred, delivered or distributed, directly or indirectly, into or within the United States or to, or for the account or benefit of, US Persons. The New Shares are being offered and sold only outside the United States to persons who are not “US Persons” and are located outside the United States in “offshore transactions” in accordance with and in reliance on the exemption from the registration requirements of the US Securities Act provided by Regulation S thereunder. There will be no public offer of the Open Offer Entitlements or the New Shares in the United States. The New Shares may not, for a period of 40 days after the last issuance thereof, be offered, sold, resold, taken up, exercised, renounced, transferred, delivered or distributed, directly or indirectly, into or within the United States or to, or for the account or benefit of, any US Persons.

This document does not constitute or form part of an offer to sell or issue, or a solicitation of an offer to purchase or subscribe for, Open Offer Entitlements or New Shares to any person to whom or in any jurisdiction in which such an offer, invitation or solicitation is unlawful, including the Excluded Territories. US Persons and persons within the United States or any other Excluded Territory may not take up Open Offer Entitlements or subscribe for or purchase New Shares except pursuant to any exemption under applicable laws established to the satisfaction of the Company in its absolute discretion with the agreement of Smith & Williamson. Any US Persons and persons within the United States or any other Excluded Territory who obtain a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST are required to disregard it.

Accordingly, persons with registered addresses in, or who are resident or located in, the United States, may not participate in the Open Offer unless an exemption from the registration requirements of the US Securities Act is available. None of this document or the Application Form or a credit of Open Offer Entitlements to a stock account in CREST constitutes or will constitute or form any part of an offer or an invitation to apply for or an offer or an invitation to acquire any New Shares in the United States. Neither this document nor any Application Form will be sent to any Shareholder having a registered address in the United States. Application Forms sent from or post-marked in the United States will be deemed therefore to be invalid and all persons acquiring New Shares and wishing to hold such New Shares in registered form must provide an address for registration of the New Shares outside the United States.

Any person who acquires New Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form or a credit of Open Offer Entitlements to a stock account in CREST, taking up their entitlements or accepting delivery of the New Shares, that they are not, and that at the time of acquiring the New Shares they will not be, in the United States or acting on a non-discretionary basis for a person located within the United States. The New Shares being offered outside the United States are being offered in reliance on Regulation S under the US Securities Act.

The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, despatched from or post-marked in the United States, or that provides an address in the United States for the registration or delivery of any New Shares, or which does not make the warranty set out in the Application Form to the effect that the person applying for New Shares does not have a registered address and is not otherwise located in the United States and is not acquiring the New Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Shares within the United States or where the Company believes acceptance of such Application Form

may infringe applicable legal or regulatory requirements. The Company will not be bound to allot or issue any New Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any New Shares may be transferred or delivered.

Canada

None of the New Shares nor the Open Offer Entitlements have been or will be registered under the securities legislation of any province or territory of Canada and, therefore, subject to certain exceptions, neither the New Shares, nor the Application Forms nor the Open Offer Entitlements may be directly or indirectly offered for subscription or purchase, taken up, sold, delivered, renounced or transferred in or into Canada. Accordingly, the Issues will not be made within Canada and the Application Form or Open Offer Entitlements will not (unless an address within the UK for the service of notices has been notified to the Company) be sent to or credited to the stock account in CREST of any Shareholder with a registered address in Canada.

Australia

No prospectus in relation to the New Shares has been or will be lodged with, or registered by, the Australian Securities Commission. Neither the New Shares nor the Application Forms nor the Open Offer Entitlements may be offered for subscription or purchase, taken up, sold, renounced, transferred or delivered, directly or indirectly, nor may any invitation to subscribe for or buy or sell New Shares be issued or any draft or definitive document in relation to any such offer, sale or invitation be distributed, in or into Australia or to or for the account or benefit of an Australian person. Accordingly, no offer of New Shares is being made under this document and/or the Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST to Shareholders with registered addresses in, or to residents of, Australia. No Application Form or Open Offer Entitlements will (unless an address within the UK for the service of notices has been notified to the Company) be sent to or credited to the stock account in CREST of Qualifying Shareholders who have registered addresses in Australia.

Others

Application Forms will be sent to Qualifying Certificated Shareholders, and Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders in jurisdictions other than the Excluded Territories. Qualifying Certificated Shareholders and Qualifying CREST Shareholders in jurisdictions other than the Excluded Territories may, subject to the laws of their relevant jurisdiction, take up New Shares under the Open Offer in accordance with the instructions set out in this document and, in the case of Qualifying Certificated Shareholders, also set out in the Application Form.

Qualifying Certificated Shareholders or Qualifying CREST Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to participate in the Open Offer.

Hong Kong

The contents of this document and its enclosures, if any, have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Open Offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice. This document and its enclosures, if any, may not be copied, transferred or distributed to any person in Hong Kong other than the named addressee. If you have received this document or any copy or any part thereof in Hong Kong, by any means whatsoever, and you are not the named addressee, you should immediately return the document or any copy or part thereof to Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW, United Kingdom or otherwise dispose of the document in a secure manner.

The Shares to be issued pursuant to the Open Offer are not offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than to Qualifying Shareholders who are Overseas Shareholders with registered addresses in Hong Kong who do not number more than 50 persons, or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance.

No person has issued or had in its possession for the purposes of issue, and no person will issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong).

The issue of this document has not been authorised by the Securities and Futures Commission in Hong Kong nor has the document been registered by the Registrar of Companies in Hong Kong. This document does not constitute an offer or invitation to the public in Hong Kong to acquire New Shares in the Open Offer.

12. Further representations and warranties

12.1 *Qualifying Certificated Shareholders*

Any person completing and returning an Application Form or requesting registration of the New Shares comprised therein (i) makes all the representations and warranties set out in paragraph 4.1.6 of this Part 2 and (ii) represents and warrants to the Company and/or Smith & Williamson that, except where proof has been provided to the Company and the Company, in its sole and absolute discretion, is satisfied with the agreement of Smith & Williamson that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (A) such person is not requesting registration of the relevant New Shares from within any Excluded Territory; (B) such person is not in any territory in which it is unlawful to make or accept an offer to acquire New Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (C) such person is not acting on a non-discretionary basis for a person located within any Excluded Territory or any territory referred to in (B) above at the time the instruction to accept was given; and (D) such person is not acquiring New Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Shares into any of the above territories. The Company and/or the Receiving Agent may treat as invalid any acceptance or purported acceptance of the allotment of New Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from an Excluded Territory or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in an Excluded Territory for delivery of the share certificates of New Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph 12.1.

12.2 *Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part 2 (i) makes all the representations and warranties set out in paragraph 4.2.8 of this Part 2 and (ii) represents and warrants to the Company that, except where proof has been provided to the Company and the Company, in its sole and absolute discretion, is satisfied that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (A) he is not within any Excluded Territory; (B) he is not in any territory in which it is unlawful to make or accept an offer to acquire New Shares; (C) he is not, subject to certain exceptions, acting on a non-discretionary basis for a person located within any Excluded Territory or any territory referred to in (B) above at the time the instruction to accept was given; and (D) he is not acquiring any New Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Shares into any of the above territories.

13. Waiver

The provisions of paragraphs 10, 11, and 12 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company, subject to the prior agreement of Smith & Williamson and the Underwriter. Subject to this, the provisions of paragraphs 10, 11 and 12 supersede any terms of the Open Offer which are inconsistent herewith. References in paragraphs 10, 11 and 12 to Shareholders shall include references to the person or persons executing an Application Form and in the event of more than one person executing an Application Form, the provisions of paragraphs 10, 11 and 12 shall apply to them jointly and to each of them.

14. Times and dates

The Company shall in its discretion and after consultation with its financial and legal advisers and with the agreement of Smith & Williamson be entitled to amend the dates that Application Forms are despatched and Open Offer Entitlements are credited to CREST stock accounts or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the UK Listing Authority and make an announcement on a Regulatory Information Service, but Qualifying Shareholders may not receive any further written communication except where appropriate.

If a supplementary prospectus is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document (or such later date as may be agreed between the Company, Smith & Williamson and the Underwriter), the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary prospectus (or such later date as the Company, Smith & Williamson and the Underwriter may agree in writing), and the dates and times of principal events due to take place following such date shall be extended accordingly.

15. Dilution

Qualifying Shareholders who take up their *pro rata* entitlements in full under the Open Offer will suffer no dilution to their interests in the Company as a result of the Open Offer. Qualifying Shareholders who do not take up any of their entitlements to subscribe for the New Shares will suffer an immediate dilution of 33 per cent. to their interests in the Company as a result of the Open Offer.

Assuming that the maximum number of Subsequent Placing Shares available for issue are issued under the Subsequent Placings, Shareholders who do not acquire any of the Subsequent Placing Shares will suffer a dilution of 54 per cent. to their interests in the Company.

16. Governing law

The terms and conditions of the Issues as set out in this Part 2 and, where applicable, the Application Form shall be governed by, and construed in accordance with, English law. The New Shares will be created and issued pursuant to the Act and shall be subject to the rights as set down in the Memorandum of Association and the Bye-Laws of the Company.

17. Jurisdiction

The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Issues, this document or the Application Form. By accepting the Open Offer in accordance with the instructions set out in this document and in the case of Qualifying Certificated Shareholders, also set out in the Application Form, or by applying for the New Shares under the Subsequent Placings in accordance with the instructions set out in the document and the relevant placing agreement, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

18. Withdrawal rights

If the Company is required to publish a supplementary prospectus pursuant to section 87G of FSMA and paragraph 3.4 of the Prospectus Rules, Qualifying Shareholders, will, pursuant to section 87Q of FSMA have statutory rights to withdraw their acceptance of the offer to subscribe for New Shares pursuant to the Open Offer. If a Qualifying Shareholder wishes to exercise or direct the exercise of this statutory withdrawal right in respect of any acceptance of the Open Offer, he must do so by lodging a written notice of withdrawal within two Business Days commencing on the Business Day after the date on which the supplementary prospectus is published.

The withdrawal notice must include the full name and address of the person wishing to exercise the statutory withdrawal right and, if such person is a CREST member, the participant ID and the member account ID of such CREST member. The notice of withdrawal must be deposited by post or by hand (during normal

business hours only) with Link Asset Services, Corporate Actions, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

The Company will not permit the exercise of withdrawal rights after payment by the relevant persons for the New Shares in full and the allotment of such New Shares to such persons becoming unconditional save to the extent required by statute. In such event, such persons are advised to seek independent legal advice.

19. Admission, settlement and dealings

The result of the Open Offer is expected to be announced on 3 April 2018 through a Regulatory Information Service. Applications will be made to the UK Listing Authority for the New Shares issued under the Open Offer to be admitted to the Official List and to the London Stock Exchange for such New Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that trading in the New Shares to be issued pursuant to the Open Offer will commence at 8.00 a.m. on 4 April 2018.

It is expected that admission to listing on the Official List of the Subsequent Placing Shares will become effective, and that dealings in the Subsequent Placing Shares, on the London Stock Exchange's main market for listed securities will commence between 4 April 2018 and 12 March 2019.

The Existing Shares and New Shares will not be capable of being held or transferred in the CREST system because they are issued by a non-UK company. However, in order to enable Shareholders effectively to settle their Shares through the CREST system, a depositary arrangement involving the issue of dematerialised depositary interests representing the underlying Shares has been put in place. Pursuant to this arrangement a depositary, Link Trustees, will hold the Shares, where a Shareholder wishes to hold these in otherwise than certificated form, and issue dematerialised Depositary Interests representing the underlying Shares which will be held on trust for the holders of the Depositary Interests. The Depositary Interests will be independent securities constituted under English law and may be held and transferred through the CREST system.

All Depositary Interests, when issued, may be held and transferred by means of CREST. Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 29 March 2018 (the latest date for applications under the Open Offer). If the conditions to the Open Offer described above are satisfied, Depositary Interests representing New Shares will be issued to those persons who submitted a valid application for New Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. On 15 March 2018, the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to the relevant Depositary Interests with effect from Admission (expected to be 4 April 2018). The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE Instructions were given.

Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Shareholders a form of application instead of crediting the relevant stock account with Open Offer Entitlements, and to allot and/or issue any New Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by Link Asset Services in connection with CREST.

For Qualifying Certificated Shareholders who have applied by completing an Application Form, certificates in respect of the New Shares validly applied for are expected to be despatched by post on 9 April 2018. No temporary documents of title will be issued in respect of Shares held in certificated form and, pending the issue of definitive certificates, transfers will be certified against the share register of the Company. All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying Certificated Shareholders are referred to paragraph 4.1 above and their Application Form.

PART 3

INFORMATION ON THE GROUP

1. Introduction

The Group was founded in 1991 and its strategy was to develop a financial services business focussed on providing independent value-added services to its clients in relation to Asian equity and equity-related services. This included research-driven advisory stockbroking services to institutional, corporate and retail investors wishing to participate in the securities markets of Asia and corporate finance services to Asian-based corporate clients.

The Company's Shares were admitted to the Official List on 27 March 1997. On admission its directors included Henry Cheong, Alastair Gunn-Forbes and Mark Fong, who remain directors of the Company at the date of this document.

Following admission to the Official List, the Group maintained a strategy of conducting and building a broking business specialising in Asian markets. This was aimed at growing the client base to enable the Group to benefit from the economies of scale of a larger broking business and develop other opportunities such as corporate finance work.

Mounting losses incurred by the marginalisation of South East Asian equity markets by institutional investors between 2000 and 2002 resulted in the feasibility of this strategy being reviewed. Following the closure of the Group's Philippines and Malaysian offices during 2001, the Shareholders approved the disposal by the Group of certain securities businesses to UOB-Kay Hian Holdings Limited during 2002 with the result that the Group thereafter effectively ceased trading.

In 2013, the Board determined that the future direction of the Group lay in investing in small and medium sized companies based mainly in Greater China and South East Asia and raised approximately US\$4.3 million of new equity capital in order to facilitate the creation of the new business. Since that time, the Company has invested most of the funds raised in 2013, and believes that it is now appropriate to increase its capital base and expand the size of the Group's investment portfolio.

2. Strategic objective of Worldsec

The Company's strategic objective is to achieve attractive investment returns principally through capital appreciation on a medium to long term horizon from investments primarily in companies based mainly in the Greater China and the South East Asian regions in accordance with the Investment Policy.

3. Directors

3.1 **Alastair Gunn-Forbes** (*Non-Executive Chairman*) – aged 73

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 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 Limited, a recruitment company, and also the Chairman of Future Biogas Limited, a green energy company.

3.2 **Henry Ying Chew Cheong** (*Executive Director and Deputy Chairman*) – aged 70

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 40 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 Group in 1991. In late 2002, the Group sold certain securities businesses to UOB Kay Hian Holdings Limited 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 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 was a member of the Securities and Futures Appeals Tribunal and a member of the Advisory Committee of the Securities and Futures Commission in Hong Kong ("SFC") (from 2009-2015). Mr Cheong was a member of the Disciplinary Panel A of the Hong Kong Institute of Certified Public Accountants (from 2005 to 2011). He was a member of the Corporate Advisory Council of the Hong Kong Securities Institute (from 2002 to 2009), a member of the Advisory Committee to the SFC (from 1993 to 1999), a member of the board of directors of the Hong Kong Future Exchange Limited (from 1994 to 2000), a member of GEM Listing Committee and Main Board Listing Committee of Hong Kong Exchange and Clearing Limited ("HKEX") (from May 2002 to May 2006), a member of Derivatives Market Consultative Panel of HKEX (from April 2000 to May 2006), a member of the Process Review Panel for the SFC (from November 2000 to October 2006) and a member of the Committee on Real Estate Investment Trusts of the SFC (from September 2003 to August 2006).

Mr Cheong is an Independent Non-Executive Director of CK Asset Holdings Limited, CK Infrastructure Holdings Limited, CNNC International Limited, Greenland Hong Kong Holdings Limited, Hutchison Telecommunications Hong Kong Holdings Limited, New World Department Store China Limited, Skyworth Digital 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.

3.3 **Mr Mark Chung Fong** (*Non-Executive Director*) – aged 66

Mr Fong was an Executive Director for China development of Grant Thornton International Ltd, a corporation incorporated in England, and retired from Grant Thornton effective from 1 January 2014. He has more than 40 years' experience in the accounting profession. Mr Fong obtained a bachelor's degree in science from University College, London in August 1972 and a Master's degree in science from the University of Surrey in December 1973. He has been a Fellow of the Institute of Chartered Accountants in England and Wales since January 1983 and a Fellow of the Hong Kong Institute of Certified Public Accountants ("HKICPA") since March 1986. He was the President of HKICPA in 2007. He has been appointed as the Chairman of the Audit Committee of HKICPA and has also served on the Council of the Institute of Chartered Accountants in England and Wales since 2016.

Mr Fong is an Independent Non-Executive Director of Sinopec Kantons Holdings Limited and, until recently, was an Independent Non-Executive Director of New China Life Insurance Company, Ltd, both being listed companies in Hong Kong.

3.4 **Ernest Chiu Shun She** (*Executive Director*) – aged 57

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 equity markets and having held executive management positions and directorships at various investment banks and financial institutions including, among others, Worldsec Corporate Finance Limited and UOB Asia (Hong Kong) Limited.

Since rejoining the Group to assist in the reactivation of its business operations in 2013, Mr She has been an Executive Director of the Company working on private equity investments.

Mr She has a deep-rooted and long-standing connection with the Worldsec group of companies being one of the co-founding team members at the time when the entities were established in the early 1990s. For more than a decade that followed and until the disposal by the Group of certain securities businesses to UOB Kay Hian Holdings Limited in 2002, Mr She held 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 in Hong Kong.

3.5 **Martyn Stuart Wells** (Non-Executive Director) – aged 73

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.

4. **The Investment Process**

Worldsec has an Investment Committee comprising Henry Cheong and Ernest She. The Board may from time to time set investment criteria relating to the size of investment sectors and geographical locations, and other factors which they determine to be appropriate, subject to each guideline being in accordance with the Investment Policy.

Prospective investee companies may be identified internally or may be introduced by third parties. Each opportunity will be reviewed by the Investment Committee, and if appropriate industry specific advisors will be appointed to provide a commercial opinion on the investment. Appropriate legal and accounting due diligence will be undertaken using external advisors where appropriate. The Investment Committee will then decide whether the investment would be appropriate and attractive to the Company in accordance with its investment criteria. The commercial transaction with the investee company will then be negotiated and presented to the Board for final approval.

A variety of investment instruments may be deployed dependent upon the particular circumstances of each case. Where appropriate the Company may issue its own Shares in exchange for the investee company's shares. A board seat on investee companies may be required as a condition of the investment.

Divestments will be recommended by the Investment Committee to the Board as considered appropriate. The Board ultimately will approve such divestments before they are completed.

5. **Investment Policy**

The Company will invest in established small to medium sized trading companies, being companies, both start-up/early stage growth and established, with a turnover typically up to US\$20 million, based mainly in the Greater China and South East Asian regions, and thereby create a portfolio of minority investments in such companies.

The Company's investment objective is to achieve attractive investment returns through capital appreciation on a medium to long term horizon. The Directors consider between 2 to 4 years to be medium term and long term to be over 4 years. The Directors intend to build an investment portfolio of small to medium sized companies based mainly in the Greater China and South East Asian regions. The Company may also take advantage of opportunities to invest in companies in other jurisdictions, such as the UK, which have close trading links with Greater China and South East Asia. Investments will normally be in equity or preferred equity but if appropriate convertible loans or preference shares may be utilised.

The Company has no intention of employing gearing, but reserves the right to gear the Company to a maximum level of 25 per cent. of the last published Net Asset Value of the Group should circumstances arise where, in the opinion of the Directors, the use of debt would be to the advantage of the Company and the Shareholders as a whole.

The investment portfolio will consist primarily of unlisted companies but the Directors will also consider investing in undervalued listed companies, if and when such an opportunity arises. Where suitable

opportunities are identified, investment in companies considering a stock market listing at the pre-initial public offering stage will be considered.

No more than 20 per cent. of the gross assets of the Group will be invested in any single investment at the time of investment. The Directors consider that opportunities will arise to invest in investee companies by the issue of new Ordinary Shares at a discount of no more than 10 per cent. of the mid-market price at the time of agreement of their issue in exchange for new equity, preferred equity or convertible instrument in the investee company. Target sectors are financial services, consumer retail distribution, natural resources and infrastructure but the Company will seek to take advantage of opportunities in other sectors if these arise.

The Company's portfolio in due course will comprise at least five different investee companies, thereby reducing the potential impact of poor performance by any individual investment.

The Company does not intend to take majority interests in any investee company, save in circumstances where the Company exercises any rights granted under legal agreements governing its investment. Each investment by the Company will be made on terms individually negotiated with each investee company, and the Company will seek to be able to exercise control over the affairs of any investee company in the event of a default by the investee company or its management of their respective obligations under the legal agreements governing each investment. Where appropriate, the Company will seek representation on the board of companies in which it invests. Where board representation is secured in an investee company, remuneration for such appointment will be paid to the benefit of the Company thereby enhancing returns on the investment. There will be no intention to be involved in the day to day management of the investee company but the skills and connections of the board representative will be applied in assisting the development of the investee company, with the intention of enhancing shareholder value. The Company will arrange no cross funding between investee companies and neither will any common treasury function operate for any investee company; each investee company will operate independently of each other investee company.

Where the Company has cash awaiting investment, it will seek to maximise the return on such sums through investment in floating rate notes or similar instruments with banks or other financial institutions with an investment grade rating or investment in equity securities issued by companies which have paid dividends for each of the previous three years.

Any material change to the Investment Policy may only be made with the prior approval of the Shareholders.

6. Employees

Save for the Directors listed above, the Group has three employees and a consultant. The average number of employees (excluding the Directors) for the financial years ended on each of 31 December 2014, 31 December 2015 and 31 December 2016, and for the six months ended 30 June 2017, was three.

7. Corporate Governance

7.1 The Board, with a non-executive chairman and over half of its members being non-executive, is committed to high standards 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.

7.2 The Board has established audit and remuneration committees, details of which are set out in paragraph 14 of Part 6 of this document.

7.3 In light of the Group's small size and the limited scale of its activities, the Board considers it to be "smaller" in the context of the UK Corporate Governance Code. The Group complies with the relevant provisions of the UK Corporate Governance Code, apart from certain exceptions set out and explained below:

7.3.1 the Board has determined that it is not necessary to establish a nomination committee. The typical responsibilities of such a committee remain with the Board as a whole;

- 7.3.2 the Board has determined that it is not necessary to designate any of the Directors as the senior independent director and does not consider an annual self-evaluation to be particularly meaningful in the circumstances. The responsibilities normally allocated to a senior independent director remain with the non-executive Directors; and
- 7.3.3 the Board has decided that, in light of the very limited scale of the Group's activities, it would not be necessary or cost-effective to maintain an internal audit function.

8. Calculation of Net Asset Value

- 8.1 The Net Asset Value per Ordinary Share is calculated biannually, based on the Group's audited annual accounts and unaudited interim accounts, and notified to the London Stock Exchange. The preparation of valuations may be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained. Such suspension will be communicated to investors via a Regulatory Information Service.
- 8.2 The Net Asset Value is determined and calculated by the Directors. All of the Company's available-for-sale financial assets are held at fair value or, when the fair value of such assets cannot be reliably measured because (a) the variability in the range of reasonable fair value measurements is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used when measuring fair value, at cost less any impairment losses. Joint ventures are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the joint ventures' net assets except that losses in excess of the Group's interest in the joint venture are not recognised unless there is a legal and constructive obligation to make good those losses.
- 8.3 The Net Asset Value per Ordinary Share based on the unaudited consolidated interim financial statements of the Group as at 30 June 2017 was US\$0.0485 per Ordinary Share.

