



**WORLDSEC LIMITED**

**Annual Report for the year ended 31 December 2025**

# **CORPORATE INFORMATION**

## **Board of Directors**

### **Non-Executive Chairman**

Alastair GUNN-FORBES\*

### **Executive Directors**

Henry Ying Chew CHEONG (Deputy Chairman)

Ernest Chiu Shun SHE

### **Non-Executive Directors**

Mark Chung FONG\*

Martyn Stuart WELLS\*

Stephen Lister d'Anyers WILLIS\*

*\* independent*

### **Company Secretary**

Vistra Company Secretaries Limited

First Floor, Templeback, 10 Temple Back, Bristol, BS1 6FL, United Kingdom

### **Assistant Company Secretary**

Ocorian Services (Bermuda) Limited

Victoria Place, 5<sup>th</sup> Floor, 31 Victoria Street, Hamilton HM 10, Bermuda

### **Registered Office Address**

Victoria Place, 5<sup>th</sup> Floor, 31 Victoria Street, Hamilton HM 10, Bermuda

### **Registration Number**

EC21466 Bermuda

### **Principal Bankers**

The Hongkong and Shanghai Banking Corporation Limited

1 Queen's Road, Central, Hong Kong

### **External Auditor**

BDO Limited

25th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong

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

Ocorian Management (Bermuda) Limited

Victoria Place, 5<sup>th</sup> Floor, 31 Victoria Street, Hamilton HM 10, Bermuda

### **International Branch Registrar**

MUFG Corporate Markets (Jersey) Limited

IFC 5, St Helier, JE1 1RT, Jersey, Channel Islands

### **United Kingdom Transfer Agent**

MUFG Corporate Markets

Central Square, 29 Wellington Street, Leeds, LS1 4DL, United Kingdom

### **Investor Relations**

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Henry Ying Chew CHEONG

Executive Director, Worldsec Group

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### **Company's Website**

<http://www.worldsec.com>

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## Chairman's Statement

### RESULTS AND REVIEW

For the year ended 31 December 2025, the audited consolidated profit of Worldsec Limited (the "Company") and its subsidiaries (together the "Group") was US\$215,000, compared with a loss of US\$55,000 in 2024. Earnings per share were US0.25 cent (2024 loss per share: US0.06 cent). Net asset value per share was US6.6 cents (2024: US6.4 cents). Cash and cash equivalents, as at the end of 2025, amounted to US\$923,000, compared with US\$701,000 as at the end of 2024.

During the year under review, the Group received two distributions, one in April and another in November, from the Homaer Asset Management Master Fund SPC (the "Homaer Fund"), representing its pro rata share of the distribution proceeds arising from the reductions by the Homaer Fund in the underlying investment in ByteDance Ltd. ("ByteDance").

Subsequent to the year ended 31 December 2025, the Group made a new investment in Advanced Machine Intelligence Labs ("AMI Labs"), a frontier AI research lab focusing on the development of world models, through the subscriptions of limited partnership interests in Rivet Ventures Frontier Opportunities 2026-A, L.P. – Series I ("Rivet Ventures") and Arete Far East Venture Credit LPF ("Arete Venture"), which respectively invest in the Series Seed Preferred Securities and the Convertible Securities of AMI Labs.

Detailed discussion of the results and financial position of the Group is set out in the directors' report on pages 3 to 27.

### OPERATING ENVIRONMENT AND OUTLOOK

The global economy in 2025 demonstrated remarkable resilience against a backdrop of significant trade policy uncertainties and rising geopolitical tensions. A combination of factors contributed to this outcome. In anticipation of higher tariffs imposed by the United States on its trading partners, American firms engaged in front-loading of imports, temporarily boosting trade volumes and activities in the first few months of 2025. At the same time, a surge in investments related to artificial intelligence provided a powerful stimulus. According to the World Trade Organization, merchandise trade volume grew by 2.4% in 2025, while trade in services grew by 4.6%. The International Monetary Fund (the "IMF") estimated global economic growth at 3.2% in 2025, a modest slowdown from 3.3% in 2024. Among developed economies, the United States was estimated to have grown by 2.0% and the Euro area by 1.2%, while leading emerging economies maintained stronger momentum, with China growing by an estimated 4.8% and India by 6.6% during its 2025-26 fiscal year.

The private equity market staged a modest recovery in 2025. According to various KPMG publications, global private equity deal value rose to US\$2.1 trillion from US\$1.8 trillion a year earlier. Activities were driven by a rebound in megadeals, improving financing conditions and the gradual return of strategic buyers. The increase in deal value, however, was not accompanied by an increase in deal volume, with private equity transactions falling from 20,836 in 2024 to 19,093 in 2025, reflecting investors' preference for pursuing large and high-value deals owing to the favourable work-to-benefit ratio.

North America dominated global private equity activities in 2025, accounting for over half of the total investment. The American region attracted US\$1.2 trillion deployed across 9,118 deals, with the United States alone accounting for US\$1.1 trillion in 8,232 deals. Europe, the Middle East and Africa posted US\$730 billion, up from US\$649 billion in 2024, while the Asia Pacific region recorded a modest increase to US\$145 billion.

## WORLDSEC LIMITED

In terms of exit value, 2025 was a major bright spot for global private equity, registering an increase of about 50% over 2024 to US\$1.2 trillion, which marked the second highest annual level in the past decade, trailing only the record-setting year of 2021. Trade sales, largely fuelled by strategic acquisitions, were the key driver, with secondary buyouts also playing a vital role in providing liquidity.

In contrast, global private equity fundraising in 2025 remained difficult, falling to US\$408 billion from the prior year of US\$609 billion, as investors remained cautious.

According to a press release from Bain & Company, distributions to limited partners in 2025 were disappointing, with distributions as a percentage of net asset value remaining below 15% for four consecutive years. The industry was still holding some 32,000 unsold companies worth US\$3.8 trillion, with the average holding period at exit hovering around seven years. Global dry powder remained substantial at around US\$1.3 trillion. As the majority of these funds were raised in 2022 and 2023, the pressure on general partners to deploy this capital has been increasing, and the lagging distributions to limited partners also contributed to the difficulty in global private equity fundraising.

The outbreak of hostilities in the Middle East has added a new layer of uncertainty to the 2026 outlook. This is on top of the protracted military confrontation between Russia and Ukraine. These conflicts have disrupted energy markets and transport routes. The Middle East hostilities have also raised concerns about the security of key shipping lanes, causing renewed pressure on energy prices, particularly after the closure of the Strait of Hormuz.

A prolonged period of elevated energy prices would increase business costs, add to inflationary pressure and dampen economic growth. In its January 2026 update, the IMF projected global GDP growth of 3.3% for 2026. This was revised downwards to 3.1% in April 2026, while projected global headline inflation for 2026 was revised upwards to 4.4% from 3.8%. The World Trade Organization also projected merchandise trade volume growth to moderate to 1.9% in 2026. The IMF further outlined downside scenarios in which global economic growth could fall to 2.5% or even 2.0% if energy disruptions persist. The disinflationary trend observed throughout 2025 could therefore face reversal, raising the possibility of a stagflationary environment.

Although the recent U.S. court ruling on tariff measures has eased some immediate pricing pressure, effective tariff rates remain elevated compared with pre-2025 levels, leaving core trade tensions unresolved. This persistent policy uncertainty continues to inhibit investment and global supply chain stability.

On the positive front, the rapid development and deployment of AI technologies remains a central driver of global economic activities, requiring a colossal amount of investments in hardware, data centres, computing power and related infrastructure. Such investments could provide an important counterweight to other economic headwinds, supporting growth in the technology sector and beyond.

### **NOTE OF APPRECIATION**

I wish to thank my fellow directors and staff for their efforts and contributions made during the year ended 31 December 2025. I would also like to extend a note of appreciation to shareholders for their continued support of the Company.

Alastair Gunn-Forbes  
Non-Executive Chairman  
27 April 2026

**WORLDSEC LIMITED**  
**DIRECTORS' REPORT**

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The directors submit the annual report of the Company and the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2025.

**PRINCIPAL ACTIVITIES**

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

**RESULTS AND FINANCIAL POSITION**

The audited consolidated profit of the Company and its subsidiaries for the year ended 31 December 2025 was US\$215,000, compared with a loss of US\$55,000 in 2024. Earnings per share was US0.25 cent (2024 loss per share: US0.06 cent). Dividend income increased by over US\$600,000 to US\$724,000, driven by two payments, one received in April and another in November 2025, as the Group's pro rata share of the distribution proceeds arising from the reductions by the Homaer Fund in the underlying investment in ByteDance. This was, however, partly offset by the decrease in other income, reflecting the diminished contribution from net realised and unrealised gains on financial assets at fair value through profit or loss ("FVTPL").

As shown in the audited consolidated balance sheet of the Company and its subsidiaries for the year ended 31 December 2025, the Group's investment in the ICBC Specialised Ship Leasing Investment Fund (the "ICBC Shipping Fund"), the terms of which would expire in October 2026, has been reclassified from non-current assets to current assets. On the back of the dividends received from the Homaer Fund, cash balance, net of the use of cash in the normal course of business, rose to US\$923,000 by the year end.

As at 31 December 2025, the net assets of the Group stood at US\$5.66 million (2024: US\$5.43 million). Net asset value per share was US6.6 cents (2024: US6.4 cents).

Further details of the Group's results and financial position are set out in the consolidated statement of profit or loss and other comprehensive income on page 34, the consolidated statement of financial position on page 35 and notes to the consolidated financial statements on pages 39 to 70.

The Board does not propose to declare any dividend for the year ended 31 December 2025 (2024: nil).

**REVIEW**

The Company is a closed-ended investment company listed on the Main Market of the London Stock Exchange under the Closed-ended Investment Funds segment governed by UKLR 11 of the UK Listing Rules published by the Financial Conduct Authority in the United Kingdom (the "UKLR"). In accordance with the Company's investment policy, a copy of which is set out on page 71, the investment strategy of the Group focuses on investing in small to medium sized trading companies based mainly in the Greater China and South East Asian region, with a view to building a diversified portfolio of minority investments in such companies. The investment objective of the Company is to achieve attractive investment returns through capital appreciation on a medium to long term horizon. To spread the investment risk of the Group, none of the Group's investments at the time when made exceeded 20% of its gross assets.

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**DIRECTORS' REPORT (CONTINUED)**

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As at the date of this report, the investment portfolio of the Group strategically spans seven sectors, namely, shipping and maritime finance, digital asset, blockchain and Web3 economy, mobile app platform technology and social e-commerce, AI, online grocery and food retail, LiDAR solutions and autonomous driving, as well as education, with a view to ensuring sectoral diversification. The Group's investments include the ICBC Shipping Fund, Animoca Brands Corporation Limited ("Animoca"), ByteDance, Dingdong (Cayman) Limited ("Dingdong"), Seyond Holdings Ltd. ("Seyond", formerly Innovusion Holdings Ltd.), Oasis Education Group Limited ("Oasis Education") and the newly invested AMI Labs, with operations across China and international markets. This diversified approach aligns with the Company's investment objective of achieving medium to long term capital appreciation while mitigating the investment risk of the Group.

Subsequent to the year ended 31 December 2025, the Group's new AMI Labs investment was made through the subscriptions of limited partnership interests in Rivet Ventures and Arete Venture, which respectively invest in the Series Seed Preferred Securities and the Convertible Securities of AMI Labs, a frontier AI research lab focusing on the development of world models designed to learn abstract representations of real world dynamics.

### **ICBC Shipping Fund**

The Group's investment in the ICBC Shipping Fund, which is involved in shipping and maritime finance, continued to provide a stable contribution, generating dividend income amounting to US\$96,000 for the year ended 31 December 2025.

As discussed in the section headed "Results and Financial Position" on page 3, the terms of the ICBC Shipping Fund would expire in October 2026. Under a disposal plan, four of the vessels of the underlying fleet would be disposed of in 2026 and the remaining six in 2027. Proceeds from such disposals would be returned to fundholders on a pro rata basis, with the outstanding balance of the yet-to-be-returned investment capital continuing to generate monthly dividends until the completion of the entire disposal process. The dividend-paying ability of the ICBC Shipping Fund, being a financing vehicle for the shipping and maritime sector, would unlikely be materially affected by the outbreak of hostilities in the Middle East.

### **Animoca through VS SPC Limited ("VS SPC")**

The Group holds, through the Class A Participating Shares of VS SPC, an investment in the equity interest of Animoca.

Incorporated in Australia, Animoca was formerly listed on the Australian Securities Exchange but was delisted in 2020. It is a holding company of a technology group that develops and operates digital asset platforms, ranging from native projects, such as Moca Network, Open Campus, The Sandbox and Anichess, to institutional systems, such as Anchorpoint, a stablecoin joint venture, and NUVA, a vault marketplace joint venture, provides digital asset services covering token strategy, treasury management, liquidity provisioning, node operations, research and marketing, and invests in Web3 technology, with a portfolio of over 600 companies and digital assets across diverse verticals. Animoca has received industry recognition and market recognition, including Fortune Crypto 40, Financial Times' High Growth Companies Asia-Pacific, Top 50 Blockchain Game Companies 2025 and Deloitte Tech Fast.

In 2025, the digital asset market entered a transitional phase defined by both volatility and structural maturation. Improving regulatory clarity across major economies and growing institutional adoption lent the sector increasing legitimacy and credibility. However, even though crypto fundraising remained robust, there was a notable shift away from gaming towards digital asset infrastructure, RWA tokenisation and compliance solutions. With gaming companies under mounting financial pressure and anticipated launches underdelivering, a widespread wave of projects ceased operations, often leaving game assets worthless overnight. NFT sales also plunged amid weak demand, abundant supply and waning enthusiasm and speculation. Meanwhile, total crypto market capitalisation swung from a low of about US\$2.8 trillion to an all-time high that exceeded US\$4 trillion, before ending the year at around US\$3 trillion, following the sudden jolt of the 10 October 2025 flash crash, which wiped out some US\$19 billion of leveraged positions and US\$800 billion cryptocurrency value within 24 hours. Yet, despite the market shock, stablecoins, bolstered by a growing role in cross-border payments and trade settlements, surged to a record level of US\$311 billion by the end of 2025.

Against this backdrop, the financial metrics of the Animoca group were adversely affected. According to an update prepared based on unaudited management accounts<sup>1</sup> and presented at the annual general meeting of Animoca on 18 December 2025, revenue for the first three quarters of the year was US\$172 million, with tokenisation services accounting for US\$20 million, web3 operations US\$99 million and investment management US\$53 million, under subdued market conditions, compared with US\$313 million, US\$148 million, US\$109 million and US\$59 million respectively for the full twelve months of 2024. Despite the implementation of cost optimisation actions, EBITDA amounted to US\$43 million against US\$93 million during the same timeframe. In January 2026, Animoca achieved further progress in financial reporting and disclosure efforts through the release of its 2022 annual report, which reported bookings<sup>2</sup> of A\$612 million and net assets of A\$460 million, compared with A\$450 million and A\$337 million respectively in the prior year.

