2018
ANNUAL REPORT

DT CAPITAL

DT CAPITAL LIMITED
鼎 立 資 本 有 限 公 司
(Incorporated in the Cayman Islands with limited liability)
Stock Code: 356

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Should there be any discrepancy between the English and Chinese versions, the English version shall prevail

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.

Investment Manager

Hua Yu Investment Management Limited

Principal Bankers

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

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

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road
George Town
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

Hong Kong Stock Exchange: 356

Company Website Address

http://www.dt-capitalhk.com

Business Review

For the year ended 31 December 2018, the Group recorded loss attributable to equity holders of approximately HK$45.2 million (2017: profit HK$8 million). The loss per share was HK$0.0198 (2017: profit HK$0.0042). Loss in 2018 were mainly caused by an increase in the unrealised loss on listed and unlisted securities approximately HK$36.09 million and impairment loss on interest in an associate HK$10.4 million compared with 2017. In addition, there were no interest expenses in 2018 and 2017.

Having adopted the advice from Hua Yu Investment Management Limited ("Hua Yu"), the Company's Investment Manager, the Group has increase investment in listed securities. There was no new investment plan and the Company has fully disposed of two projects in 2018.

The stock market was fluctuating in 2018 that led to the Group's increased unrealized fair value loss on listed securities of approximately HK$22.37 million (2017: gain HK$1.9 million) and increased realized gain on listed securities approximately HK$5.24 million (2017: gain HK$3.27 million). The HKFRS 9 which has become effective on 1 January 2018 led to the Group's increased unrealized fair value loss on unlisted securities approximately HK$13.72 million (2017: Nil).

The performance of investments were affected by the major factors as follows:

Change in accounting policy — HKFRS 9 was effected on 1 January 2018 that was affected the fair value and classification of the investment.

Economic and Political — Economic and Political affected the stock market and caused its fluctuation, such as trade war between U.S. with China volatile, China A share market unresolved, Brexit in U.K. and "yellow vests" demonstration in France.

Liquidity — Liquidity affected the Group short term strategy to balance in investing listed and unlisted securities and maintaining the cash position.

The Group strategy was to maintain strong cash balance to prepare for stock market fluctuation and to adopt the advice from the Company's investment manager, Hua Yu, to increase investment in listed securities in 2018 due to its better liquidity than the unlisted securities. Therefore, the Group had no new investment plan and fully disposed of two unlisted projects to maintain the strong cash balance and liquidity in 2018, the placing which was completed on 28 December 2017, raised a net amount of approximately HK$35.07 million which was intended to invest in potential projects in the PRC or relating to technology business, but had not yet utilized and was deposited into the bank account of the Company. The Group short term strategy is changed from time to time to reflect the market and economic situation and long term strategy is balanced in investing listed and unlisted securities to increase shareholder's returns.

Prospects

Trade protectionism was important affected the global economic in 2018. U.S. President Donald Trump has shaken the foundations of global trade, slapping steep tariffs on billions of dollars' worth of goods from the European Union, Canada, Mexico and China. He has always made it clear he wanted a new approach to trade and he has revealed the latest push to put America First into action. But since the Second World War suggest that global economic growth was linked to higher levels of free trade, this might seem a contrary approach for the largest economy in the world.

The global expansion has weakened. Global growth for 2018 is estimated at 3.7 percent, as in the October 2018 World Economic Outlook (WEO) forecast, despite weaker performance in some economies, notably Europe and Asia. The global economy is projected to grow at 3.5 percent in 2019 and 3.6 percent in 2020, 0.2 and 0.1 percentage point below last October's projections. The global growth forecast for 2019 and 2020 had already been revised downward in the last WEO, partly because of the negative effects of tariff increases enacted in the United States and China earlier that year. The further downward revision since October in part reflects carry over from softer momentum in the second half of 2018 — including in Germany following the introduction of new automobile fuel emission standards and in Italy where concerns about sovereign and financial risks have weighed on domestic demand.

Europe faces multiple challenges in 2018. The region's economies continue to be affected by aftershocks from the euro crisis. The Brexit process engenders a downside risk that continues to loom over both the U.K. and the rest of the European Union. Additionally, the "yellow vests" are still protesting in France, posing a real challenge to President Emmanuel Macron's leadership. This is particularly concerning for the entire region — as Angela Merkel's domestic power has waned in Germany, Macron has assumed the mantle as the de facto leader of the European Union. If his administration were to be toppled, it would place leadership of the EU into disarray, since Germany and France have been the EU's greatest advocates in the face of dissension from other countries.

China A share market was one of the worst performers in 2018. There was continuous deleveraging in financial institutions and in the industries by the Mainland policy makers. Controlling credit expansion caused short term pain but it is a necessary action to prevent systematic credit bubble and engineer a soft landed economy. Trade disputes with US have made China's policy direction and choices become even more complicated going into 2019. A "loose fiscal policy" and a "flexible monetary policy" will be in place to deal with the dilemma between global trade uncertainty and Chinese government's intended slowdown in credit growth. On the other hand, from the technical angle of A share market, if a Sino-US trade agreement can be reached in 1Q 2019, a short term relieve rally will easily bring A share stock market to be one of the most outperformed in 2019.

In the past year, we have witnessed Hang Seng Index from around 33,000 drop to around 25,000. The Hong Kong stock market was impacted by the uncertain economic situation such as trade war between China and US, some new Chinese economic policies, interest rate and U.K. Brexit. With so many unpredictable factors, we believe the key to success is in managing risk successfully through diversification and due diligence. In 2019, 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 securities, the Management will continue to work together with Hua Yu Investment Management Limited 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 2018, the total equity of the Group amounted to approximately HK$182.40 million (31 December 2017: HK$216.09 million).

As at 31 December 2018, the Group maintained a cash position, bank balances and cash amounting to approximately HK$46.99 million (31 December 2017: HK$41.59 million).

The Group's net financial asset investments of approximately HK$132.05 million as at 31 December 2018 (31 December 2017: HK$136.53 million)

Gearing Ratio

The Group's total borrowings comprising the other payables and accruals, amounted to approximately HK$0.51 million as at 31 December 2018 (31 December 2017: HK$2.62 million).

The Group's gearing ratio calculated on the basis of total borrowings over the shareholders' equity of the Company was approximately 0.28% as at 31 December 2018 (31 December 2017: 1.22%).

Final Dividend

The Board has resolved not to recommend any payment of final dividend for the year ended 31 December 2018 (2017: Nil).

Capital Structure

There was no change to the Group's capital structure for the year ended 31 December 2018.

On 12 December 2017, the Company has conducted a fund raising activity by the placing of 379,900,000 shares (the "Placing Shares") at a price of HK$0.094 per Placing Share (the "Placing"). The Placing was completed on 28 December 2017. The Company has successfully placed an aggregate of 379,900,000 Placing Shares, representing (i) 20% of the issued share capital of the Company immediately prior to completion of the Placing; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the 379,900,000 Placing Shares. Company's issued share capital was increased from 1,899,500,000 to 2,279,400,000 immediately after the completion of the Placing.

The gross and net proceeds from the Placing amounted to approximately HK$35.71 million and approximately HK$35.07 million respectively, and were not ultilised as at the date of this report and has been deposited into the bank accounts.

Financial Commitment, Capital Commitment and Contingent Liabilities

As at 31 December 2018, the Group has financial commitment HK$4 million and no material capital commitment and no contingent liabilities.

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.

Share Options

The Company has not adopted any share option scheme.

Employees and Remuneration Policies

As at 31 December 2018, the Group employed a total of 6 employees (2017: 6) 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.

Appreciation

On behalf of the Board, I would like to take this opportunity to express my appreciation to the staff and management team of the Group for their contribution in 2018 and would like to give my sincere gratitude to the shareholders for their continual support.

By Order of the Board
Chan Pui Kwan
Chairman

Hong Kong, 29 March 2019

BIOGRAPHICAL DETAILS OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Leung King Yue, Alex ("Mr. Leung")

Mr. Leung, aged 41, has over 19 years of experience in financial services sector including three years investment banking experience and eleven years of experience in private equity investment and asset management. Mr. Leung was a Responsible Officer of an asset management company, namely JK Capital Management Limited (formerly known as MYM Capital Limited).

Mr. Leung was an Independent Non-Executive Director of China Kingstone Mining Holdings Limited from 14 July 2016 to 16 July 2016 (Stock code: 1380).

Mr. Leung graduated from University of Melbourne in Australia in 1999 with a bachelor degree in Commerce specializing in Economics and Finance. He has been a Chartered Financial Analyst since 2003. Mr. Leung was licensed under the SFO as a Responsible Officer to carry out Type 1 (Dealing in Securities), Type 4 (Advising on Securities), Type 6 (Advising on Corporate Finance) and Type 9 (Asset Management) regulated activities until 28 February 2019.

Mr. Leong Chi Wai ("Mr. Leong")

Mr. Leong, aged 43, has over 20 years of experience in corporate finance, asset management, direct investments and property investments and developments. He is also licensed under the Estate Agents Authority. Mr. Leong is a director and Responsible Officer of Hua Yu Investment Management Limited, the investment manager of the Company since March 2009 to present.

