



DT CAPITAL



DT CAPITAL LIMITED  
鼎立資本有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 356

2018  
Interim Report

# CORPORATE INFORMATION

## Board of Directors

### Executive Directors

Mr. Leung King Yue, Alex  
Mr. Leong Chi Wai  
Mr. Lewis Chan

### Non-executive Directors

Ms. Chan Pui Kwan (*Chairman*)  
Ms. Li Peng (appointed on 9 January, 2018)

### Independent non-executive Directors

Mr. Kwok Ming Fai  
Mr. Lo Chi Ming  
Mr. Jochum Siebren Haakma

## Audit Committee

Mr. Kwok Ming Fai  
(*Chairman of Audit Committee*)  
Mr. Lo Chi Ming  
Mr. Jochum Siebren Haakma

## Remuneration Committee

Mr. Kwok Ming Fai  
(*Chairman of Remuneration Committee*)  
Mr. Leung King Yue, Alex  
Mr. Lo Chi Ming  
Mr. Jochum Siebren Haakma

## Nomination Committee

Mr. Lo Chi Ming  
(*Chairman of Nomination Committee*)  
Mr. Leung King Yue, Alex  
Mr. Kwok Ming Fai  
Mr. Jochum Siebren Haakma

## Company Secretary

Mr. Lee Tak Shing

## Authorized Representatives

Ms. Chan Pui Kwan  
Mr. Lee Tak Shing

## Auditors

Li, Tang, Chen & Co

## Principal Bankers

DBS Bank (Hong Kong) Limited  
Industrial and Commercial Bank of China  
(Asia) Limited  
Luso International Banking Limited

## CORPORATE INFORMATION (CONTINUED)

### **Registered Office**

Cricket Square  
Hutchins Drive, P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### **Head Office and Principal Place of Business**

Unit D 6/F Eton Building  
288 Des Voeux Road Central  
Hong Kong

### **Principal Registrar**

SMP Partners (Cayman) Limited  
Royal Bank House, 3rd Floor  
24 Shedden Road  
P.O. Box 1586  
Grand Cayman KY1-1110  
Cayman Islands

### **Hong Kong Branch Share Registrar**

Tricor Secretaries Limited  
Level 22  
Hopewell Centre  
183 Queen's Road East  
Hong Kong

### **Stock Code**

356

## **Interim Report and Condensed Accounts**

The board (the “Board”) of directors (the “Directors”) of DT Capital Limited (the “Company”) hereby presents the interim report and unaudited condensed consolidated accounts of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2018. The interim report had been reviewed by the audit committee of the Company and approved by the Board.

## **Review of Report**

For the six months ended 30 June 2018, the Group recorded a net loss attributable to shareholders of HK\$13,482,716 (2017: profit HK\$14,296,381) and loss per share of HK\$0.59 cents (2017: profit per share of HK\$0.75 cents).

## **Interim Dividend**

The Board has resolved not to pay any interim dividend for the period ended 30 June 2018 (2017: HK\$Nil).

## **Management Discussion and Analysis**

### **Business Review**

Compared with the corresponding period of the last year, the net loss was mainly caused by increasing unrealized loss on financial assets at fair value through profit or loss of approximately HK\$11.64 million (2017: unrealized gain HK\$11.9 million).

Owing to the fluctuated stock market since February 2018, the Company incurred unrealized loss but it would not have any material impact on the Company given that it consists only approximately 5.7% of the Company net assets, and such loss is not yet realised and the value of such investment will change from time to time in light of the fluctuation of the stock market. The Board and investment manager will closely monitor the stock market situation and the Company’s business.

There was no new investment plan for the six months ended 30 June 2018, and the Company has fully disposed of two investment projects since January 2018.

## Prospects

While global economic performance became fluctuation since the start of 2018, we remain cautious of possible risks of decline due to uneven economic growth and geopolitical tensions.

In the US, the new tax bill will probably boost GDP growth but US initiated the trade war with China, EU and other countries and US dollar has appreciated in recent months, as such there was increasing uncertainty in the US economy that could make it more fragile and fluctuate.

In the EU, the Brexit and trade war with US contributed to increasing uncertainty on the EU's prospects. The overall impact on the European economy is likely be felt for a long time in the markets.

As for China, US initiated the trade war with China, there was increasing pressure on the Chinese economy. The Chinese yuan has depreciated in recent month and we expected the Chinese yuan to remain under pressure in near future. Chinese economy is likely to experience a mild slowdown in the second half of the year as financial market risks become obvious and demand is expected to decline.

According to the latest "World Economic Outlook Update" published by IMF, global economic activity is projected to reach 3.9 percent in 2018 and 2019 but the expansion is becoming less even, and risks to the outlook are mounting.

With the above in mind, we will continue to seek out investment opportunities with long-term prospects to enrich our investment portfolio. As always, we will maintain our pragmatic approach to maximize returns to shareholders while minimizing losses.

## **Financial Review**

### **Financial Resources and Liquidity**

The Group maintained a cash position, bank balance and cash amounting to approximately HK\$60.55 million as at 30 June 2018 (31 December 2017: HK\$41.59 million).

The Group's total borrowings comprising other payables and accruals, amounted to approximately HK\$0.9 million as at 30 June 2018 (31 December 2017: HK\$2.62 million).