9. Investment Management

Henry Cheong and Ernest She, as the executive Directors, are responsible for the overall management of the investments of the Company and its portfolio of assets, but do not have authority to make significant decisions without the approval of the Board. Decisions relating to the making or disposal of investments are made by the Board acting on the recommendations of the Investment Committee. As an external investment manager will not be engaged, no management fee will be payable by the Company. Instead the Directors and employees of the Group are eligible to participate in the bonus arrangements described in paragraph 7.2 of Part 6 of this document.

10. Conflicts of Interest

- 10.1 Some of the Directors serve on the boards of other companies, as shown in paragraph 7.7 of Part 6 of this document. As a result, they may have conflicts of interest in allocating investments among the Company and the other companies of which they are directors and in effecting transactions between the Company and the other companies of which they are directors, including ones in which they may have a greater financial interest.
- 10.2 The Directors may be involved in other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Company. In particular, they may provide investment management, investment advice or other services in relation to other funds which may have similar investment policies to that of the Company.
- 10.3 The Directors will have regard to their obligations as directors to the Company to act in the best interests of the Company and its security holders generally, so far as is practicable. When potential conflicts of interest arise, the Directors will take appropriate precautions to ensure that a conflicted Director does not vote or participate in the discussions in respect of any matter in which he is conflicted.
- 10.4 The Company and Henry Cheong entered into a relationship agreement on 2 August 2013 (the "Relationship Agreement"). Pursuant to the Relationship Agreement, Henry Cheong has agreed to exercise his rights as a Shareholder at all times and to procure that his associates exercise their rights,

so as to ensure that the Company is capable of carrying on its business independently of Henry Cheong or any control which Henry Cheong or his associates may otherwise be able to exercise over the Company and shall not cause or authorise anything to be done which would prejudice the Company's status as a listed company on the Official List. Moreover, Henry Cheong has undertaken to ensure, so far as he is able to, that all transactions, relationships and agreements between Henry Cheong or his associates and the Company or any of their subsidiaries are on arms' length terms on a normal commercial basis. In addition, Henry Cheong and the Company have agreed, amongst other things, that he will not participate in the deliberations of the Board in relation to any proposal to enter into any commercial arrangements with Henry Cheong or his associates.

PART 4

FINANCIAL INFORMATION ON THE GROUP

The table below sets out the sections of documents which have been filed with the National Storage Mechanism or announced through a Regulatory Information Service which are incorporated by reference into, and form part of, this Part 4, and only the parts of the documents identified in the table below are incorporated by reference into, and form part of, this Part 4. The parts of these documents which are not incorporated by reference are either not relevant for investors or are covered elsewhere in this document.

<i>Reference Document</i>	<i>Information incorporated by reference into this document</i>	<i>Page number(s) in reference document</i>
Annual report for the year ended 31 December 2014	Independent auditor's report	13
	Consolidated statement of profit or loss and other comprehensive income	14
	Consolidated statement of financial position	15
	Consolidated statement of changes in equity	17
	Consolidated statement of cash flows	18
	Notes to the financial statements	19-52
Annual report for the year ended 31 December 2015	Independent auditor's report	16
	Consolidated statement of profit or loss and other comprehensive income	17
	Consolidated statement of financial position	18
	Consolidated statement of changes in equity	19
	Consolidated statement of cash flows	20
	Notes to the financial statements	21-52
Annual report for the year ended 31 December 2016	Independent auditor's report	16
	Consolidated statement of profit or loss and other comprehensive income	21
	Consolidated statement of financial position	22
	Consolidated statement of changes in equity	23
	Consolidated statement of cash flows	24
	Notes to the financial statements	25-58
Interim report for the six months ended 30 June 2017	Consolidated statement of profit or loss and other comprehensive income	4
	Consolidated statement of financial position	5
	Consolidated statement of changes in equity	6
	Consolidated statement of cash flows	7
	Notes to the financial statements	8-12

The Company will provide without charge to each person to whom a copy of this document has been delivered, upon the written or oral request of such person, a copy of any documents incorporated by reference into this document, except that any exhibits to such documents will not be provided unless they are specifically incorporated by reference into this document.

PART 5

OPERATING AND FINANCIAL REVIEW

The following review of the Group's financial condition and operating results should be read in conjunction with the financial information on the Group referred to in Part 4 of this document and the other financial information included or referred to elsewhere in this document.

1. Business performance and operating and financial review

The table below sets out the sections of documents which have been filed with the National Storage Mechanism or announced through a Regulatory Information Service which are incorporated by reference into, and form part of, this Part 5, and only the parts of the documents identified in the table below are incorporated by reference into, and form part of, this Part 5. The parts of these documents which are not incorporated by reference are either not relevant for investors or are covered elsewhere in this document. To the extent that any part of any information referred to below itself contains information which is incorporated by reference, such information shall not form part of this document.

<i>Reference Document</i>	<i>Information incorporated by reference into this document</i>	<i>Page number(s) in reference document</i>
Annual report for the year ended 31 December 2014	Directors' report – paragraphs entitled 'Results' and 'Review'	2-3
Annual report for the year ended 31 December 2015	Directors' report – paragraphs entitled 'Results' and 'Review'	2-3
Annual report for the year ended 31 December 2016	Directors' report – paragraphs entitled 'Results' and 'Review'	2-3
Interim report for the six months ended 30 June 2017	Board report	1-2

2. Capital resources and liquidity management

The Group's principal source of liquidity is and has been the cash resources which remain unspent from a fundraising carried out by the Company in 2013.

2.1 Borrowings

Neither the Company nor any of its subsidiary undertakings has outstanding at the date of this document any borrowings or indebtedness in the nature of borrowing.

2.2 Equity

The Company has one class of ordinary shares. During the period from 1 January 2014 to the date of this document the Company has not issued any Ordinary Shares.

The Company will issue 28,367,290 Open Offer Shares through the Open Offer at a price of US\$0.15 per Share.

In addition, the Company may, at the discretion of the Directors and subject to appropriate Shareholder authority being in place, issue up to 100 million Subsequent Placing Shares for a period of up to twelve months from the date of this document and any such shares will be issued at a price representing a discount of no more than 10 per cent. of the mid-market price of the Ordinary Shares at the time of agreeing the issue of the relevant Subsequent Placing Shares. Alternatively, in accordance with the Investment Policy and its constitution, the Company may issue such Subsequent Placing Shares otherwise than for cash, as all or part consideration on the acquisition of shares in investee companies. The valuation attributable to any such Shares shall be calculated in accordance with the pricing mechanism described above.

2.3 **Cash flow analysis**

In each of the three years ended 31 December 2014, 2015 and 2016, and in the six months ended 30 June 2017, the Group has incurred operating losses and in each of these periods its cash resources have reduced.

2.4 **Contractual obligations and commercial commitments**

Other than professional fees incurred in connection with the Issues, and a three year lease from October 2017 for the Group's office space involving an annual cost (including rent, rates and other related charges) of approximately HK\$770,000, the Group has no material contractual obligations or commercial commitments at the date of this document.

2.5 **Off-balance sheet arrangements**

The Group has not entered into and is not a party to any material off-balance sheet arrangements.

2.6 **Historical investments and capital expenditure**

The Group has expended the following amounts on investments (including an advance to a joint venture) and capital expenditure in the three years ended 31 December 2014, 2015 and 2016, and in the six months ended 30 June 2017, respectively: US\$1.38 million; US\$0.33 million; US\$0.66 million; and US\$nil.

3. **Capitalisation and indebtedness**

Capitalisation

The table below sets forth the Group's consolidated capitalisation as at 31 December 2017, extracted from the Group's unaudited internal management accounting records.

	US\$000
Share capital	57
Share premium	3,837
Other reserves (excluding profit and loss reserve)	10,448
	<hr/>
	14,342
	<hr/>

Indebtedness

Save for certain payables and accruals, the Group had no short term or long term debt outstanding as at 31 December 2017.

4. **Working capital**

Taking into account the net proceeds of the Open Offer, the Company is of the opinion that the working capital available to the Group is sufficient for its present requirements, that is for at least 12 months from the date of this document.

PART 6

ADDITIONAL INFORMATION

1. Responsibility

The Directors (each of whose names appear on page 26) and the Company accept responsibility for the information in this document. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Incorporation and activity

- 2.1 The Company was incorporated in Bermuda under the Companies Act 1981 of Bermuda as an exempted company within the Act with the name Worldsec Limited and registered number EC21466 Bermuda on 19 December 1995. The principal legislation that applies to the Company is the Companies Act 1981 of Bermuda. The liability of the Company's members is limited.
- 2.2 The registered office of the Company is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda. The Company's principal place of business is Unit 607, 6th Floor FWD Financial Centre, 308 Des Voeux Road, Central Sheung Wan, Hong Kong. The Company uses its corporate name and the trading name "Worldsec". The Company's telephone number is +852 2868 9237.
- 2.3 Each of the Directors' business address is the Company's registered office.

3. Share capital of the Company

- 3.1 Set out below are details of the authorised and issued share capital of the Company as at the Latest Practicable Date, and immediately following completion of the Open Offer and completion of one or more Subsequent Placings of an aggregate of 100,000,000 new Ordinary Shares within 12 months of the date of this document:

<i>Date</i>	<i>Authorised</i>		<i>Issued</i>	
	<i>Shares</i>	<i>Share capital (US\$)</i>	<i>Shares</i>	<i>Share capital (US\$)</i>
Latest Practicable Date	60,000,000,000	60,000,000	56,734,580	56,735
Immediately following the Open Offer	60,000,000,000	60,000,000	85,101,870	85,102
Following Subsequent Placings	60,000,000,000	60,000,000	185,101,870	185,102

- 3.2 Pursuant to the Open Offer, the Company will continue to have a significant balance of authorised unissued and unreserved Ordinary Shares. On its admission to the London Stock Exchange in February 1997, the Company stated that no issue will be made which would effectively alter the control of the Company without the prior approval of Shareholders in a general meeting. The authorised share capital of the Company has been created by resolutions of the Company in general meeting and the issued share capital has been issued pursuant to share allotment authorities and pursuant to resolutions of the Board or a duly authorised committee thereof. Since 1 January 2014, no Shares have been issued by the Company and there has been no alteration to the authorised or issued share capital of the Company.

The Ordinary Shares carry equal rights to dividends, *pro rata* to holdings by Shareholders. No rights of pre-emption of Shareholders are applicable in respect of the issue of new Ordinary Shares.

- 3.3 On 28 November 2017, the Shareholders passed certain resolutions, including:
- (i) authorising the Directors to exercise all the powers of the Company (i) to allot and issue new Ordinary Shares and (ii) to grant rights to subscribe for or to convert any security into Ordinary Shares (collectively, the "Additional Authority") provided that the aggregate number of Ordinary Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (pursuant to the conversion of any security) by the Directors pursuant to the Additional Authority

shall not exceed 85,000,000 Ordinary Shares, and that such Additional Authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of the resolution unless previously revoked, varied or extended by the Company in a general meeting, save that the Company may at any time prior to the expiry of the Additional Authority make an offer or enter into an agreement which would or might require securities to be allotted and issued or granted after the expiry of the Additional Authority and the Directors shall be entitled to allot and issue or grant securities in pursuance of such an offer or agreement as if the Additional Authority had not expired; and

- (ii) authorising the Directors to allot and issue new Ordinary Shares or grant rights to subscribe for, or to convert securities into, Ordinary Share ("equity securities"), for cash, as if any pre-emption rights in relation to the issue of shares as set out in the Listing Rules did not apply to any such allotment and issuance of equity securities (collectively, the "Further Authority"), provided that:
 - (a) the Further Authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, unless previously revoked, varied or extended by the Company in a general meeting, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted and issued after such expiry and the Directors may allot and issue equity securities in pursuance of any such offer or agreement as if the Further Authority conferred hereby had not expired; and
 - (b) the aggregate number of Ordinary Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (pursuant to the conversion of any equity securities) by the Directors pursuant to the Further Authority shall not exceed 85,000,000 Ordinary Shares.

