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DT CAPITAL LIMITED
鼎立資本有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 356)

**ANNOUNCEMENT OF AUDITED RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

The board of directors (the “Board”) of DT Capital Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2016 together with the comparative figures for the year ended 31 December 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2016

	<i>Note</i>	2016 HK\$	2015 HK\$
Revenue	5	61,934,594	41,095,485
Cost of listed equity securities disposed of		(27,616,032)	(10,852,555)
Cost of unlisted debt securities redeemed		(30,000,000)	(30,000,000)
Other gain	6	3,500,943	2,095,133
Other income	6	9,373,340	6,678,462
Gain on bargain purchase of a subsidiary		—	985,562
Share of results of an associate		122,622	815,866
Impairment loss on available-for-sale financial assets		(2,000,000)	—
Administrative and other operating expenses		(10,108,465)	(9,235,289)
Profit before taxation	7	5,207,002	1,582,664
Income tax expense	8	—	—
Profit for the year attributable to equity holders of the Company		5,207,002	1,582,664
Other comprehensive income			
Items that may be reclassified subsequent to profit or loss:			
Fair value changes on available-for-sale financial assets		9,801,462	—
Total comprehensive income attributable to equity holders of the Company		15,008,464	1,582,664
Earnings per share			
Basic and diluted	9	0.0027	0.0008
Dividend		Nil	Nil

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	<i>Note</i>	2016 HK\$	2015 <i>HK\$</i>
Non-current assets			
Property, plant and equipment		180,488	358,132
Interest in an associate	<i>10</i>	10,470,265	10,477,978
Available-for-sale financial assets	<i>11</i>	26,107,755	36,431,450
		36,758,508	47,267,560
Current assets			
Other receivables, deposits and prepayments	<i>12</i>	6,505,210	6,675,143
Available-for-sale financial assets	<i>11</i>	28,000,000	—
Financial assets at fair value through profit or loss	<i>13</i>	85,573,176	29,335,528
Cash and bank balances		13,164,109	69,291,017
		133,242,495	105,301,688
Current liabilities			
Other payables and accruals	<i>14</i>	3,634,983	1,211,692
Net current assets		129,607,512	104,089,996
Net assets		166,366,020	151,357,556
Capital and reserves			
Share capital		18,995,000	18,995,000
Reserves		147,371,020	132,362,556
Total equity		166,366,020	151,357,556
Net asset value per share	<i>15</i>	0.09	0.08

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2016

1. GENERAL

DT Capital Limited (“the Company”) is a public limited company incorporated in the Cayman Islands with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is Unit D, 6th Floor, Eton Building, 288 Des Voeux Road Central, Hong Kong.

The Company and its subsidiaries (“the Group”) engage in investment holding and trading of securities.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Group.

2. NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The Hong Kong Institute of Certified Public Accountants (“HKICPA”) has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material impact on the Group’s results and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Up to the date of approval of these consolidated financial statements, the HKICPA has issued the following amendments and new or amended standards which are not yet effective for the accounting period ended 31 December 2016 and which have not been early adopted in these consolidated financial statements:

HKFRS 9	<i>Financial Instruments</i> ²
HKFRS 15	<i>Revenue from Contracts with Customers</i> ²
HKFRS 16	<i>Leases</i> ³
Amendments to HKAS 7	<i>Disclosure Initiative</i> ¹
Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealized Losses</i> ¹
Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i> ²
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴

¹ Effective for annual periods beginning on or after 1st January, 2017

² Effective for annual periods beginning on or after 1st January, 2018

³ Effective for annual periods beginning on or after 1st January, 2019

⁴ Effective for annual periods beginning on or after a date to be determined

The Group has been evaluating the impact of these new or revised standards and amendments but not yet in a position to state whether all these new or revised standards and amendments would have a significant impact on the Group's results of operations and financial position.

4. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRSs which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention except that financial assets at fair value through profit or loss and available-for-sale financial asset are stated at fair value.

5. REVENUE

	2016 <i>HK\$</i>	2015 <i>HK\$</i>
Proceeds from sales of available-for-sale financial assets		
— listed equity securities	2,500,898	—
Proceeds from early redemption of available-for-sale financial assets		
— unlisted debt securities	30,000,000	30,000,000
Proceeds from sales of financial assets at fair value through profit or loss — listed equity securities	28,352,650	10,466,737
Dividend income from listed equity securities	1,081,046	628,748
	<u>61,934,594</u>	<u>41,095,485</u>

No analysis of the Group's revenue and contribution to operating profit for the current and prior years set out by principal activities and geographical markets is provided. It is because the Group has only one single business segment, investment holding, and all the consolidated revenue and the consolidated results of the Group are attributable to performance of the markets in Hong Kong.