<sup>1</sup> under non-IFRS measure

<sup>2</sup> a non-AASB item used in the gaming space to better represent the underlying business trend by including deferred revenue

Certain strategic initiatives and corporate developments of the Animoca group are set out below:

(i) Reverse Merger and Equity Tokenisation

- In November 2025, Animoca entered into a non-binding term sheet for a reverse merger with Currenc, a Nasdaq-listed Singapore-based fintech company that provides AI-powered customer service solutions and a digital cross-border remittance platform for financial institutions and e-wallets. Assuming and upon implementation, the newly merged entity, which would be about 95% and 5% collectively owned by Animoca shareholders and existing Currenc shareholders, would operate under the name of Animoca and would continue to be listed on Nasdaq. The reverse merger proposal would be subject to due diligence and customary conditions, including board and shareholder approvals from each party as well as relevant regulatory and listing requirements, with a closing timeline targeted by the end of 2026. This represents a strategic move by Animoca to enable its shares to be traded on a stock exchange with investors familiar with digital asset investing.
- Under an initiative from Republic, an on-chain investment platform that democratises access to private investments, the equity of Animoca would be tokenised and minted on Solana, an open-source blockchain network designed for fast and secure transactions. Tokenised Animoca shares would be traded on Republic's global marketplace and would live directly in investors' wallets, bypassing intermediaries and drastically slashing settlement times. The tokenisation of the equity of Animoca would offer an efficient and cost-effective avenue for secondary trading for existing Animoca shareholders and broaden access for investors to gain exposure to Animoca prior to the implementation of the proposed reverse merger with Currenc. In the wider context of market transformation, the equity tokenisation strategy would bring convenience, liquidity and transaction cost reduction to privately held assets, while potentially signalling a structural shift away from traditional capital markets and serving as a harbinger of a trend that could reshape the private investment landscape.

(ii) Digital Asset Platforms

- In March 2026, Animoca entered into a definitive agreement with AlphaTON, an infrastructure investor and builder focused exclusively on the Telegram and TON ecosystem, to dispose of a 60% controlling interest in GAMEE, an established gaming platform with a strong foothold in Telegram's network of apps. The total consideration of the proposed transaction, structured to include a performance-linked earn-out over two years, would be up to US\$11 million to be satisfied by, inter alia, cash and AlphaTON shares. Concurrently, Animoca and AlphaTON also formalised a strategic alliance to pursue broader commercial opportunities across blockchain and social gaming.
- In September 2025, with The Sandbox participating as a key launch partner and a flagship ecosystem, the SANDChain Foundation launched SANDchain, a dedicated Ethereum Layer-2 blockchain designed to serve as the financial backbone of the global creator economy, empowering creators to unlock monetisation and engagement across multiple platforms, including YouTube, Instagram and TikTok. The SANDchain network would utilise the SAND token for gas and governance. Testnet for SANDchain was deployed in October 2025 with mainnet slated for 2026. This marked a strategic pivot of The Sandbox from a blockchain-based metaverse game into an on-chain financial infrastructure layer for the global creator economy and could dramatically expand SAND's addressable market beyond gaming, potentially generating significant value for The Sandbox ecosystem.
- Anchorpoint, a joint venture founded by Standard Chartered Bank, Hong Kong Telecom and Animoca, was one of two companies granted a stablecoin issuer licence by the Hong Kong Monetary Authority under the Stablecoins Ordinance. Targeted a phased issuance of the regulated Hong Kong dollar-backed stablecoin, HKD At Par, from the second quarter of 2026, the Hong Kong-based entity would adopt a B2B2C model to enable public access through authorised distributors, while also aiming to co-develop solutions for tokenised RWA settlement and cross-border stablecoin payments across Hong Kong and Asia.
- In August 2025, Animoca formed a strategic partnership with Nuva Labs (formerly Provenance Blockchain Labs), an infrastructure provider specialised in the tokenisation of RWAs, to co-develop NUVA, a chain-agnostic vault marketplace connecting RWA issuers with investors. Built on the Provenance Blockchain, which had over US\$15.7 billion of RWAs, NUVA initially planned to launch in the fourth quarter of 2025 with vaults backed by Figure Technologies' SEC-registered yielding stablecoin and home equity lines of credit. Under the partnership terms, Animoca would lead go-to-market, tokenomics and listing and Nuva Labs would focus on product and infrastructure development. Subsequently, in February 2026, NUVA teamed up with AnChain.AI, an AI-powered cryptocurrency risk and investigation platform, to integrate security and compliance monitoring.

(iii) Other Business Developments

- In November 2025, Animoca received in-principle approval from the Financial Services Regulatory Authority of the Abu Dhabi Global Market to operate as a regulated fund manager, and subject to the fulfilment of conditions and final regulatory approval, would be authorised to carry out the activity of managing collective investment funds. In February 2026, it was granted a virtual asset service provider licence by Dubai's Virtual Assets Regulatory Authority to commence operations in the provision of virtual asset broker-dealer services and virtual asset management and investment services to global institutional and qualified investors. This would further strengthen the strategic presence of the Animoca group in the Middle East.

- In December 2025, Animoca entered into a term sheet with GROW Investment Group, a China-focused alternative asset and wealth management firm backed by Julius Baer, with a view to building GROW Asset Management (being renamed as GROW Digital Wealth), a GROW Investment Group company, in Hong Kong into one of the first platforms in Asia offering both crypto and traditional finance products to family offices and ultra-high-net-worth individuals. As part of the proposed transaction, Animoca would acquire an equity interest of up to 15% in GROW Digital Wealth, subject to definitive agreements and applicable approvals. The strategic partnership would aim to tap into the burgeoning US\$18 trillion investable asset pool of high-net-worth individuals in China.

The digital asset industry is undergoing rapid evolution, with crypto, blockchain and Web3 technologies moving beyond ideology into real-world applications, extending beyond entertainment into other sectors. Stablecoins, particularly in cross-border payments, tokenised finance, notably RWA tokenisation, are experiencing rapid institutional adoption under improving regulatory clarity. DeFi continues to gain traction as on-chain liquidity deepens. DePIN is gaining share from centralised cloud services with price advantages and stable performance. AI integration with blockchain technology is accelerating. Altcoins are gaining prominence, driven by growing participation from institutional capital and the shift from speculative trading towards digital assets that offer real-world utility.

Against this rapidly evolving landscape, the Animoca group is broadening its main focus from blockchain entertainment to embrace the game-changing trends with increasing emphasis on initiatives targeting stablecoin and RWA tokenisation projects as well as DeFi, DePIN and AI activities. With a portfolio of over 600 companies and digital assets across diverse verticals that boasts massive holdings in utility tokens, it is also in a strong position to benefit from the continued development in altcoin utility. Indeed, the Animoca group is positioning itself as a diversified Web3 conglomerate to capture the opportunities in the digital asset economy.

### **ByteDance through the Homaer Fund**

The Group holds, through the Unicorn Equity Investment Portfolio Class A Shares of the Homaer Fund, an investment in the equity interest of ByteDance.

Incorporated in the Cayman Islands, ByteDance is an unlisted holding company of a technology group that operates a suite of products and services across the globe. Its portfolio includes, among others, TikTok, TikTok Shop, CapCut and Lark, as well as products and services specific to the China market, including Toutiao, Douyin, Douyin E-commerce, Fanqie and Xigua Feishu. The ByteDance group has over 150,000 employees based out of nearly 120 cities globally.

In 2025 and into early 2026, the ByteDance group continued to place AI at the core of its strategic agenda and to commit substantial resources to strengthening its underlying technical capabilities. This had been supported by sustained investment in computing infrastructure, model development and engineering capacity. According to media reports, the AI-centric capital outlay of the ByteDance group in 2025 amounted to more than RMB150 billion, with most of the spending directed to AI-related infrastructure such as data centres and networking equipment. For 2026, the ByteDance group has reportedly drawn up preliminary plans to raise AI-enabling investment and procurement to RMB160 billion, around half of which has been earmarked for the purchase of advanced semiconductors and processors, including, subject to import and export controls and other regulatory requirements, Nvidia H200 chips, and to advance its in-house chip capability, including a project codenamed SeedChip with manufacturing support from Samsung Electronics under discussion. Indeed, these measures are consistent with the long-term commitment of ByteDance to building up a robust and enduring AI capability base.

Under the ambitious expansionary strategy, the AI initiatives of the ByteDance group are increasingly taking shape along two parallel tracks: consumer-facing applications and enterprise solutions.

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**DIRECTORS' REPORT (CONTINUED)**

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On the consumer side, Doubao further strengthened its position among China's leading AI-native products. According to QuestMobile, it topped the AI chatbot apps on mobile devices in China, with weekly active users reaching 155 million in the second week of December 2025. From February to April 2026, the ByteDance group rolled out a series of upgrades to the Seed products and models that included Doubao 2.0, released under the Seed 2.0 series, with agent capabilities to extend beyond basic question-and-answer interactions towards more complex, multi-step task execution, Seedance 2.0, an AI video generator, and Seedream 5.0 Lite, an AI image generator, alongside the new release of Seeduplex, a native full-duplex speech LLM. Selected AI-powered features have also been integrated into various content creation tools across the ByteDance ecosystem.

On the enterprise side, Volcano Engine continued to expand and, according to IDC, was ranked as China's second-largest AI cloud service provider in terms of revenue in the first half of 2025. Originally designed to run internal platform systems of the ByteDance group, it has emerged as a standalone business targeting external clients. The Seed products and models rolled out or newly released from February to April 2026 also offer enterprise access, either integrated into Volcano Engine or available through other ByteDance platforms. The advanced video-generation performance of Seedance 2.0 has attracted significant attention, which, in turn, has brought along copyright issues and lawsuit threats from major corporations, temporarily derailing the product's global rollout schedule. On the research front, the ByteDance group has introduced GR-3 and ByteMini, a vision-language-action robotics model and accompanying hardware platform for enterprise automation.

The remarkable AI development of the ByteDance group was reflected in a number of insightful metrics. According to Volcano Engine, the average daily token usage of the Doubao model, deployed across both consumer-facing and enterprise tracks, surpassed 120 trillion tokens by late March 2026, doubling in three months and rising roughly 1,000-fold since the launch in May 2024. This followed an earlier announcement that Doubao's average daily token usage had exceeded 50 trillion tokens in December 2025, up from 4 trillion tokens in December 2024. Additionally, the number of enterprises on Volcano Engine with cumulative token usage exceeding 1 trillion tokens rose to 140 by late March 2026, compared with 100 at the previous year end.

Beyond AI, e-commerce remained a core growth engine for the ByteDance group and, together with content platforms and advertising operations, continued to underpin its broader operating model.

In China, Douyin, the short-video app, has morphed into a commercial ecosystem encompassing e-commerce and life services. Douyin E-commerce further progressed its dual-engine approach, combining livestream-led discovery with an expanding shelf-based shopping experience. According to market tracking, Douyin E-commerce's GMV in 2025 was estimated at RMB4.3 trillion, implying a year-on-year growth of around 30%, with shelf-based formats representing 45% of the 2025 total. Separately, Douyin Life Services achieved total transaction value of RMB 850 billion in 2025, representing a 59% year-on-year increase, with 15.2 million active merchant stores, according to company-released data.

Overseas, TikTok Shop continued to scale, with the United States remaining a principal market and Europe becoming a more meaningful area of development. Reuters reported that TikTok Shop was launched in France, Germany and Italy in March 2025, extending its European footprint beyond the United Kingdom. In the United States, according to EMARKETER, TikTok Shop generated US\$15.8 billion of sales in 2025, representing 18.2% of total U.S. social commerce. Momentum Works, based on platform data from Tabcut, estimated, through a joint analysis, that TikTok Shop's 2025 global GMV reached US\$64.3 billion, of which the United States contributed US\$15.1 billion.

In addition to e-commerce, supported by sustained user engagement on TikTok and Douyin and continued demand from both brand and performance advertisers, advertising remained a primary source of growth for the ByteDance group in 2025. According to EMARKETER, TikTok's 2025 U.S. advertising revenue reached over US\$14 billion, indicating that advertiser appetite continued to be resilient despite an uncertain political and regulatory backdrop. Coupled with the strong contributions from e-commerce through Douyin and TikTok, the ByteDance group was reported to have achieved profits of around US\$50 billion for 2025.

Following a protracted period of political wrangling and legal manoeuvring, the thorny issues surrounding TikTok's U.S. operations had at long last reached what appeared to be an amicable resolution. In December 2025, a deal was finally struck by TikTok and other stakeholders and parties of interest under which an American-controlled joint venture would be established with three managing investors, Oracle, Silver Lake and MGX, each holding a 15% stake. ByteDance would retain a 19.9% holding with the balance to be held by an investor consortium. Under the deal, TikTok's U.S. operations would be transferred to the American-controlled joint venture, with the content recommendation algorithm copied, retrained and updated with American user data. Data security would be overseen by Oracle, with the database hosted in Oracle's secure U.S. cloud infrastructure. Upon the completion of the deal, TikTok-controlled entities would continue to manage certain U.S. commercial activities, including e-commerce, advertising and marketing.

Given Douyin's domestic money-spinner, TikTok's global monetisation proficiency, and ByteDance's commanding AI premium and status as one of China's Tech Triumvirate, investor repricing of the longer-term growth prospects of the ByteDance group has been conspicuously evident. According to Reuters, the valuation implied by ByteDance's employee share buyback programme rose from US\$315 billion in March 2025 to US\$330 billion in August 2025. In April 2026, the calculated valuation estimate derived from the reported share buyback price of US\$229.50 hit US\$378 billion. In the secondary market, a Chinese investment firm, Capital Today, reportedly acquired from Bank of China Group Investment a block of ByteDance shares at a valuation of US\$480 billion in November 2025. In February 2026, according to Reuters, General Atlantic sought to sell part of its stake in ByteDance in a transaction valuing the Chinese internet giant at US\$550 billion.

As discussed in the section headed "Results and Financial Position" on page 3, consequent to the Homaer Fund's reductions of the underlying ByteDance stake, dividends were distributed to the Group through two payments, which have been duly accounted for and reflected in the Group's 2025 audited consolidated financial statements.

### **Dingdong**

Since the listing of Dingdong on the New York Stock Exchange in June 2021, the Group has directly held its investment in the American depositary shares of Dingdong (the "Dingdong ADS").

Dingdong is the holding company of an e-commerce group that principally operates a mobile app, Dingdong Maicai, providing users and households with fresh groceries, prepared food and other food products supported by an extensive self-operated frontline fulfillment grid. The operations of the Dingdong group cover dozens of cities across China with a strategic core in the Yangtze River Delta Megalopolis from which a significant portion of revenue is derived. The Dingdong group has also launched a series of private label products spanning a variety of food categories, mostly supported by its own production facilities.

During 2025, the Dingdong group continued to register revenue growth, albeit at a reduced pace, as its operations appeared to be approaching the later stage of the rapid growth phase. Based on the 2025 audited consolidated accounts of the Dingdong group, revenue grew year-on-year by 5.6% to RMB24.4 billion, notwithstanding the decline in food prices and the base effect arising from the strategic adjustments to suspend coverage of certain non-performing cities in 2024. This was driven by the rise in the number of orders consequent to the increase in the number of transacting users and the increased order frequency, supplemented by the network expansion to deepen market penetration in East China. Following the collaboration with DFI, a company listed on the Equity Shares (Transition) category of the London Stock Exchange and a member of the Jardine Matheson Group, expansion in overseas B2B sales had also been encouraging.