Mr. Leong graduated from the University of Hong Kong with a Bachelor degree in Business Administration (Accounting and Finance). He is licensed under the SFO to carry out Type 4 (Advising on Securities), Type 6 (Advising on Corporate Finance) and Type 9 (Asset Management) as a representative since 2003 and as a Responsible Officer since May 2008 to present. He was also licensed to carry out Type 1 (Dealing in Securities) from May 2008 to February 2010. He was an Independent Non-Executive Director of China Kingstone Mining Holdings Limited from 14 July 2016 to 16 July 2016 (Stock code: 1380).

Mr. Lewis Chan ("Mr. Chan")

Mr. Chan, aged 48, has over 19 years of experience in asset management and investment research. He is the Managing Partner at MaunaKai Capital Partners (Hong Kong) Limited since 2004. Mr. Chan is also a co-founder of Symbior Energy, an alternative energy incubation company. He is currently serving as a non-executive director at D&G Technology Holding Company Limited (stock code: 1301). He was an independent non-executive director at Yuk Wing Group Holdings Limited (stock code: 1536) from 15 December 2016 to 20 April 2018. Mr. Chan was formerly assistant professor of finance during 2000 to 2004 and adjunct associate professor of finance from 2004 to 2006 at Hong Kong University of Science and Technology. He was also an advisor during 2009 to 2013 to North Yard Economics, a non-profit consultancy to developing countries.

Mr. Chan was a winner of the Fama-DFA Prize of the Best Papers published in 2003 in the Journal of Financial Economics. He is a research fellow at The China Center for Financial Research at Tsinghua University, and a member of the Admissions, Budgets and Allocations Committee, the Community Chest of Hong Kong. Mr. Chan received his Ph.D. in Economics from Harvard University, a Master degree in economics from Columbia University and a Bachelor of Arts degree in economics from the University of Chicago. He is licensed under the SFO as responsible officer to carry out Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities.

NON-EXECUTIVE DIRECTORS

Ms. Chan Pui Kwan ("Ms. Chan")

Ms. Chan, aged 52, started her career as a corporate banker. Born in Hong Kong, spent her youth and received education in the Netherlands, Ms. Chan returned to her birthplace and started her career in early 90's. She had worked in several prominent European banks, including Rabobank, ABN AMRO, Fortis and established the European desk for these banks to provide support to European companies expanding into China.

In 2002, Ms. Chan started her own company SINOVA to provide advice & support to investors for both inbound and outbound investments. The company employed over 40 professionals with offices in three countries. In 2010, Dutch based financial group ANT acquired SINOVA and Ms. Chan remained as Chief Executive Officer of SINOVA till September 2012.

She is the founder and Chief Executive Officer of Delta-Think (HK) Ltd, which provides business strategy advisory advices to corporations for business expansion in public and private sectors.

Ms. Chan is active in the community services and holds advisory positions in various institutions. At present, she is one of the General Committee members of the Hong Kong General Chamber of Commerce as well as Chairman of Women Executive Club and Europe Committee of the Hong Kong General Chamber of Commerce. In addition, she is an Adviser for Les Beatitudes (愛連心) which is a social enterprise that supports underprivileged women who want to work in a more flexible arrangement while taking home with some earnings.

As recognition of her achievements, Ms. Chan has received numerous awards in China, Hong Kong and the Netherlands, amongst which she was selected as one of "China's 100 Outstanding Female Entrepreneurs" ("中國百名傑出女企業家") in 2010.

Ms. Chan has grown up from a multi-cultural background and speaks several European languages. She graduated from Rotterdam Business School with a bachelor degree in banking and insurance in 1991.

She is licensed under the SFO as a representative of Hua Yu Investment Management Limited to carry out Type 6 (Advising on Corporate Finance) and Type 9 (Asset Management) regulated activities since 2015.

Ms. Li Peng ("Ms. Li")

Ms. Li, aged 38, obtained a master degree in law from Liaoning University in 2007 and a bachelor degree in business management from Hebei University of Science and Technology in 2002. Ms. Li is a practicing solicitor in the People's Republic of China and is qualified as an arbitrator of Langfang Arbitration Commission.

Ms. Li, currently holding the positions of Supervisor at Yingchuan Law Firm in Heibei Province, China and Head of the Yingchuan Lawyers Group in Heibei Province, China, specializes in legal matters concerning intellectual property rights, civil and commercial cases, and real estate among her other areas of expertise. Ms. Li is also conversant with corporate management and has committed herself to research on legal risk control in commercial activities associated with trademark law, corporate law, contract law, land management law, construction engineering, and labor contract law. Ms. Li's other major public appointments and recognition include but without limitation, being a member of the Langfang City Governmental Advisory Committee on Legal System, a member of the Political Consultative Conference of Guangyang District, Langfang City, and a specially designated supervisory officer for the Langfang City Association of Consumers, and a long-standing legal advisor for several government agencies in Langfang City.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lo Chi Ming, Erik ("Mr. Lo")

Mr. Lo, aged 54, is a solicitor of the High Court of Hong Kong with over 20 years of experience in private practice. Mr. Lo is currently working at CHONG & YEN, Solicitors and possessed 6 years of experience in the banking sector and was elected as an Associate of the Chartered Institute of Bankers.

Mr. Lo was an independent non-executive director of China Investment and Finance Group Limited from October 2010 to April 2014, a company listed on the Main Board of the Stock Exchange (Stock code: 1226).

Mr. Lo holds a Bachelor of Social Sciences degree and Postgraduate Certificate in Laws from the University of Hong Kong and a diploma in Chinese Laws from the SouthWest University of Political Science & Law in the PRC.

Mr. Lo was appointed as an Independent Non-Executive Director of the Company on 7 July 2014.

Mr Jochum Siebren Haakma ("Mr. Haakma")

Mr. Jochum Haakma, aged 69, a lawyer and former career diplomat and an expert in the field of Trade and investment Promotion, was from 1978 assigned to a number of Dutch Embassies abroad (Rome, Lusaka, Bonn), in 1986 as Commercial and Economic Counsellor to The Netherlands Embassy in Jakarta and in 1989 in the private sector as Director of the Indonesian Netherlands Association *(de facto' Ind.-NL C.O.C)* in Jakarta.

From 1993-1997, Mr. Haakma was the Managing Director of the Centre for the Promotion of Imports from Developing Countries (CBI) in Rotterdam, which is an Agency under the Ministry of Foreign Affairs of the Netherlands. In this function he acted as permanent Vice-Chairman of the FORUM of the European Trade Promotion Organisations. He was also member of the European Commission and The International Trade Centre *(ITC, UNCTAD/WTO)* in Geneva.

In 1995 he followed a post-doctorate course at Harvard Business School.

From 1997 until 2002 he served as Consul-General in Hong Kong/Macao and from 2002 until 2006 as Consul-General in Shanghai. In 2006 he was appointed Managing Director of the Netherlands Foreign Investment Agency *(NFIA)* under the Ministry of Economic Affairs in The Netherlands, responsible for attracting investments to the Netherlands with an international network of 24 NFIA offices around the world.

In September 2007 he moved to the private sector and was appointed Global Executive Director Business Development of the TMF Group BV in Amsterdam, where he is responsible for the Business Development and Branding of TMF Group on a global scale. TMF Group helps global companies expand and invest seamlessly across international borders. Its expert accountants and legal, HR and payroll professionals are located around the world, helping clients to operate their corporate structures, finance vehicles and investment funds in different geographic locations. With operations in more than 85 countries and with HQ in Amsterdam providing outsourced compliance services, TMF Group is the global expert that understands local needs.

Concurrently he is the Chairman of the Executive Board of the NCH *(Netherlands Council for Trade Promotion)*, Chairman of the China Business Council of the NCH, former Chairman of the China Group of the HFC *(Holland Financial Centre)* and President of the Europe Council. Furthermore, he is the Vice President of the Board of the AmCham, Vice Chairman of the Board of ENACTUS Netherlands, Chairman of the board of The EU-China Business Association (EUCBA), member of the International Advisory Board of Nyenrode University, advisory Board Member of ChinaLux, former Advisory Board Member of Dudok/Peute B.V. and Advisory Member of a number of China related institutions (Young Dragon Business Club, Cathay Pacific Trader Awards). In 2013 & 2014 he was speaker at the World Chinese Economic Forum in Chongqing and a frequent guest speaker or commentator in the media on Far East related affairs. For many years he wrote a monthly column about cultural differences in the China Times and is former Chief Advisor Public Affairs European Region for Huawei Technologies Co Ltd., the second biggest telecom infrastructure supplier in the world.

Mr. Haakma is founder & honorary member for life of the Dutch CEO lunch in Shanghai and honorary member for life of the Foreign Correspondents Club *(FCC)* in Hong Kong.

Mr. Haakma is founder and owner of Haakma Consultancy since 2016.

In 2012 he received an honorary Doctorate Degree of the European University in Barcelona, Spain. Mr. Haakma was speaker at the International Capital Conference (ICC) in Beijing in 2016, 2017 & 2018.

Mr. Haakma was appointed as an Independent Non-Executive Director of the Company on 7 July 2014.

Mr. Kwok Ming Fai ("Mr. Kwok")

Mr. Kwok, aged 54, possesses over 20 years of experience in banking, finance and accounting and held executive positions at several international financial institutions, accounting firm and listed companies. Mr. Kwok obtained a Bachelor Degree in Accounting & Economics from the University of Sheffield in the United Kingdom and a Master Degree in Business Administration from the University of Adelaide in Australia. He is a member of CPA Australia and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Kwok is currently an Executive Director of Zhongda International Holdings Limited (stock code: 909) and On Real International Holdings Limited (stock code: 8245).