No information about major customers has been disclosed as a substantial portion of the Group's income is derived from the Group's investments in listed equity securities and unlisted debt securities and the disclosure of information regarding customers would not be meaningful.

6. OTHER INCOME AND GAIN

	2016 <i>HK\$</i>	2015 <i>HK\$</i>
Other income		
Interest income	8,914,109	6,359,962
Set up fee income on bonds	300,000	300,000
Sundry income	120,701	18,500
Exchange gain	38,530	—
	<u>9,373,340</u>	<u>6,678,462</u>
Other gain		
Unrealised gain on financial assets at fair value through profit or loss	3,500,943	1,647,531
Gain on disposal of subsidiaries	—	447,602
	<u>3,500,943</u>	<u>2,095,133</u>

7. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging:

	2016 <i>HK\$</i>	2015 <i>HK\$</i>
Auditors' remuneration	220,000	220,000
Depreciation	61,726	92,975
Investment management fee paid to an investment manager	2,376,664	2,269,722
Performance fee paid to an investment manager	2,648,553	279,294
Financial advisory fee paid to an investment manager	360,000	360,000
Staff costs, including contributions of HK\$94,504 (2015: HK\$114,483) to a defined contribution mandatory provident fund scheme	2,429,840	2,271,442
Minimum lease payments on properties under operating leases	306,000	930,725
Exchange loss	—	823,522
Written off of property, plant and equipment	261,588	—
	<u>261,588</u>	<u>—</u>

8. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made in these consolidated financial statements as the tax losses brought forward from prior years exceed the estimated assessable profits for the years ended 31 December 2016 and 31 December 2015.

9. EARNINGS PER SHARE

The basic earnings per share is based on the Group's profit attributable to equity holders of the Company of HK\$5,207,002 (2015: HK\$1,582,664) and the weighted average number of 1,899,500,000 (2015: 1,899,500,000) ordinary shares in issue during the year.

The Company has no dilutive potential ordinary shares.

10. INTEREST IN AN ASSOCIATE

	2016 <i>HK\$</i>	2015 <i>HK\$</i>
Unlisted investments, at cost	5	5
Share of post-acquisition profits, net of dividends received	<u>1,875,484</u>	<u>1,922,409</u>
	1,875,489	1,922,414
Amount due from an associate	<u>8,594,776</u>	<u>8,555,564</u>
	<u><u>10,470,265</u></u>	<u><u>10,477,978</u></u>

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2016 <i>HK\$</i>	2015 <i>HK\$</i>
Capital contribution, at cost	4,219,243	—
Unlisted equity securities, at cost	6,750,000	8,431,450
Unlisted debt securities, at cost	<u>28,000,000</u>	<u>28,000,000</u>
	38,969,243	36,431,450
<i>Less: provision for impairment loss</i>	<u>(2,000,000)</u>	<u>—</u>
	36,969,243	36,431,450
Listed equity securities in Hong Kong	<u>17,138,512</u>	<u>—</u>
	54,107,755	36,431,450
<i>Less: Amount not matured within 12 months</i>	<u>(26,107,755)</u>	<u>(36,431,450)</u>
	28,000,000	—
Amount included under current assets	<u><u>28,000,000</u></u>	<u><u>—</u></u>
Market value of listed equity securities	<u><u>17,138,512</u></u>	<u><u>—</u></u>

At the end of the reporting period, all available-for-sale financial assets are stated at fair value except those unlisted equity and debt securities of which their fair values cannot be measured reliably. In the opinion of the directors, the costs of these unlisted equity and debt securities are not materially different from their fair values. Fair value of listed equity securities have been determined by reference to published price quotations in actual markets.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2016 <i>HK\$</i>	2015 <i>HK\$</i>
Deposits	65,765	186,860
Prepayments	253,007	339,459
Other receivables	6,186,438	6,148,824
	<u>6,505,210</u>	<u>6,675,143</u>

No ageing analysis is disclosed for other receivables in view of the fact that they comprise mainly accrued interest income from unlisted debt securities and deposit placed in broker's account.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016 <i>HK\$</i>	2015 <i>HK\$</i>
Financial assets designated as financial assets at fair value through profit or loss:		
Unlisted convertible debt securities at fair value	35,250,000	5,250,000
Financial assets held for trading:		
Equity securities listed in Hong Kong at fair value	50,323,176	24,085,528
	<u>85,573,176</u>	<u>29,335,528</u>
Fair value of listed equity securities	<u>50,323,176</u>	<u>24,085,528</u>
Fair value of unlisted debt securities	<u>35,250,000</u>	<u>5,250,000</u>

14. OTHER PAYABLES AND ACCRUALS

Included in the other payables and accruals are the amount due to the investment manager for unsettled investment management fee of HK\$636,425, performance fee of HK\$2,648,553 and financial advisory fee of HK\$90,000 (2015: HK\$558,895, HK\$279,294 and HK\$90,000).