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**DIRECTORS' REPORT (CONTINUED)**

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Despite the robust performance in the first half of 2025 and the continued growth in revenue, however, profitability in the 2025 second half was disappointing. Based on, among other publicly available information, the unaudited quarterly reports of the third and fourth quarters of 2025 filed by Dingdong with the regulatory authority in the United States, gross margin had been under pressure and fell to 29% in the 2025 second half from 30% in the previous corresponding period, reflecting the additional costs associated with product mix changes stemming from the implementation of the "4G strategy" of "good users, good products, good services and good mindshare" to boost customer satisfaction. Meanwhile, general and administrative expenses as a percentage of revenue edged up to 1.9% from 1.7% during the same timeframe due to the expenses to fund the "Dong Li Sheng" management trainee programme. Given the tight margin of the online grocery business, the margin impact on the bottom line was magnified. Accordingly, 2025 full-year GAAP net income and non-GAAP net income<sup>3</sup> fell year-on-year by 23.9% and 26.7% to RMB231.7 million and RMB310.1 million respectively.

<sup>3</sup> a non-GAAP measure considered to be a useful indicator of the underlying business trend by excluding the non-cash charges of share-based compensation

Disappointing profitability equally affected cash flow performance. However, with the cash flows generated and accumulated over the years, the financial position of the Dingdong group remained solid. Net cash balance, calculated by deducting short-term borrowings from the sum of cash and cash equivalents, restricted cash, short-term investments and long-term deposits, stood at RMB3.14 billion as at 31 December 2025.

As discussed in the Company's interim report for the six months ended 30 June 2025, the Dingdong group took a strategic step towards broadening and diversifying revenue streams through a collaboration with DFI, aiming to build a digitalised cross-border supply chain to offer competitively priced fresh produce to the Hong Kong market. In February 2026, the Dingdong group further expanded its overseas B2B endeavours through a partnership with FairPrice, a leading retailer and a social enterprise under the National Trades Union Congress in Singapore, to cover the Singapore market. Leveraging its nationwide sourcing and logistics capabilities supported by AI-driven inventory management with predictive analytics and traceability technology for product transparency, the Dingdong group is in the process of developing a new line of business with a view to positioning itself as a trusted cross-border supplier in South East Asia.

Subsequent to the end of 2025, in February 2026, Dingdong entered into a definitive conditional agreement to sell substantially all of the China business of the Dingdong group to a wholly-owned subsidiary of Meituan for a cash consideration expected to total up to US\$997 million. The proposed transaction, valued at a significant premium over Dingdong's market capitalisation, marked what seemed to be a transformative strategic exit from domestic online grocery operations to focus on cross-border opportunities and capital realisation to unlock value for Dingdong shareholders. Subject to the satisfactory completion of due diligence and the satisfaction or waiver of customary conditions, including board and shareholder approvals of Dingdong (the resolutions of both of which had since been adopted), and regulatory and governmental clearances, and upon successful closing, Dingdong's stated intention would be to utilise not less than 90% of the cash balance of the post-closing Dingdong group for share repurchases and/or dividend distributions to Dingdong shareholders.

In March 2026, a leadership transition was also announced, as the founder of the Dingdong group would step down as the chief executive officer but would continue to serve as the chairman of Dingdong. With a comprehensive and in-depth understanding of the operations of the Dingdong group, Dingdong's former chief financial officer would assume the role of new chief executive officer of Dingdong.

In view of the scale and significance of the proposed transaction with Meituan, these developments would likely have a material bearing on the future positioning of Dingdong as a listed holding company. Moreover, the total cash consideration expected to be received of up to US\$997 million would translate into as much as US\$4.22 per Dingdong ADS, significantly above the closing Dingdong ADS price of US\$2.58 on the business day immediately preceding the date of this report.

**Seyond through the Hermitage Galaxy Fund SPC attributable to the Hermitage Fund Twelve SP (the "Hermitage Fund Twelve")**

The Group holds, through the Class A Participating Shares of the Hermitage Fund Twelve, an investment in the equity interest of Seyond.

Founded in and headquartered in Silicon Valley in California in the United States, Seyond is a holding company of a technology group that designs, develops and produces automotive-grade LiDAR solutions for ADAS, ADS and other automotive and non-automotive application scenarios. The product portfolio of the Seyond group encompasses LiDAR sensor hardware, including the 1,550nm-laser-based Falcon series, the 905nm/940nm-laser-based Robin series and the solid-state Hummingbird series, as well as proprietary software solutions, including OmniVidi, which processes raw information and objects detected in conjunction with sensor hardware, and SIMPL, which is a LiDAR and AI-powered intelligent transportation system.

During the year, Seyond achieved a landmark milestone by completing its transition from a privately-held company to a publicly-listed corporation by way of the De-SPAC transaction, the business combination arrangements under which Seyond shares became listed and commenced trading on the Stock Exchange of Hong Kong on 10 December 2025, and net proceeds amounting to HK\$976.7 million were raised to strengthen the financial position of the Seyond group. In early 2026, Seyond was selected as a constituent stock of the Hang Seng Composite Index, and its shares were admitted to the lists of eligible securities for southbound trading under both Shanghai Connect and Shenzhen Connect. This is expected to broaden Seyond's shareholder base, enhance its reputation and investment appeal in the capital market, and improve the liquidity of its shares.

Meanwhile, the Seyond group has continued to execute a dual-wavelength technology roadmap across the 1550nm and 905nm/940nm routes. It has introduced various new models and upgrades to both the Falcon series and the Robin series. The Seyond group has also launched the latest generation pure solid-state Hummingbird D1, which has progressed from product debut to commercial validation with mass-produced design wins from several automakers. It has recently further extended the Hummingbird series with the D1-R for robotics applications. The product portfolio of the Seyond group has, indeed, been expanded into a full-domain perception matrix, encompassing near-field to ultra-long-range LiDARs with front-view, side-view and blind-spot filling capabilities, providing solutions that support different cost and performance configurations to meet diverse automotive and industrial application needs.

The business development of the Seyond group has been equally propitious. It has continued to focus on scaling mass production and large-scale deployment of its LiDAR products. During 2025, the Seyond group delivered 332,000 sensor units, representing a year-on-year increase of 44.6%. While the Falcon series remained the principal delivery base, the Robin series, having entered mass production in the second half of 2024, became the new engine of growth with shipments increasing to 137,822 units from 11,589 units a year earlier. As a major investor in Seyond and the Seyond group's anchor customer, NIO remained the predominant revenue contributor, with procurement reaching 286,482 units. In the course of business development and consistent with the objective of diversifying its customer base to reduce dependence on NIO, the Seyond group had, by the end of 2025, established strategic collaborations with an additional 17 OEMs and ADAS and ADS companies, covering more than 50 models across the passenger and commercial vehicle segments. With the commencement of mass production and delivery for several non-NIO customers, revenue contribution from NIO declined from 97.3% in 2024 to 86.2% in 2025, reflecting continued improvement in the Seyond group's customer mix.

Driven by forward-looking product and application strategies, the Seyond group has also been expanding into non-automotive scenarios, particularly in robotics and smart infrastructure, and has secured collaborations with robotics companies and mobility service providers, with applications deployed in broad robotics, intelligent transportation, smart ports, smart shipping, smart rail transit and smart mining. In addition, it has set up operations in a number of countries and regions to prepare for global expansion. These forward-planning initiatives, coupled with continuing improvement in its customer mix, form the basis of a three-pronged strategy that should broaden the addressable market and enhance the revenue growth and resilience of the Seyond group over the longer term.

Based on the 2025 audited consolidated accounts published by Seyond on the Stock Exchange of Hong Kong, the Seyond group continued to show encouraging signs. Despite the increase in shipment volume of sensor units on the back of the increased contribution from the Robin series, revenue decreased year-on-year by 3.4% to US\$154.2 million, due primarily to a decrease in average selling price, reflecting the typical pricing trend in a product life cycle as the Falcon series was maturing. However, consistent efforts on component localisation, in-house module development and manufacturing automation, complemented by economies of scale through mass production, led to unit cost reduction, thereby boosting gross margin from a negative 8.7% in 2024 to a positive level for the first time of 7.9% in 2025, with gross loss of US\$13.9 million turning into gross profit of US\$12.3 million, and adjusted non-IFRS net loss<sup>4</sup> narrowing from US\$82.9 million to US\$63.01 million over the same timeframe. As mentioned above, the financial position of the Seyond group was also strengthened by the net proceeds raised from the De-SPAC transaction, with cash and cash equivalents and restricted bank balances standing at US\$119.5 million and total assets at US\$264.0 million as at 31 December 2025.

<sup>4</sup> a non-IFRS measure considered to be a useful indicator of the operating performance trend by excluding certain non-cash items and certain fees and expenses related to the De-SPAC transaction

The growth momentum in LiDAR product shipments from the Seyond group followed through into the first quarter of 2026. Based on the unaudited figures published by Seyond, 181,400 sensor units were shipped, representing a year-on-year increase of 340%. The Falcon series accounted for 65,500 units, increasing year-on-year by 90%, while the Robin series contributed 115,600 units, increasing year-on-year by 1,594%. For the full year of 2026, based on the March 2026 order and production pipeline, the Seyond group expected shipment volume to achieve a year-on-year increase of 200%. To cater to the anticipated rapidly growing demand, it has set out plans to raise the annual designed capacity of its manufacturing facilities from 1 million units to 2.2 million units within the year. With the technical expertise in LiDAR products and solutions, the three-pronged diversification and expansion strategy, the cost-optimisation capabilities and the rapid growth in shipment volume, the Seyond group appears to have found a progressive path to profitability.

### **AMI through Rivet Ventures and Arete Venture**

Through its limited partnership interests, the Group participates as a limited partner in Rivet Ventures and Arete Venture, which respectively invest in the Series Seed Preferred Securities and the Convertible Securities of AMI Labs.

Founded by Turing Award laureate, Yann LeCun, formerly Meta's chief AI scientist and founding director of Facebook AI Research, led by Alexandre LeBrun, formerly co-founder and chief executive officer of Nabla, and supported by an esteemed cohort of researchers and builders, AMI Labs is a frontier AI research lab operating with a multi-hub structure across three continents. Its mission is to build and develop world models, a new paradigm of AI systems designed to learn abstract representations from real-world sensor data, reason and plan under complex environments, and make predictions in representation space.

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**DIRECTORS' REPORT (CONTINUED)**

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In late 2025, AMI Labs announced an exclusive strategic partnership with Nabla, the digital health startup co-founded by Alexandre LeBrun and currently chaired by Yann LeCun, to pioneer the next generation of agentic AI systems in healthcare.

While AMI Labs anticipates a multi-year path to commercialisation with an initial focus on fundamental AI research, its longer-term goal is to develop real-world applications across a wide spectrum, including industrial operational control, automated systems, smart wearables, robotics and healthcare.

In a resounding validation by the angel and early-stage investment community, AMI Labs successfully raised in March 2026 US\$1.03 billion in a heavily oversubscribed seed funding round, co-led by Cathay Innovation, Greycroft, Hiro Capital, HV Capital and Bezos Expeditions, at a pre-money valuation of US\$3.5 billion. The syndicate of strategic investors, including NVIDIA, Temasek, Toyota Ventures and Samsung, seemed meticulously structured to offer, in due course, synergistic collaboration opportunities for AI infrastructure, sovereign AI, industrial applications and consumer devices. The funding raised is earmarked for research and team building.

**Oasis Education Group Limited (“Oasis Education”)**

Oasis Education is a 50% joint venture of the Group. The operating subsidiary of Oasis Education, Oasis Education Consulting (Shenzhen) Company Limited (奧偉詩教育諮詢(深圳)有限公司, “Oasis Shenzhen”), provides consulting and support services to the Huizhou Kindergarten in the Guangdong Province of China.

With a track record of over ten years navigating the evolving regulations and development in the education sector, the Huizhou Kindergarten continued to maintain a stable level of pupil enrolment. Following the graduation of 98 pupils in the summer of 2025, it had enrolled 62 new pupils for the academic term that commenced in September 2025 and another 35 new pupils for the academic term that commenced in February 2026. This had enabled the Huizhou Kindergarten to keep the level of total pupil enrolment of over 200.

**PROSPECTS**

The global economy entered 2026 in a state of continued resilience, as witnessed in 2025. However, this resilience is being tested by the resurgent geopolitical conflicts in the Middle East. At the core of these confrontations are demands by the United States and Israel for a complete nuclear disarmament and an end to regional proxy network support by Iran to eliminate its threat across the Gulf region and beyond. Demands from the Iranian regime, in turn, include an unconditional cessation of the U.S. and Israeli military operations and the withdrawal of American forces from West Asia. Iran also demands compensation for the economic and infrastructure damages inflicted by the conflicts, as well as the removal of sanctions against the Iranian economy. Control of the Strait of Hormuz is another thorny issue to resolve.

Notwithstanding the latest truce extension unilaterally announced by what is widely considered a capricious administration under President Trump, in the absence of a permanent ceasefire agreement, the current conflicts are likely to continue, threatening to upend the international energy market and world economy. It is estimated that a halt in shipments through the Strait of Hormuz would strand roughly 20% of global oil and liquefied natural gas supplies. Energy-importing countries in Europe and Asia would be the main victims, having to contend with persistent high energy costs. Governments across South East Asia, such as the Philippines, Indonesia and Thailand, have, in fact, directed civil servants and non-essential government employees to work from home as a means to mitigate the impact of the fuel supply disruption. The United States, being energy sufficient, would fare better but would unlikely be immune from rising inflation.

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**DIRECTORS' REPORT (CONTINUED)**

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In its April 2026 update, the IMF revised the projections for global headline inflation upwards to 4.4% from 3.8% in January 2026 and global economic growth downwards to 3.1% from 3.3. This highlights the potential risk of a deleterious stagflationary scenario.

Geopolitics aside, the recovery momentum of private equity activities in 2025 is expected to carry into 2026. According to the EY Private Equity Pulse Survey: Key Takeaways from Q4 2025, private equity industry sentiment for 2026 would be the strongest in recent years, with 80% of general partners expecting acquisition activities to increase and 72% exits to rise, the highest level since tracking began. As the development of AI moves beyond LLM into the physical world, AI-enabled business models and digital infrastructure rank as the most attractive investment themes. Investors are increasingly focused on application-layer companies that can generate tangible use cases and revenue, such as robotics and industrial automation. The longer-term opportunities appear to lie less in pure software interfaces and more in how AI interacts with the physical world. Companies that emerge from this transition will likely be more specialised, more operationally focused, and more realistic about the permanence of technology-driven disruption to business models. The new investment made by the Group in AMI Labs falls within this category of companies.