As at 30 June 2018, the Group's gearing ratio was approximately 0.45% (31 December 2017: 1.22%).

The Group had net financial asset investments and interest in associate of approximately in total of HK\$142.11 million as at 30 June 2018 (31 December 2017: HK\$136.53 million).

### **Capital structure**

There has been no change to the capital structure of the Company since 1 January 2018.

### **Material acquisitions and disposals of subsidiaries**

The Group has not made any material acquisition or disposal of subsidiaries during the period ended 30 June 2018 (2017: Nil).

### **Capital commitment and contingent liabilities**

As at 30 June 2018, the Group has capital commitment of HK\$7 million (2017: HK\$7 million) for long term equity investment and no contingent liabilities were noted by the Directors.

### **Share options**

The Company has not adopted any share option scheme.

## **Employment and Remuneration Policies**

As at 30 June 2018, the Group employed a total of 6 employees (2017: 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.

## **Staff Cost**

The Group's total staff costs for the period under review amounted to HK\$1,444,180 (2017: HK\$1,269,120).

## **Exposure to Fluctuations in Exchange Rates and Related Hedges**

The Group's assets and liabilities are majority 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.

## **Purchase, Sale or Redemption of Securities**

During the period under review, the Company has not redeemed any of its securities and neither the Company nor any of its subsidiaries has purchased or sold any of the Company's securities.

## Directors' Interests in Securities

As at 30 June, 2018, the interests and short positions of the directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "SEHK") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the directors and the chief executive of the Company were deemed or taken to have under such provisions of the SFO) or which were required to be and were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") in the Listing Rules were as follows:

### Long position in shares of the Company

Name of Director	Number of shares				Total	Percentage of issued share capital
	Personal interests	Family interests (interest of spouse)	Corporate interests	Other interests (interest in controlled corporation)		
Leung King Yue, Alex (Note 1)	—	—	960,500,000	—	960,500,000	42.13%
Chan Pui Kwan (Note 2)	—	—	—	254,500,000	254,500,000 (Note 2)	11.16%



*Notes:*

1. As at 30 June 2018, Mr. Leung King Yue, Alex, through his 100% equity interest in Hugo Lucky Limited held 960,500,000 shares of the Company, representing approximately 42.13% of the entire issued share capital of the Company. Mr. Leung King Yue, Alex was appointed as Director with effect from 7 July 2014.
2. Fame Image Limited is beneficially and ultimately owned as to 70% by Ms. Chan Pui Kwan and 30% by Mr. Wu Weihong, Tony.

As at 30 June 2018, Ms. Chan Pui Kwan, is interested in 70% of the share capital of Fame Image Limited, which in turn owned 50% of the share capital of Sharp Years Limited, which in turn is holding 254,500,000 shares of the Company. Accordingly, she is deemed to be interested in 254,500,000 shares of the Company, representing approximately 11.16% of the entire issued share capital of the Company. Ms. Chan Pui Kwan was appointed as Director with effect from 7 July 2014.

Save as disclosed above as at 30 June 2018, none of the Directors or the chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares of equity derivatives or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## Substantial Shareholders' Interests in Securities

As at 30 June 2018, the following persons or corporations, other than the interest disclosed above in respect of the Directors, interest in 5% or more in the shares and underlying shares of the Company have been notified to the Company and recorded in the register of substantial shareholders' interests in shares and short positions required to be kept under Section 336 of Part XV of the SFO:

### Long positions in Shares of the Company

<b>Name of shareholders</b>	<b>Number of issued ordinary shares held</b>	<b>Approximate percentage of total issued ordinary shares</b>
Hugo Lucky Limited <i>(Note 1)</i>	960,500,000	42.13%
Vibrant Noble Limited <i>(Note 2)</i>	379,900,000	16.67%
Sharp Years Limited <i>(Note 3)</i>	254,500,000	11.16%
Long Surplus International Limited <i>(Note 3)</i>	254,500,000	11.16%
Fame Image Limited <i>(Note 3)</i>	254,500,000	11.16%
Ho Hoi Yee, Wisery <i>(Note 3)</i>	254,500,000	11.16%
Lai Tsui Har <i>(Note 3)</i>	254,500,000	11.16%
Wu Weihong, Tony <i>(Note 3)</i>	254,500,000	11.16%

Notes:

1. Hugo Lucky Limited is wholly owned by Mr. Leung King Yue, Alex, an executive Director.
2. Vibrant Noble Limited is wholly owned by Mr. Qian Jun.
3. Sharp Years Limited is owned as to 50% by Long Surplus International Limited and 50% by Fame Image Limited respectively. Long Surplus International Limited is beneficially and ultimately owned as to 66.67% by Ms. Ho Hoi Yee, Wisery and 33.33% by Ms. Lai Tsui Har. Fame Image Limited is beneficially and ultimately owned as to 70% by Ms. Chan Pui Kwan, a non-executive Director and 30% by Mr. Wu Weihong, Tony.

Save as disclosed above, the Directors are not aware of any other persons who have interests or short positions in the shares, underlying shares of equity derivatives or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be disclosed to the Company pursuant to Part XV of the SFO as at 30 June 2018.

## Public Float

Based on the information that is publicly available to the Company and within the knowledge of its directors, as at the date of this report, there is sufficient public float of more than 25% of the issued share capital of the Company as required under the Listing Rules.