No aging analysis is disclosed as there are no trade creditors.

15. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets of HK\$166,366,020 (2015: HK\$151,357,556) and 1,899,500,000 (2015: 1,899,500,000) ordinary shares in issue as at 31 December 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the year ended 31 December 2016, DT Capital Limited (the “Company”) and its subsidiaries (the “Group”) recorded profit attributable to equity holders of approximately HK\$5.2 million (2015: HK\$ 1.6 million). The earnings per share was HK\$0.0027 (2015: HK\$0.0008). Increase in profit in 2016 were mainly caused by an increase in the profit generated from trading of listed securities of approximately HK\$3.6 million and interest income of approximately HK\$2.5 million compared with 2015. In addition, there were no interest expenses in 2016 and 2015. Revenue increase was mainly caused by an increase in gain from the disposal of listed securities approximately HK\$20 million in 2016 while compared with 2015.

Having adopted the advice from Hua Yu Investment Management Limited (the “Hua Yu”), the Company’s investment manager, the Group has successfully completed 4 investment plans in 2016. These included corporate bond, long term equity investment and convertible bond.

Prospects

2016 was a year of lackluster economic growth. Global equities had their worst start in many years, as investors dumped stocks around the world after depreciation of China’s currency against the U.S. dollar in January raised fears its economy was slowing much more sharply than thought. Among advanced economies, output remained below potential, notably in the euro area. However, activity rebounded strongly in the United States after a weak first half of 2016, and the economy is approaching full employment. Also, preliminary third-quarter growth figures were somewhat stronger than previously forecast in some economies, such as Spain and the United Kingdom, where domestic demand held up better than expected in the aftermath of the Brexit vote. Historical growth revisions indicate that Japan’s growth rate in 2016 and in preceding years was stronger than previously estimated.

Looking ahead at 2017, we believe that the global economy will make a recovery from its previous slump. According to the International Monetary Fund (IMF)’s World Economic Outlook (WEO), economic activity for both advanced economies and EMDEs (emerging markets and developing economies) is projected to pick up pace in 2017 and 2018. From the estimated global growth of 3.1% in 2016, the global growth of 2017 is projected to be around 3.4% for advanced economies and 3.6% for EMDEs. However, there is considerable uncertainty about global economy in 2017, in light of the recent unforeseen geopolitical events. With the unclear policy stance of the incoming U.S. administration, and the political discontent boosting anti-establishment forces in countries from the U.K. to the U.S., many new issues could potentially throw the global trade agenda into turmoil.

Europe faces multiple challenges in 2017. The region’s economies continue to be affected by aftershocks from the euro crisis. The European Central Bank has arguably gone about as far as it can to shore up the economy, with interest rates effectively at the zero bound and showing little prospect of following the U.S. Federal Reserve in “normalizing” its monetary policy. Meanwhile, Greece is

still struggling to recover from its multiple crises, and renewed tensions over implementation of its reform program can be expected. Additionally, the Brexit process engenders a downside risk that continues to loom over both the U.K. and the rest of the European union.

On the other hand, China's economy is undergoing unprecedented and profound changes. Even with the global economic slowdown of 2016, China's economy continued to grow. In the first three quarters of 2016, the Chinese economy grew by 6.7% year-on-year, and its per capita disposable income registered a growth of 6.3 %. In the first 11 months of the year, China created 12.49 million new jobs in cities and townships and lifted more than 10 million people out of poverty. In recent times, China's infrastructure has seen remarkable development, such as the railway extension to the Qinghai-Tibet Plateau, the building of a comprehensive highway network throughout the country, the construction of the Three Gorges Dam and multiple ports that better connect the country with the ocean. Furthermore, the "innovative, coordinated, green, open and shared" development concepts put forward by President Xi are an indication of the country's further development in the years to come. As for global factors, the evolving Sino-American relationship will most definitely impact key industries from energy to technology in the years to come. Political events such as the Trump presidency and China's upcoming 19th Party Congress will also have implications for the Chinese economy.

In the past year, we have witnessed Hong Kong stock market take a plunge in early 2016 along with the A shares due to the "Circuit Breaker" measures. Later on, we witnessed a rally lasting for seven months beginning in February. During the period, HSI and HSCEI broke the 24,000 and 10,000 levels respectively. While the Shenzhen-HK Stock Connect commenced in late 2016 did no help to boost the local sentiments, the HK stock market was impacted by the tightening regulation on aggressive insurers in China. On the other hand, major indices in the U.S. all rose to their record highs following the Trump presidency, and the Federal Reserve raised the federal funds rate in December. With so many unpredictable factors, we believe the key to success is in managing risk successfully through diversification and due diligence. In 2017, we will continue our creative yet careful approach to new investments and portfolio management – we will explore new potential areas of investment while exercising due caution where necessary.