The majority of the Group's other investments are also involved in the fields of AI or other technologies. Several of them, such as ByteDance, Dingdong and Seyond, derive all or the bulk of sales from the domestic market in China and hence are well placed to benefit from the growth and advancement in the Chinese economy. As mentioned in the section headed "Review" on page 4, the terms of the ICBC Shipping Fund would expire in October 2026, and upon the completion of the disposals of all of the underlying vessels, pro rata share of the disposal proceeds amounting to US\$800,000 would be returned to the Group as a fundholder, thereby increasing the Group's cash position to US\$1.7 million. This would provide additional funds for the Board to continue seeking new opportunities in alignment with the Company's investment policy.

## **DIRECTORS**

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

Non-Executive Chairman  
Alastair GUNN-FORBES \*

Executive Directors  
Henry Ying Chew CHEONG  
Ernest Chiu Shun SHE

Non-Executive Directors  
Mark Chung FONG\*  
Martyn Stuart WELLS\*  
Stephen Lister d'Anyers WILLIS\*

*\* independent*

Brief biographical notes of the directors serving at the date of this report are set out on pages 72 to 74.

Save as disclosed in this report and in note 26 to the consolidated financial statements on page 69, none of the directors had, during the year under review or at the end of the year, a material interest, directly or indirectly, in any contract of significance with the Company or any of its subsidiaries.

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**DIRECTORS' REPORT (CONTINUED)**

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Messrs Alastair Gunn-Forbes, Mark Chung Fong and Martyn Stuart Wells have served on the Board for more than nine years. (In accordance with Provision 10 of the UK Corporate Governance Code on corporate governance published in January 2024 by the Financial Reporting Council of the United Kingdom (the “Code”), Messrs Alastair Gunn-Forbes, Mark Chung Fong and Martyn Stuart Wells retired by rotation and were re-elected to office by separate resolutions passed at the Annual General Meeting held on 11 September 2025). During the past ten-year period, however, none of them has had any major interest in the issued share capital of the Company, has been an employee or involved in the daily management of any of the Group companies, or has had any material relationship with any of the Group companies or any of the major shareholders or managers of any such companies other than being a member of the Board. Accordingly, the Board has determined that their independence and objectivity have not been impaired and that they will therefore be able to continue to act independently in character and judgement.

At the Annual General Meeting held on 29 September 2014, shareholders approved the inclusion of the Group’s non-executive directors as eligible participants of the Worldsec Employee Share Option Scheme 1997 (the “Option Scheme”), which was revised on 24 September 2014. As explained in the 2014 annual report of the Company, the reason for such inclusion was to enable the Group to reward its non-executive directors for their commitments to the Company beyond the nominal annual fees that the Group could afford to pay during its development stage. Accordingly, and in accordance with Provision 10 of the Code, given that such circumstances have basically remained unchanged as the Group has yet to make a profit on a consistent basis under an era marked by a challenging environment, the Board has determined that the participation of Messrs Alastair Gunn-Forbes, Mark Chung Fong, Martyn Stuart Wells and Stephen Lister d’Anyers Willis in the Option Scheme will not affect their ability to act independently in character and judgement.

Apart from the Option Scheme, the Group also operates a bonus scheme (the “Bonus Scheme”), which was approved by shareholders at the Special General Meeting held on 30 August 2013. All directors and employees of the Group are eligible to participate in the Bonus Scheme. Up to 20 per cent. of the operating profit, before payment of tax, of the Group in each financial year (the “Bonus Pool”) may 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 takes into consideration 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 the Remuneration Committee sees fit. No director or employee of the Group 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.

## **DIRECTORS’ INTERESTS**

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

	<b>At 1 January 2025</b>	<b>At 31 December 2025</b>
	<b><u>No. of shares</u></b>	<b><u>No. of shares</u></b>
Alastair Gunn-Forbes	45,000	45,000
Henry Ying Chew Cheong (Note)	11,722,620	11,722,620
Mark Chung Fong	Nil	Nil
Ernest Chiu Shun She	550,095	550,095
Martyn Stuart Wells	Nil	Nil
Stephen Lister d’Anyers Willis	16,000	16,000

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**DIRECTORS' REPORT (CONTINUED)**

Note: Mr Henry Ying Chew Cheong ("Mr Cheong") wholly owns HC Investment Holdings Limited ("HCIH"). HCIH beneficially owned 20,000,000 ordinary shares of US\$0.001 each in the Company at 1 January 2025 and 31 December 2025, respectively.

In total, Mr Cheong and his associates were the legal and beneficial owners of 31,722,620 ordinary shares of US\$0.001 each in the Company, representing 37.3% of the Company's issued share capital, at 1 January 2025 and 31 December 2025, respectively. The Company and Mr Cheong entered into a relationship agreement on 2 August 2013 (the "Relationship Agreement"). Pursuant to the Relationship Agreement, Mr 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 Mr Cheong or any control which Mr Cheong or his associates may otherwise be able to exercise over the Company. Moreover, Mr Cheong has undertaken to ensure, so far as he is able to, that all transactions, relationships and agreements between Mr Cheong or his associates and the Company or any of its subsidiaries are on arms' length terms on a normal commercial basis. Mr Cheong and the Company have also agreed, among 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 Mr Cheong or his associates.

	<b>At 1 January 2025</b>	<b>At 31 December 2025</b>
	<b><u>No. of share options</u></b>	<b><u>No. of share options</u></b>
Alastair Gunn-Forbes (Notes i)	850,000	350,000
Henry Ying Chew Cheong (Notes i)	850,000	350,000
Mark Chung Fong (Notes i)	850,000	350,000
Ernest Chiu Shun She (Notes i)	850,000	350,000
Martyn Stuart Wells (Notes i)	850,000	350,000
Stephen Lister d'Anyers Willis (Note ii)	350,000	350,000

- Note:(i) 350,000 of the share options granted to Messrs Alastair Gunn-Forbes, Henry Ying Chew Cheong, Mark Chung Fong, Ernest Chiu Shun She and Martyn Stuart Wells on 29 May 2019 entitle the holders to subscribe on a one for one basis new ordinary shares of US\$0.001 each in the Company at an exercise price of US\$0.034 per share. These share options vested six months from the date of grant and were then exercisable within a period of 9.5 years. The 500,000 share options previously granted to the same directors on 1 December 2015 at an exercise price of US\$0.122 per share lapsed on 1 December 2025 following the expiry of the exercise period.
- (ii) 350,000 of the share options granted to Mr Stephen Lister d'Anyers Willis on 20 February 2023 entitle the holder to subscribe on a one for one basis new ordinary shares of US\$0.001 each in the Company at an exercise price of US\$0.034 per share. These share options vested six months from the date of grant and were then exercisable within a period of 9.5 years.

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

The Board confirms that (i) the Company has complied with the independence provisions set out in the Relationship Agreement since it was entered into; and (ii) so far as the Company is aware, Mr Henry Ying Chew Cheong and his associates have complied with the independence provisions set out in the Relationship Agreement since it was entered into.

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**DIRECTORS' REPORT (CONTINUED)**

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**DIRECTORS' REMUNERATION**

The remuneration of the directors for the year ended 31 December 2025 was as follows:

	<b>Fees</b>	<b>Share-based</b>	<b>Other</b>	<b>Total</b>
	<b>US\$'000</b>	<b>payment expenses</b>	<b>emoluments</b>	<b>US\$'000</b>
		<b>US\$'000</b>	<b>US\$'000</b>	
Alastair Gunn-Forbes	13.5	-	-	13.5
Henry Ying Chew Cheong	13.5	-	-	13.5
Mark Chung Fong	13.5	-	-	13.5
Ernest Chiu Shun She	13.5	-	-	13.5
Martyn Stuart Wells	13.5	-	-	13.5
Stephen Lister d'Anyers Willis	13.5	-	-	13.5
	<u>81.0</u>	<u>-</u>	<u>-</u>	<u>81.0</u>

**PROVIDENT FUND AND PENSION CONTRIBUTIONS FOR DIRECTORS**

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

**LETTERS OF APPOINTMENT/SERVICE CONTRACTS**

Messrs Alastair Gunn-Forbes, Mark Chung Fong and Martyn Stuart Wells, each has entered into a letter of appointment with the Company dated 28 November 2017, and Mr Stephen Lister d'Anyers Willis has entered into a letter of appointment with the Company dated 3 June 2019, to serve as non-executive director. Each of them is entitled to a fee of £10,000 per annum. The appointment may be terminated on one-month notice in writing.

Messrs Henry Ying Chew Cheong and Ernest Chiu Shun She, each has entered into a letter of appointment with the Company dated 2 August 2013 to serve as executive director. Each of them is entitled to a fee of £10,000 per annum. The appointment may be terminated on not less than six-month notice in writing.

All directors are eligible to participate in the Option Scheme under which share options may be granted at the discretion of the Remuneration Committee. No share options were granted for the year ended 31 December 2025.

All directors are eligible to participate in the Bonus Scheme under which bonuses may be granted at the discretion of the Remuneration Committee. No bonuses were recommended for the year ended 31 December 2025.

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

**MAJOR INTERESTS IN SHARES**

At 19 March 2026, the Company was aware of the following direct or indirect interests representing 5% or more of the Company's issued share capital:

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**DIRECTORS' REPORT (CONTINUED)**

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	<u>No. of shares</u>	<u>Percentage of issued share capital</u>
HC Investment Holdings Limited (Note i)	20,000,000	23.5%
Yue Wai Keung	4,837,500	5.7%
Luis Chi Leung Tong	5,000,000	5.9%
Henry Ying Chew Cheong	11,722,620	13.8%
Aurora Nominees Limited (Note ii)	18,750,000	22.1%
Vidacos Nominees Limited (Note ii)	5,503,034	6.5%

- Notes: (i) Mr Cheong is the legal and beneficial owner of the entire issued share capital of HCIH.
- (ii) Aurora Nominees Limited and Vidacos Nominees Limited act as custodians for their customers, to whom they effectively pass all rights and entitlements, including voting rights.

### **INTERNAL CONTROL, RISK MANAGEMENT AND FINANCIAL REPORTING**

The Board is responsible for establishing and maintaining appropriate systems of internal control and risk management to safeguard the Group's interests and assets. The control measures that have been put in place cover key areas of operations, finance and compliance and aim to manage rather than eliminate risks that are inherent in the running of the business of the Group. Accordingly, the Group's systems of internal control and risk management are expected to provide reasonable but not absolute assurance against material misstatements, loss or fraud.

Among the control measures, the key steps that have been put in place include:

- the setting of the investment strategy and the approval of significant investment decisions of the Group by the Board to ensure consistency with the investment objective and compliance with the investment policy of the Company;
- the segregation of duties between the investment management and accounting functions of the Group;
- the adoption of written procedures in relation to the operations of the bank accounts of the Group;
- the adoption of written procedures to deal with conflicts of interests and related party transactions;
- the maintenance of proper accounting records providing with reasonable accuracy at any time information on the financial position of the Group;
- the review by the Board of the management accounts of the Group on a regular basis; and
- the engagement of external professionals to carry out company secretarial works for the Company and to assist the Group on compliance issues.

The Board considers the identification, evaluation and management of the principal risks faced by the Group under the changing environment to be an ongoing process and has kept under regular review the effectiveness of the Group's systems of internal control and risk management. The Board is satisfied that the arrangements that have been put in place represent an appropriate framework to meet the internal control and risk management requirements of the Group.

The Board ensures oversight of climate-related risks and opportunities, and through its board meetings, aligns the Company's investment strategy with emerging environmental challenges, integrating climate considerations into investment decisions while holding senior management accountable for assessing and addressing risks across assets. Strategically, the Company evaluates climate impacts across short, medium and long-term horizons. Short-term risks include heightened regulatory pressure on high-carbon investments, while medium-term challenges involve transition risks such as evolving investor preferences toward sustainable assets. Over the long term, the focus shifts to capitalising on opportunities in renewable energy, sustainable infrastructure and low-carbon technologies to enhance returns and align with global net-zero objectives. Climate risks are managed through scenario analysis, assessing impacts of 1.5°C and 2°C warming scenarios and prioritising mitigation strategies.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The Group adopts a risk management strategy that encompasses the proactive detection and assessment of emerging risks. Its internal control and risk management framework is designed to be dynamic and responsive with a view to enabling prompt adaption to new challenges and opportunities.

The process adopted by the Group for identifying emerging risks involves the monitoring and review of the Group's control measures and operating procedures and activities, the scanning of the development and evolving trends across various sectors including the economic, political and investment domains and the leveraging of industry information and insights relevant to the Group's operations. Potential threats identified are assessed, analysed and evaluated and, where appropriate, mitigation measures, such as those described in the paragraphs below on pages 19 to 20, would be implemented.

The Board receives updates on emerging risks and conducts regular review to ensure that the risk management and mitigation efforts are effective and aligned with its oversight. The Audit Committee also plays a crucial role, providing additional scrutiny and guidance on risk-related matters.

In the risk assessment undertaken, the Board has identified the principal risks and uncertainties that are relevant to the Group which include:

### Target market risk

Under the investment policy of the Company, the Group focuses on investing in small to medium sized trading companies based mainly in the Greater China and South East Asian region. Consequently, a severe economic downturn, heightened political uncertainties, escalating geopolitical rivalries or disruptive international policy shifts negatively affecting these target markets could seriously undermine the Group's investments leading to substantial losses for the Group. This is a risk factor beyond the Group's control. Nevertheless, in line with the investment policy of the Company, the Board would remain committed to investing in and maintaining a diversified portfolio in order to spread the investment risk of the Group.

### Investment opportunity risk

Notwithstanding the challenges in fundraising in recent years, the private equity sector continued to hold abundant dry powder accumulated during the low interest rate era. A significant portion of these funds was raised in 2022 and 2023, increasing the pressure on general partners to identify and commit to appropriate investments. Against this backdrop, competition for quality deals is expected to remain vigorous and intense. This would limit the availability of attractive opportunities for the Group. However, the Company has maintained a broadened investment policy. This would offer greater flexibility for the Group to make investment choices from a broader range of opportunities to achieve the Company's investment objective.

### Key person risk

As the Group does not engage any external investment manager, the Board is responsible for overseeing the Group's investment management activities with frontline 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. Both of the executive directors, Messrs Henry Ying Chew Cheong and Ernest Chiu Shun She, have entered into a letter of appointment with the Company with a termination clause of not less than six-month written notice. Moreover, Mr Cheong is also the deputy chairman and a major shareholder beneficially holding a substantial interest in the Company's issued share capital.

WORLDSEC LIMITED  
**DIRECTORS' REPORT (CONTINUED)**

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Operational risks

The Group is exposed to various operational risks that are inherent in the running of its business, including, among others, the failure to comply with the investment policy of the Company, 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. As mitigating measures, the Board has established and maintained systems of internal control and risk management to safeguard the Group's interests and assets, details of which are set out in the section headed "Internal Control, Risk Management and Financial Reporting" on page 18.

Financial risks

The Group is exposed to a variety of financial risks, including market risks, credit risk and liquidity risk, which arise from its operating and investment management activities. The Group's management of such risks is coordinated at the office of Worldsec Investment (Hong Kong) Limited, the principal operating subsidiary of the Group, in close cooperation with the Board. Details of the Group's approach on financial risk management are described in note 5(b) to the consolidated financial statements on pages 52 to 56.