Mr. Kwok was appointed as an Independent Non-Executive Director of the Company on 4 September 2007.

The board of directors (the "Board") has pleasure in presenting their report and the audited consolidated financial statements for the year ended 31 December 2018.

Principal Activities and Business Review

The principal activities of the Company and its subsidiaries during the year were investment holding. Discussion and analysis as required by Schedule 5 to the Hong Kong Companies Ordinance are set out on pages 3 to 6 and pages 20 to 23. This discussion form part of the report of directors.

Segmental Information

The Group's revenue and contribution to operating results were all derived from investments in listed and unlisted companies in Hong Kong.

Property, Plant and Equipment

Details of the movements in the property, plant and equipment during the year are set out in note 16 on the consolidated financial statements.

Subsidiaries

Details of the Company's subsidiaries at 31 December 2018 are set out in note 17 on the consolidated financial statements.

Share Option

The Company has not adopted any share option scheme. No share option had been granted by the Company during the year ended 31 December 2018.

Directors' Remuneration

The Directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to Directors' duties, responsibilities and performance and the results of the Group. In addition, the Directors' remuneration is reviewed by the Remuneration Committee annually.

Results and Appropriations

The results of the Group for the year ended 31 December 2018 are set out in the consolidated statement of profit or loss and other comprehensive income on page 40.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2018. No interim dividend was declared during the year (2017: Nil).

Share Capital

Details of the movements in the Company's share capital during the year are set out in note 25 on the consolidated financial statements. As at 31 December 2018, the Company has an authorized share capital of HK$40,000,000 divided into 4,000,000,000 shares of HK$0.01 each and an issued share capital of HK$22,794,000 divided into 2,279,400,000 shares of HK$0.01 each.

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out below. This summary does not from part of the audited financial statements.

Results

	1/1/2018 — 31/12/2018 HK$	1/1/2017 — 31/12/2017 HK$	1/1/2016 — 31/12/2016 HK$	1/1/2015 — 31/12/2015 HK$	1/1/2014 — 31/12/2014 HK$
Revenue	**4,577,037**	2,553,650	1,081,046	628,748	182,016
(Loss)/Profit before taxation	**(43,645,346)**	8,035,081	5,207,002	1,582,664	(3,742,514)
Taxation	**(1,554,832)**	—	—	—	—
Net (loss)/profit attributable to shareholders	**(45,200,178)**	8,035,081	5,207,002	1,582,664	(3,742,514)

Assets And Liabilities

	31/12/2018 HK$	31/12/2017 HK$	31/12/2016 HK$	31/12/2015 HK$	31/12/2014 HK$
Total assets	**184,467,603**	218,715,914	170,001,003	152,569,248	151,696,530
Total liabilities	**(2,066,285)**	(2,625,508)	(3,634,983)	(1,211,692)	(1,921,638)
Net assets	**182,401,318**	216,090,406	166,366,020	151,357,556	149,774,892

Reserves

Movements in the reserves of the Group and the Company during the year are set out in note 26 and 30(b) on the consolidated financial statements.

The Company's reserves available for distribution represent the share premium and retained profits under the Companies Law of the Cayman Islands. The share premium of the Company is available for paying dividends to shareholders subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the distribution of dividend the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Company's Articles of Association, dividends can be distributed out of the share premium and retained profits of the Company which in aggregate amounted to approximately HK$159,888,000 (2017: HK$182,430,000) as at 31 December 2018.

Major Customers And Suppliers

A substantial portion of the Group's income is derived from the Group's investments and the disclosure of information regarding customers would not be meaningful. The Group has no major suppliers requiring disclosure.

Purchase, Sale or Redemption of the Company's Listed Shares

There was no purchase, sale or redemption of the Company's shares by the Company or any of its subsidiaries for the year ended 31 December 2018.

Investment Policies

The Company has adopted an investment policy, which has not been changed since its adoption in 2014 upon resumption of trading on the Stock Exchange. Summarized below are the investment objectives, investment policies and investment restrictions of the Company:

I. Investment Objectives

The Company is an investment company incorporated in the Cayman Islands with the primary objective of achieving short to medium term (i.e. less than one year to five years) capital appreciation by investing in listed and unlisted companies in Hong Kong and the PRC. The Company also intends to invest in unlisted companies with the potential to seek a listing on the Hong Kong Stock Exchange and Clearing Limited or any overseas stock exchanges.

II. Investment Policies

A substantial portion of the Company's assets will be invested in equity securities, convertible notes, preference shares, options, warrants, futures contracts and debt securities issued by listed and unlisted companies in Hong Kong and the PRC, or such other types of investments in accordance with the investment objectives and policies and restrictions adopted by the Company from time to time and the requirements of the Memorandum, the Articles, the Listing Rules and the Investment Management Agreement.

The Board and the Investment Manager would seek to identify investments where there is a certain degree of synergy with other investee companies and where cooperation between such companies would be of mutual benefit to each other.

The Company's investments are intended to be held for short to medium term capital appreciation. There is no present intention to realise any of such investments in any specific period or by any specific date. Nevertheless, the directors will from time to time realise investments where they believe the realisation would be in the best interests of the Company.

III. Investment Restrictions

Under the Articles and the Listing Rules relating to the listing of investment companies, certain restrictions on investments are imposed on the Company.

The Company will not 1) own or control more than 30% of the voting rights in any one company or body, 2) exceed 20% of the net asset value at the time when such investment is made, 3) buy or sell commodities, commodity contracts or precious metals and 4) invest more than 50% of its assets outside Hong Kong and the PRC

The Company has to comply with investment restrictions 1 and 2 above at all times, which are set out in the Articles and cannot be changed while it remains listed as an investment company under Chapter 21 of the Listing Rules.

Investment restrictions 3 and 4 cannot be changed for at least 3 years from the date of the Prospectus without the approval of the Shareholders by way of an ordinary resolution, and there has not been any change of the investment policy as set out in the prospectus of the Company dated 27 May 2002.

Directors

The directors of the Company during the year and up to the date of this report were:

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

In accordance with Article 88 of the Company's Articles of Association, Mr. Leung King Yue, Alex, Ms. Chan Pui Kwan and Mr. Jochum Siebren Haakma shall retire by rotation from office and, being eligible, offer themselves for re-election. All other directors continue in office.

The term of office of each of the non-executive directors and independent non-executive directors lasts until his/her retirement by rotation once every three years in accordance with the Company's Articles of Association.

The Company received confirmation of independence in respect of the year ended 31 December 2018 from each of the independent non-executive directors pursuant to Rule 3.13 of the Listing Rules. Up to and as at the date of this report, the Company still considers the independent non-executive directors to be independent.

Directors' Service Contracts

None of the directors who are proposed for re-election at the forthcoming Annual General Meeting has a service contract which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

Permitted Indemnity Provision

During the year, the Company has arranged directors' and officers' liabilities insurance cover to indemnify the directors against claims, costs, charges and expenses arising out of the Group's business and activities.

Directors' Interests in Transaction, Arrangement or Contract

In the opinion of the Board, save as disclosed below, there were no transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any director of the Company or and entity connected with a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or Any Associated Corporation

As at 31 December 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

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

Note:

1. As at 31 December 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 Wu Weihong, Tony.

   As at 31 December 2018, Ms. Chan Pui Kwan, is interested in 70% of the share capital of Fame Image Limited, which then 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, at no time during the year ended 31 December 2018 was the Company, its subsidiaries, or its associates a party to any arrangement to enable the directors or chief executives of the Company, or their spouses or children under the age of 18, to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or its associated corporation.

Save as disclosed above, 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 Shareholder's Interests and Short Positions in the Shares and Underlying Shares of the Company

As at 31 December 2018, the following persons or corporations, other than the interest disclosed above in respect of the directors, interested 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

Name of shareholders	Number of issued ordinary shares held	Approximate percentage of total issued ordinary shares
Hugo Lucky Limited *(Note 1)*	960,500,000	42.13%
Vibrant Noble Limited *(Note 2)*	379,900,000	16.67%
Sharp Years Limited *(Note 3)*	254,500,000	11.16%
Long Surplus International Limited *(Note 3)*	254,500,000	11.16%
Fame Image Limited *(Note 3)*	254,500,000	11.16%
Ho Hoi Yee, Wisery *(Note 3)*	254,500,000	11.16%
Lai Tsui Har *(Note 3)*	254,500,000	11.16%
Wu Weihong, Tony *(Note 3)*	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, as at 31 December 2018, 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.

Directors' Interest in Competing Business

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.

Connected Transactions and Continuing Connected Transactions

During the year, the connected transactions and continuing connected transactions undertaken by the Group are included in the transactions set out in note 29 on the consolidated financial statements, certain details of which are disclosed in compliance with the requirements of Chapter 14A of the Listing Rules.

The independent non-executive directors have reviewed the continuing connected transactions as disclosed above and have confirmed that the continuing connected transactions have been entered into:

i) in the ordinary and usual course of business of the Group;

ii) on normal commercial terms or on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and

iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The auditors of the Company have reviewed the continuing connected transactions during the year as disclosed above and confirmed that these transactions:

i) were approved by the Board;

ii) where applicable, were in accordance with the pricing policies of the Company;

iii) had been entered into in accordance with the relevant agreements governing the transactions; and

iv) have not exceeded the caps stated in the relevant announcement.

Management Contracts

Details of significant management contracts in relation to the Company's business are included in note 29 on the consolidated financial statements.