## Directors' Interests in Transaction, Arrangement, Contracts and Competing Business

Mr. Leong Chi Wai ("Mr. Leong"), an executive Director, informed the Board in August 2018 that he has acquired the entire issued share capital in a private company incorporated in the British Virgin Islands, which in turn holds approximately 18% of the issued share capital of UBA Investments Limited, a company incorporated in the Cayman Islands and the issued shares of which are listed on the Main Board of the Stock Exchange under Chapter 21 of the Listing Rules (stock code: 768). Mr. Leong confirmed that he was a passive investor and save for the abovementioned investment in the issued share capital, he has no directorship or any management position in the said listed company and there will be no impact on the discharge of his director's duties for the Company. The Board considers that there will not have any negative impact on the daily operation of the Group and there is no actual competition with the business of the Company.

Save for the above and note 17, none of the Directors is interested in any business apart from the Group's interests, which competes or is likely to compete, either directly or indirectly with the Group's business.

## **Corporate Governance**

The Board has established procedures on corporate governance that comply with the requirements of the Corporate Governance Code (the “CG Code”) contained in Appendix 14 of the Listing Rules. The Board has reviewed and taken measures to adopt the CG Code as the Company’s code of corporate governance practices. During the six months ended 30 June 2018, the Company has complied with the code provisions under the CG Code.

## **Audit Committee**

The Company has established an audit committee in accordance with Rule 3.21 of the Listing Rules, for the purpose of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The audit committee of the Company has reviewed the interim report for the period ended 30 June 2018.

## **Model Code for Securities Transactions by Directors**

The Company has complied with the code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in the Model Code. Having made specific enquiry with all Directors, they confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transaction by the Directors adopted by the Company.

## **Publication of Interim Report**

This interim report is published on HKExnews website at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.dt-capitalhk.com](http://www.dt-capitalhk.com). The Company’s 2017/18 interim report will be made available on the websites of the Stock Exchange and will be despatched to the shareholders of the Company in due course.

## Appreciation

On behalf of 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 and would like to give my sincere gratitude to the shareholders for their continued support.

By order of the Board

**Chan Pui Kwan**

*Chairman*

Hong Kong, 24 August 2018

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

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2018

	Note	Six months ended 30 June 2018 (Unaudited) HK\$	Six months ended 30 June 2017 (Unaudited) HK\$
Gross proceeds from disposal of securities		<b>37,370,903</b>	19,493,122
Revenue	4	<b>(9,917,917)</b>	13,024,960
Other revenue	5	<b>599,378</b>	5,005,581
Administrative and other operating expenses		<b>(4,265,083)</b>	(3,184,253)
Share of result of an associate		<b>100,906</b>	(549,907)
(Loss)/Profit before taxation	7	<b>(13,482,716)</b>	14,296,381
Taxation	8	—	—
(Loss)/Profit for the period attributable to equity holder of the Company		<b>(13,482,716)</b>	14,296,381
Other comprehensive income/(loss) for the period			
Items that may be reclassified subsequent to profit or loss:			
Fair value change on available-for-sale financial assets — net movement in investment valuation reserve (recycling)		—	541,148
Reclassification adjustments transfer to profit or loss			
— release upon disposal of available-for-sale financial assets		—	(829,600)
		—	(288,452)
Items that will not be reclassified subsequent to profit or loss:			
Equity investment at fair value through other comprehensive income — net movement in investment valuation reserves (non-recycling)		<b>762,283</b>	—
Total comprehensive (loss)/income for the period attributable to equity holders of the Company		<b>(12,720,433)</b>	14,007,929
(Loss)/Profit per share	9	<b>(0.59) cents</b>	0.75 cents
Interim dividend	10	<b>Nil</b>	Nil

The notes on pages 17 to 40 form part of this interim report.

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	<i>Note</i>	<b>30 June 2018 (Unaudited) HK\$</b>	31 December 2017 (Audited) HK\$
<b>Non-current assets</b>			
Property, plant and equipment		<b>105,587</b>	130,554
Interest in associate	11	<b>10,431,373</b>	10,448,102
Available-for-sale financial assets	12	—	31,378,487
Financial assets at fair value through other comprehensive income	12	<b>17,410,028</b>	—
		<b>27,946,988</b>	41,957,143
<b>Current assets</b>			
Available-for-sale financial assets	12	—	8,000,000
Financial assets at fair value through profit or loss	13	<b>114,264,913</b>	86,700,030
Prepayments, deposits and other receivables		<b>1,097,046</b>	40,468,809
Bank balances and cash		<b>60,552,477</b>	41,589,932
		<b>175,914,436</b>	176,758,771
<b>Current liabilities</b>			
Other payables and accruals	14	<b>904,540</b>	2,625,508
		<b>904,540</b>	2,625,508
<b>Net current assets</b>		<b>175,009,896</b>	174,133,263
<b>Net assets</b>		<b>202,956,884</b>	216,090,406
<b>Capital and reserves</b>			
Share capital	15	<b>22,794,000</b>	22,794,000
Reserves		<b>180,162,884</b>	193,296,406
<b>Shareholders' funds</b>		<b>202,956,884</b>	216,090,406

The notes on pages 17 to 40 form part of this interim report.