**VIABILITY STATEMENT**

The directors have assessed the viability of the Company for the three years to 31 December 2028.

The directors consider that, for the purposes of this viability statement, a three-year period is appropriate taking into account the Group's investment horizon under its investment strategy. Besides, there should unlikely be any significant change to most of the principal risks and uncertainties facing the Group over the timeframe selected for the assessment.

In assessing the viability of the Company and its ability to meet liabilities as they fall due, the directors have taken into consideration, among others:

- the investment strategy of the Group;
- the current position including the existing financial status and cost structure of the Group;
- the prospects of and the industry outlook for the Group;
- the economic, political and geopolitical factors that could adversely affect the Greater China and South East Asian region, the primary target markets in which the Group focuses its investments; and
- the potential adverse impact of the principal risks and uncertainties facing the Group and the effectiveness of the mitigating measures that have been put in place, details of which are described in the section headed "Principal Risks and Uncertainties" on pages 19 to 20.

The directors note, in particular, that the Group:

- has a liquid amount of unrestricted cash and bank balances;
- does not have any borrowings;
- does not have any commitments other than certain leases with modest lease liabilities; and
- has low operating expenses with a small but stable team under stringent cost control.

Accordingly, the directors are confident that the Company will be able to continue in operation and meet its liabilities as they fall due over the assessment period.

## **GOING CONCERN**

After making careful enquiries, the directors have formed a judgement, at the time of approving the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2025, that there was a reasonable expectation that the Group would have adequate resources to carry out its operations for a period of at least twelve months from the date of approving the consolidated financial statements. For this reason, the directors have adopted the going concern basis in preparing the consolidated financial statements.

## **CORPORATE GOVERNANCE**

As a company listed on the Main Market of the London Stock Exchange, its business is subject to the principles contained in the Code, a copy of which is available on the website of the Financial Reporting Council of the United Kingdom. The Board confirms that, throughout the accounting period from 1 January to 31 December 2025, the Group complied with the relevant provisions of the Code, apart from certain exceptions set out and explained below.

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

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

The Board recognises the importance of a healthy corporate culture and its impact on the performance and reputation of the Group. As a small organisation with a stable workforce, the Group has identified and implemented a number of measures, including the monitoring and review of cultural metrics and workplace behaviours as well as the gathering and collection of employee engagement feedback. The Board from time to time discusses the outcomes of these measures to ensure that the Group's corporate culture is aligned with its core values and objectives.

The Board also recognises the importance of the contribution of the workforce of the Group. In this connection, an incentive programme, including the Bonus Scheme, details of which are set out on page 15, and the Option Scheme, details of which are set out in note 25 to the consolidated financial statements on pages 68 to 69, has been put in place. In addition, the Group's approach to incentivising its workforce extends beyond financial rewards. Embracing the evolving trends of the workplace, the Group offers flexible working arrangements. This initiative supports work-life balance and has improved employee satisfaction. Remote work, flexible working hours and compressed workweeks allow staff members to tailor work schedules to fit their personal needs.

At the end of the period under review, the Company had not met the gender diversity targets of having (i) at least 40% of the individuals on the Board to be women; and (ii) at least one of the senior positions, including the chair, the chief executive, the senior independent director, or the chief financial officer, on the Board to be held by a woman. On the other hand, three members of the Board were Asian/Asian British.

Given the Group's small-scale operations which have yet to achieve a track record of consistent profitability, the Group has encountered difficulties in meeting the gender diversity targets as woman candidates with appropriate experience and qualifications to fill board positions are highly sought-after.

WORLDSEC LIMITED  
**DIRECTORS' REPORT (CONTINUED)**

Since the end of the period under review, there have been no changes to the Board that have affected the Company's ability to meet the gender diversity targets.

Table for reporting on gender identity or sex

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	6	100	100	2	100
Women	0	0	0	0	0
Not specified / prefer not to say	0	0	0	0	0

Table for reporting on ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	3	50	1	0	0
Mixed/Multiple Ethnic Groups	0	0	0	0	0
Asian/Asian British	3	50	0	2	100
Black/African/Caribbean/Black British	0	0	0	0	0
Other ethnic group, including Arab	0	0	0	0	0
Not specified/ prefer not to say	0	0	0	0	0

Board and executive management diversity data was collected directly from the directors and the executive management through voluntary self-disclosures of their gender and ethnicity and was only used for the purposes of preparing the information required to be disclosed under UKLR6.6.6R (9) and (10) of the UKLR.

**BOARD MEETING**

The Board held four meetings during the year under review and the table below gives the attendance record.

<u>Director</u>	<u>Board Meeting</u>
Alastair Gunn-Forbes	3/4
Henry Ying Chew Cheong	4/4
Ernest Chiu Shun She	4/4
Mark Chung Fong	4/4
Martyn Stuart Wells	2/4
Stephen Lister d'Anyers Willis	4/4

WORLDSEC LIMITED  
**DIRECTORS' REPORT (CONTINUED)**

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Although the Board notes the requirement for a Nomination Committee (Provision 17 of the Code) to make recommendations to the Board on all new board appointments and to reassure shareholders of the suitability of a chosen director, the Board considers that, due to its small size and limited level of activities, it is not necessary to establish such a committee. The Board as a whole remains responsible for ensuring that a transparent, formal and rigorous process would be followed for any future board appointments, which would be made following a full review of the Board's balance of skills, experience, independence and knowledge. The Board is satisfied that appropriate succession planning is in place for appointments to both the Board and senior management.

Again, due to its small size and limited level of activities, the Board has not appointed a senior independent director and did not consider an annual self-evaluation to be required during the year under review. The responsibilities normally rested with a senior independent director have been reverted to the Board as a whole. These decisions will be re-considered annually by the Board.

The Board established both an Audit Committee and a Remuneration Committee upon the re-activation of the Group's business in 2013. Details of these committees are set out below.

### **AUDIT COMMITTEE**

The Audit Committee held two meetings during the year under review and the table below gives the attendance record.

<b><u>Director</u></b>	<b><u>Audit Committee Meeting</u></b>
Mark Chung Fong	2/2
Martyn Stuart Wells	2/2
Stephen Lister d'Anyers Willis	2/2

The Audit Committee is chaired by Mr Mark Chung Fong and its other current members are Messrs Martyn Stuart Wells and Stephen Lister d'Anyers Willis. The Audit Committee is appointed by the Board and the committee's membership is comprised wholly of non-executive directors.

The terms of reference of the Audit Committee (copies of which are available at the Company's registered office and the Company's website) generally follow, where applicable, those stated in the provisions of the Code.

The Audit Committee meets a minimum of two times a year and may be convened at other times if required. The responsibilities of the Audit Committee include, among others, the examination and review of the Group's risk management, internal financial controls and financial and accounting policies and practices, as well as overseeing and reviewing the work of the Company's external auditor, their independence and the fees paid to them.

The Audit Committee has a formal process in place to assess the independence and effectiveness of the external audit. This process includes an evaluation of the Company's external auditor's compliance with relevant ethical and independence guidelines, the robustness of their audit plan and the thoroughness of their audit report. In assessing independence, the Audit Committee also considers the tenure of the Company's external auditor and their lead audit partner. In addition, feedback from the management involved in the audit is solicited to gauge the effectiveness and impartiality of the external audit process.

**WORLDSEC LIMITED**  
**DIRECTORS' REPORT (CONTINUED)**

During the year under review, the activities undertaken by the Audit Committee in discharge of its duties and functions included (i) the review and recommendation to the Board of the reappointment of BDO Limited as the Company's external auditor; (ii) the review and recommendation to the Board for approval of the annual report of the Company and the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2024; and (iii) the review and recommendation to the Board for approval of the interim report of the Company and the unaudited consolidated financial statements of the Company and its subsidiaries for the six months ended 30 June 2025. In recommending the reappointment of BDO Limited, the Audit Committee has taken into consideration, among others, BDO Limited's independence, objectivity and terms of engagement.

Subsequent to the year end, the activities that have been undertaken by the Audit Committee in relation to 2025 included (i) the review and recommendation to the Board of the annual report of the Company and the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2025; (ii) the monitoring of the effectiveness of the Group's risk management and internal financial controls; and (iii) the assessment of the effectiveness of the external audit process through feedback from the management involved in the audit and through interactions with and observations and review of the level of audit services provided.

As the scale of the operations of the Group remains relatively insubstantial, the Board has decided and the Audit Committee concurs that it would not be necessary or cost-effective to set up an internal audit function. In the absence of an internal audit function, internal assurance is achieved through the implementation of systems of internal controls and risk management, details of which are set out in the section headed "Internal Control, Risk Management and Financial Reporting" on page 18. These control measures are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. The Audit Committee also reviews both internal assurance and external audit findings to ensure a cohesive approach to financial integrity and risk management.

In connection with the review of the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2025, the Audit Committee has identified and reviewed two issues which it considered significant and details on these matters are set out in the table below.

<b><u>Significant Reporting Issue</u></b>	<b><u>Review and Assessment</u></b>
Impairment review of the Group's interests in respect of its 50% owned joint venture, Oasis Education – At 31 December 2025, the Group had an equity interest of US\$49,000 in and an amount of US\$257,000 due from Oasis Education. These carrying amounts were significant in the Group's context and their valuations were subject to judgements, estimation uncertainties and assumptions.	The Audit Committee has (i) reviewed the operational and financial performance and the latest development of Oasis Education and its subsidiary; and (ii) assessed the assumptions underlying the cash flow projection for Oasis Education and its subsidiary as well as the reliability of such projection by comparing relevant historic budgets with actual results.
Valuation of investments classified as financial assets at fair value through profit or loss ("FVTPL") categorised within level 3 of the fair value hierarchy – At 31 December 2025, the Group had interests in the ICBC Shipping Fund, Animoca, ByteDance and Seyond (held through the the unlisted Class A Participating Shares of the Hermitage Fund Twelve), all of which were accounted for as financial assets at FVTPL categorised within the level 3 of the fair value hierarchy, totalling US\$4,047,000 and carried at fair value. These carrying amounts were significant in the Group's context and their valuations were subject to judgements, estimation uncertainties and assumptions.	The Audit Committee has reviewed (i) the operational and financial performance and the latest development of the financial assets at FVTPL categorised within level 3 of the fair value hierarchy; and (ii) reviewed the valuation findings prepared by the management and discussed with the management the methodologies, assumptions and input parameters used in relation to such valuation.

WORLDSEC LIMITED  
**DIRECTORS' REPORT (CONTINUED)**

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BDO Limited was appointed as the external auditor of the Company in February 2015, since when audit services have not been tendered competitively. The Audit Committee has concluded that a competitive tender of audit services is not necessary at this time, but acknowledges that circumstances could arise where a competitive tender for audit services may be desirable. The performance of BDO Limited as the Company's external auditor will be kept under annual review, and if satisfactory, BDO Limited will be recommended by the Audit Committee for reappointment. There are, however, no contractual obligations that would restrict the Audit Committee's choice of external auditor for the Company.

As advised by the Audit Committee and concurred with by the Board, the annual report of the Company and the audited consolidated financial statements for the year ended 31 December 2025, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

### **REMUNERATION COMMITTEE**

In accordance with Provision 32 of the Code, the Company has set up a Remuneration Committee. The Remuneration Committee held one meeting during the year under review and the table below gives the attendance record.

<u>Director</u>	<u>Remuneration Committee Meeting</u>
Martyn Stuart Wells	1/1
Alastair Gunn-Forbes	1/1
Mark Chung Fong	1/1
Stephen Lister d'Anyers Willis	1/1

The Remuneration Committee is chaired by Mr Martyn Stuart Wells and its other current members are Messrs Alastair Gunn-Forbes, Mark Chung Fong and Stephen Lister d'Anyers Willis. The Remuneration Committee is appointed by the Board and the committee's membership is comprised wholly of non-executive directors.

The terms of reference of the Remuneration Committee (copies of which are available at the Company's registered office and the Company's website) generally follow, where applicable, those stated in the provisions of the Code. They provide for the Remuneration Committee to meet at least two times a year. However, as the Group has a very small and stable workforce, the Remuneration Committee did not consider it meaningful or necessary to hold more than one meeting during the year under review.

The Remuneration Committee's responsibilities include, among others, the evaluation of the performance of the executive directors and senior staff, and the comparison of the Group's remuneration policy with similar organisations in the market to form the basis for the recommendations to the Board to determine the remuneration packages, which may include the grant of share options under the Option Scheme and the grant of bonuses under the Bonus Scheme, for individual staff and director members.

In accordance with the Main Principle of Provision Q of the Code, no director has been involved in deciding his own remuneration.

WORLDSEC LIMITED  
**DIRECTORS' REPORT (CONTINUED)**

During the year under review, the activities undertaken by the Remuneration Committee in discharge of its duties and functions included (i) the review of and recommendation to the Board to retain the Group's existing remuneration arrangements; and (ii) the recommendation to the Board not to award any bonus or grant any share options following a review of the financial performance and position of the Group. In reviewing the Group's existing remuneration arrangements, the Remuneration Committee noted the policy and structure of the remuneration for the executive directors encompassing a low level of director's fee enhanced by the entitlements to participate in the Bonus Scheme and the Option Scheme which, in the opinion of the Remuneration Committee, was appropriate given that the Group had yet to achieve consistent profitability.

**WORLDSEC EMPLOYEE SHARE OPTION SCHEME 1997**

The following table discloses the movements of the outstanding share options under the Option Scheme during the year under review.

Grantee	Exercisable period	Number of options					Balance at 31 December 2025	Exercise price per share (US\$)
		Balance at 1 January 2025	Granted during the year	Exercise d during the year	Forfeited during the year	Lapsed during the year		
Directors	20 August 2023 to 19 February 2023	350,000	-	-	-	-	350,000	0.034
	29 November 2019 to 28 May 2029	1,750,000	-	-	-	-	1,750,000	0.034
	1 June 2016 to 30 November 2025	2,500,000	-	-	-	(2,500,000)	-	0.122
Employees	29 November 2019 to 28 May 2029	300,000	-	-	-	-	300,000	0.034
	1 June 2016 to 30 November 2025	450,000	-	-	-	(450,000)	-	0.122
		<u>5,350,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,950,000)</u>	<u>2,400,000</u>	

Further details relating to the granting of the share options are set out in note 25 to the consolidated financial statements on pages 68 to 69.

### **RELATION WITH SHAREHOLDERS**

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

### **EXTERNAL AUDITOR**

The consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2025 have been audited by BDO Limited.

A resolution will be submitted to the next Annual General Meeting to reappoint BDO Limited as the Company's external auditor.

On behalf of the Board

**Henry Ying Chew Cheong**  
Executive Director  
27 April 2026

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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The directors are required under the Bermuda Companies Act 1981 to prepare consolidated financial statements for each financial year. The directors acknowledge responsibility for the preparation of the consolidated financial statements for the year ended 31 December 2025, which give a true and fair view of the financial position of the Group as at the end of that financial year and of the financial performance of the Group for that year and which provide the necessary information for shareholders to assess the business activities and performance of the Group during that year. In preparing these consolidated financial statements, the directors are required to:

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

The directors confirm that the above requirements have been met.