4. Legal and regulatory environment

The Company operates subject to Bermuda law. Any person wishing to have a detailed summary of Bermuda law, or advice on the differences between it and the laws of any jurisdiction with which he is more familiar, is recommended to seek independent legal advice. Summarised below are the main differences between the laws of England and Wales and the laws of Bermuda in relation to minority shareholders' protection:

- (i) Class actions and derivative actions are generally not available to shareholders under the laws of Bermuda. The Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong done to the company where the act complained of is alleged to be beyond the corporate power of the company or is illegal or would result in the violation of the company's memorandum of association and bye-laws. Furthermore, consideration would be given by the court to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company's shareholders than actually approved it.
- (ii) Any member of a company who complains that the affairs of the company are being conducted or have been conducted in a manner oppressive or prejudicial to the interests of some part of the members, including himself, may petition the court which may, if it is of the opinion that to wind up the company would unfairly prejudice that part of the members but that otherwise the facts would justify the making of a winding up order on just and equitable grounds, make such order as it thinks fit, whether for regulating the conduct of the company's affairs in future or for the purchase of shares of any members of the company by other members of the company or by the company itself and in the case of a purchase by the company itself, for the reduction accordingly of the company's capital, or otherwise. Bermuda law also provides that the company may be wound up by the Bermuda court, if the court is of the opinion that it is just and equitable to do so. Both these provisions are available to minority shareholders seeking relief from the oppressive conduct of the majority, and the court has wide discretion to make such orders as it thinks fit.

Except as mentioned above, claims against a company by its shareholders must be based on the general laws of contract or tort applicable in Bermuda.

- (iii) A statutory right of action is conferred on subscribers of shares in a company against persons, including directors and officers, responsible for the issue of a prospectus in respect of damage suffered by reason of an untrue statement therein, but this confers no right of action against the

company itself. In addition, such company, as opposed to its shareholders, may take action against its officers including directors, for breach of their statutory and fiduciary duty to act honestly and in good faith with a view to the best interests of the company.

- (iv) No statutory rights of pre-emption are available to shareholders under the laws of Bermuda.

5. Memorandum of Association and Bye-Laws

5.1 Memorandum of Association

The objects clause of the Memorandum of Association of the Company provides that its principal objects include the carrying on of the business of a holding company. The principal objects of the Company are set out in full in clause 6 of its Memorandum of Association.

5.2 Bye-Laws

The Bye-Laws of the Company contain provisions, *inter alia*, to the following effect:

(i) Rights attaching to Ordinary Shares

(a) Voting

- (i) When a shareholder is entitled to attend a meeting and vote, he has only one vote on a show of hands. Where there is a poll, a shareholder who is entitled to be present and to vote has one vote for every share which he holds. This is subject to any special rights or restrictions which are given to any class of shares by, or in accordance with, the Bye-Laws.
- (ii) Unless the Bye-Laws say otherwise, the only people who can attend or vote at general meetings are shareholders who have paid the Company all calls, and all other sums, relating to their shares which are due at the time of the meeting. This applies both to attending a meeting personally and to attending by proxy or corporate representative.

(b) Dividends

- (i) The Company's shareholders can declare dividends by passing an ordinary resolution. No such dividend can exceed the amount recommended by the Directors. If the Directors are of the opinion that the profits of the Company justify such payments, they can pay interim dividends on any class of shares of such amounts and on such dates and for such periods as they decide. All dividends will be divided and paid in proportions based on the amounts which have been paid up on the shares during any of the periods for which the dividend is paid.
- (ii) No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Act and every other statute for the time being in force concerning companies and affecting the Company (the "Statutes").
- (iii) Any dividend which has not been claimed for 12 years from the date such dividend was declared or became due for payment shall be forfeited and shall revert to the Company.

(c) Distribution of assets on winding up

If the Company is wound up (whether the liquidation is voluntary, under supervision of the court, or by the court), the liquidator can, with the authority of a special resolution passed by the shareholders, divide among the shareholders the whole or any part of the assets of the Company. This applies whether the assets consist of property of one kind or different kinds. For this purpose, the liquidator can set such value as he considers fair upon any property and decide how such division is carried out as between shareholders or different classes of shareholders. The liquidator can also, with the authority of a special resolution passed by the shareholders, vest any part of the assets to trustees upon such trusts for the benefit of shareholders as the liquidator decides. The liquidation of the Company can then be closed and the Company dissolved. However, no past or present shareholder can

be compelled to accept any shares or other property under this Bye-Law which carries a liability.

(ii) *Transfer of ordinary shares*

- (a) Any shareholder may transfer all or any of his shares by instrument of transfer in the usual standard form or in any other form which the Directors may approve. The instrument of transfer of a share shall be signed by or on behalf of the transferor and, except in the case of fully paid shares, by or on behalf of the transferee. The Directors may in their absolute discretion and without giving any reason refuse to register any transfer of shares (not being fully paid shares), however such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis. The Directors may also refuse to register a transfer of shares if the transfer (or instrument of transfer):
- (i) is in respect of more than one class of shares; or
 - (ii) is not properly stamped where this is required; or
 - (iii) is not lodged at the relevant Registration Office (as defined by the Bye-Laws) or the Bermuda Transfer Office accompanied by the relevant share certificate(s); or
 - (iv) is in favour of more than four persons jointly.
- (b) Bye-Law 62 of the Company's Bye-Laws imposes similar provisions to those of Section 793 of the Companies Act 2006 of England and Wales, relating to the disclosure of interests in a company's share capital, on shareholders, the aim of which is, *inter alia*, to enable the Company to determine the beneficial ownership of the Company's issued share capital. The main provision of this Bye-Law is as follows:
- (i) the Company may make written enquiry of any shareholder whom it knows, or has reasonable cause to believe, to be or has been interested in shares of the Company within the previous three years requiring that shareholder, *inter alia*, to give details of his present interest in the Company's share capital; and
 - (ii) in the event that a shareholder, on whom a notice has been served by the Company making enquiry of his interest in the share capital of the Company does not comply with the written request for information within 14 days of that notice then the Directors shall be entitled to: (a) disenfranchise the shares to which the notice relates so that he may not attend or vote either in person or by proxy or otherwise at any general meeting of the Company in respect of those shares; (b) withhold dividends on such shares; and (c) provide that the relevant shares may not be transferred unless, *inter alia*, the transfer is pursuant to a sale to a third party on the London Stock Exchange. On such transfer or once the request for information has been complied with each of the restrictions referred to above will be lifted.

The Bye-Laws of the Company will be on display as referred to in paragraph 20 of this Part 6. If you are in any doubt as to your obligations under Bye-Law 62, you are recommended to seek appropriate independent legal advice.

(iii) *Variation of rights*

If the Company's share capital is split into different classes of share, and if the Statutes allow this, the special rights which are attached to any of these classes can be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the class. The special rights of a class of shares can be varied or abrogated while the Company is a going concern, or while the Company is in the process of being wound up, or in contemplation of a winding up. All the Bye-Laws relating to general meetings apply, with any necessary changes, to a class meeting, but at least two people who hold (or who act as proxies for) at least one-third of the total nominal value of the issued shares of the class are a quorum. However, for an adjourned meeting, one person who holds shares of the class, or his proxy, is a quorum.

(iv) *Changes in share capital*

- (a) The shareholders can increase the Company's share capital by passing an ordinary resolution. The resolution will fix the amount of the increase and the par value amount of the new shares.
- (b) The shareholders can pass ordinary resolutions to any of the following:
 - (i) consolidate and divide all or any of the Company's share capital into shares of a larger par value than the existing shares; and
 - (ii) cancel any shares which have not been taken, or agreed to be taken, by any person at the date of the resolution, and reduce the amount of the Company's share capital by the amount of the cancelled shares; and
 - (iii) sub-divide some or all of the Company's shares into shares which are of a smaller par value than is fixed in the Memorandum of Association subject to the proportion between the amount paid and the amount, if any, unpaid on such reduced shares being the same as it was in the case of the shares from which the reduced shares are derived; and
 - (iv) divide its shares into several classes and attach thereto any preferential, deferred, qualified or special rights, privileges or conditions; and
 - (v) make provision for the issue and allotment of shares which do not carry any voting rights; and
 - (vi) change the currency denomination of its share capital.
- (c) The Company can buy back, or agree to buy back in the future, any shares of any class (including redeemable shares), if the Statutes allow this. However, if the Company has existing shares which are convertible into other shares which are equity shares, then the Company can only buy back equity shares of that class if:
 - (i) either the terms of issue of the convertible shares permit the Company to buy back equity shares; or
 - (ii) the buy-back or agreement to buy back has been approved by a special resolution passed by the holders of the convertible shares.
- (d) The shareholders can, subject to any restrictions under the Statutes, pass an ordinary resolution to:
 - (i) reduce the Company's share capital in any way; or
 - (ii) reduce any capital redemption reserve, share premium account or undistributable reserve in any way.

(v) *Directors*

- (a) Unless otherwise determined by ordinary resolution of the Company, there must be at least two Directors.
- (b) A Director need not be a shareholder, and a Director who is not a shareholder can still attend and speak at shareholders' meetings.
- (c) The Directors can allot, grant options over, offer or otherwise deal with or dispose of any shares of the Company up to an aggregate amount representing 20 per cent. of the then issued share capital in any one calendar year, to such persons, at such times and generally on such terms and conditions as the directors may determine.
- (d) The Directors can appoint any Director as chairman or deputy chairman, or as chief executive, or to any executive position they decide on. So far as the Statutes allow, they can decide on how long these appointments will be for, and on what terms. They can also vary or end such appointments, without prejudice to the terms of any contract entered into in any particular case.

- (e) The total fees paid to all of the Directors must not exceed US\$100,000 (or the foreign currency equivalent thereof) a year or any higher sum decided on by an ordinary resolution at a general meeting. Unless an ordinary resolution is passed saying otherwise, the fees will be divided between some or all of the Directors in the way that they decide. If they fail to decide, the fees will be shared equally by the Directors, except that any Director holding office as a director for only part of the period covered by the fee is only entitled to a *pro rata* share covering that partial period. The Directors can also repay to a Director all reasonable expenses incurred to attend and return from general meetings, Directors' meetings, meetings of committees of the Directors or in other ways in connection with the Company's business.
- (f) The Directors can award extra remuneration, which is additional to fees payable as described in paragraph (e) above, to any Director who holds any executive post, acts as a chairman or chief executive, serves on any committee of the Directors or performs any other services which the Directors consider to extend beyond the ordinary duties of a Director. Such extra remuneration can take the form of salary, commission or other benefits or can be paid in some other way. This is decided on by the Directors.
- (g) The Directors can decide to award pensions, annual payments, gratuities, death or disability benefits or other allowances or benefits to any people who are, or were, Directors of the Company and to any person in respect of such Director or ex-Director.
- (h) A Director cannot cast a vote on any contract, arrangement or any other kind of proposal in which he has an interest, and which he knows is a material one, other than in the circumstances falling within paragraph (i) below. For this purpose, interests of a person who would be connected under section 346 of Companies Act 1985 (as amended) of England and Wales with a Director if the Company were incorporated in England and Wales are added to the interests of the Director himself. A Director may not be included in the quorum of a meeting in relation to any resolution he is not allowed to vote on.
- (i) But, if the Statutes allow this, a Director can vote, and be counted in the quorum, of any resolution about any of the following matters, as long as the only material interests he has in it are included in the following list:
 - (i) a resolution about giving him, or any other person, any security, or any indemnity, for any liability which he, or that other person, has incurred at the request of, or for the benefit of, the Company, or any of its subsidiaries;
 - (ii) a resolution about giving any security, or any indemnity, to any other person for a debt or obligation which is owed by the Company, or any of its subsidiaries, to that other person, if the Director has taken responsibility for some or all of that debt or obligation. The Director can take this responsibility by giving a guarantee, indemnity or security;
 - (iii) a resolution about any proposal relating to an offer of any shares or debentures, or other securities by the Company, or any of its subsidiaries, if the Director takes part because he is a holder of shares, debentures or other securities, or if he takes part in the underwriting or sub-underwriting of the offer;
 - (iv) a resolution about any proposal involving any other company if the Director has a direct or indirect interest of any kind (including an interest by holding any position in that company, or by being a shareholder of that company). But this does not apply if he knows that he holds an interest in shares representing one per cent. or more of:
 - (i) any class of equity share capital; or
 - (iii) the voting rights in any such company.
 Any of these interests of one per cent. or more are treated for the purposes of the Bye-Laws as being material interests;
 - (v) any arrangements for the benefit of employees of the Company, or any of its subsidiary undertakings, which only gives him benefits which are also generally given to the employees to whom the arrangement relates; or

- (vi) a resolution about any proposal relating to any insurance which the Company proposes to maintain or purchase for the benefit of the Directors, or of a group of people which includes Directors.
- (j) A Director may be party to or in any way interested in any contract or transaction or arrangement to which the Company is a party or in which the Company is otherwise interested and he may be a director or other officer of, or employed by, a party to any contract, transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested, and he (or any firm of which he is a partner, employee or member) may act in a professional capacity for the Company and be remunerated for it and in any such case he shall not be accountable to the Company for any benefit which he derives from it, or for such remuneration and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.
- (k) Provisions of the Statutes which, read with the Bye-Laws, would restrict the appointment of a Director or require him to stop being a Director because he has reached a particular age do not apply to the Company.
- (vi) *Borrowing powers*
- Subject to the provisions of the Statutes, the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertakings, property and uncalled capital and to issue debentures and other securities.