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2018

	For the six months ended 30 June 2017 (Unaudited)					
	Share capital HK\$	Share premium HK\$	Investment valuation reserve (recycling) HK\$	Investment valuation reserve (non-recycling) HK\$	Accumulated losses HK\$	Total HK\$
Balance at 1 January 2017	18,995,000	231,014,560	9,801,462	—	(93,445,002)	166,366,020
Profit for the period	—	—	—	—	14,296,381	14,296,381
Other comprehensive income for the period	—	—	(288,452)	—	—	(288,452)
Total comprehensive (loss)/ income attributable to equity holders of the Company	—	—	(288,452)	—	14,296,381	14,007,929
At 30 June 2017	18,995,000	231,014,560	9,513,010	—	(79,148,621)	180,373,949

	For the six months ended 30 June 2018 (Unaudited)					
	Share capital HK\$	Share premium HK\$	Investment valuation reserve (recycling) HK\$	Investment valuation reserve (non-recycling) HK\$	Accumulated losses HK\$	Total HK\$
Balance at 31 December 2017	22,794,000	262,926,160	15,780,167	—	(85,409,921)	216,090,406
Impact on initial application of HKFRS 9	—	—	(15,780,167)	4,330,386	11,036,692	(413,089)
Adjusted balance at 1 January 2018	22,794,000	262,926,160	—	4,330,386	(74,373,229)	215,677,317
Loss for the period	—	—	—	—	(13,482,716)	(13,482,716)
Other comprehensive income for the period	—	—	—	762,283	—	762,283
Total comprehensive income/(loss) attributable to equity holders of the Company	—	—	—	762,283	(13,482,716)	(12,720,433)
At 30 June 2018	22,794,000	262,926,160	—	5,092,669	(87,855,945)	202,956,884

The notes on pages 17 to 40 form part of this interim report.



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2018

	<b>Six months ended 30 June 2018 (Unaudited) HK\$</b>	Six months ended 30 June 2017 (Unaudited) HK\$
<b>Net cash generated/(used in) from operating activities</b>	<b>18,962,545</b>	(9,023,637)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Disposal of available-for-sale financial assets	—	1,688,275
<b>Net cash generated from investing activities</b>	—	1,688,275
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>18,962,545</b>	(7,335,362)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>41,589,932</b>	13,164,109
<b>Cash and cash equivalents at the end of the period</b>	<b>60,552,477</b>	5,828,747
<b>Analysis of the balances of cash and cash equivalents</b>		
Cash at bank and in hand	<b>50,388,241</b>	5,828,747
Deposits with bank	<b>10,164,236</b>	—
Cash and Cash equivalents in the statement of financial position and the statement of cash flows	<b>60,552,477</b>	5,828,747

The notes on pages 17 to 40 form part of this interim report.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2018

## 1. Basis of Preparation

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

## 2. Principal Accounting Policies

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis, except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, which are measured at fair values, and financial assets at amortised cost, which is measured at amortised cost as appropriate.

The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 June 2018 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2017 except for the accounting policy changes that are expected to be reflected in the 2018 annual financial statements. Details of any changes in accounting policies are set out in note 3.

## 3. Changes in Accounting Policies

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the Group has been impacted by HKFRS9 in relation to classification and measurement of financial assets. Details of the changes in accounting policies are discussed below.

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

### 3. Changes in Accounting Policies (Continued)

HKFRS 9 replaces the provisions of HKAS 39 that related to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments and impairment of financial assets.

The Group has applied HKFRS 9 retrospectively to items that existed at 1 January 2018 in accordance with the transition requirements. The Group has recognized the cumulative effect of initial application as an adjustment to the opening equity at 1 January 2018. Therefore, comparative information continues to be reported under HKAS 39.

#### Classification and measurement

On 1 January 2018, the Group's management has classified its financial instruments into the appropriate HKFRS 9 categories. There is no significant impact on the classification and measurement of the available-for-sale financial assets ("AFS") elected to be classified as financial assets at amortised cost and fair value through other comprehensive income ("FVOCI") which is stated at fair value before. However, gains or loss realized on the sale of financial assets at FVOCI will no longer be transferred to profit or loss on sale, but instead reclassified below the line from the investment valuation reserve (non-recycling) to retained earnings. Equity investments classified as AFS and stated at cost before are elected to be classified as FVOCI and remeasured at fair value. With respect to the Group's financial assets reclassified as financial assets at fair value through profit or loss ("FVTPL"), any fair value change is recognised in profit or loss as it arises.

### 3. Changes in Accounting Policies (Continued)

#### Classification and measurement *(Continued)*

The main effects resulting from this reclassification and remeasurement are as follows:

#### *Financial assets — 1 January 2018*

	Note	Amortised			
		AFS HK\$ (Unaudited)	Cost HK\$ (Unaudited)	FVTPL HK\$ (Unaudited)	FVOCI HK\$ (Unaudited)
Opening balance 1 January 2018 — HKAS 39		39,378,487	—	86,700,030	—
Reclassify listed equity from AFS to FVTPL	(a)	(14,317,652)	—	14,317,652	—
Reclassify non-trading listed equity from AFS to FVOCI	(b)	(8,174,925)	—	—	8,174,925
Reclassify and remeasure non- trading unlisted equity from AFS to FVOCI	(b)	(8,885,910)	—	—	8,472,821
Reclassify unlisted debt security from AFS to Amortised Cost	(c)	(5,000,000)	5,000,000	—	—
Reclassify unlisted debt security from AFS to FVTPL	(d)	(3,000,000)	—	3,000,000	—
Opening balance 1 January 2018 — HKFRS 9		—	5,000,000	104,017,682	16,647,746