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

The directors further confirm that, to the best of their knowledge and understanding, the chairman's statements on pages 1 to 2 and the directors' report on pages 3 to 27 include a fair review of the development and performance of the business and the position of the Company and its subsidiaries taken as a whole together with a description of the principal risks and uncertainties that they face.

On behalf of the Board

**Henry Ying Chew Cheong**  
Executive Director  
27 April 2026

WORLDSEC LIMITED  
**INDEPENDENT AUDITOR'S REPORT**

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

**REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

OPINION

We have audited the consolidated financial statements of Worldsec Limited (the “Company”) and its subsidiaries (together the “Group”) set out on pages 34 to 70, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and adopted by the European Union.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (the “IESBA Code”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**IMPAIRMENT ASSESSMENT OF INTEREST IN A JOINT VENTURE AND AMOUNT DUE FROM A JOINT VENTURE**

*Refer to note 17 to the consolidated financial statements*

The Group owns a 50% interest in a joint venture, Oasis Education Group Limited (“Oasis Education”), which is accounted for using the equity method less any impairment loss. The interest in this joint venture amounted to approximately US\$49,000 as at 31 December 2025 and the Group’s share of its losses amounted to approximately US\$3,000 for the year then ended.

In addition, the Group has advanced an amount of approximately US\$257,000 to Oasis Education as at 31 December 2025, which is subject to an impairment assessment by management.

The impairment assessment of investment in, and amount due from, Oasis Education is considered by us as a key audit matter due to significant judgement made by management over the assumptions on the future cash flows to be generated from the operation of Oasis Education.

WORLDSEC LIMITED  
**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

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

**KEY AUDIT MATTERS (CONTINUED)**

**IMPAIRMENT ASSESSMENT OF INTEREST IN A JOINT VENTURE AND AMOUNT DUE FROM A JOINT VENTURE (CONTINUED)**

**Our response:**

Our audit procedures in relation to this matter included:

- Obtaining an update of the latest development of Oasis Education's operation;
- Assessing the financial performance of Oasis Education based on information provided by management;
- Evaluating management's considerations of the impairment indicators of the investment in, and the amount due from, Oasis Education;
- Assessing the appropriateness of the management's assumptions concerning the future cash flows to be generated from the operation of Oasis Education; and
- Assessing reliability of the joint venture's forecast by comparing historical budget to actual performance and obtaining explanations from management on any significant variances identified.

**FAIR VALUE MEASUREMENT OF INVESTMENTS CLASSIFIED AS FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL") CATEGORISED WITHIN LEVEL 3 OF THE FAIR VALUE HIERARCHY**

*Refer to notes 5(c)(iii) and 18 to the consolidated financial statements*

As at 31 December 2025, the Group held a number of financial assets at fair value through profit or loss, with measurement categorised within the level 3 of the fair value hierarchy, totalling approximately US\$4,047,000.

The fair value determination of these financial assets at the end of the reporting period involves the determination of appropriate valuation models as well as the selection of inputs and assumptions made by management. Different valuation models, as well as inputs and assumptions applied may lead to a significant change in the fair value of these financial assets.

We identified fair value determination of these financial assets as a key audit matter because it involves a high degree of estimation uncertainty and judgement; and their aggregate carrying value is material to the Group's consolidated financial statements taken as a whole.

WORLDSEC LIMITED  
**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

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

**KEY AUDIT MATTERS (CONTINUED)**

**FAIR VALUE MEASUREMENT OF INVESTMENTS CLASSIFIED AS FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS CATEGORISED WITHIN LEVEL 3 OF THE FAIR VALUE HIERARCHY (CONTINUED)**

**Our response:**

Our audit procedures in relation to this matter included:

- Assessing the appropriateness of valuation methodologies applied on the fair value determination of these financial assets;
- Evaluating the reasonableness and relevance of key inputs and assumptions used in the fair value determination; and
- Involving an auditor's expert to assist our assessment on the appropriateness of the valuation methodologies and reasonableness of key inputs and assumptions used in the fair value determination.

**OTHER INFORMATION IN THE ANNUAL REPORT**

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report therein.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The audit committee of the Company (the "Audit Committee") assists the directors in discharging their responsibility in this regard.

WORLDSEC LIMITED  
**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

WORLDSEC LIMITED  
**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**REPORT ON OTHER REGULATORY REQUIREMENTS**

Under the UK Listing Rules of the Financial Conduct Authority in the United Kingdom (the "Listing Rules"), we are required to review the part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review in accordance with UKLR6.6.20R(2). We have nothing to report arising from our review.

BDO Limited  
Certified Public Accountants  
**CHAU, Ho Kit**  
Practising Certificate Number P08363  
Hong Kong, 27 April 2026

WORLDSEC LIMITED  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 31 DECEMBER 2025**

	<u>Notes</u>	Year ended 31 December	
		<u>2025</u> US\$'000	<u>2024</u> US\$'000
Revenue	7	724	118
Other income, gains and losses, net	9	88	430
Staff costs	10	(285)	(279)
Other expenses		(307)	(310)
Finance costs	11	(2)	(5)
Share of losses of a joint venture	17	(3)	(9)
<b>Profit/(loss) before income tax expense</b>	12	<b>215</b>	<b>(55)</b>
Income tax expense	13	-	-
<b>Profit/(loss) for the year</b>		<b>215</b>	<b>(55)</b>
<b>Other comprehensive income, net of income tax</b> <i>Items that may be reclassified subsequently to profit or loss:</i>			
Share of other comprehensive income of a joint venture	17	9	(9)
<b>Other comprehensive income for the year, net of income tax</b>		<b>9</b>	<b>(9)</b>
<b>Total comprehensive income for the year</b>		<b>224</b>	<b>(64)</b>
<b>Profit/(loss) for the year attributable to:</b>			
<b>Owners of the Company</b>		<b>215</b>	<b>(55)</b>
<b>Total comprehensive income for the year attributable to:</b>			
<b>Owners of the Company</b>		<b>224</b>	<b>(64)</b>
<b>Earnings/(loss) per share – basic and diluted</b>	14	<b>US 0.25 cent</b>	<b>(US 0.06) cent</b>

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

WORLDSEC LIMITED  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2025**

	<u>Notes</u>	<u>2025</u> US\$'000	<u>2024</u> US\$'000
<b>Non-current assets</b>			
Property, plant and equipment	16	-	-
Interest in a joint venture	17	49	43
Financial assets at fair value through profit or loss	18	3,297	4,095
Right-of-use assets	19	84	48
		<u>3,430</u>	<u>4,186</u>
<b>Current assets</b>			
Other receivables		155	116
Deposits and prepayments		23	31
Financial assets at fair value through profit or loss	18	1,130	355
Amount due from a joint venture	17	257	257
Cash and cash equivalents	21	923	701
		<u>2,488</u>	<u>1,460</u>
<b>Current liabilities</b>			
Other payables and accruals	22	162	157
Lease liabilities	19	65	55
		<u>227</u>	<u>212</u>
<b>Net current assets</b>		<u>2,261</u>	<u>1,248</u>
<b>Non-current liability</b>			
Lease liabilities	19	33	-
<b>Net assets</b>		<u>5,658</u>	<u>5,434</u>

WORLDSEC LIMITED  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2025**

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	<u>Notes</u>	<u>2025</u> US\$'000	<u>2024</u> US\$'000
<b>Capital and reserves</b>			
Share capital	23	<b>85</b>	85
Reserves	24	<u>5,573</u>	<u>5,349</u>
<b>Total equity</b>		<u><b>5,658</b></u>	<u>5,434</u>

The consolidated financial statements on pages 34 to 70 were approved and authorised for issue by the Board of Directors on 27 April 2026 and signed on its behalf by:

**Alastair Gunn-Forbes**  
 Director

**Henry Ying Chew Cheong**  
 Director

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

WORLDSEC LIMITED  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Equity attributable to owners of the Company							Total US\$'000
	Share capital US\$'000 (note 23)	Share premium US\$'000 (note 24)	Contri- buted surplus US\$'000 (note 24)	Share option reserve US\$'000 (note 24)	Foreign currency translation reserve US\$'000 (note 24)	Special reserve US\$'000 (note 24)	Accumulated losses US\$'000 (note 24)	
Balance at 1 January 2024	85	7,524	9,646	254	(40)	625	(12,596)	5,498
Loss for the year	-	-	-	-	-	-	(55)	(55)
Other comprehensive income for the year								
Share of other comprehensive income of a joint venture (note 17)	-	-	-	-	(9)	-	-	(9)
Total comprehensive income for the year	-	-	-	-	(9)	-	(55)	(64)
Balance as at 31 December 2024 and 1 January 2025	85	7,524	9,646	254	(49)	625	(12,651)	5,434
Profit for the year	-	-	-	-	-	-	215	215
Other comprehensive income for the year								
Share of other comprehensive income of a joint venture (note 17)	-	-	-	-	9	-	-	9
Total comprehensive income for the year	-	-	-	-	9	-	215	224
Lapse of share option (note 25)	-	-	-	(206)	-	-	206	-
<b>Balance at 31 December 2025</b>	<b>85</b>	<b>7,524</b>	<b>9,646</b>	<b>48</b>	<b>(40)</b>	<b>625</b>	<b>(12,230)</b>	<b>5,658</b>

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

WORLDSEC LIMITED  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Notes	Year ended 31 December	
		<u>2025</u>	<u>2024</u>
		US\$'000	US\$'000
<b>Cash flows from operating activities</b>			
Profit/(loss) before income tax expense		215	(55)
Adjustments for:			
Bank interest income	9	(6)	(28)
Depreciation of right-of-use assets	12	61	65
Interest on lease liabilities	11	2	5
Share of losses of a joint venture	17	3	9
Net realised and unrealised gains on financial assets at fair value through profit or loss	9	(84)	(391)
<b>Operating profit/(loss) before working capital changes</b>		<b>191</b>	<b>(395)</b>
Decrease/(increase) in deposits and prepayments		8	(5)
(Increase)/decrease in other receivables		(39)	131
Increase in other payables and accruals		5	-
<b>Net cash generated from/(used in) operating activities</b>		<b>165</b>	<b>(269)</b>
<b>Cash flows from investing activities</b>			
Investment in financial assets at fair value through profit or loss		(118)	(161)
Proceeds from disposal of financial assets at fair value through profit or loss		225	56
Bank interest income received		6	28
<b>Net cash generated from/(used in) investing activities</b>		<b>113</b>	<b>(77)</b>
<b>Cash flows from financing activities</b>			
Repayment of principal portion of lease liabilities	28	(54)	(70)
Repayment of interest portion of lease liabilities	28	(2)	(5)
<b>Net cash used in financing activities</b>		<b>(56)</b>	<b>(75)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>222</b>	<b>(421)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>701</b>	<b>1,122</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>923</b>	<b>701</b>

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

WORLDSEC LIMITED  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**1. GENERAL INFORMATION**

Worldsec Limited (the “Company”) is a public listed company incorporated in Bermuda and its shares are listed on the Main Market of the London Stock Exchange. The address of the registered office of the Company is Victoria Place, 5<sup>th</sup> Floor, 31 Victoria Street, Hamilton HM 10, Bermuda. Its principal place of business is Unit 607, 6th Floor, 308 Central Des Voeux, 308 Des Voeux Road Central, Sheung Wan, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of the Company’s subsidiaries are set out in note 20 to the consolidated financial statements.

The functional currency of the Company is Hong Kong Dollars (“HK\$”). The consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) are presented in United States Dollars (“US\$” or “USD”).

The consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRS”), International Accounting Standards (“IAS”) and Interpretations adopted by the European Union (“EU”) (collectively referred to as “IFRS Accounting Standards”).

**2. APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS**

**2.1 New and revised IFRS Accounting Standards applied**

The following amendments to IFRS Accounting Standards relevant to the Group’s accounting policies have been applied by the Group in the current year.

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group’s performance and financial positions for the current and prior years and/or on the disclosures in the consolidated financial statements.

WORLDSEC LIMITED  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**2. APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS  
(CONTINUED)**

**2.2 New and revised IFRS Accounting Standards in issue but not yet effective**

The Group has not applied the following new and revised IFRS Accounting Standards, potentially relevant to the Group's financial statements, that have been issued but are not yet effective. Certain new or revised IFRS Accounting Standards have yet been endorsed by the EU.

Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 <sup>1</sup>
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments <sup>1</sup>
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature - dependent Electricity <sup>1</sup>
IFRS 18	Presentation and Disclosure Financial Statements <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

The directors are currently assessing the impact that the application of the new standards and amendments will have on the Group's consolidated financial statements.

**3. MATERIAL ACCOUNTING POLICY INFORMATION**

**Statement of compliance**

The consolidated financial statements of the Group have been prepared in accordance with all applicable IFRS Accounting Standards.

**Basis of preparation**

The consolidated financial statements have been prepared under the historical cost basis except for financial assets at fair value through profit or loss ("FVTPL"), which are measured at fair value as explained in the accounting policies set out below.

**Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

**Subsidiaries**

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: (i) power over the investee, (ii) exposure, or rights, to variable returns from the investee, and (iii) the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

WORLDSEC LIMITED  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**Joint arrangements**

The Group is a party to a joint arrangement where there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either:

- Joint venture: where the Group has rights to only the net assets of the joint arrangement; or
- Joint operation: where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- the structure of the joint arrangement;
- the legal form of the joint arrangement structured through a separate vehicle;
- the contractual terms of the joint arrangement agreement; and
- any other facts and circumstances (including any other contractual arrangements).

Joint ventures are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amounts are adjusted for the Group's share of the post-acquisition change in the relevant joint venture's net assets except that losses in excess of the Group's interest in that joint venture are not recognised unless there is a legal and constructive obligation to make good those losses.

Profits and losses arising on transactions between the Group and its joint ventures are recognised only to the extent of unrelated investors' interests in the joint ventures. The investors' share in a joint venture's profits and losses resulting from such transactions is eliminated against the carrying value of the joint venture.

Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in the joint venture. Where there is objective evidence that the investment in a joint venture has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

The Group accounts for its interests in joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

**Revenue recognition**

Dividend income is recognised when the right to receive payment is established.

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

WORLDSEC LIMITED  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**Leasing**

All leases (irrespective of whether they are operating leases or finance leases) are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases are expensed on a straight-line basis over the lease term.

Right-of-use assets

Right-of-use assets are recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liabilities (see below for the accounting policy to account for lease liabilities); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liabilities.

Lease liabilities

Lease liabilities are recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or the rate as at the commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures lease liabilities by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from a change in an index or a rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

WORLDSEC LIMITED  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**Foreign currencies**

Transactions entered into by the group entities in currencies other than the currency of the primary economic environment in which they operate are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. US\$) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of the reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve (attributed to minority interests as appropriate). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign currency translation reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign currency translation reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in the foreign currency translation reserve.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### Share-based payments

The Group operates equity-settled share-based compensation plans and the share options are awarded to employees and directors providing services to the Group.

All services received in exchange for the grant of any share-based compensation are measured at their fair value. These are indirectly determined by reference to the equity instruments awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions.