Save as disclosed above, no other contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Pre-Emptive Rights

There are no provisions for pre-emptive rights which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders under the Company's Memorandum and Articles of Association and the Companies Laws of the Cayman Islands.

Audit Committee

The Company has established an audit committee (the "Audit Committee") according to "A Guide for the Effective Audit Committees" published by the Hong Kong Institute of Certified Public Accountants and the terms of reference adopted in compliance with the CG Code. 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 2018 in conjunction with the Company's external auditors.

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 have confirmed that they have complied with the required standards set out in the Model Code throughout the period.

Relationships with Stakeholders

Our Group understands that it is important to maintain good relationship with business partners and bank enterprises to achieve its long-term goals. Accordingly, our senior management have kept good communication, promptly exchanged ideas and shared business update with them when appropriate. During the Year, there was no material and significant dispute between our Group and its business partners or bank enterprises.

Compliance with Laws and Regulations

The Company operates in Hong Kong and is governed by the regulatory requirements set by the Hong Kong Listing Rules, and other relevant laws and regulations in Hong Kong. Its compliance obligations are guided by comprehensive policies and procedures covering ethics, business conduct and anti-corruption.

The directors of the Company confirmed that the Company has complied with the regulatory requirements set by the Hong Kong Listing Rules and other relevant laws and regulations in Hong Kong.

Principal Risks and Uncertainties

Major events affecting either economic or political stability could pose as risks and uncertainties for the Company. Economic events could include recessions that would have an impact on the Company's revenue, operating costs and profitability.

Political risk includes changes in the regulatory environment in which the Company operates.

The directors of the Company are continuously vigilant towards changes in general economic and political situations and constantly seeking to identify new and emerging risks at the earliest opportunity in order to mitigate risks and uncertainties.

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.

Auditors

Messrs. Li, Tang. Chen & Co. acted as auditors of the Company for the year ended 31 December 2015, 2016, 2017 and 2018.

Messrs. Li, Tang, Chen & Co. retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board
Chan Pui Kwan
Chairman

Hong Kong, 29 March 2019

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

DT Capital Limited (the "Company") is an investment company that holds and maintains a diversified portfolio of listed and unlisted companies. As an investment company, the Company does not actively participate in the operation of its subsidiaries, but actively optimizes its portfolio composition to simultaneously maximize shareholder return and enable the development of sustainable corporations. By striking a balance between the interests of shareholders and the community, the Company continues to fulfill its corporate social responsibility.

Standard of Employment

The Company has and continues to comply with the applicable employment-related laws and regulations currently in force in Hong Kong. It does not employ anyone less than 18 years of age. To all its employees, it provides rights and benefits which are at least or more than those required statutorily. Monthly salary payments are made on time according to respective employment contract, and the Company's contributions to the defined contribution retirement scheme it operated under the Mandatory Provident Fund Scheme are made by each monthly contribution day.

Working Conditions

The Company strongly believes and recognizes that having a positive environment is conducive to motivated employees. It is committed to complying with the laws relating to anti-discrimination and equal opportunities promotion. It also strives to provide a pleasant, safe and healthy workplace for its employees to encourage the development of stronger interpersonal bond.

Employee Care, Development and Training

The Company strives to provide a fair and respectful working environment for its employees. Its policies and guidelines on recruitment and promotion are formulated based on the principles that

- the Company is an equal opportunity employer;
- the Company is against any act of discrimination on the basis of gender, age, race, etc.; and
- the Company makes decisions relating to the engagement and promotion of employees based on employees/candidate performance.

Remuneration, Working Hours, Leaves and Other Fringe Benefits

- Remuneration and benefit packages are determined with reference to the position, skills, capability and performance of employees;
- Remuneration is adjusted based on local applicable regulations on minimum wages;
- Working hours, leaves and other fringe benefits are in line with industry practice and/or (if applicable) adjusted based on experience, qualifications and seniority of employees; and
- An equitable reward system is in place.

During the year under review, there was no material breach of applicable laws and/or regulations by the Company.

The Company supports and encourages its employees to develop and enhance their professional knowledge and skills to cope with the evolving market environment and compliance level. On top of on-the-job training, the Company actively encourages and provides opportunities for its employees to take external professional training to strengthen work-related expertise. We adopt a five-day work week and encourage our employees to have a good balance among health, work and social or family activities.

Compliance with Laws and Regulations

The Company has established policies and procedures on compliance with laws and regulations, and its employees are required to adhere to high standards of business and professional and ethical conduct. The Company's policy requires its employees to fully comply with all applicable laws and regulations.

Anti-Corruption

The Company is committed to ensuring that no bribes, payment or advantages are solicited from or given or offered to any persons, whether in the public or private sector, for any purpose, which can ensure the strict adherence to the Prevention of Bribery Ordinance. The Company regards honesty, integrity and fair play as the core values that must be upheld by its employees at all times.

During the reporting period, the Company had no legal cases regarding corrupt practices brought against the Company or its employees.

Emissions and Use of Resources

The Company's operation is mainly office-based and the Company is committed to minimizing the impact of businesses on the environment through adopting eco-friendly measures at the office. For example, employees are encouraged to reduce paper consumption by double-sided printing, print in black and white, reusing papers printed on one side and E-storage of documents.

In terms of energy saving measures, there are a number of good practices as follows:

- Employees are reminded to switch off lights and air-conditioning in the meeting room and the computer at the workstation when not in use;

- Room temperature is maintained at suitable levels whenever possible to save energy;

- Water consumption of the Company is minimal. Employee are encouraged not to waste water; and

- Conference calls instead of face-to-face meetings are arranged where possible.

The Company is dedicated to maintaining the measures above while continuing to explore other ecofriendly initiatives.

Environmental Performance

The Group believed that the environmental protection as an important component to form a part of our corporate responsibility and are therefore committed to promoting environmental protection activities.

In accordance with the ESG Reporting Guide set out of the Hong Kong Stock Exchange, our environmental performance of "Emissions and Use of Resource" during the reporting period are tabulated as below:

Use of Resource

Resource type	Total Consumption 2018	Total Consumption 2017	Consumption per person 2018	Consumption per person 2017
Electricity (kWh)	**7,149**	7,759	**1,192**	1,293
Paper (kg)	**100**	100	**17**	17

Greenhouse gas Emission

Greenhouse gas indicators	Major sources	CO_2 emitted (kg) 2018	CO_2 emitted (kg) 2017	Emitted per person (kg) 2018	Emitted per person (kg) 2017
Scope 1 Direct emissions	Nil	**—**	—	**—**	—
Scope 2 Energy indirect emissions	Electricity	**5,648**	6,130	**941**	1,022
Scope 3 Other indirect emissions	Paper	**480**	480	**80**	80
Total CO_2 emission equivalents		**6,128**	6,610	**1,021**	1,102

Electricity

The electricity consumed by the Group was mainly used in the office during its normal business operation and supplied by The Hong Kong Electric Co., Ltd. During the year, The Group has consumed 7,149 kWh (2017: 7,759 kWh) of electricity with monthly average usage of 596 kWh (2017: 647 kWh) and 1,192 kWh (2017: 1,293 kWh) per person, which producing CO_2 equivalent emissions of approximately 5,648 kg (2017: 6,130 kg). These consumption of the electricity was mainly attributable by the use of computer and light in the office. The electricity for using air-condition was included in the building management fee.

Water

The water was included in the building management fee. Water consumption by the Group for the year involved mainly bottled drinking water uses at its offices premises and the Group's business operations do not require any other water usage. During the year, The Group's office utilized a total of approximately 48 bottles (2017: 48 bottles) of drinking water with total of 907 Liter (2017: 907 Liter), an average 4 bottles drinking water per month.

Paper

The Company encourages employees to reduce paper consumption by using double-sided printing, print in black and white, reusing papers printed on one side and E-storage of documents. During the year, the Group used a total of approximately 100 kg (2017: 100 kg) of paper in its normal office operations for printing documents and total CO_2 equivalent emissions for the paper used was approximately 480 kg (2017: 480 kg).

Relationship with Shareholders

The Board takes its fiduciary role seriously and is committed to maintaining a high standard of business integrity and transparency in its business practice. To understand its major stakeholders' needs and expectations, the Company has designated an open channel of communication with its shareholders (the "Shareholders") and an email account is dedicated to communication with stakeholders on the Company website.

Community

The Company is fully aware of the importance of interacting with the wider community in fulfilling corporate social responsibility. In this aspect, the Company and its Investment Manager seek out suitable partners that support community and environmental programs which align with the Company's missions and values.

The Company believes the best way to serve the community is to drive positive impact through its investment portfolio. To create shared values with the community and stakeholders, the Company will continue to consider ESG factors in selecting future investment projects.

CORPORATE GOVERNANCE REPORT

The Board of directors of the Company (the "Board") understands that sound corporate governance practices is fundamental to maintaining and promoting the confidence of shareholders of the Company (the "Shareholder").

The Board is committed to maintaining and ensuring a high standard of corporate governance. The Board will review the corporate governance practices of the Company and its subsidiaries (the "Group") from time to time to ensure that they reflect the latest development and meet the expectations of the Shareholders.

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 2018 , save and except for the deviations of the following:

CG 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. One non-executive Director and one independent non-executive Director were unable to attend the annual general meeting of the Company held on 25 May 2018 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.

Directors' Securities Transactions

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transaction by the directors (the "Model Code"), Having made specific enquiry of all directors , the Company confirmed that all directors have complied with the required standards as set out in the Model Code during the year.