6. Directors' interests

- 6.1 As at the Latest Practicable Date and immediately following completion of the Open Offer, the interests (all of which are beneficial unless otherwise stated) of the Directors in the share capital of the Company were and are expected to be as follows:

Name	Latest Practicable Date		Immediately following the Open Offer	
	Shares	Percentage of Existing Shares	Shares	Percentage of Enlarged Share Capital
Alastair Gunn-Forbes	30,000	0.05%	45,000	0.05%
Henry Cheong ⁽²⁾	3,054,873	5.38%	22,998,798	27.03%
Henry Cheong (via Grand Acumen Holdings Limited)	6,450,000	11.37%	9,675,000	11.37%
Henry Cheong (via HC Investment Holdings Limited)	10,000,000	17.63%	15,000,000	17.63%
Mark Fong	—	—	—	—
Ernest She	366,730	0.65%	550,095	0.65%
Martyn Wells	—	—	—	—

Notes

- (1) The shareholdings shown in the table above assume that no Shares are applied for under the Open Offer other than pursuant to the Directors' Undertakings.
- (2) Henry Cheong holds 25 per cent. of the issued share capital of Grand Acumen Holdings Limited and the entire issued share capital of HC Investment Holdings Limited, each of which holds Shares as disclosed in paragraph 11 of this Part 6.
- 6.2 In addition to the interests shown in paragraph 6.1 above, each of the Directors has options to subscribe for 500,000 Shares at an exercise price of US\$0.122 per Share at any point up to 30 November 2025.
- 6.3 So far as the Directors are aware, with the exception of Henry Cheong, there are no persons who directly or indirectly, jointly or severally, exercise or could exercise control over the Company.
- 6.4 Save as disclosed above, none of the Directors has any interest, whether beneficial or non-beneficial, in any share capital of the Company.

7. Terms of appointment and emoluments of the Directors

7.1 The following are particulars of the terms of appointment between the Company and the Directors.

- (i) Each of the Directors, with the exception of Henry Cheong and Ernest She, has entered into a letter of appointment with the Company under which each Director is required to attend four board meetings each year, and in the case of members of the Audit and Remuneration Committees to attend two meetings of those committees each year. Each Director is entitled to a fee of £10,000 per annum, in addition to being able to participate in the bonus arrangements described in paragraph 7.2 of this Part 6. A Non-Executive Director's appointment may be terminated on one month's notice in writing. There are no benefits upon termination of employment.
- (ii) Henry Cheong entered into a letter of appointment with the Company on 2 August 2013, under which Henry Cheong is entitled to remuneration of £10,000 per annum. Henry Cheong is entitled to participate in the bonus arrangements described in paragraph 7.2 of this Part 6. The letter of appointment is terminable by either party giving to the other not less than six months' notice in writing to that effect. Henry Cheong is required to devote such time as is reasonably necessary to fulfil his duties.
- (iii) Ernest She entered into a letter of appointment with the Company on 2 August 2013, under which Ernest She is entitled to remuneration of £10,000 per annum. Ernest She is entitled to participate in the bonus arrangements described in paragraph 7.2 of this Part 6. The letter of appointment is terminable by either party giving to the other not less than six months' notice in writing to that effect. Ernest She is required to devote such time as is reasonably necessary to fulfil his duties.

7.2 The Company operates a bonus scheme in which all Directors and employees of the Group will be eligible to participate. Up to 20 per cent. of the operating profit, before payment of tax, of the Group in each financial year (the "Bonus Pool") will be employed in paying bonuses to Directors and the Group's employees at the discretion of the Remuneration Committee. In making decisions on the award of bonuses, the Remuneration Committee will consider an individual's overall performance and contribution to the business of the Group. Award of bonuses are entirely discretionary and the Remuneration Committee may elect to award only part of the Bonus Pool if they see fit. No Director or employee is contractually entitled to a share of the Bonus Pool, and the Bonus Pool may be awarded in its entirety to a single Director or employee should the Remuneration Committee so resolve.

7.3 Except as disclosed above, there are no other existing service contracts or letters of appointment between any of the Directors and the Company.

7.4 The aggregate remuneration paid to the Directors by the Company during the year ended 31 December 2017 was £50,000.

7.5 The aggregate remuneration payable to the Directors by the Company under the arrangements in force at the date of this document for the current financial year is estimated to amount to £50,000 before payment of any bonus under the bonus scheme described in paragraph 7.2 of this Part 6.

7.6 During the year ended 31 December 2017 no provident fund or pension contribution was made to any scheme or fund of which any Director is a beneficiary.

7.7 Other than current or former directorships of members of the Group, the directorships and partnerships held by the Directors as at the date of this document and during the five years preceding the date of this document are as follows:

<i>Director</i>	<i>Current directorships/partnerships</i>	<i>Past directorships/partnerships</i>
Alastair Gunn-Forbes	Artisan Contract Services Limited Earn & Learn Limited Enhance Payroll Solutions Limited Freight Personnel Limited Future Biogas Limited Merlin Financial Consultants Limited Opera Holdings Limited Prohealthcare Limited PVOH Polymers Limited Richmond Nursing Agency Limited Staff Call Recruitment Specialists Limited The Workbank Recruitment Consultancy Limited Total Staff Services UK Limited Workworld Limited	The Ithon Fishery Company Limited
Henry Cheong	Asia Foundation (Holdings) Limited BTS Group Holdings Public Co Ltd Champ Choice Investments Limited CK Asset Holdings Limited CK Infrastructure Holdings Limited CNNC International Limited Derma Dream Investments Ltd Episciences Asia Holdings Ltd Findley Realty Limited Grand Acumen Holdings Limited Greenland Hong Kong Holdings Limited Hanclara Investment Ltd HC Investment Holdings Limited HC Investment Services Ltd Helot Investment Limited Hermitage International Group Ltd Hutchison Telecommunications Hong Kong Holdings Limited Mighty Glow Limited New World Department Store China Limited Skyworth Digital Holdings Limited The Hermitage Spa Hong Kong Limited TOM Group Limited WAG Worldsec Management Consultancy Limited	CK Hutchison Holdings Limited Hong Kong Jewellery Holding Limited Kirin Group Holdings Limited WAG Worldsec Corporate Finance Limited
Mark Fong	China Oilfield Services Ltd Chi Shun Investment Co Limited Creative Educators Ltd Macau Legend Development Limited Sinopec Kantons Holdings Ltd	Blair Bridge Ltd Customs Nominees Limited Lennap Limited Lohsem Limited New China Life Insurance Company, Ltd Panker Limited Necator Investments Limited United Nominees Limited United Secretaries Limited
Ernest She	Carina International Limited	WAG Worldsec Corporate Finance Limited
Martyn Wells	52 Hatherley Road Residents Company Limited	–

7.8 None of the Directors:

- (i) has any convictions in relation to fraudulent offences in the previous five years; or
- (ii) has been adjudged bankrupt or been a party to a deed of arrangement or any form of voluntary arrangement in the previous five years; or
- (iii) has been a director of any company which, while he was such a director or within 12 months after his ceasing to be such a director, was put into compulsory liquidation or creditors voluntary liquidation or had an administrator or administrative or other receiver appointed or entered into any composition or arrangement with its creditors generally or any class of creditors in the previous five years; or
- (iv) has been partner in any partnership which, whilst he was a partner, or within 12 months after his ceasing to be a partner, was put into compulsory liquidation or had an administrator or an administrative or other receiver appointed or entered into any voluntary arrangement in the previous five years; or
- (v) has had an administrative or other receiver appointed in respect of any assets belonging either to him or to a partnership of which he was a partner at the time of such appointment or within 12 months preceding such appointment in the previous five years; or
- (vi) has received any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) nor has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer in the previous five years; or
- (vii) has or has had any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by or to any member of the Group, or any such interest in any contract or arrangement subsisting at the date of this document and which is significant in relation to the business of the Company.

8. Share Option Scheme

The following is a summary of the rules of the Share Option Scheme, which was adopted by shareholders in general meeting on 26 February 1997.

Introduction

The Worldsec Employee Share Option Scheme 1997 has been introduced to enable selected employees (including employees who are executive directors) of the Company to be granted options to acquire Shares in the Company. The Share Option Scheme is designed to enable employees of the Group to acquire Shares and therefore encourage the Group's employees to identify their interests with those of the Shareholders. Options will be approved by the remuneration committee of the Board.

Eligibility

All employees of the Group including employees who are executive directors of the Company and executive directors of any subsidiary of the Company are eligible to participate in the Share Option Scheme.

Option price

The option price for options granted under the Share Option Scheme will not be less than 90 per cent. of the market value of the Shares on the date of grant. Market value means the average of the middle market quotation of Shares on the five business days immediately preceding the date of grant and at not less than nominal value.

Exercise of options

Options are normally exercisable after six months and before the seventh anniversary of the date of their grant and by an option holder who remains an employee of the Group. Options may be exercised early in the event of the death of an option holder, if the option holder ceases to be employed by a company in the Group in certain circumstances, e.g. ill-health, injury, disability, redundancy, retirement, disposal of the

employing company or business in which the option holder works, or in the event of a takeover, reconstruction, demerger or winding up of the Company. In the event that an option holder voluntarily resigns other than in the circumstances set out above, all the option holder's options granted less than six months prior to resignation will lapse.

In the event of a dismissal for misconduct or poor performance, all options lapse immediately.

Shares issued on exercise of options will rank equally with Shares of the same class in issue on the date of allotment except for rights arising by reference to a prior record date.

Scheme limit

The number of Shares over which options to subscribe may be outstanding at any time under the Share Option Scheme and any other scheme operated by the Company may not at any time exceed 10 per cent. of the issued share capital of the Company from time to time.

Variation in share capital – adjustment of options

Following certain variations in the share capital of the Company, including a capitalisation or open offer, subdivision, consolidation or reduction of share capital, the Directors may adjust the number of Shares comprised in each option, the option price and/or the aggregate option price, and may do so retrospectively (subject to certification by the Company's auditor that the adjustments are fair and reasonable).

Amendment of Share Option Scheme rules

The Directors may amend the Share Option Scheme. The approval of the Shareholders in general meeting is required for amendments to the advantage of present or future optionholders (except for certain minor amendments) which relate to eligibility to participate in the Share Option Scheme, limits on the number of Shares over which options may be granted, the individual limits for each option holder under the Share Option Scheme, the basis for determining the option price, any rights attaching to the options and underlying Shares, the basis for adjusting options in the event of a variation of the Company's share capital, and the power of amendment itself.