### 3. Changes in Accounting Policies (Continued)

#### Classification and measurement (Continued)

The impact of these changes on the Group's equity is as follows:

		Effect on investment valuation reserve (recycling) HK\$ (Unaudited)	Effect on investment valuation reserve(non- recycling) HK\$ (Unaudited)	Effect on accumulated loss HK\$ (Unaudited)
	Note			
Opening balance 1 January 2018 — HKAS 39		15,780,167	—	(85,409,921)
Reclassify listed equity from AFS to FVTPL	(a)	(11,036,692)	—	11,036,692
Reclassify non-trading listed equity from AFS to FVOCI	(b)	(4,743,475)	4,743,475	—
Revalue the unlisted equity reclassified from AFS to FVOCI	(b)	—	(413,089)	—
Opening balance 1 January 2018 — HKFRS 9		—	4,330,386	(74,373,229)

Notes:

#### (a) Reclassification of a listed equity investment from AFS to FVTPL

The Group's investment in certain listed share was reclassified from AFS to FVTPL (HK\$14,317,652 as at 1 January 2018). This listed share was classified to trading listed equity under the business model. This listed share with a fair value of HK\$14,317,652 was reclassified from AFS to FVTPL and related fair value gain of HK\$11,036,692 was reclassified from the investment valuation reserve (recycling) to the accumulated loss on 1 January 2018.

### 3. Changes in Accounting Policies (Continued)

#### Classification and measurement *(Continued)*

Notes: *(Continued)*

##### **(b) Remaining equity investments previously classified as AFS**

The Group elected to present in other comprehensive income changes in the fair value of all its remaining equity investments previously classified as AFS because such investment is held as long-term strategic investment that is not expected to be sold in the short to medium term. As a result, a listed equity investment with fair value of HK\$8,174,925 was reclassified from AFS to FVOCI and total fair value gain of HK\$4,743,475 was reclassified from the investment valuation reserve (recycling) to the investment valuation reserve (non-recycling) on 1 January 2018.

And unlisted equity investments with cost of HK\$8,885,910 was reclassified from AFS to FVOCI and remeasured at fair value of HK\$8,472,821 with fair value loss of HK\$413,089 adjusted to investment valuation reserve (non-recycling).

##### **(c) Reclassification from AFS to Amortised cost**

An unlisted debt security is held for the collection of contractual cash flows which represent solely payments of principal and interest. The debt security at cost of HK\$5,000,000 was reclassified from AFS to amortised cost.

##### **(d) Remaining debt security previously classified as AFS**

The Group's investment in another unlisted debt securities was reclassified from AFS to FVTPL (HK\$3,000,000 as at 1 January 2018). They do not meet the criteria to be classified as FVOCI or amortised cost. This unlisted debt securities with fair value of HK\$3,000,000 was reclassified from AFS to FVTPL with no fair value gain/loss.

#### Impairment of financial assets

The Group is required to revise its impairment methodology under HKFRS 9 for each classes of assets. The provision for doubtful debts for these financial assets is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
For the six months ended 30 June 2018

#### 4. Revenue

	<b>Six Months ended 30 June 2018 (Unaudited) HK\$</b>	Six Months ended 30 June 2017 (Unaudited) HK\$
Net realized and unrealized (loss)/gain on financial assets at fair value through profit or loss	<b>(10,439,983)</b>	12,992,890
Dividend income from listed equity securities	<b>522,066</b>	32,070
	<b>(9,917,917)</b>	13,024,960

The principal activities of the Group are investments in securities listed on the Stock Exchange and unlisted securities with a potential growth and capital appreciation.

No analysis of the Group's revenue and contribution to operating profit for the current and prior period 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
For the six months ended 30 June 2018

## 5. Other Revenue

	<b>Six Months ended 30 June 2018 (Unaudited) HK\$</b>	Six Months ended 30 June 2017 (Unaudited) HK\$
Other Revenue		
Net realized gain on AFS	—	1,063,635
Interest income	<b>599,378</b>	3,813,336
Other Income	—	128,610
	<b>599,378</b>	5,005,581

## 6. Finance Costs

There were no interest expenses for the six months ended 30 June 2017 and 30 June 2018.



## 7. (Loss)/Profit Before Taxation

	<b>Six months ended 30 June 2018 (Unaudited) HK\$</b>	Six months ended 30 June 2017 (Unaudited) HK\$
(Loss)/profit before taxation is stated after charging the following:		
Depreciation	<b>24,967</b>	24,967
Investment management fee	<b>1,546,052</b>	1,292,154
Rental charges under operating leases in respect of rented premises	<b>104,446</b>	116,335
Staff costs, including directors' emoluments	<b>1,444,180</b>	1,269,120

## 8. Taxation

No provision for Hong Kong profits tax has been made as the tax losses brought forward from prior years exceeded the estimated assessable profits of the Group for the period ended 30 June 2017 and 30 June 2018.