Corporate Governance Principles and Practices

The Board

The Board's primary responsibilities are to formulate the Company's long-term corporate strategy, to oversee the management of the Group, to evaluate the performance of the Group and to assess the achievement of targets periodically set by the Board.

In addition, the Board has also established Board Committees and has delegated to these Board Committees various responsibilities set out in their terms of reference respectively.

Board Composition

The Board currently comprises eight directors ("Directors") in total, with three Executive Directors ("EDs"), two Non-Executive Directors ("NEDs") and three Independent Non-Executive Directors ("INEDs"). The composition of the Board during the year and up to the date of the report is set out as follows:

EDs:	Mr. Leung King Yue, Alex
	Mr. Lewis Chan
	Mr. Leong Chi Wai
NEDs:	Ms. Chan Pui Kwan (Chairman)
	Ms. Li Peng
	(Appointed on 9 January 2018)
INEDs:	Mr. Kwok Ming Fai
	Mr. Lo Chi Ming
	Mr. Jochum Siebren Haakma

The names and biographical details of each director are disclosed on pages 7 to 10 of this annual report. All Directors have confirmed that they have taken an active interest in the Company's affairs and obtained a general understanding of its business.

Chairman and Chief Executive Officer

Code Provision A.2.1 stipulates that the roles of Chairman and Chief Executive should be separate and should not be performed by the same individual. Ms. Chan Pui Kwan acted as the Chairman of the Board. The Company does not have the title of "Chief Executive" but instead, its duties are performed by the executive Director.

The Chairman focus on overall corporate development and strategic direction of the Group and oversees the efficient functioning of the Board. The executive Directors are responsible for all daily management including planning and developing the Group's strategy. Such division of responsibilities helps to reinforce their independence and to ensure a balance of power and authority. The Company shall ensure and facilitate each Director to take an active interest in the affairs of the Group so that each Director could make positive contribution to the Group.

Independent Non-Executive Directors

The board spectrum of background of the INEDs is valuable on the diversified perspectives of the Board. The INEDs bring a wide range of business, legal and financial expertise, experiences and independent judgement to the Board.

During the year of 2018, the Board at all times met the requirements of Rule 3.10(1) and Rule 3.10(2) of the Listing Rules relating to the appointment of at least three INEDs with at least one INED possessing appropriate professional qualifications, or accounting or related financial management expertise. In compliance with Rule3.10A of the Listing Rules, INEDs represented at least one-third of the Board throughout the year ended 31 December 2018.

The Company has received a written annual confirmation from each INED of his independence pursuant to the requirements of Rule 3.13 of the Listing Rules, which confirmed to the Company that he has met the independence guidelines set out in the Listing Rules. And the Company also considers that they are independent.

Board Diversity Policy

The Company adopted a Board diversity policy which became effective in September 2013. The Company seeks to achieve board diversity through the consideration of a number of factors in the Board members' selection process, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments are based on merits, and the selection of candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Nomination Policy

The Nomination Committee shall nominate suitable candidates to the Board for it to consider to appoint as director to fill casual vacancies and consider of directors to be re-appointed at an annual general meeting.

The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate.

a. Reputation for integrity

b. Accomplishment and experience in the investment industry, in particular, in assets management, regulated license person and related investment experience

c. Commitment in respect of available time and relevant interest

d. Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

Proposed candidates will be asked to submit the necessary personal information in a prescribed form, together with their written consent to be appointed as a directors and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their standing for election as a directors.

Dividend Policy

The Company may declare and distribute dividends to the shareholders, provided that the Group records a profit after tax and that the declaration and distribution of dividends does not affect the normal operations of the Group.

In deciding whether to propose a dividend and in determining the dividend amount the Board shall take into account, inter alia:

(i) the general financial condition of the Group;

(ii) capital and debt level of the Group;

(iii) future cash requirements and availability for business operations, business strategies and future development needs;

(iv) the general market conditions; and

(v) any restrictions on payment of dividends that may be imposed by the Group's lenders; and any other factors that the Board deems appropriate.

The payment of the dividend by the Company is also subject to any restrictions under the Company Law of the Cayman Islands and Articles of Association of the Company.

Directors' Continuous Professional Development

Each newly appointed Director receives an induction package from the Company's legal advisor on the first occasion of his/her appointment. This induction package is a comprehensive, formal and tailored induction the responsibilities and on–going obligations to be observed by a director pursuant to the Companies Ordinance, Listing Rules and Securities and Futures Ordinance.

During the year, all the Directors had received training/briefing which covered topics in Directors' duties and liabilities, continuing obligations of a listed company, corporate governance and compliance issues after their appointments. Besides, the Company will arrange and fund suitable training for Directors in order to develop and refresh their knowledge and skills.

Function

The overall management of the Group's operation is vested in the Board. The Board takes overall responsibility to oversee all major matters of the Group, including the formulation and approval of all policy matters, overall strategic development of the Group, monitoring and controlling the Group's operation and financial performance, internal control and risk management systems, and monitoring of the performance of the senior management. The Board has to make decisions objectively in the interests of the Company and its Shareholders as a whole. The Board has established procedures to enable Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances at the Company's expense.

The day-to-day management, administration and operation of the Group are delegated to the senior management of the Group. The delegated functions and work tasks are periodically reviewed. Pursuant to the levels of authority approved by the Board, the senior management executes day-to-day operations unless the subject matter exceeds the authority granted by the Board or relates to any matters specifically reserved to the Board, they would seek approval from the Board.

Board Meetings/General meetings

The Board meets regularly to discuss the investment strategy as well as operation and financial performance of the Group, and to review and approve the Group's annual and interim results and other ad hoc matters. Notice, agenda and Board papers of Board and committee meetings are served to all Directors prior to the meeting in accordance with the Company's Articles of Association and the CG Code requirement (except under emergency situation). Extraordinary and Annual General Meeting schedules and draft agenda are made available to the Directors in advance. Details of individual attendance of Directors at the meetings of the Board, Remuneration Committee, Audit Committee, Nomination Committee and Annual General Meeting are set out in the table below:

	Number of meetings attended/Number of meetings held				
	Board Meeting	Remuneration Committee Meeting	Audit Committee Meeting	Nomination Committee Meeting	Annual General Meeting
Executive Directors					
Mr. Leung King Yue, Alex	7/7	1/1		1/1	1/1
Mr. Lewis Chan	6/7				1/1
Mr. Leung Chi Wai	4/7				1/1
Non-executive Directors					
Ms. Chan Pui Kwan	7/7				1/1
Ms. Li Peng (Appointed on 9 January 2018)	4/7				0/1
Independent non-executive Directors					
Mr. Kwok Ming Fai	0/7	1/1	3/3	1/1	1/1
Mr. Lo Chi Ming	0/7	1/1	3/3	1/1	0/1
Mr. Jochum Siebren Haakma	0/7	1/1	2/3	1/1	1/1

Board Committees

The Board has established (i) Remuneration Committee; (ii) Nomination Committee; and (iii) Audit Committee, with defined terms of reference. The terms of reference of the Board committees which explain their respective roles and the authority delegated to them by the Board are posted on the websites of The Hong Kong Exchange and Clearing Limited ("HKEx") and the Company. The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice and other assistance in appropriate circumstances, at the Company's expenses.

Remuneration Committee

The current Remuneration Committee comprises of one executive director, Mr. Leung King Yue, Alex and three independent non-executive directors, Mr. Kwok Ming Fai and Mr. Lo Chi Ming and Mr. Jochum Siebren Haakma. It is chaired by Mr. Kwok Ming Fai.

The Remuneration Committee has adopted the operation model where it performs to make recommendations to the Board on the Company's policy and structure for all Director's and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.

The Remuneration Committee's responsibilities are to review and consider Company's policy for remuneration of Directors and senior management, to determine remuneration packages of executive Directors including benefits in kind, pension rights and compensation payments, and to recommend to the Board remuneration of independent non-executive Directors.

Set out below is the summary of work of the Remuneration Committee done in 2018:

- to review and make recommendations to the board on remuneration package for the EDs, NEDs and the INEDs;
- to explore the feasibility in setting up a share option scheme in the foreseeable future; and
- to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration.

During the year ended 31 December 2018, the Remuneration Committee had held 1 meeting and the Remuneration Committee has reviewed the share option scheme and remuneration policy and structure relating to Directors and senior management of the Group.

Audit Committee

The current Audit Committee comprises of three independent non-executive Directors, namely, Mr. Kwok Ming Fai, Mr. Lo Chi Ming and Mr. Jochum Siebren Haakma. It is chaired by Mr. Kwok Ming Fai. It reports directly to the Board and reviews matters within the scope of audit, such as financial statements and internal controls, to protect the interests of the Company's shareholders.

The major roles and functions of the Audit Committee of the Company are as follows:

- to review and monitor the integrity of the Group's financial statements, annual report and interim report, and to review significant financial reporting judgements contained therein;
- to review the Group's financial and accounting policies and practices;
- to review the financial controls, internal control and risk management systems;
- to be primarily responsible for making recommendation to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- to report to the Board on the matters set out in the code provision relating to Audit Committee as set out in the CG Code; and
- to review the Company's policies and practices on corporate governance and training and continuous professional development of Directors and senior management.

During the year ended 31 December 2018, the Audit Committee had held 3 meetings and the Audit Committee reviewed the interim and annual results, and the interim and annual reports; met with external auditor to ensure appropriate accounting principles and practices adopted by the Group; and assisted the Board in meeting its responsibilities for maintaining an effective system of internal control and risk management.