9. The Company and its subsidiaries

The Company has the following subsidiaries at the date of this document:

<i>Name</i>	<i>Country of incorporation</i>	<i>Proportion of ownership interest</i>	<i>Proportion of voting power held</i>	<i>Principal activities</i>
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%*	Inactive
Worldsec Investment (Hong Kong) Limited	Hong Kong	100%*	100%*	Investment holding
Worldsec Investment (China) Limited	British Virgin Islands	100%*	100%*	Investment holding

*Indirectly held subsidiary

10. Material contracts

10.1 The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by members of the Group within the two years immediately preceding the date of this document and are or may be material or have been entered into by members of the Group and contain provisions under which a member of the Group has an outstanding obligation or entitlement which is or may be material to the Group at the date of this document:

(i) **Open Offer & Underwriting Agreement**

The Company, the Directors, Smith & Williamson and Dickson Minto entered into the Open Offer & Underwriting Agreement, dated 13 March 2018, pursuant to which the Company has agreed, subject to certain conditions, to make the Open Offer to Qualifying Shareholders at the price of US\$0.15 per Share under the Open Offer and the Underwriter has agreed to underwrite the Open Offer at the Open Offer Price to the extent of 18,416,489 Ordinary Shares.

The Underwriter will not be paid any fee or commission in connection with the underwriting of the Open Offer.

Smith & Williamson and its affiliates have, from time to time, performed, and may in the future perform, various financial advisory and other services for the Company and its affiliates and portfolio companies, for which it received or will receive fees and expenses. In connection with the Open Offer, the Company has agreed to pay Smith & Williamson a corporate finance advisory fee of £135,000, which is included in the estimated expenses of this transaction.

The obligations of the Underwriter to underwrite the Open Offer to the extent of 18,416,489 Ordinary Shares, are conditional upon Admission becoming effective by not later than 8.00 a.m. on 4 April 2018 (or such later time and date as may be agreed pursuant to the Open Offer & Underwriting Agreement).

The Open Offer & Underwriting Agreement may be terminated by the Company, the Underwriter and Smith & Williamson at any time prior to Admission upon the occurrence of certain specified events, including, in the case of Smith & Williamson, any of the warranties contained in the Open Offer & Underwriting Agreement being or becoming untrue, inaccurate or misleading in any material respect or there having occurred a significant change affecting any matter contained in this document or any change in national or international financial, economic, political, industrial or market conditions which Smith & Williamson considers to be material to the Company, in which case the Open Offer will not proceed. The Open Offer & Underwriting Agreement is not capable of termination (including in respect of any statutory withdrawal rights) from the date of Admission.

The Company and the Directors have given certain customary warranties as to the accuracy of this document and other matters and customary indemnities to Smith & Williamson.

(ii) **Relationship Agreement**

As described in paragraph 10.4 of Part 3 of this document.

11. Major shareholders

- 11.1 As at the Latest Practicable Date (so far as is known to the Company by virtue of notifications made to it pursuant to MAR and Chapter 5 of the Disclosure Guidance and Transparency Rules), the name of each person who directly or indirectly, was interested in five per cent. or more of the voting rights in the Company, and the amount of such person's interest, was as follows:

Name	At Latest Practicable Date	
	Shares	Percentage of Existing Shares
Lynchwood Nominees Limited	12,500,000	22.03%
HC Investment Holdings Limited ⁽¹⁾	10,000,000	17.63%
Grand Acumen Holdings Limited ⁽²⁾	6,450,000	11.37%
Luis Chi Leung Tong	5,000,000	8.81%
Vidacos Nominees Limited	5,000,000	8.81%
Henry Cheong	3,054,873	5.38%

Notes

- (1) Henry Cheong is the legal and beneficial owner of the entire issued share capital of HC Investment Holdings Limited.
(2) Henry Cheong is the legal and beneficial owner of 25 per cent. of the issued shares in Grand Acumen Holdings Limited.

- 11.2 None of the major Shareholders in the Company has different voting rights.
- 11.3 Henry Cheong has entered into a Relationship Agreement with the Company as set out in paragraph 10.1(ii) above pursuant to which Henry Cheong has agreed, *inter alia*, to exercise his rights as a Shareholder, both directly and indirectly through his associated companies, so as to ensure that the Company is capable of carrying on its business independently of Henry Cheong. In addition, Henry Cheong has undertaken to the Company that, following the completion of the Open Offer, if necessary he will sell sufficient Ordinary Shares to ensure that the percentage of Ordinary Shares in public hands does not fall below 25 per cent. (or such lower percentage as the FCA may permit) as a result of the Open Offer.
- 11.4 Save as disclosed above and in this document, the Company is not aware of any person who was, as at the Latest Practicable Date, or will be, immediately following the Open Offer, directly or indirectly, interested in five per cent. or more of the voting rights in the Company.

12. CREST and Depositary Interests

Ordinary Shares may be delivered, held and settled in CREST by means of dematerialised Depositary Interests representing such Ordinary Shares. Pursuant to the CREST system operated by Euroclear UK under which transactions in international securities may be settled, Link Trustees, a subsidiary of the Company's International Branch Registrar, Link Market Services (Jersey) Limited, may issue dematerialised Depositary Interests representing entitlements to Ordinary Shares, known as Depositary Interests or DIs. The DIs are independent securities constituted under English law which may be held and transferred through the CREST system.

The DIs are created pursuant to and issued on the terms of the Deed Poll executed by Link Trustees in favour of the holders of the DIs from time to time. Prospective holders of DIs should note that they will have no rights in respect of the underlying Ordinary Shares or the DIs representing them against Euroclear UK or its subsidiaries.

Ordinary Shares are transferred to an account of Link Trustees or its nominated custodian and Link Trustees issues DIs to participating members.

Each DI is treated as one Ordinary Share for the purposes of determining, for example, eligibility for any dividends. Link Trustees will pass on to holders of DIs any stock or cash benefits received by it as holder of Ordinary Shares on trust for such DI holder. DI holders are also to receive notices of meetings of holders of Ordinary Shares and other notices issued by the Company to its Shareholders.

The DIs have the same security code (ISIN) as the underlying Ordinary Shares and do not require a separate listing on the Official List.

In summary the Deed Poll contains, *inter alia*, provisions to the following effect:

- 12.1 Link Trustees holds (itself or through its nominated custodian), as bare trustee, the underlying securities issued by the Company and all and any rights and other securities, property and cash attributable to the underlying securities pertaining to the DIs for the benefit of the holders of the relevant DIs.
- 12.2 Holders of DIs warrant, *inter alia*, that the securities in the Company transferred or issued to the custodian on behalf of Link Trustees are free and clear of all liens, charges, encumbrances or third party interests and that such transfers or issues are not in contravention of the Company's constitutional documents or any contractual obligation, law or regulation.
- 12.3 Link Trustees and any custodian must pass on to DI holders and, so far as they are reasonably able, exercise on behalf of DI holders all rights and entitlements received or to which they are entitled in respect of the underlying securities which are capable of being passed on or exercised. Rights and entitlements to cash distributions, to information, to make choices and elections and to call for, attend and vote at meetings shall, subject to the Deed Poll, be passed on in the form in which they are received together with amendments and additional documentation necessary to effect such passing-on, or, as the case may be, exercised in accordance with the Deed Poll.

- 12.4 Link Trustees is entitled to cancel DIs and withdraw the underlying securities in certain circumstances including where a DI holder has failed to perform any obligation under the Deed Poll or any other agreement or instrument with respect of the DIs.
- 12.5 The Deed Poll contains provisions excluding and limiting Link Trustees' liability. For example, Link Trustees shall not be liable to any DI holder or any other person for liabilities in connection with the performance or non-performance of obligations under the Deed Poll or otherwise except as may result from its negligence or wilful default or fraud or that of any person for whom it is vicariously liable, provided that Link Trustees shall not be liable for the negligence, wilful default or fraud of any custodian or agent which is not a member of its group unless it has failed to exercise reasonable care in the appointment and continued use and supervision of such custodian or agent. Furthermore, Link Trustees' liability to a holder of DIs will be limited to the lesser of:
- (i) the value of the shares and other deposited property properly attributable to the DIs to which the liability relates; and
 - (ii) that proportion of £10 million which corresponds to the portion which the amount Link Trustees would otherwise be liable to pay to the DI holder bears to the aggregate of the amounts Link Trustees would otherwise be liable to pay to all such holders in respect of the same act, omission or event or, if there are no such amounts, £10 million.
- 12.6 Link Trustees is entitled to charge DI holders fees and expenses for the provision of its services under the Deed Poll.
- 12.7 Each holder of DIs is liable to indemnify Link Trustees and any custodian (and their agents, officers and employees) against all liabilities arising from or incurred in connection with, or arising from any act related to, the Deed Poll so far as they relate to the property held for the account of DIs held by that holder, other than those resulting from the wilful default, negligence or fraud of Link Trustees, or the custodian or any agent if such custodian or agent is a member of Link Trustees' group or if, not being a member of the same group, Link Trustees shall have failed to exercise reasonable care in the appointment and continued use and supervision of such custodian or agent.
- 12.8 Link Trustees may terminate the Deed Poll by giving not less than 30 days' notice. During such notice period holders may cancel their DIs and withdraw their deposited property and, if any DIs remain outstanding after termination, Link Trustees must, among other things, deliver the deposited property in respect of the DIs to the relevant DI holders or, at its discretion sell all or part of such deposited property. It shall, as soon as reasonably practicable, deliver the net proceeds of any such sale, after deducting any sums due to Link Trustees, together with any other cash held by it under the Deed Poll *pro rata* to holders of DIs in respect of their DIs.
- 12.9 Link Trustees or the custodian may require from any holder information as to the capacity in which DIs are owned or held and the identity of any other person with any interests of any kind in such DIs or the underlying securities in the Company and holders are bound to provide such information requested. Furthermore, to the extent that, *inter alia*, the Company's constitutional documents require disclosure to the Company of, or limitations in relation to, beneficial ownership of, or interests of any kind whatsoever, in the Company's securities, the holders of DIs are to comply with such provisions and with the Company's instructions with respect thereto.

It should also be noted that holders of DIs may not have the opportunity to exercise all of the rights and entitlements available to holders of Ordinary Shares including, for example, the ability to vote on a show of hands. In relation to voting, it is important for holders of DIs to give prompt instructions to the depositary or its nominated custodian, in accordance with any voting arrangements made available to them, to vote the underlying shares on their behalf or, to the extent possible, to take advantage of any arrangements enabling holders of DIs to vote such shares as a proxy of the Depositary or its nominated custodian.

13. Litigation

There have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, so far as the Company or the Directors are aware) during the preceding 12 months which may have, or have had significant effects on the Group's financial position or profitability.

14. Audit and Remuneration Committees

14.1 The Audit Committee

(i) General

The Audit Committee is chaired by Mark Fong and its other member is Martyn Wells.

The Chairman and Deputy Chairman of the Company attend by invitation, except for a period of each meeting where the committee members and the Chairman of the Company meet with the Company's external auditor without any member of the Company management present.

The Audit Committee is appointed by the Board and the committee's membership is comprised of Non-Executive Directors of the Company.

The Audit Committee meets not less than two times a year (the Company's external auditor may request a meeting if they consider that one is necessary) and its responsibilities include:

- the examination and review of, on behalf of the Board, internal financial controls, financial and accounting policies and practices, the form and content of financial reports and statements and the financial judgments therein, and the work of the Company's external auditor;
- ensuring that arrangements are in place for staff of the Group to raise, confidentially or publicly, concerns about any possible improprieties and ensuring that arrangements are in place for the proportionate and independent investigation of such matters and appropriate follow up action;
- reviewing the type of work, effectiveness of and level of fees charged by the Company's external auditor on an annual basis;
- recommending to the Board the appointment, reappointment, term, remuneration and terms of engagement of the Company's external auditor;
- monitoring fees paid to the Company's external auditor in respect of non-audit work. All additional work performed by the auditor is approved by the Audit Committee;
- considering the independence and objectivity of the Company's external auditor;
- to oversee the Company's relations with the Company's external auditor and to oversee the auditor's independence from the Company; and
- reviewing the need for an internal audit function on an annual basis.