Apart from trading of securities, the Management will continue to work together with Hua Yu to increase shareholder's returns, by exploring various sectors and regions with the aim of finding additional favorable investments that are undervalued and have sustainable income streams.

Financial Review

Financial Resources and Liquidity

As at 31 December 2016, the total equity of the Group amounted to approximately HK\$166.37 million (31 December 2015: HK\$151.36 million).

As at 31 December 2016, the Group maintained a cash position, bank balances and cash amounting to approximately HK\$13.16 million (31 December 2015: HK\$69.29 million).

The Group's net financial asset investments of approximately HK\$150.15 million as at 31 December 2016 (31 December 2015: HK\$76.24 million).

Gearing Ratio

The Group's total borrowings comprising the accounts payable and accruals, amounted to approximately HK\$3.63 million as at 31 December 2016 (31 December 2015: HK\$1.21 million).

The Group's gearing ratio calculated on the basis of total borrowings over the shareholders' equity of the Company was approximately 2.18% as at 31 December 2016 (31 December 2015: 0.8%).

Final Dividend

The Board has resolved not to recommend any payment of final dividend for the year ended 31 December 2016 (2015: Nil).

Capital Structure

There was no change to the Group's capital structure for the year ended 31 December 2016.

In 2015, the authorized share capital has been increased from HK\$20,000,000 divided into 2,000,000,000 Shares of HK\$0.01 each to HK\$40,000,000 divided into 4,000,000,000 Shares of HK\$0.01 each, which has been approved by the shareholder of the Company at the annual general meeting held on 19 June 2015.

Capital Commitment and Contingent Liabilities

As at 31 December 2016, the Group has capital commitment of approximately HK\$10 million (2015: HK\$4.2 million) for long term equity investment and no contingent liabilities.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group's assets and liabilities are mainly denominated in Hong Kong Dollars. Exposure to foreign currency exchange rates arises out of the Group's oversea investment, Thai Baht. The Group at present does not have any contracts to hedge against its foreign exchange risks.

Share Options

The Company has not adopted any share option scheme.

Employees and Remuneration Policies

As at 31 December 2016, the Group employed a total of 5 employees (2015: 5) including the executive directors of the Company. The remuneration packages consist of basic salary, mandatory provident fund, medical insurance, and other benefits considered as appropriate. Remuneration packages are generally structured by reference to market terms, individual qualification and performance. They are under periodic review based on individual merit and other market factors.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries for the year ended 31 December 2016.

CORPORATE GOVERNANCE CODE COMPLIANCE

The Board has applied the principles and complied with the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange") for the year ended 31 December 2016, save and except for the deviations of the following:

Code provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should attend general meeting and develop a balanced understanding of the views of shareholders. Two independent non-executive directors were unable to attend the annual general meeting ("AGM") of the Company held on 17 June 2016 due to their other business engagements.

Apart from the above-mentioned deviations, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting those in the code provision. The practice of the corporate governance of the Company will be reviewed and updated from time to time in order to comply with the requirement of the Listing Rules.

AUDIT COMMITTEE

The Company has established an audit committee according to "A Guide for the Effective Audit Committees" published by the Hong Kong Institute of Certified Public Accountants. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. The Audit Committee had also reviewed the annual results of the Group for the year ended 31 December 2016 in conjunction with the Company's external auditors.

The figures in respect of the preliminary announcement of the Group's result for the year ended 31 December 2016 have been agreed by the Group's auditors, Li, Tang, Chen & Co, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Li, Tang, Chen & Co in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong

Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Li, Tang, Chen & Co on the preliminary announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all Directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the period.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, the percentage of the Company's shares which are in the hands of the public exceeds 25% of the Company's total number of issued shares.

PUBLICATION OF THE FINAL RESULT AND ANNUAL REPORT

The results announcement is published on the Stock Exchange's website (<http://www.hkex.com.hk>) and the Company's website (<http://www.dt-capitalhk.com>) under sections of "Annual/Interim Report" and "Announcements". The 2016 annual report will be dispatched to the shareholders and will be available on websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Board, I would like to take this opportunity to express its appreciation to the staff and management team of the Group for their contribution in 2016 and would like to give my sincere gratitude to the shareholders for their continued support.

By Order of the Board
DT Capital Limited
Chan Pui Kwan
Chairman

Hong Kong, 24 March 2017

As at the date of this announcement, the Board comprises Mr. Leung King Yue, Alex, Mr. Leong Chi Wai and Mr. Lewis Chan as Executive Directors; Ms. Chan Pui Kwan and Mr. Ma Chun Fai as Non-executive Directors; Mr. Kwok Ming Fai, Mr. Lo Chi Ming and Mr. Jochum Siebren Haakma as Independent Non-executive Directors.