Nomination Committee

The current Nomination Committee comprises of one executive director and three independent non-executive Directors. They are Mr. Leung King Yue, Alex, Mr. Lo Chi Ming, Mr. Kwok Ming Fai and Mr. Jochum Siebren Haakma. The Nomination Committee is chaired by Mr. Lo Chi Ming.

The major roles and functions of the Nomination Committee of the Company are as follows:

– to review the structure, size, composition and diversity (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

– to identify individuals suitably qualified to become board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

– to assess the independence of independent non-executive Directors;

– to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors; and

– to do any such things to enable the Nomination Committee to discharge its powers and functions conferred on it by the Board.

During the year ended 31 December 2018, the Nomination Committee had held 1 meeting and the Nomination Committee has reviewed the structure, size and composition of the Board, and the independence of independent non-executive Directors.

Corporate Governance Function

The Board is responsible for performing the corporate governance duties of the Company, including:

i. to develop and review the Group's policies and practices on corporate governance;

ii. to review and monitor the training and continuous professional development of the Directors and senior management;

iii. to review and monitor the Company's policies and practices in compliance with legal and regulatory requirements; and

iv. to review the Group's compliance with the CG Code and disclosure in this Corporate Governance Report.

Responsibilities in Preparing the Financial Statements

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirements.

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the year ended 31 December 2018.

The statement of the external auditor of the Company about their reporting responsibilities on the financial statements is set out in the "Independence Auditor's Report on pages 35 to 39.

Internal Control and Risk Management

The Company places great importance on internal control and risk management.

The Company was engaged external independent CPA to evaluate the effectiveness of the internal control regarding the compliance with the Listing Rules. During the year, based on the above evaluation, the Company complied with the code provisions on internal controls as stipulated in the CG Code. The Board has conducted a review of the internal control and risk management system of the Group and considered that the internal control and risk management system of the Group has been implemented effectively. There has no significant areas of improvement which are required to be brought to the attention to the members of the Audit Committee are revealed.

The Group's internal control system is designed to provide reasonable assurance against material misstatement or loss; to manage rather than completely eliminate the risk of system failure; and to assist in the achievement of the Group's agreed objectives and goals.

The Group's risk management system is designed to manage the risk associated with its business and operations; to identify the risk that could affect the achievement of business objective; to analyze the likelihood and impact of risks and evaluate the risk portfolio accordingly; and to ensure effective communication to the Board and on-going monitor the residual risk.

The Board, either directly or through its committees, sets objectives, performance targets and policies for management of key risks facing the Company. These include strategic planning, political and regulatory, acquisitions, investments, expenditure control, treasury and environment.

The Audit Committee has reviewed the internal control and risk management system and discussed the assessment bases with the management, and concurred that the Company has set up an effective internal control and risk management system to safeguard the assets of the Group.

Internal control policy of the Company

The Company has adopted an internal control and risk management guidelines, which sets out the elements of internal control and risk assessment elements for the management of the Company to follow. It also set out the control activities which the Company shall implement.

The Company has also established the investment committee, which comprises our Director Ms. Chan Pui Kwan. The Investment Committee, prior to approving any investment decision, will monitor and evaluate if the investment decision has any Listing Rules implications and compliance with the investment policy.

During the Year 2018, the Directors consider that:

1. The Company has compiled with the provisions of Chapter 14 of the Listing Rules which are applicable to the Company as stated in Rule 21.13 of the Listing Rules;

2. Investments were made by the Company within the investment objectives, policies and restrictions of the Company as set out in its investment policy;

3. Sufficient disclosure were made by the Company in accordance with the requirements under the Listing Rules and the Code on Takeovers and Mergers;

4. Save as disclosed in the announcement of the Company dated 9 November 2018 concerning the temporary halt of the provision of advisory services by the Investment Manager, the Company has compiled with Rule 21.04(1); and

5. The Company could identify potential conflict of interests and resolve the same when making investment decision.

Listing Rules Compliance

Throughout the year, the Group has fully complied with the Listing Rules requirements. Financial Reports, announcements and circulars have been prepared and published in accordance with the requirements of the Listing Rules.

Auditor's Remuneration

Audit Committee of the Company reviews the terms of appointment of the external auditor each year. The review includes their independence, the scope of their audit, their audit fees, and the scope and professional fees for any non-audit services.

For the year ended 31 December 2018, services provided to the Company by its external auditor and the respective fees paid were:

	2018 *HK$*
Audit services	245,000
Non-audit services	10,500
	255,500

Company Secretary

Mr. Lee Tak Shing ("Mr. Lee") is the Company Secretary of the Company. Mr. Lee is appointed by the Board and is an employee of the Company. He has day-to-day knowledge of the Group's affairs.

He coordinates and supplies of information to the Board and also ensures that board policy and procedures are followed for all board meetings. He is also responsible for advising the Board on corporate governance and the implementation of the CG Code. He has taken no less than 15 hours of the relevant professional training during the year ended 31 December 2018.

Communication with Shareholders

The Board recognizes the importance of good communication with Shareholders and highly respects the Shareholders' right to express their view and appreciates their suggestions to the Company.

The Company uses a number of formal communication channels to deliver the information to Shareholders in a timely manner for assuring the Shareholders are kept well informed of the Company's key business imperatives. These include general meetings, interim and annual reports, various announcements and circulars. The Company's website offers a communication channel between the Company and the Shareholders as the website be updated with published information of the Group.

Voting by Poll

Procedure for voting by poll has been included in all circulars accompanying notice convening general meeting and has been read out by the chairman at general meeting.

The voting procedures for demanding a poll by shareholders were written in the 2018 annual general meeting (the "AGM") circular, and the voting procedures were explained in the AGM.

Investor Relations

The Company shall, for the purpose to keep its shareholders duly informed of their rights, publish from time to time the updated Articles of Association of the Company in a consolidated form on the Company's website and the HKEx's website.

During the year 2018, there had been no significant change in the Company's constitutional documents.

Procedures for Requisitioning an Extraordinary General Meeting

There are no provisions allowing shareholders to propose new resolutions at the general meetings under the Articles of Association of the Company or the Cayman Islands Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised). However, according to the Articles of Association of the Company, any one or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company carrying the right to vote at general meetings of the Company, by written requisition to the board or the company secretary of the Company at the principal place of business in Hong Kong, to request to convene an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within 2 months after deposit of such requisition. Any general meeting at which the passing of a special resolution is to be considered shall be called by not less than 21 clear days' notice, whilst others may be called by not less than 14 clear days' notice. If within 21 days of such deposit the Board fails to proceed to convene such meeting the shareholder(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the shareholder (s) as a result of the failure of the Board shall be reimbursed to the shareholder(s) by the Company.

Procedures for Sending Enquiries to the Board

Shareholders may send written enquires to the Company, for the attention of Company Secretary, by fax (852) 27786178 or mail to Unit D, 6/F Eton Building, 288 Des Voeux Road Central, Hong Kong. The Company Secretary forwards communications relating to matters within the Board's purview to the Board and communications relating to ordinary business matters, such as suggestions, and inquiries to the executive Directors of the Company.

On behalf of the Board
Chan Pui Kwan
Chairman

Hong Kong, 29 March 2019

李湯陳會計師事務所
LI, TANG, CHEN & CO.
Certified Public Accountants (Practising)

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E-mail : info@litangchen.com

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF DT CAPITAL LIMITED
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of DT Capital Limited ("the Company") and its subsidiaries ("the Group") set out on pages 40 to 96, which comprise the consolidated statement of financial position as at 31 December 2018, 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 on the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. 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 HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), and we have 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 judgment, 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.

Key audit matters identified in our audit are summarised as follows:

Key audit matter	How our audit addressed the key audit matter
Valuation and impairment of interest in an associate Refer to note 18 on the consolidated financial statements.	
An investment in an associate was accounted for using equity method. Impairment loss has been made during the year against the net investment in the associate amounted to HK$10,422,498 and to reduce the carrying amount of the associate to nil. This impairment loss in the associate was assessed by the management through the application of judgement and use of subjective assumptions.	Our procedures in relation to management's assessment of the valuation and impairment of interest in an associate included: — Reviewing contracts and relevant documents to ensure their reliability. — Evaluating the management judgement and assumptions on the recoverability of interest in an associate. — Assessing the management's key assumptions with reference to the current condition in respect of the investment held by an associate — Evaluating the impairment assessment made by the management. We found that the management conclusion on impairment assessment are consistent with the available information.

Key audit matter	How our audit addressed the key audit matter
Valuation of unlisted financial assets at fair value through profit or loss Refer to note 21 on the consolidated financial statements.	
Valuations of financial asstes at fair value through profit or loss ("FVPL") amounted to HK$132,052,762 as at 31 December 2018 and included unlisted equity and debt securities and derivative financial instruments carried at fair value of HK$16,673,000. The valuations of financial assets at FVPL relating to unlisted equity and debt securities and derivative financial instruments have been determined by management and independent professional valuers. Such valuations involve the determination of the valuation models and the selection of the different inputs and the assumptions made in the valuation models by management and independent professional valuers. Any changes in valuation models adopted and input and assumptions applied could lead to significant changes in amounts reported as fair value in the consolidated financial statements. We identified there valuation of financial assets at FVPL relating to these unlisted investments as a key audit matter because the valuation of financial instruments without a quoted price is a complex area and involves a higher degree of estimation, uncertainty and judgment. These financial instruments are material to the Group.	Our procedures to assess the valuation of financial assets at FVPL relating to unlisted equity and debt securities and derivative financial instruments included: — Assessing the scope, expertise and independence of the independent professional valuer appointed by the Group. — Assessing the valuation methodology applied on the financial instruments; — Challenging the reasonableness of key assumptions in the valuation based on our knowledge; and — Reconciling input data used in the valuation to supporting evidence. We found that the management conclusion on determination are consistent with the available information.