(ii) Reporting procedures

The ultimate responsibility for reviewing and approving the annual report and accounts and the interim report of the Company remains with the Board.

Minutes of meetings of the Audit Committee are circulated to all members of the Board and the chairman of the Committee shall, as a minimum, attend the Board meeting at which the accounts are prepared. In addition, the Audit Committee is to annually review its own terms of references and its effectiveness, and is to recommend any required changes to the Board. Any disagreements between the Audit Committee and the Board which cannot be resolved are reported to the Shareholders as part of the report on the Audit Committee in the Company's annual report.

14.2 The Remuneration Committee

(i) General

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

The Remuneration Committee is appointed by the Board, acting in consultation with the chairman of the Remuneration Committee, and consists of three members, all of whom are Non-Executive Directors of the Company.

The Remuneration Committee meets not less than two times a year and its responsibilities include:

- making recommendations to the Board on the Group's policy for executive remuneration and determining the individual remuneration packages on behalf of the Board for the Executive Directors of the Group;
- making recommendations in respect of the payment of bonuses to Directors and employees;
- reviewing the ongoing appropriateness and relevance of the Group's remuneration policy;
- approving the design of, and determination of targets for, the Group's performance related pay schemes;
- reviewing the design of all share incentive plans requiring approval by the Board and the Shareholders; and
- determining the policy for, and scope of, pension arrangements for each executive director and other senior executives of the Group.

(ii) *Reporting Procedure*

The chairman of the Remuneration Committee reports formally to the Board on its proceedings after each meeting and the Remuneration Committee produces an annual report of the Group's remuneration policies and practices for approval by the Board. This report forms part of the Company's annual report and is put to Shareholders for approval at the Company's annual general meeting.

15. Registration, Dealings and Settlement

Registration

The principal register of members is maintained in Bermuda by Estera Management (Bermuda) Ltd and Link Asset Services acts as the Company's UK transfer agent.

Transfers between the principal and international branch register

As referred to above, the Company intends to continue to maintain an international branch register for Shares in Jersey following Admission. The New Shares will be registered on the international branch register following issue. Existing Shares may be registered either solely on the principal register in Bermuda or on the principal register and the international branch register, depending on the election made by Shareholders. With the consent of the Directors, Shares may be removed from the international branch register to the principal register in Bermuda and *vice versa*. Forms of request for removal in respect of Shares to and from the international branch register can be obtained from the UK transfer agent. These forms of request for removal should be completed and delivered by Shareholders, or their duly authorised agents as appropriate, to the UK transfer agent at the address stated above together with the share certificates relating thereto.

Dealings and settlement

Dealings in respect of the New Shares are expected to commence on 4 April 2018. If a Shareholder whose Shares are registered on the principal register in Bermuda wishes to effect a sale of his Shares, then he should make specific arrangements with his stockbroker for settlement as dealings on the London Stock Exchange will only take place in respect of Shares registered on the international branch register.

16. Takeover Code

The Takeover Code does not apply to the Company as the Company is not considered to be resident in the United Kingdom, the Channel Islands or the Isle of Man and is not incorporated in any of these jurisdictions. Prospective Shareholders should note that the Company may not be subject to, and accordingly Shareholders may not obtain the benefit of protection of, any takeover code or similar regulation. However, any person considering acquiring a substantial stake in the Company should have regard to the possibility that should any takeover regulations apply to the Company, such acquisition may have significant consequences, including the possible obligation to make a mandatory bid for the remaining Shares of the

Company. Prospective Shareholders who are in any doubt as to their position are advised to seek independent legal advice.

17. Alternative Investment Fund Managers Directive (“AIFM Directive”)

The AIFM Directive seeks to regulate managers of alternative investment funds which are marketed or managed in the EU. AIFs, such as the Company, may, subject to satisfying certain requirements, obtain authorisation as an internally managed AIF or appoint a third party manager to act as its AIFM. The Board has determined that the Company should act as its own AIFM. As a non EU domiciled AIF and its own manager, the Company is outside of the full scope of the AIFM Directive. The regulatory obligations which may apply primarily involve registration with the regulator and disclosures. Fewer obligations are placed on the Company due to its size, where it manages funds which are ungeared with an asset value of less than €500 million or less than €100 million if gearing is used.

18. Taxation

18.1 *Bermudan Taxation*

It is intended that the Company will continue to be managed and controlled in such a way that it should be resident in Bermuda for tax purposes. Under present Bermuda law, no Bermudan withholding tax on dividends or other distributions, nor any Bermudan tax computed on profits or income or on any capital asset, gain or appreciation will be payable by an exempted company or its operations, nor is there any Bermudan tax in the nature of estate duty or inheritance tax applicable to shares, debentures or other obligations of the company held by non-residents of Bermuda. Furthermore, a company may apply to the Minister of Finance of Bermuda for an assurance, under the Exempted Undertakings Tax Protection Act 1966 of Bermuda, that no such taxes shall be so applicable until 31 March 2035, although this assurance will not prevent the imposition of any Bermudan tax payable in relation to any land in Bermuda leased or let to the company or to persons ordinarily resident in Bermuda.

An exempted company incorporated under the Bermuda law is exempt from all stamp duties except on transactions involving “Bermuda property”. This term relates, essentially, to real and personal property physically situated in Bermuda, including shares in local companies (as opposed to exempted companies). Transfers of shares and warrants in all exempted companies are exempt from Bermuda stamp duty.

18.2 *United Kingdom Taxation*

The following statements are intended only as a general non-exhaustive guide to current UK tax legislation and to the current published practice of HMRC as at the date of this document (each of which may be subject to change, possibly with retroactive effect). The summary does not purport to be a complete analysis or listing of all the potential tax consequences of acquiring or holding any New Shares and is not intended to constitute tax advice. Prospective acquirers of New Shares are advised to consult their own professional tax advisers concerning the consequences under UK tax law of the acquisition, ownership and disposition of the New Shares. It is intended that the Company will be managed and controlled in such a way that it should not be resident in the United Kingdom for United Kingdom tax purposes.

Unless specified otherwise, the statements apply only to holders of New Shares who are resident (and, in the case of individuals only, domiciled) solely in the United Kingdom for tax purposes, who hold the New Shares as an investment and who are the absolute beneficial owners of the New Shares and any dividends paid in respect of them. The statements are not addressed to: (i) special classes of Shareholders such as, for example, tax exempt entities, trusts, dealers in securities, broker-dealers, insurance companies and collective investment schemes; (ii) Shareholders who hold New Shares as part of hedging transactions; (iii) Shareholders who have (or are deemed to have) acquired their New Shares by virtue of an office or employment or are connected with the Company; and (iv) Shareholders who hold New Shares in connection with a trade, profession or vocation carried on in the United Kingdom (whether through a branch or agency or, in the case of a corporate Shareholder, through a permanent establishment or otherwise).

Any person who is in any doubt as to his tax position, or who is subject to taxation in any jurisdiction other than that of the UK, should consult his professional advisers immediately.

18.2.1 *Dividends*

The Company will not be required to withhold UK tax at source when paying a dividend.

18.2.1.1 UK tax resident Shareholders

Under current United Kingdom taxation legislation, no income tax is payable in respect of the first £5,000 of dividend income received from all sources in the tax year (although such income would still count towards the basic, higher and additional rate thresholds). Dividends received above £5,000 in a tax year are taxable at 7.5 per cent., 32.5 per cent. and 38.1 per cent. for basic rate, higher rate and additional rate taxpayers, respectively. The amount of tax free dividend allowance is due to reduce to £2,000 per annum from 6 April 2018.

Shareholders that are bodies corporate resident in the United Kingdom for tax purposes, and that are not “small companies”, may be able to rely on Part 9A of the Corporation Tax Act 2009 to exempt dividends from being chargeable to UK corporation tax if they hold less than 10 per cent. of the issued share capital of the Company (or any one class of share capital), and are entitled to less than 10 per cent. of the profits available for distribution to holders of the issued share capital of the Company (or any one class of share capital) and would be entitled on a winding up to less than 10 per cent. of the assets of the Company available for distribution to holders of the issued share capital of the Company (or any one class of share capital), or another exemption is applicable. The exemptions are not comprehensive and are subject to anti-avoidance rules.

Shareholders within the charge to UK corporation tax which are “small companies” (as that term is defined in section 931S of the Corporation Tax Act 2009) will be liable to corporation tax on dividends paid to them by the Company because the Company is not resident in a “qualifying territory” for the purposes of the legislation contained in the Corporation Tax Act 2009. Bermuda is a non-qualifying territory for this purpose.

18.2.1.2 Non-UK tax resident Shareholders

Non-UK tax resident Shareholders holding their New Shares directly should not be liable to UK income tax on dividends received from the Company, but may be subject to foreign taxation on dividend income under the law applicable to their jurisdiction of residence.

Shareholders who are not solely tax resident in the UK should consult their own tax adviser concerning their tax liabilities on dividends received.

18.2.2 *Chargeable gains*

18.2.2.1 UK tax resident Shareholders

(a) New Shares acquired pursuant to the Open Offer

Under current HMRC practice, the subscription by a Shareholder for shares under the Open Offer up to their Open Offer Entitlement may be treated as a reorganisation of share capital for the purposes of UK taxation of chargeable gains. To the extent that it is so treated, the shares issued should be treated as acquired at the same time as the Existing Ordinary Shares held by that Shareholder in respect of which the new shares were offered, and the cost of acquisition of the new shares should be pooled with the expenditure allowable on the relevant Existing Ordinary Shares for the purposes of determining the amount of any chargeable gain arising on a subsequent disposal. Any subscription by a Shareholder for shares under the Open Offer in excess of their minimum entitlement should be treated as a new acquisition outside the scope of the rules on reorganisations of share

capital. As a matter of UK tax law, the acquisition of Open Offer Shares may not, strictly speaking, constitute a reorganisation of share capital, and there is no guarantee that the HMRC practice mentioned above will be followed, particularly where an open offer is not made to all shareholders.

(b) Disposal of New Shares

Any gain on disposal (by sale, transfer redemption or otherwise) of Ordinary Shares by Shareholders resident in the UK for taxation purposes may be subject to capital gains tax in the case of an individual Shareholder, or UK corporation tax on chargeable gains in the case of a corporate Shareholder, subject to any available exemption or relief. Individuals may have the quantum of gain which is subject to capital gains tax reduced by their annual exemptions (£11,300 for 2017-2018) or allowable losses. Companies subject to UK corporation tax may have their gains reduced by indexation allowance but this allowance cannot create or increase an allowable loss. Under proposals announced in the 2017 Autumn Budget, no further indexation will accrue from 1 January 2018. Companies may also offset other allowable losses.

The capital gains tax rates with effect for 2017/18 are 10 per cent. for individual Shareholders who are chargeable to UK income tax at the basic rate and 20 per cent. for individual Shareholders taxable at rates other than the basic rate.

A Shareholder who is an individual resident in the UK and who is not domiciled in the UK who makes gains on the disposal of Ordinary Shares where the proceeds are not remitted to the UK may benefit from the remittance basis of UK taxation. Such individuals should consult their own tax advisers concerning their UK tax liability.

18.2.2.2 Non-UK tax resident Shareholders

A Shareholder who is not resident for tax purposes in the United Kingdom (and is not temporarily non-resident only) will not be liable for UK tax on capital gains realised on the sale or other disposal of his New Shares unless such New Shares are used, held or acquired for the purposes of a trade, profession or vocation carried on in the United Kingdom through a branch or agency or, in the case of a corporate Shareholder, through a permanent establishment. Such Shareholders may be subject to foreign taxation on any gain under local law subject to the terms of any applicable double tax treaty.