All share-based compensation is recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when the equity instruments granted vest immediately unless the compensation qualifies for recognition as an asset, with a corresponding increase in the share option reserve in equity. If vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. Estimates are subsequently revised, if there is any indication that the number of equity instruments expected to vest differs from previous estimates.

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. After the vesting date, when the vested share options are forfeited or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

#### Taxation

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

#### Current tax

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

WORLDSEC LIMITED  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**Taxation (Continued)**

Deferred tax

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

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

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

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

**Financial instruments**

**(i) Financial assets**

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of the asset within the period generally established by regulation or convention in the marketplace.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

WORLDSEC LIMITED  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**Financial instruments (Continued)**

**(i) Financial assets (Continued)**

**Debt instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the assets and the cash flow characteristics of the assets. There are two measurement categories into which the Group classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

**FVTPL:** Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

**Equity instruments**

Equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

**(ii) Impairment loss on financial assets**

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12-month ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to the credit risk.

WORLDSEC LIMITED  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**Financial instruments (Continued)**

**(ii) Impairment loss on financial assets (Continued)**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For debt financial assets, the ECLs are based on the 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (1) it has a low risk of default; (2) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and (3) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to be in default when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### Financial instruments (Continued)

##### (ii) Impairment loss on financial assets (Continued)

- the disappearance of an active market for that financial asset because of financial difficulty of the issuer or the borrower.

Interest income on a credit-impaired financial asset is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets, interest income is calculated based on the gross carrying amount.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

##### (iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at amortised cost are initially measured at fair value, net of directly attributable costs incurred.

##### Financial liabilities at amortised cost

Financial liabilities at amortised cost including other payables and accruals and lease liabilities are subsequently measured at amortised cost, using the effective interest method. The related interest expenses are recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

##### (iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### Financial instruments (Continued)

##### (v) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with IFRS 9 Financial Instruments.

Financial liabilities are derecognised when the obligations specified in the relevant contract are discharged, cancelled or expire.

#### Impairment of other assets

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment; and
- interest in a joint venture

If the recoverable amount (i.e. the greater of fair value less costs to disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss is recognised in profit or loss immediately.

Value in use is based on the estimated future cash flows expected to be derived from the asset or cash generating unit, discounted to its present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash generating unit.

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**Related parties**

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) Both entities are joint ventures of the same third party;
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group;
  - (vi) The entity is controlled or jointly controlled by a person identified in (a);
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity); or
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in his dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

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

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

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

**Key sources of estimation uncertainty**

The key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities within the next financial year are as follows:

- (i) Impairment of financial assets (including amount due from a joint venture)

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses its judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

- (ii) Impairment of non-financial assets (including interest in a joint venture)

The Group assesses whether there are any indications of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indications that the carrying amount may not be recoverable.

- (iii) Fair value measurement of investments classified as FVTPL categorised within level 3 of the Fair Value Hierarchy (as defined in note 5(c))

The fair value of investments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of the key assumptions used and the impact of changes to these assumptions are disclosed in note 5(c) to the consolidated financial statements.

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**5. FINANCIAL INSTRUMENTS**

**(a) Categories of financial instruments**

	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
<u>Financial assets</u>		
Financial assets at FVTPL	4,427	4,450
Financial assets at amortised cost	<u>1,357</u>	<u>1,097</u>
	<u><u>5,784</u></u>	<u><u>5,547</u></u>
 <u>Financial liabilities</u>		
Financial liabilities at amortised cost	<u>260</u>	<u>212</u>

**(b) Financial risk management objectives**

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

Market risks

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

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

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**5. FINANCIAL INSTRUMENTS (CONTINUED)**

**(b) Financial risk management objectives (Continued)**

Market risks (Continued)

(i) *Foreign currency risk*

Certain financial assets and financial liabilities of the Group are denominated in foreign currencies other than the functional currency of the relevant group entities, which exposes the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. Under the Linked Exchange Rate System in Hong Kong, HK\$ is currently pegged to the USD within a narrow range, the directors therefore consider that there is no significant foreign exchange risk with respect to the USD.

Foreign currency risk arises primarily from volatility in the British Pound Sterling (“GBP”). The carrying amounts of the Group’s foreign currency denominated monetary assets and monetary liabilities at the end of reporting period were as follows:

	<u>Liabilities</u>		<u>Assets</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	US\$’000	US\$’000	US\$’000	US\$’000
GBP	<u>93</u>	<u>86</u>	<u>1</u>	<u>1</u>

The following table details the Group’s sensitivity to a 10% (2024: 10%) increase and decrease in USD against the relevant foreign currency. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the reasonably possible change in the relevant foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts its translation as at year end for a 10% (2024: 10%) change in the relevant foreign currency rate. A positive number below indicates an increase in profit or a decrease in loss for the year and a decrease in accumulated losses had USD strengthened 10% (2024: 10%) against the relevant foreign currency. For a 10% (2024: 10%) weakening of USD against the relevant foreign currency, there would have been an equal and opposite impact on profit or loss for the year and on accumulated losses.

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**5. FINANCIAL INSTRUMENTS (CONTINUED)**

**(b) Financial risk management objectives (Continued)**

Market risks (Continued)

(i) *Foreign currency risk (Continued)*

	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
<b>Change in post-tax profit or loss for the year</b>		
GBP/USD appreciated by 10% (USD depreciated)	<b>(9)</b>	<b>(9)</b>
GBP/USD depreciated by 10% (USD appreciated)	<b>9</b>	<b>9</b>

(ii) *Interest rate risk*

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

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

(iii) *Price risk*

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

All of the Group's unlisted investments are held for long term strategic purposes. Their performance is assessed at least annually against performance of any similar listed entities, based on the limited information available to the Group, together with an assessment of their relevance to the Group's long term strategic plans.

Sensitivity analysis

The sensitivity analysis on price risk includes the Group's financial instruments, the fair value or future cash flows of which will fluctuate because of changes in their corresponding equity prices. If the prices of the Group's equity instruments had been 5% (2024: 5%) higher/lower, profit for the year would have increased/decreased by approximately US\$19,000 (2024: loss for the year would have decreased/increased by approximately US\$21,000).

5. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives (Continued)

Credit risk

The Group's maximum exposure to credit risk which could cause a financial loss to the Group due to the failures to discharge an obligation by the counterparties arises from the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position.

The credit risk on liquid funds is limited because the major counterparties are banks with high credit ratings assigned by international credit-rating agencies. As at 31 December 2025, approximately 100% (2024: 100%) of the bank balances were deposited with a bank with a high credit rating. Other than concentration of credit risk on liquid funds deposited with that bank, the Group did not have any other significant concentration of credit risk.

For other receivables, deposits and amount due from a joint venture, management makes periodic individual assessment on the recoverability based on historical settlement records, past experience and also available reasonable and supportive forward-looking information. Management believes that there was no material credit risk inherent in the Group's outstanding balances of other receivables, deposits and amount due from a joint venture. None of these receivables have been subject to a significant increase in credit risk since initial recognition and the expected credit loss was insignificant based on the risk of default of those counterparties under 12-month ECLs approach as at 31 December 2025 and 31 December 2024. Thus, no loss allowance was recognised as at 31 December 2025 and 31 December 2024.

Liquidity risk

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

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**5. FINANCIAL INSTRUMENTS (CONTINUED)**

**(b) Financial risk management objectives (Continued)**

Liquidity risk (Continued)

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

	Within 1 year or on demand US\$'000	More than 1 year but less than 5 years US\$'000	Total contractual undiscounted cash flows US\$'000	Carrying amount US\$'000
As at 31 December 2025				
Other payables and accruals	162	-	162	162
Lease liabilities	68	34	102	98
	<u>230</u>	<u>34</u>	<u>264</u>	<u>260</u>

	Within 1 year or on demand US\$'000	More than 1 year but less than 5 years US\$'000	Total contractual undiscounted cash flows US\$'000	Carrying amount US\$'000
As at 31 December 2024				
Other payables and accruals	157	-	157	157
Lease liabilities	56	-	56	55
	<u>213</u>	<u>-</u>	<u>213</u>	<u>212</u>

**(c) Fair value of financial instruments**

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "Fair Value Hierarchy"):

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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**5. FINANCIAL INSTRUMENTS (CONTINUED)**

**(c) Fair value of financial instruments (Continued)**

(i) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, other receivables, deposits, amount due from a joint venture and other payables and accruals.

Due to their short-term nature, the carrying value of cash and cash equivalents, other receivables, deposits, amount due from a joint venture and other payables and accruals approximated fair value.

(ii) Financial instruments measured at fair value

Financial assets at FVTPL included in the consolidated financial statements require measurement at, and disclosure of, fair value.

The fair value of financial instruments with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices.

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of level 3 financial instruments as well as the relationship between key observable inputs and fair value are set out in note (iii) below.

(iii) Information about level 3 fair value measurement

The fair value of the Group's level 3 investments in the ICBC Specialised Ship Leasing Investment Fund and VS SPC Limited were estimated with reference to their net asset value which was a significant unobservable input. The Group has determined that the reported net asset value represents fair value at the end of the report period.

The fair value of the Group's level 3 investments in the Homaer Asset Management Master Fund SPC and the Hermitage Galaxy Fund SPC were estimated using market approach with the significant inputs being the recent market transaction prices of the underlying investment of the respective funds. The Group has determined that the recent market transaction prices represent fair value at the end of the reporting period.

There were no changes in these valuation techniques during the year ended 31 December 2025.

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**5. FINANCIAL INSTRUMENTS (CONTINUED)**

**(c) Fair value of financial instruments (Continued)**

The following table provides an analysis of the Group's financial instruments carried at fair value by level of Fair Value Hierarchy:

	<b>2025</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Listed investments	380	-	-	380
Unlisted investments	-	-	4,047	4,047
	<u>380</u>	<u>-</u>	<u>4,047</u>	<u>4,427</u>
	<b>2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Listed investments	427	-	-	427
Unlisted investments	-	-	4,023	4,023
	<u>427</u>	<u>-</u>	<u>4,023</u>	<u>4,450</u>

Reconciliation for level 3 financial assets at FVTPL carried at fair value based on significant unobservable inputs are as follows:

	<b><u>2025</u></b>	<b><u>2024</u></b>
	<b>US\$'000</b>	<b>US\$'000</b>
At 1 January	<b>4,023</b>	3,734
Disposal	-	-
Fair value adjustment	<b>24</b>	289
At 31 December	<u><b>4,047</b></u>	<u>4,023</u>

Fair value adjustment of financial assets at FVTPL was recognised in the line item 'other income, gains and losses, net' on the face of the consolidated statement of profit or loss and other comprehensive income.

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**6. CAPITAL RISK MANAGEMENT**

The Group's objective of managing capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debts.

The capital structure of the Group consists only of equity attributable to owners of the Company, comprising share capital and reserves.

Net debt has been calculated as total liabilities less cash and cash equivalents.

The gearing ratio at the end of the reporting period was as follows:

	Year ended 31 December	
	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
Debt	260	212
Cash and cash equivalents	(923)	(701)
	<u>(663)</u>	<u>(489)</u>
Equity attributable to owners of the Company	<u>5,658</u>	<u>5,434</u>
Net debt to equity	0%	0%

**7. REVENUE**

The Group had no revenue from contracts with customers as defined under IFRS 15 Revenue from Contracts with Customers. An analysis of the Group's revenue from other sources is as follows:

	Year ended 31 December	
	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
Dividend income from financial assets at FVTPL	<u>724</u>	<u>118</u>

**8. SEGMENT INFORMATION**

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Group's chief operating decision makers in order to allocate resources and assess performance of the segment. For the years ended 31 December 2025 and 2024, the executive directors, who were the chief operating decision makers for the purpose of resource allocation and assessment of performance, have determined that the Group had only one single business component/reportable segment as the Group was only engaged in investment holding. The executive directors allocated resources and assessed performance on an aggregated basis. Accordingly, no segment information is presented.

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**8. SEGMENT INFORMATION (CONTINUED)**

The major operations and the revenue of the Group arise from Hong Kong. The Board of Directors considers that most of the non-current assets (other than the financial instruments) of the Group are located in Hong Kong.

**9. OTHER INCOME, GAINS AND LOSSES, NET**

	Year ended 31 December	
	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
Bank interest income	6	28
Net realised and unrealised gains on financial assets at FVTPL	84	391
Foreign exchange (loss)/gain, net	(2)	11
	<u>88</u>	<u>430</u>

**10. STAFF COSTS**

The aggregate staff costs (including directors' remuneration) of the Group were as follows:

	Year ended 31 December	
	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
Wages and salaries	278	272
Contributions to pension and provident fund	7	7
	<u>285</u>	<u>279</u>

Compensation of key management personnel (included in the above amounts) was as follows:

	Year ended 31 December	
	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
Directors' fees	81	75

**11. FINANCE COSTS**

	Year ended 31 December	
	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
Interest on lease liabilities	2	5

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**12. PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE**

Profit/(Loss) before income tax expense has been arrived at after charging:

	Year ended 31 December	
	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
Auditor's remuneration	54	55
Depreciation of right-of-use assets	<u>61</u>	<u>65</u>

**13. INCOME TAX EXPENSE**

No provision for income tax has been made as the Group did not generate any assessable profits that were subject to United Kingdom Corporation Tax, Hong Kong Profits Tax or taxes in other jurisdictions.

The tax charge for 2025 and 2024 can be reconciled to the profit/(loss) before income tax expense per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 31 December	
	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
Profit/(Loss) before income tax expense	<u>215</u>	<u>(55)</u>
Tax charge/(credit) calculated at Hong Kong Profits		
Tax rate of 16.5% (2024: 16.5%)	35	(9)
Tax effect of non-deductible expenses	47	47
Tax effect of non-taxable income	(133)	(90)
Tax effect of estimated tax losses not recognised	<u>51</u>	<u>52</u>
Tax charge for the year	<u>-</u>	<u>-</u>

As at 31 December 2025, the Group had estimated tax losses arising in Hong Kong of approximately US\$2,485,000 (2024: US\$2,181,000) that can be carried forward indefinitely under Hong Kong tax law. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams. No deferred tax asset has been recognised in relation to the other deductible temporary differences of approximately US\$36,000 (2024: US\$38,000) as it is not probable that taxable profits will be available against which the deductible temporary differences can be utilised. The deductible temporary differences can be carried forward indefinitely.

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**14. EARNINGS/(LOSS) PER SHARE**

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

	Year ended 31 December	
	<u>2025</u>	<u>2024</u>
Profit/(Loss) for the year attributable to owners of the Company (US\$'000)	<u>215</u>	<u>(55)</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings/(loss) per share	<u>85,101,870</u>	<u>85,101,870</u>
Earnings/(loss) – basic and diluted	<u>US0.25 cent</u>	<u>US(0.06) cent</u>

Diluted earnings/(loss) per share was the same as basic earnings/(loss) per share for the years ended 31 December 2025 and 2024 as there were no potential dilutive ordinary shares outstanding at the end of both years.