## 9. (Loss)/Profit Per Share

The calculation of the loss per share for the six months ended 30 June 2018 is based on the Group's loss attributable to the equity holders of HK\$13,482,716 and the weighted average number of 2,279,400,000 ordinary shares in issue during the period. Profit per share for the six months ended 30 June 2017 is based on the Group's profit attributable to equity holders of HK\$14,296,381 and the weighted average number of 1,899,500,000 ordinary shares in issue during the prior period.

No diluted earnings per share is presented since the Group did not issue any dilutive potential ordinary shares during both periods presented.

## 10. Dividend

The Directors do not recommend the payment of any interim dividend for both periods.  
(2017: HK\$Nil)

## 11. Interest in an Associate

	<b>30 June 2018 (Unaudited) HK\$</b>	31 December 2017 (Audited) HK\$
Unlisted investments, at cost	<b>5</b>	5
Share of post-acquisition profits	<b>1,013,141</b>	912,235
	<b>1,013,146</b>	912,240
Amount due from an associate	<b>9,418,227</b>	9,535,862
	<b>10,431,373</b>	10,448,102

The amount due from an associate denominated in a currency other than the Group's functional currency, Hong Kong dollars:

	<b>30 June 2018</b>	31 December 2017
Thai Baht	<b>THB39,211,926</b>	THB39,211,926

The amount is unsecured, interest-free and repayable upon resolution of the directors of the associate. No imputation of interests has been accrued on the balance due to the related party nature of this instruments.

## 12. Financial assets at fair value through other comprehensive income/Available-for-sale Financial Assets

	<b>30 June 2018 (Unaudited) HK\$</b>	31 December 2017 (Audited) HK\$
Equity securities designated at FVOCI		
— Unlisted equity securities	<b>7,247,715</b>	—
— Listed equity securities in Hong Kong	<b>8,752,950</b>	—
— Capital contribution	<b>3,409,363</b>	—
	<b>19,410,028</b>	—
Available-for-sale financial assets		
— Capital contribution, at cost	—	4,219,243
— Unlisted equity securities, at cost	—	6,666,667
— Unlisted debt securities, at cost	—	8,000,000
— Listed equity securities in Hong Kong, at fair value	—	22,492,577
	—	41,378,487
	<b>19,410,028</b>	41,378,487
Less: provision for impairment loss	<b>(2,000,000)</b>	(2,000,000)
	<b>17,410,028</b>	39,378,487
Less: Amount not matured within 12 months	<b>(17,410,028)</b>	(31,378,487)
Amount included under current assets	—	8,000,000

## 12. Financial assets at fair value through other comprehensive income/Available-for-sale Financial Assets (Continued)

### a) Details of Financial assets at fair value through other comprehensive income/Available-for-sale Financial Assets

	<b>30 June 2018 (Unaudited) HK\$</b>	31 December 2017 (Audited) HK\$
<u>Name of investee</u>		
<b>Unlisted debt securities</b>		
Yi Hua Holdings Limited (note 1)	—	5,000,000
Star League Investments Limited (note 2)	—	3,000,000
	—	8,000,000
<b>Unlisted equity securities</b>		
Diamond Motto Limited	<b>5,247,715</b>	4,666,667
<b>Listed equity securities in Hong Kong</b>		
Gemilang International Limited (note 3)	—	14,317,652
Kwong Man Kee Group Limited	<b>8,752,950</b>	8,174,925
	<b>8,752,950</b>	22,492,577
<b>Capital contribution</b>		
廣州市金洋水產養殖有限公司	<b>3,409,363</b>	4,219,243
	<b>17,410,028</b>	39,378,487

Note 1: Unlisted debt security is reclassified to financial assets at amortised cost upon adoption of HKFRS 9.

Note 2: Unlisted debt security is reclassified to financial assets at fair value through profit or loss upon adoption of HKFRS 9.

Note 3: The listed security is reclassified to financial assets at fair value through profit or loss upon adoption of HKFRS 9.

## 12. Financial assets at fair value through other comprehensive income/Available-for-sale Financial Assets (Continued)

### Particulars of major unlisted financial assets at fair value through other comprehensive income/available-for-sale financial assets

*i) Capital contribution*

**廣州市金洋水產養殖有限公司(“金洋水產”)**

金洋水產 is incorporated in The People’s Republic of China and is principally engaged in business of aquacultural and feed production during the period.

The Group holds 1.6% interest in 金洋水產. No dividend was received since January 2018.

*ii) Unlisted equity securities*

**Diamond Motto Limited (“Diamond Motto”)**

Diamond Motto is incorporated in the British Virgin Islands and was principally engaged in business of investment holding during the period.

The Group holds 50 shares in Diamond Motto, representing 16.67% interest in the issued share capital of Diamond Motto. No dividend was received since January 2018.