Other Information in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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.

Responsibilities of the Directors for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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. Our report is made solely to you, as a body, 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 HKSAs 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 HKSAs, we exercise professional judgment 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 exist, we are required to draw attention in our auditors' 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 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, related safeguards.

From the matters communicated with the Audit Committee, 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.

The engagement partner on the audit resulting in this independent auditor's report is Wan Hing Chuen.

Li, Tang, Chen & Co.
Certified Public Accountants (Practising)
10/F Sun Hung Kai Centre
30 Harbour Road
Wanchai
Hong Kong

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Note	2018 HK$	2017 HK$
Revenue	9	**4,577,037**	2,553,650
Other revenue	10	**551,814**	10,614,263
Fair value (loss)/gain on financial assets at fair value through profit or loss	11	**(30,850,678)**	5,168,362
Share of results of an associate		**(104,028)**	(963,249)
Impairment loss on interest in an associate		**(10,422,498)**	—
Administrative and other operating expenses		**(7,396,993)**	(9,337,945)
(Loss)/profit before taxation	12	**(43,645,346)**	8,035,081
Income tax expense	14(a)	**(1,554,832)**	—
(Loss)/profit for the year attributable to equity holders of the Company		**(45,200,178)**	8,035,081
Other comprehensive income/(loss)			
Items that may be reclassified subsequent to profit or loss:			
Fair value changes on available-for-sale financial assets		**—**	6,808,305
Released upon disposal of available-for-sale financial assets		**—**	(829,600)
Other comprehensive income for the year, net of tax		**—**	5,978,705
Total comprehensive (loss)/income attributable to equity holders of the Company		**(45,200,178)**	14,013,786
(Loss)/Earnings per share			
Basic and diluted	15	**(0.0198)**	0.0042
Dividend		**Nil**	Nil

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Note	2018 HK$	2017 HK$
Non-current assets			
Property, plant and equipment	16	**80,620**	130,554
Interest in an associate	18	**—**	10,448,102
Available-for-sale financial assets	19	**—**	31,378,487
		80,620	41,957,143
Current assets			
Account and other receivables, deposits and prepayments	20	**2,749,840**	40,468,809
Available-for-sale financial assets	19	**—**	8,000,000
Financial assets at fair value through profit or loss	21	**132,052,762**	86,700,030
Amount due from an investee	22	**2,590,000**	—
Cash and bank balances	23	**46,994,381**	41,589,932
		184,386,983	176,758,771
Current liabilities			
Other payables and accruals	24	**511,453**	2,625,508
Net current assets		**183,875,530**	174,133,263
Total assets less current liabilities		**183,956,150**	216,090,406
Non-current liabilities			
Deferred taxation	14(b)	**1,554,832**	—
Net assets		**182,401,318**	216,090,406
Capital and reserves			
Share capital	25	**22,794,000**	22,794,000
Reserves	26	**159,607,318**	193,296,406
Total equity		**182,401,318**	216,090,406
Net asset value per share	27	**0.08**	0.09

The consolidated financial statements on pages 40 to 96 were approved and authorised for issue by the board of directors on 29 March 2019.

Leung King Yue, Alex
Executive Director

Lewis Chan
Executive Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

	Share capital HK$	Share premium HK$	Investment valuation reserve (recycling) HK$	Accumulated losses HK$	Total HK$
Balance as at 1 January 2017	18,995,000	231,014,560	9,801,462	(93,445,002)	166,366,020
Issue of shares upon placing	3,799,000	31,911,600	—	—	35,710,600
Profit for the year	—	—	—	8,035,081	8,035,081
Other comprehensive income for the year	—	—	5,978,705	—	5,978,705
Total comprehensive income for the year	—	—	5,978,705	8,035,081	14,013,786
Balance as 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)	27,291,257	11,511,090
Adjusted balance as at 1 January 2018	22,794,000	262,926,160	—	(58,118,664)	227,601,496
Loss for the year and total comprehensive loss for the year	—	—	—	(45,200,178)	(45,200,178)
Balance as at 31 December 2018	22,794,000	262,926,160	—	(103,318,842)	182,401,318

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	Note	2018 HK$	2017 HK$
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before taxation		**(43,645,346)**	8,035,081
Adjustments for:			
Interest income		**(472,911)**	(7,578,080)
Depreciation		**49,934**	49,934
Fair value loss/(gain) on financial assets at fair value through profit or loss		**30,850,678**	(5,168,362)
Realised gain on available-for-sale financial assets		**—**	(1,963,635)
Share of results of an associate		**104,028**	963,249
Exchange gain on amount due from an associate		**(78,424)**	(941,086)
Impairment on amount due from an associate		**10,422,498**	—
Operating loss before changes in working capital		**(2,769,543)**	(6,602,899)
Decrease/(increase) in account and other receivables, deposits and prepayments		**37,718,969**	(33,963,599)
Increase in amount due from an investee		**(2,590,000)**	—
Decrease in other payables and accruals		**(2,114,055)**	(1,009,475)
(Increase)/decrease in financial assets at fair value through profit or loss		**(30,313,833)**	4,041,508
Cash used in operations		**(68,462)**	(37,534,465)
Interest received		**472,911**	7,578,080
Net cash generated from/(used in) operating activities		**404,449**	(29,956,385)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of available-for-sale financial assets		**—**	(2,916,667)
Proceed from disposal of available-for-sale financial assets		**—**	25,588,275
Receipt upon redemption of financial assets at amortised cost		**5,000,000**	—
Net cash generated from investing activities		**5,000,000**	22,671,608
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from placing of new shares		**—**	35,710,600
Net cash generated from financing activities		**—**	35,710,600
NET INCREASE IN CASH AND CASH EQUIVALENTS		**5,404,449**	28,425,823
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**41,589,932**	13,164,109
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**46,994,381**	41,589,932
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances	*23*	**46,994,381**	41,589,932

1. General

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 Company.

2. Changes in Accounting Policies

The Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued certain new and revised Hong Kong Financial Reporting Standards ("HKFRSs") that are first effective for the current accounting period of the Group are discussed as below. Details of the changes in accounting policies resulting from initial application of these standards, amendments and interpretations that are relevant to the Group are discussed as below.

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

i) Adoption of revised HKFRSs — effective 1 January 2018

In the current year, the Group has applied for the first time the following revised HKFRSs issued by the HKICPA, which are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2018.

HKFRS 9	Financial instruments
HKFRS 15	Revenue from contracts with customers
Amendments to HKFRSs	Annual improvements to HKFRSs 2014-2016 Cycle

The adoption of these new/revised HKFRSs has no significant impact on the Group's consolidated financial statements except for HKFRS 9. Details of the changes in accounting policies are discussed in note 2ii). In addition, HKFRS 15 — Revenue from contracts with customers which is also effective for the annual period beginning on 1 January 2018 has no impact on the Group's consolidated financial statements.

2. Changes in Accounting Policies (Continued)

ii) HKFRS 9 Financial Instruments

HKFRS 9 replaces HKAS 39, Financial instruments: recognition and measurement for annual periods beginning on or after 1 January 2018. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. The adoption of HKFRS 9 from 1 January 2018 has results in changes in accounting policies of the Group and the Group has been impacted by HKFRS 9 in relation to classification and measurement of financial assets.

The Group has applied HKFRS 9 retrospectively to items that existed at 1 January 2018 in accordance with the transition requirements. Under the transition methods chosen, the Group recognised cumulative effect of the initial application of HKFRS 9 as an adjustment to the opening balance of equity at 1 January 2018. Comparative information is not restated and continue to be reported under HKAS 39.

The following table gives a summary of the opening balance adjustments recognised for each line item in the consolidated statement of financial position that has been impacted by HKFRS 9.

	At 31 December 2017	**Impact on initial application of HKFRS 9**	**At 1 January 2018**
	HK$	HK$	HK$
Available-for-sale financial assets	31,378,487	(31,378,487)	—
Financial assets at FVPL	—	42,934,577	42,934,577
Total non-current assets	41,957,143	11,556,090	53,513,233
Available-for-sale financial assets	8,000,000	(8,000,000)	—
Financial assets at amortised cost	—	5,000,000	5,000,000
Financial assets at FVPL	86,700,030	2,955,000	89,655,030
Total current assets	176,758,771	(45,000)	176,713,771
Net current assets	174,133,263	(45,000)	174,088,263
Net assets	216,090,406	11,511,090	227,601,496
Reserves	193,296,406	11,511,090	204,807,496
Total equity	216,090,406	11,511,090	227,601,496

2. Changes in Accounting Policies (Continued)

ii) **HKFRS 9 Financial Instruments** (Continued)

The following table summarises the impact of transition to HKFRS 9 on accumulated losses and investment valuation reserve at 1 January 2018.