**15. DIVIDENDS**

No dividend was paid or proposed during the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

**16. PROPERTY, PLANT AND EQUIPMENT**

	<b>Leasehold improvements US\$'000</b>
<b>Cost</b>	
At 1 January 2024, 1 January 2025 and 31 December 2025	<u>69</u>
<b>Accumulated depreciation</b>	
At 1 January 2024, 1 January 2025 and 31 December 2025	<u>69</u>
<b>Carrying amount</b>	
At 31 December 2024	<u>-</u>
At 31 December 2025	<u>-</u>

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**17. INTEREST IN A JOINT VENTURE**

	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
Unlisted investment, at cost	257	257
Accumulated share of post-acquisition losses of the joint venture	(168)	(165)
Accumulated share of post-acquisition other comprehensive income of the joint venture	(40)	(49)
Share of net assets of the joint venture	<u>49</u>	<u>43</u>
Amount due from the joint venture	<u>257</u>	<u>257</u>

The amount due from the joint venture was unsecured, interest-free and repayable on demand.

On 12 December 2014, the Group entered into a subscription agreement with an independent third party and Oasis Education Group Limited (“Oasis Education”) pursuant to which the Group made an investment by way of capital contribution and shareholder’s loan, for a 50% interest in Oasis Education.

The contractual arrangement provides the Group with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligations for the liabilities of the joint arrangement resting primarily with Oasis Education. Under IFRS 11 Joint Arrangements, this joint arrangement was classified as a joint venture and has been included in the consolidated financial statements using the equity method.

Details of the joint venture were as follows:

Name	Country of incorporation and operation	Proportion of ownership interest		Paid-up registered Capital	Principal activities
		Direct	Indirect		
Oasis Education Group Limited 奧偉詩教育集團有限公司	Hong Kong	50%	-	HK\$4,000,000	Investment holding
奧偉詩教育諮詢(深圳)有限公司	The People’s Republic of China (the “PRC”)	-	50%	HK\$5,000,000	Provision of education consulting and support services to kindergartens in the PRC

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**17. INTEREST IN A JOINT VENTURE (CONTINUED)**

The aggregate amounts related to the joint venture that have been included in the consolidated financial statements of the Group as extracted from the financial statements of the joint venture, adjusted to reflect adjustments made by the Group when applying the equity method of accounting, are set out below:

	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
<b>Results of the joint venture for the year</b>		
Revenue	-	-
Other income	-	-
Expenses	(7)	(17)
<b>Loss for the year</b>	(7)	(17)
<b>Other comprehensive income for the year</b>	19	(19)
<b>Total comprehensive income for the year</b>	<u>12</u>	<u>(36)</u>
<b>Share of losses of the joint venture for the year</b>	<u>(3)</u>	<u>(9)</u>
<b>Share of other comprehensive income of the joint venture for the year</b>	<u>9</u>	<u>(9)</u>
<b>Accumulated share of results of the joint venture</b>	<u>(168)</u>	<u>(165)</u>
<b>Assets and liabilities of the joint venture at 31 December</b>		
	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
Non-current assets	-	-
Current assets	697	679
Non-current liabilities	-	-
Current liabilities	(600)	(594)
<b>Net assets</b>	<u>97</u>	<u>85</u>
<b>Included in the above amounts were:</b>		
Cash and cash equivalents	166	167
Depreciation and amortisation	-	-
Interest income	-	-
Interest expenses	-	-
Current financial liabilities (excluding trade and other payables)	<u>600</u>	<u>594</u>
Percentage of equity interest attributable to the Group	<b>50%</b>	50%
<b>Share of net assets of the joint venture</b>	<u>49</u>	<u>43</u>

WORLDSEC LIMITED  
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**18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
<b>Financial assets at FVTPL</b>		
Listed investments, at fair value	380	427
Unlisted investments, at fair value	4,047	4,023
	<u>4,427</u>	<u>4,450</u>
Less: Current portion	(1,130)	(355)
Non-current portion	<u>3,297</u>	<u>4,095</u>

**19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

The Group leased an office premise with a lease term of 2 years at a fixed rate. The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the consolidated statement of financial position was 5%. The carrying amounts of the Group's right-of-use assets and lease liabilities were as follows:

	<b>Office premises</b>	
	<b>Right-of-use assets</b>	<b>Lease liabilities</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>As at 1 January 2024</b>	113	125
Lease payments	-	(75)
Depreciation charge	(65)	-
Interest expenses	-	5
<b>As at 31 December 2024 and 1 January 2025</b>	<u>48</u>	<u>55</u>
Lease modification	97	97
Lease payments	-	(56)
Depreciation charge	(61)	-
Interest expenses	-	2
<b>As at 31 December 2025</b>	<u>84</u>	<u>98</u>

Future lease payments are due as follows:

	<b>Minimum lease payments</b>	<b>Interest</b>	<b>Present value</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>As at 31 December 2025</b>			
Not later than one year	68	(3)	65
Later than one year and not later than five years	34	(1)	33
	<u>102</u>	<u>(4)</u>	<u>98</u>
<b>As at 31 December 2024</b>			
Not later than one year	<u>56</u>	<u>(1)</u>	<u>55</u>

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**20. SUBSIDIARIES**

Details of the subsidiaries of the Company were as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Proportion of ownership interest</u>		<u>Proportion of voting power held</u>		<u>Principal activities</u>
		<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	
Worldsec Financial Services Limited	The British Virgin Islands	100%	100%	100%	100%	Investment holding
Worldsec Corporate Finance Limited	The British Virgin Islands	100%*	100%*	100%*	100%*	Inactive
Worldsec Investment (Hong Kong) Limited	Hong Kong	100%*	100%*	100%*	100%*	Investment holding
Worldsec Investment (China) Limited	The British Virgin Islands	100%*	100%*	100%*	100%*	Investment holding

\* Indirectly held subsidiaries

**21. CASH AND CASH EQUIVALENTS**

	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
Bank balances	430	296
Cash balances	1	1
Time deposits with original maturity within three months	492	404
	<u>923</u>	<u>701</u>

Bank balances bore interest at the then prevailing market rates ranging from 0.001% to 0.01% (2024: 0.001% to 0.01%) per annum and had original maturities of three months or less. Time deposits bore interest ranging from 3.0% to 3.6% (2024: 3.5%) per annum and had original maturities within three months.

**22. OTHER PAYABLES AND ACCRUALS**

	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
Other payables and accruals	162	157

WORLDSEC LIMITED  
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**23. SHARE CAPITAL**

	Number of shares	Total US\$'000
<b>Authorised:</b>		
Ordinary shares of US\$0.001 each		
At 1 January 2024, 1 January 2025 and 31 December 2025	<u>60,000,000,000</u>	<u>60,000</u>
<b>Called up, issued and fully paid:</b>		
Ordinary shares of US\$0.001 each		
At 1 January 2024, 1 January 2025 and 31 December 2025	<u>85,101,870</u>	<u>85</u>

**24. RESERVES**

- (a) The share premium account represents the premium arising from the issue of shares of the Company at a premium.
- (b) The contributed surplus represents the amount arising from the reduction in the nominal value of the authorised and issued shares of the Company and the reduction in the share premium account pursuant to an ordinary resolution passed on 23 July 2003.
- (c) Share option reserve comprises the fair value of the Company's share options which have been granted but which have yet to be exercised, as further explained in the accounting policy for share-based payment transactions in note 3 to the consolidated financial statements. The amount will either be transferred to the issued capital account and the share premium account when the related options are exercised, or be transferred to accumulated losses should the related options expire or be forfeited.
- (d) Exchange differences relating to the translation of the net assets of the Group's foreign operations (including a joint venture) from their functional currencies to the Group's presentation currency were recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Such exchange differences accumulated in the foreign currency translation reserve will be reclassified to profit or loss on the disposal of the foreign operations.
- (e) The special reserve represents the amount arising from the difference between the nominal value of the issued share capital of each subsidiary and the nominal value of the issued share capital of the Company along with the surplus arising in a subsidiary on group reorganisation completed on 26 February 2007.
- (f) Accumulated losses represent accumulated net gains and losses recognised in the profit or loss of the Group.

WORLDSEC LIMITED  
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**25. SHARE-BASED PAYMENTS**

The Company operates an equity-settled share-based remuneration scheme for the employees and directors.

On 1 December 2015, the Company granted to certain eligible persons a total of 2,950,000 share options to subscribe on a one for one basis new ordinary shares of US\$0.001 each in the share capital of the Company under the Worldsec Employee Share Option Scheme 1997 (the “Option Scheme”) which was revised on 24 September 2014. The share options vested six months from the date of grant and were then exercisable within a period of 9.5 years.

On 29 May 2019, the Company granted to certain eligible persons a total of 2,050,000 share options to subscribe on a one for one basis new ordinary shares of US\$0.001 each in the share capital of the Company under the Option Scheme. The share options vested six months from the date of grant and were then exercisable within a period of 9.5 years.

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

The following table discloses the movements of the outstanding share options under the Option Scheme during the years ended 31 December 2025 and 2024.

Grantee	Exercisable period	Number of options					Balance at 31 December 2025	Exercise price per share (US\$)
		Balance at 1 January 2025	Granted during the year	Exercised during the year	Forfeited during the year	Lapsed during the year		
Directors	20 August 2023 to 19 February 2033	350,000	-	-	-	-	350,000	0.034
	29 November 2019 to 28 May 2029	1,750,000	-	-	-	-	1,750,000	0.034
	1 June 2016 to 30 November 2025	2,500,000	-	-	-	(2,500,000)	-	0.122
Employees	29 November 2019 to 28 May 2029	300,000	-	-	-	-	300,000	0.034
	1 June 2016 to 30 November 2025	450,000	-	-	-	(450,000)	-	0.122
		<u>5,350,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,950,000)</u>	<u>2,400,000</u>	

WORLDSEC LIMITED  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**25. SHARE-BASED PAYMENTS (CONTINUED)**

Grantee	Exercisable period	Number of options					Balance at 31 December 2024	Exercise price per share (US\$)
		Balance at 1 January 2024	Granted during the year	Exercised during the year	Forfeited during the year	Lapsed during the year		
Directors	20 August 2023 to 19 February 2033	350,000	-	-	-	-	350,000	0.034
	29 November 2019 to 28 May 2029	1,750,000	-	-	-	-	1,750,000	0.034
	1 June 2016 to 30 November 2025	2,500,000	-	-	-	-	2,500,000	0.122
Employees	29 November 2019 to 28 May 2029	300,000	-	-	-	-	300,000	0.034
	1 June 2016 to 30 November 2025	450,000	-	-	-	-	450,000	0.122
		<u>5,350,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,350,000</u>	

No share-based payment was charged to the profit or loss account of the Group during the year ended 31 December 2025 (2024: NIL).

Of the total number of share options outstanding at the end of the year, all (2024: all) had vested and were exercisable at the end of the year.

No share option was exercised during the years ended 31 December 2025 and 2024.

The weighted average remaining contractual life for the share options outstanding at the end of the reporting period was 4 years (2024: 2.7 years)

**26. RELATED PARTY TRANSACTIONS**

Other than the compensation of key management personnel as disclosed below, the Group did not have any related party transactions during the years ended 31 December 2025 and 2024.

**Compensation of key management personnel**

Key management personnel were the directors only. The remuneration of directors is set out in note 10 to the consolidated financial statements.

**27. CONTINGENT LIABILITIES**

The Group had no material contingent liabilities at 31 December 2025 (2024: nil).

WORLDSEC LIMITED  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**28. NOTES SUPPORTING STATEMENT OF CASH FLOWS**

**(a) Cash and cash equivalents comprise:**

	<u>2025</u> US\$'000	<u>2024</u> US\$'000
Cash available on demand	<u>923</u>	<u>701</u>

**(b) Reconciliation of liabilities arising from financing activities:**

	<b>Lease liabilities (note 19) US\$'000</b>
At 1 January 2024	125
Changes from cash flows:	
Repayment of principal portion of lease liabilities	(70)
Repayment of interest portion of lease liabilities	(5)
Total changes from financing cash flows	<u>(75)</u>
Other changes:	
Interest on lease liabilities	5
At 1 January 2025	<u>55</u>
Changes from cash flows:	
Repayment of principal portion of lease liabilities	(54)
Repayment of interest portion of lease liabilities	(2)
Total changes from financing cash flows	<u>(56)</u>
Other changes:	
Interest on lease liabilities	2
Lease Modification	97
	<u>99</u>
At 31 December 2025	<u><u>98</u></u>

## WORLDSEC LIMITED

### INVESTMENT POLICY

The Company will invest in 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 region, 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 United Kingdom, 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 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.

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. The Directors consider that opportunities will arise to invest in investee companies by the issue of new ordinary shares of the Company 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.

WORLDSEC LIMITED  
**BIOGRAPHICAL NOTES OF THE DIRECTORS**

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

Brief biographical notes of the directors are set out below:

***Alastair Gunn-Forbes - Non-Executive Chairman - aged 81***

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.

***Henry Ying Chew Cheong - Executive Director and Deputy Chairman - aged 78***

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 Worldsec Group in 1991. In late 2002, Worldsec 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 Worldsec Group, Mr Cheong was a director of James Capel (Far East) Ltd for five years with overall responsibility for Far East Sales. His earlier professional experience includes 11 years with Vickers da Costa Limited in Hong Kong, latterly as Managing Director.

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

Mr Cheong is an Independent Non-Executive Director of CK Asset Holdings Limited, CK Infrastructure Holdings Limited, New World Department Store China Limited, and Skyworth 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. He was previously an Independent Non-Executive Director of CNNC International Limited, Greenland Hong Kong Holdings Limited, Hutchison Telecommunications Hong Kong Holdings Limited and TOM Group Limited, all being listed companies in Hong Kong.

***Ernest Chiu Shun She - Executive Director – aged 65***

Mr She is an investment banker with extensive experience in the field of corporate finance. In his executive management roles at various investment banks and financial institutions, including UOB Asia (Hong Kong) Limited and, notably, Worldsec Corporate Finance Limited, where he served a long and dedicated tenure, Mr She has covered a broad and diverse range of financial advisory and fundraising activities in the Asian regional equity markets.

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 earned a Master of Science degree in Management Science specialising in Operational Research from the Imperial College of Science and Technology. Mr She is a Chartered Financial Analyst and a fellow of the Hong Kong Securities and Investment Institute.

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

***Mark Chung Fong - Non-Executive Director - aged 74***

Mr Fong was an Executive Director for China development of Grant Thornton International Ltd, a corporation incorporated in England and had retired from Grant Thornton effective from 1 January 2014. He has more than 40 years' experience in the accounting profession. Mr Fong obtained a bachelor's degree in science from the 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 the HKICPA in 2007. He has been appointed as the Chairman of the Audit Committee of HKICPA from 2016 to January 2019 and has also served on the Council of the Institute of Chartered Accountants in England and Wales from 2016 to 2018.

**Martyn Stuart Wells - *Non-Executive Director – aged 81***

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.

**Stephen Lister d'Anyers Willis - *Non-Executive Director – aged 71***

Mr Willis is a financial services professional specialising in Asia and global investing. He has been involved with Asia for over 35 years firstly with Standard Chartered Bank and subsequently with the Asian specialist stockbroker, Vickers da Costa and a number of other investment banking firms.