### 13. Financial Assets at Fair Value through Profit or Loss

	<b>30 June 2018 (Unaudited) HK\$</b>	31 December 2017 (Audited) HK\$
Unlisted convertible debt securities, at fair value	—	5,250,000
Unlisted debt securities, at fair value	<b>3,000,000</b>	—
Equity securities listed in Hong Kong, at fair values	<b>111,264,913</b>	81,450,030
	<b>114,264,913</b>	86,700,030

#### a) Detail of Financial Assets at Fair Value Through Profit or Loss

Name of investee	<b>30 June 2018 (Unaudited)</b>		31 December 2017 (Audited)	
	Holding Shares	HK\$	Holding Shares	HK\$
<b>Unlisted convertible debt securities, at fair value</b>				
Toyoplas Investments Limited		—		5,250,000
<b>Unlisted debt securities, at fair value</b>				
Star league Investments Limited		<b>3,000,000</b>		—
		<b>3,000,000</b>		5,250,000

### 13. Financial Assets at Fair Value through Profit or Loss (Continued)

**a) Detail of Financial Assets at Fair Value Through Profit or Loss**  
(Continued)

	30 June 2018 (Unaudited)		31 December 2017 (Audited)	
	Holding Shares	HK\$	Holding Shares	HK\$
<b>Equity securities listed in Hong Kong, at fair value</b>				
UBA Investments Limited	4,172,000	354,620	4,172,000	500,640
Upbest Group Limited	31,776,000	34,000,320	21,984,000	25,061,760
Ausupreme International Holdings Limited	7,100,000	2,733,500	10,060,000	4,124,600
Gemilang International Limited	6,599,250	15,904,193	1,040,000	2,922,400
Kwong Man Kee Group Limited	12,570,000	6,662,100	13,308,000	6,587,460
Tech Pro Technology Development Limited	15,000,000	1,020,000	15,000,000	1,020,000
PCCW Limited	220,000	972,400	160,000	726,400
Cathay Pacific Airways Limited	30,000	370,200	20,000	242,400
Yi Hua Holdings Limited	25,586,000	25,074,280	14,500,000	20,445,000
I-Control Holdings Limited	20,100,000	4,964,700	19,940,000	7,577,200
Bank of Communication Company Limited	1,150,000	6,911,500	390,000	2,262,000
China Literature Limited	1,000	73,700	1,000	83,350
Great Eagle Holdings Limited	18,000	689,400	10,000	409,500
Power Assets Holdings Limited	36,000	1,974,600	15,000	989,250
Chi Ho Development Holdings Limited	1,540,000	4,050,200	2,910,000	4,772,400
Hong Kong Exchange and Clearing Limited	4,000	944,000	—	—
Kwoon Chung Bus Holdings Limited	12,000	51,600	—	—
MTR Corporation Limited	104,000	4,513,600	—	—

### 13. Financial Assets at Fair Value through Profit or Loss (Continued)

**a) Detail of Financial Assets at Fair Value Through Profit or Loss**  
(Continued)

	30 June 2018 (Unaudited)		31 December 2017 (Audited)	
	Holding Shares	HK\$	Holding Shares	HK\$
China Construction Bank Corporation Limited	—	—	20,000	144,000
China Mobile Limited	—	—	15,000	1,188,750
Standard Chartered Plc	—	—	26,100	2,119,320
Shen You Holdings Limited	—	—	160,000	83,200
Wing On Company International Limited	—	—	1,000	27,700
Ping An Insurance (Group) Company of China Limited	—	—	2,000	162,700
		<b>111,264,913</b>		<b>86,700,030</b>

**b) Particulars of major Financial Assets at Fair Value through Profit or Loss**

**Unlisted debt securities**

**Star League Investments Limited (“Star League”)**

Star League is incorporated in the British Virgin Islands and is principally engaged in business of investment holding during the period.

On 27 April 2015, the Group entered into the Subscription Agreement with Star League pursuant to which the Group agreed to subscribe for 6.5% coupon unlisted debenture due on October 2018.



## 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 amounting to HK\$769,886 and performance fee of HK\$Nil (31 December 2017: HK\$669,997 and HK\$1,504,784).

## 15. Share Capital

	Number of ordinary shares of HK\$0.01 each	HK\$
Authorised:		
At 1 January 2017 (unaudited), 31 December 2017 (audited), 1 January 2018 (unaudited) and 30 June 2018 (unaudited)	4,000,000,000	40,000,000
Issued and fully paid:		
At 1 January 2017 (unaudited)	1,899,500,000	18,995,000
Issue of shares upon placing ( <i>note</i> )	379,900,000	3,799,000
At 31 December 2017 (audited), 1 January 2018 (unaudited) and 30 June 2018 (unaudited)	2,279,400,000	22,794,000

*Note:*

On 12 December 2017, the Company and the placing agent entered into the placing agreement pursuant to which the placing agent has conditionally agreed to procure placees for up to 379,900,000 new shares at a price of HK\$0.094 per placing share. The placing was completed on 28 December 2017. The placing shares have been successfully placed to one placee. The net proceeds from the placing for investment in potential project in PRC or technology business identified by the Company.

As at 30 June 2018, the net proceeds were not yet utilized and was deposited into the bank accounts of the Company. Such proceeds will be utilized as stated in the placing announcement.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2018

### 16. Operating Leases Commitments

At 30 June 2018, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of office premises which fall due as follows:

	<b>30 June 2018 (Unaudited) HK\$</b>	31 December 2017 (Audited) HK\$
Within one year	<b>127,980</b>	50,153
In the second to fifth year inclusive	<b>333,712</b>	—
	<b>461,692</b>	50,153

The above lease agreement was made between the Group and the landlord for a term of two years and rentals are fixed for two years.

### 17. Connected and Related Party Transactions

	<b>Six months ended 30 June 2018 (Unaudited) HK\$</b>	Six months ended 30 June 2017 (Unaudited) HK\$
Investment management fee paid to Hua Yu Investment Management Limited (Note 1)	<b>1,546,052</b>	1,292,154
	<b>1,546,052</b>	1,292,154

All transactions have been complied with the requirements under Chapter 14A of the Listing Rules in relation to such connected transaction.