18.2.3 *Stamp duty and stamp duty reserve tax (SDRT)*

The following comments are intended as a guide to the current general stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply. No UK stamp duty or SDRT will be payable on the issue of the Ordinary Shares. No UK stamp duty will be payable on a transfer of Ordinary Shares, provided that all instruments effecting or evidencing the transfer are not executed in the UK, no matters, actions or other things relating to the transfer are, or are to be, performed in the UK, and no property situated in the UK relates to the transfer. Provided that the Ordinary Shares are not registered in any register kept in the UK by or on behalf of the Company and that the Ordinary Shares are not paired with shares issued by a company (or any other body corporate) incorporated in the UK, any agreement to the transfer Ordinary Shares should not be subject to UK SDRT.

18.2.4 *Other United Kingdom tax considerations*

18.2.4.1 Controlled Foreign Companies

United Kingdom resident companies having an interest in the Company, such that broadly 25 per cent. or more of the Company's profits for an accounting period could be apportioned to them, may be liable to United Kingdom

corporation tax in respect of their share of the Company's profits in accordance with the provisions of Part 9A of the Taxation (International and Other Provisions) Act 2010 relating to controlled foreign companies. These provisions only apply if the Company is controlled by United Kingdom resident persons (corporate and individuals).

18.2.4.2 Section 13 of the Taxation of Chargeable Gains Act 1992

The attention of persons resident in the United Kingdom for taxation purposes is drawn to the provisions of Section 13. Section 13 applies to a "participator" for UK taxation purposes (which includes a Shareholder) if at any time when a gain accrues to the Company which constitutes a chargeable gain for those purposes, the Company is itself controlled by a sufficiently small number of persons so as to render the Company a body corporate that would, were it to have been resident in the United Kingdom for taxation purposes, be a "close" company for those purposes.

The provisions of Section 13 could, if applied, result in any such person who is a "participator" in the Company being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any chargeable gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person's proportionate interest in the Company as a "participator". No liability under Section 13 could be incurred by such a person however, where the amount apportioned to such person and to persons connected with him does not exceed one quarter of the gain.

18.2.4.3 Transfer of Assets Abroad

The attention of individuals resident in the UK is drawn to sections 714 to 751 of the Income Tax Act 2007, which contains provisions for preventing avoidance of income tax by transactions resulting in the transfer of income to persons (including companies) abroad and may render them liable to taxation in respect of undistributed income and profits of the Company.

18.2.4.4 Transactions in Securities

The attention of Shareholders is drawn to anti-avoidance legislation in Chapter 1, Part 13 of the Income Tax Act 2007 and Part 15 of the Corporation Tax Act 2010 that could apply if Shareholders are seeking to obtain tax advantages in prescribed conditions.

19. Other information

- 19.1 Smith & Williamson has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which they are included.
- 19.2 Dickson Minto has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which they are included.
- 19.3 The Directors confirm that the audited consolidated financial statements of the Company and its subsidiaries for the years ended 31 December 2016, 2015 and 2014 have been audited by BDO Limited, of 25th Floor, Wing On Centre, 111 Connaught Road, Central, Hong Kong. Independent auditor's reports in respect of the Group's accounts for the years ended 31 December 2016, 2015 and 2014 have been made and each such report was an unqualified report.
- 19.4 The financial information on the Group set out in Parts 4 and 5 and otherwise in this document does not comprise statutory financial statements.
- 19.5 The financial information on the Group in Parts 4 and 5 of this document has been extracted without material adjustment from: (i) the audited consolidated financial statements of the Company and its

subsidiaries contained in its 2016, 2015 and 2014 annual reports; (ii) the unaudited interim financial statements of the Company and its subsidiaries for the six months ended 30 June 2017; and (iii) the Group's unaudited internal management accounting records.

- 19.6 No commission, discounts, brokerages or other special terms have been granted in connection with the issue of sale of any share or loan capital of the Company.
- 19.7 The Group does not rely on any intellectual property in the conduct of its business, and has no intellectual property registered in its name or in the name of any company in the Group.
- 19.8 Save for the services disclosed in paragraph 19.8 above and the potential subscription for Ordinary Shares by Henry Cheong pursuant to the Open Offer, no other related party transactions have taken place over the period commencing three years prior to the date of this document.
- 19.9 Information which has been sourced from third parties and set out in this document has been accurately produced and, so far as the Company is aware and is able to ascertain from information published by the third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 19.10 There has been no significant change in the financial or trading position of the Group since 30 June 2017, the date to which the last unaudited interim consolidated financial statements of the Company and its subsidiaries were prepared.
- 19.11 The nominal value of the Ordinary Shares is US\$0.001 each and the Open Offer Shares are being offered at a premium of US\$0.149 per new Ordinary Share.
- 19.12 If the Open Offer raises US\$4.2 million gross, the expenses will be in the order of US\$0.6 million.

20. Documents available for inspection

Copies of the following documents will be available for inspection at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW during normal business hours on any weekday (Saturdays, Sundays and UK public holidays excepted) until the close of the Open Offer:

- (i) the Memorandum of Association and Bye-Laws of the Company;
- (ii) the audited consolidated financial statements of the Company and its subsidiaries for each of the three financial years ended 31 December 2016, 2015 and 2014 together with the independent auditor's report thereon;
- (iii) the unaudited interim report of the Company and its subsidiaries for the six months ended 30 June 2017;
- (iv) the letters of appointment referred to in paragraph 7.1 above;
- (v) the material contracts referred to in paragraph 10 above;
- (vi) the written consents referred to in paragraphs 19.1. and 19.2 above; and
- (vii) this document.

13 March 2018

PART 7

DEFINITIONS

“Act” or “Bermuda Act”	the Companies Act 1981 of Bermuda (as amended)
“Admission”	the admission of the Open Offer Shares to the Official List becoming effective in accordance with the Listing Rules and admission of such Shares to trading on the London Stock Exchange’s main market for listed securities becoming effective in accordance with the Admission and Disclosure Standards
“Admission and Disclosure Standards”	the Admission and Disclosure Standards of the London Stock Exchange containing, amongst other things, the admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange’s main market for listed securities
“Application Form”	the application form for use by Qualifying Certificated Shareholders relating to applications for Open Offer Shares
“Business Day”	any day on which banks in the City of London are generally open for business
“Bye-Laws”	the Bye-Laws of the Company and forming part of the constitution of the Company
“CCSS”	the CREST Courier and Sorting Service established by Euroclear to facilitate, amongst other things, the deposit and withdrawal of securities
“Company” or “Worldsec”	Worldsec Limited
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK is the operator (as defined in the CREST Regulations)
“CREST Manual”	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedure and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as amended)
“CREST member”	a person who has been admitted to Euroclear as a system-member (as defined in the CREST Regulations)
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 01/378), as amended
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member the Disclosure Guidance and Transparency Rules

“Depository Interests” or “DIs”	the dematerialised depository interests issued or to be issued by Link Trustees in respect of the Ordinary Shares
“Dickson Minto”	Dickson Minto W.S.
“Directors” or “the Board”	the directors of the Company
“Directors’ Undertakings”	the undertakings made by Henry Cheong, Alastair Gunn-Forbes and Ernest She to apply for their Open Offer Entitlements in full
“Disclosure Guidance and Transparency Rules”	the guidance and rules relating to the disclosure of information made in accordance with Section 73A(3) of Part VI of FSMA
“EEA State”	a state which is a contracting party to the agreement on the European Economic Area signed at Oporto on 2 May 1992, as it has effect for the time being
“Enlarged Share Capital”	the issued share capital of the Company immediately following completion of the Open Offer
“EU”	the European Union
“Euroclear UK”	Euroclear UK & Ireland Limited, the operator of CREST
“Exchange Rate”	£1:US\$1.386 at the Latest Practicable Date
“Excluded Territories”	Australia, its territories and possessions, Canada, Japan, South Africa and the United States and any other jurisdiction where the extension or availability of the Open Offer (or any transaction contemplated thereby and any activities carried out in connection therewith) would breach applicable law and Excluded Territory means any one of them
“Excluded Territory Shareholder”	subject to certain exceptions, a Shareholder who has a registered address or is resident or located in any Excluded Territory
“Ex-Entitlement Date”	14 March 2018
“Existing Shares”	the Ordinary Shares in issue at the Record Date
“FCA”	the Financial Conduct Authority
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Greater China”	Mainland China, Hong Kong, Macau and Taiwan
“Group”	the Company and its subsidiaries from time to time
“HMRC”	HM Revenue & Customs
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Investment Committee”	the Company’s investment committee comprising Henry Cheong and Ernest She
“Investment Policy”	the investment policy of the Company from time to time in accordance with Listing Rule 15.2.7
“ISIN”	International Securities Identification Number

“Issues”	the issues of New Shares under the Open Offer and Subsequent Placings
“Latest Practicable Date”	9 March 2018 being the latest practicable date prior to the date of this Prospectus for ascertaining certain information contained herein
“Link Asset Services”	a trading name of Link Market Services Limited
“Link Trustees”	Link Market Services Trustees Limited
“Listing Rules”	the Listing Rules made by the FCA under FSMA
“London Stock Exchange”	London Stock Exchange plc
“Market Abuse Regulation” or “MAR”	the EU Market Abuse Regulation (2014/596/EU)
“Memorandum of Association”	the memorandum of association of the Company
“Money Laundering Regulations”	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
“Net Asset Value”	the total value of all the assets of the Group less its liabilities determined in accordance with the valuation policy set out in paragraph 8.1 of Part 3 of this document
“New Shares”	Shares to be issued under the Issues
“Official List”	the Official List of the UKLA
“Open Offer”	the offer of Shares to Qualifying Shareholders on the basis described in this document prepared in accordance with the Prospectus Rules and in the Application Form
“Open Offer & Underwriting Agreement”	the open offer and underwriting agreement dated 13 March 2018 between Smith & Williamson, Dickson Minto, the Directors and the Company
“Open Offer Entitlements”	the Open Offer Shares entitled to be taken up by Qualifying Shareholders under the Open Offer
“Open Offer Price”	US\$0.15 per Open Offer Share
“Open Offer Shares”	the new Shares which are the subject of the Open Offer
“Ordinary Shares” or “Shares”	the ordinary shares of par value US\$0.001 each in the share capital of the Company (including, if the context requires the New Shares)
“Overseas Shareholders”	Shareholders with registered addresses outside the United Kingdom or who are citizens or residents of countries outside the United Kingdom
“Prospectus”	this document
“Prospectus Rules”	as defined in Section 73(A)(4) of FSMA
“Qualifying Certificated Shareholders”	Qualifying Shareholders holding Shares in certificated form
“Qualifying CREST Shareholders”	Qualifying Shareholders holding Shares in uncertificated form

“Qualifying Shareholders”	Shareholders of the Company whose name appears in the register of members of the Company at the close of business on the Record Date with the exclusion of Excluded Territory Shareholders
“Receiving Agent”	Link Asset Services
“Record Date”	the close of business on 12 March 2018
“Regulatory Information Service”	an information service that is approved by the FCA
“SEC”	U.S. Securities and Exchange Commission
“SEDOL”	Stock Exchange Daily Official List
“SFC”	the Securities and Futures Commission in Hong Kong
“Shareholders”	holders of Shares
“Smith & Williamson”	Smith & Williamson Corporate Finance Limited
“Subsequent Placings”	the placing of Subsequent Placing Shares as described in this document and in any future document prepared in accordance with the Prospectus Rules
“Subsequent Placings Price”	the price at which Subsequent Placing Shares will be issued under the Subsequent Placings to be determined by reference to the mid-market price at the time of agreeing the placing of the Subsequent Placing Shares
“Subsequent Placing Shares”	the New Shares which are the subject of the Subsequent Placings
“Takeover Code”	the UK City Code on Takeovers and Mergers
“UK Corporate Governance Code”	the UK Corporate Governance Code issued by the Financial Reporting Council in the United Kingdom in 2016
“UKLA” or “UK Listing Authority”	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“Underwriter”	Henry Cheong
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America
“US Dollars” or “US\$”	the lawful currency of the United States