Notes:

1. Hua Yu Investment Management Limited, the investment manager in which a director of the Company, Mr. Leong Chi Wai, is also a director and shareholder of the investment manager.

## 18. Fair Values Measurement of Financial Instruments

### i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured as at 30 June 2018 and 31 December 2017 on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

## 18. Fair Values Measurement of Financial Instruments (Continued)

### i) Fair value hierarchy (Continued)

	Fair value measurements as at 30 June 2018 categorised into			Fair value at 30 June 2018
	Level 1	Level 2	Level 3	
	HK\$	HK\$	HK\$	HK\$
		(unaudited)		(unaudited)
<b>Recurring fair value measurement</b>				
Financial assets at fair value through profit or loss	<b>111,264,913</b>	—	<b>3,000,000</b>	<b>114,264,913</b>
Financial assets at fair value through other comprehensive income	<b>8,752,950</b>	—	<b>8,657,078</b>	<b>17,410,028</b>
	<b>120,017,863</b>	—	<b>11,657,078</b>	<b>131,674,941</b>

## 18. Fair Values Measurement of Financial Instruments (Continued)

### i) Fair value hierarchy (Continued)

	Fair value measurements as at			Fair value at
	31 December 2017 categorised into			31 December
	Level 1	Level 2	Level 3	2017
	HK\$	HK\$	HK\$	HK\$
		(audited)		(audited)
<hr/>				
<b>Recurring</b>				
<b>fair value</b>				
<b>measurement</b>				
Financial assets				
at fair value				
through profit				
or loss	81,450,030	—	5,250,000	86,700,030
Available-for-sale				
financial assets	22,492,577	—	—	22,492,577
	103,942,607	—	5,250,000	109,192,607

The fair value of financial instruments traded in active markets is based on quoted market prices for identical instruments at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1. The Group adopted HKFRS 13 and use closing price as the valuation basis for listed equity investments.

## 18. Fair Values Measurement of Financial Instruments (Continued)

### i) Fair value hierarchy *(Continued)*

Unlisted convertible debt security, debt security and unlisted equity instruments are stated at their fair value, which are determined by reference to the valuation in accordance with generally accepted valuation methodologies.

The valuation techniques and inputs used in the fair value measurements within Level 3 is as follows:

	<b>Valuation technique</b>	<b>Significant inputs</b>
Financial assets at fair value through profit or loss (Level 3)	Current market value	Expected recoverable amount of underlying investments
Financial assets at fair value through other comprehensive income (Level 3)	Net asset value	Not applicable

## 18. Fair Values Measurement of Financial Instruments (Continued)

### i) Fair value hierarchy *(Continued)*

Additional information about fair value measurements using significant unobservable inputs (Level 3):

	<b>Significant unobservable inputs</b>	<b>Range</b>
Financial assets at fair value through profit or loss	Expected recoverable amount of underlying investments	Not applicable
Financial assets at fair value through other comprehensive income	Not applicable	Not applicable

The valuation will be performed and reported at each of the end of the Group's reporting period to the Group's management. The higher the expected recoverable amount of underlying investment, the higher the fair value.

There were no changes in valuation techniques during the period.

During the six months ended 30 June 2018 and the year ended 31 December 2017, there were no transfer of fair value measurements between Level 1 and Level 2 and no transfer into or out of Level 3.

## 18. Fair Values Measurement of Financial Instruments (Continued)

### i) Fair value hierarchy (Continued)

The following table presents the changes in Level 3 instruments for the six months ended 30 June 2018 and year ended 31 December 2017.

	<b>Financial assets at fair value through profit or loss HK\$</b>	<b>Financial assets at fair value through other comprehensive income HK\$</b>
At 1 January 2017 (unaudited)	35,250,000	—
Disposal	(30,000,000)	—
At 31 December 2017 (audited) and 1 January 2018 (unaudited)	5,250,000	—
Impact on initial application of HKFRS 9	3,000,000	8,472,821
Disposal	(5,250,000)	—
Net unrealised gain recognised in other comprehensive income during the period	—	184,257
At 30 June 2018 (unaudited)	3,000,000	8,657,078

### ii) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's other financial instruments carried at costs or amortised cost are not materially different from their fair values as at 30 June 2018 and 31 December 2017.



## 19. Commitments

On 7 June 2016, the Group entered into a sale and purchase agreement with other investors for capital investment in an available-for-sale financial assets, Diamond Motto Limited ("Diamond Motto"). The Group acquired 16.67% of shares in Diamond Motto at a consideration of HK\$11,666,667. First and second instalments amounted to HK\$4,666,667 (2017: HK\$4,666,667) had been paid at the end of the reporting period. The remaining balance of HK\$7,000,000 (2017: HK\$7,000,000) will be required to pay on or before 30 September 2018 if the condition stipulated in the agreement has been met.

## 20. Subsequent Event

Further to disclosure in note 19, the balance of investment cost of HK\$7,000,000 on Diamond Motto have been paid on July 2018.

## 21. Comparative Figures

The Group has initially applied HKFRS 9 at 1 January 2018. Under the transitional methods chosen, comparative information is not restated. Further details of the changes in accounting policies are disclosed in note 3.