	HK$
Accumulated losses	
At 31 December 2017	(85,409,921)
Transferred from investment valuation reserve relating to financial assets now measured at FVPL	15,780,167
Remeasurement of equity securities measured at FVPL	11,556,090
Remeasurement of debt securities measured at FVPL	(45,000)
Net increase in accumulated losses at 1 January 2018	27,291,257
At 1 January 2018	(58,118,664)

	HK$
Investment valuation reserve	
At 31 December 2017	15,780,167
Transferred to accumulated losses relating to financial assets now measured at FVPL	(15,780,167)
At 1 January 2018	—

2. Changes in Accounting Policies (Continued)

ii) HKFRS 9 Financial Instruments (Continued)

Further details of the nature and effect of the changes to previous accounting policies and the transition approach are set out below:

a) *Classification of financial assets*

HKFRS 9 categorises financial assets into three principal classification categories: measured at amortised cost, at financial assets at fair value through other comprehensive income ("FVOCI") and at financial assets at fair value through profit or loss ("FVPL"). These supersede HKAS 39's categories of held-to maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial assets is managed and its contractual cash flow characteristics.

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVOCI (without subsequent reclassification to profit or loss) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the investment valuation reserve (without subsequent reclassification to profit or loss) until the investment is disposed of. At the time of disposal, the amount accumulated in the investment valuation reserve (without subsequent reclassification to profit or loss) is transferred to retained earnings. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI (without subsequent reclassification to profit or loss), are recognised in profit or loss.

Non-equity investments held by the Group are classified into one of the following measurement categories:

– amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method;

– FVOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses ("ECLs"), interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss; or

– FVPL, if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

2. Changes in Accounting Policies (Continued)

ii) HKFRS 9 Financial Instruments (Continued)

a) *Classification of financial assets* (Continued)

Under HKFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated from the host. Instead, the hybrid instrument as a whole is assessed for classification.

The following table reconciles the carrying amounts of each class of the Group's assets determined in accordance with HKAS 39 to those determined in accordance with HKFRS 9.

	HKAS 39 carrying amount at 31 December 2017	Reclassification	Remeasurement	HKFRS 9 carrying amount at 1 January 2018
	HK$	HK$	HK$	HK$
Financial assets at amortised cost				
(Note (i))	—	5,000,000	—	5,000,000
Financial assets at FVPL				
Equity securities *(Note (ii))*	81,450,030	31,378,487	11,556,090	124,384,607
Debt securities *(Note (iii))*	5,250,000	3,000,000	(45,000)	8,205,000
Financial assets classified as available-for-sale under HKAS 39				
(Notes (i), (ii) & (iii))	39,378,487	(39,378,487)	—	—

Notes:

i) This unlisted debt security is held for the collection of contractual cash flows which represent solely payments of principal and interest. The debt security was reclassified from AFS to amortised cost under HKFRS 9 at 1 January 2018.

ii) Under HKAS 39, listed and unlisted equity investments not held for trading were classified as available-for-sale financial assets. These securities are classified as financial assets at FVPL under HKFRS 9 at 1 January 2018.

iii) Under HKAS 39, debt securities not held for trading were classified as available-for-sale financial assets. The Group reclassified certain debt securities as financial assets at FVPL under HKFRS 9 at 1 January 2018 as their contractual cash flows are not solely payment of principal and interest.

2. Changes in Accounting Policies (Continued)

iii) Impairment of financial assets

The adoption of HKFRS 9 has changed the Group's impairment model by replacing the HKSA 39 "incurred loss model" to the "ECLs model". HKFRS 9 requires the Group to recognise ECLs for other receivables, financial assets at amortized costs and debts investment at FVOCI earlier than HKAS 39. Cash and cash equivalents are subject to ECLs model but the impairment is immaterial for the current year.

Under HKFRS 9, the losses allowances are measured on either of the following bases: (1) 12 months 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.

Measurement of ECLs

ECLs are based on the difference between the contractual cash flows due 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 assets' original effective interest rate.

For debt financial assets and other financial assets, the ECLs are based on the 12-months ECLs. The 12-months ECLs is the portion of the lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. 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 and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Presentation of ECLs

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

As a result of the above changes, there is no impact of the new HKFRS 9 impairment model results in additional impairment allowance for the Group at 1 January 2018.

2. Changes in Accounting Policies (Continued)

iv) Transition

Changes in accounting policies resulting from the adoption of HKFRS 9 have been applied retrospectively, except as described below:

— Information relating to comparative periods has not been restated. Differences in the carrying amounts of financial assets resulting from the adoption of HKFRS 9 are recognized in reserves as at 1 January 2018. Accordingly, the information presented for 2017 continues to be reported under HKAS 39 and may not be comparable with the current year.

— The following assessments have been made on the basis of the facts and circumstances that existed at 1 January 2018 (the date of initial application of HKFRS 9 by the Group):

  — the determination of the business model within which a financial asset is held; and

  — certain investments in equity and debt securities to be classified as at FVPL and at amortised cost.

3. New/Revised HKFRSs that Have Been Issued but Not Yet Effective

The following new/revised HKFRSs, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

HKFRS 16	Leases[1]
HK (IFRIC) – Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to HKFRS 3	Definition of a Business[2]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKAS 1 and HKAS 8	Definition of Material[3]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle[1]

1 Effective for annual periods beginning on or after 1 January 2019
2 Effective for business combination for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020
3 Effective for annual periods beginning on or after 1 January 2020
4 The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continue to be permitted.

HKFRS 16 Leases

HKFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard.

The Group does not commit in significant leasing arrangement and expect the adoption of HKFRS 16 will not have a significant impact to the Group's consolidated financial statements.

Save as discussed above, all other new standards, amendments to standards and interpretations issued but not effective are not likely to have a significant impact on the consolidated financial statements.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

a) 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 certain financial assets are measured at fair value through profit or loss.

b) Basis of consolidation:

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2018. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

c) Goodwill:

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquire over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination irrespective of where other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operating within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

4. Summary of Significant Accounting Policies (Continued)

d) Property, plant and equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the assets to working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul cost, is normally charged to the profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, the expenditure is capitalised as an additional cost of the asset.

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives using the straight-line method, at the following rate per annum:

Leasehold improvements	20%
Computer equipment	20%
Furniture and fixtures	20%
Office equipment	20%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continuing use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognised in profit or loss in the year in which the item is derecognised.

e) Subsidiaries:

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

4. Summary of Significant Accounting Policies (Continued)

f) Associates:

An associate is an entity in which the Group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment. Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the profit or loss, whereas the Group's share of the post-acquisition post-tax items of the associates' other comprehensive income is recognised as other comprehensive income in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its net investment in the associate, the Group's net investment is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

When the Group ceases to have significant influence over an associate, it is accounted for as disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

4. Summary of Significant Accounting Policies (Continued)

g) Financial instruments:

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, 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 assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

4. Summary of Significant Accounting Policies (Continued)

g) Financial instruments: (Continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018) (Continued)

Subsequent measurement (Continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, 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 fair value through profit or loss, 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 fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the profit or loss.

Dividends on equity investments classified as financial assets at fair value profit or loss are also recognised as revenue in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

4. Summary of Significant Accounting Policies (Continued)

g) **Financial instruments:** (Continued)

Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018)

Classification, subsequent measurement and impairment of financial asset

The Group classifies its investments in the following categories: loans and receivables, financial assets at fair value through profit or loss and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at the end of each reporting period.

i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of each reporting period subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

ii) Financial assets at fair value through profit or loss

At the end of each reporting period subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. All derivatives financial assets and financial assets which forms part of a contract containing one or more embedded derivatives are also categorized as financial assets at fair value through profit or loss unless they are designated as hedges.

iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as any of the other categories (set out above).

After initial recognition, available-for-sale financial assets are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the investment valuation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the profit or loss, or until the investment is determined to be impaired, at which item the cumulative gain or loss is recognised in the profit or loss and removed from the investment valuation reserve.

When the fair value of unlisted equity securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

4. Summary of Significant Accounting Policies (Continued)

g) Financial instruments: (Continued)

Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018)

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-month (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

4. Summary of Significant Accounting Policies (Continued)

h) Impairment of non-financial assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that assets may impaired or an impairment charge previously recognised no longer exists or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the higher of its fair value less costs of disposal and value in use. An impairment charge is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

An impairment charge is recognised if there has been a change in the estimates used to determine the recoverable amount and which results in an increase in the recoverable amount. A reversal of impairment charges is limited to the asset's carrying amount that would have been determined had no impairment charge been recognised in prior periods. Reversals of impairment charges are credited to profit or loss in the period in which the reversals are recognised.

i) Cash and cash equivalents:

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

j) Foreign currency translation:

i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

4. Summary of Significant Accounting Policies (Continued)

j) Foreign currency translation: *(Continued)*

iii) Group companies

The results and financial position of all the Group's entities that have a functional currency different from the presentation currency of the Group are translated into the presentation currency as follows:

a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

b) income and expenses for each profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

c) the resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve.

k) Taxation:

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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 asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised in other comprehensive income or directly in equity, respectively.

4. Summary of Significant Accounting Policies (Continued)

l) Provisions and contingent liabilities:

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

m) Revenue recognition:

i) Sales of investments in equity and debt securities are recognised at the point in time when the risks and rewards of ownership are transferred and title has passed.

ii) Interest income is recognised as it accrues using the effective interest method.

iii) Dividend income from equity securities is recognised when the shareholders' rights to receive payment have been established.

n) Operating lease:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised as expenses in profit or loss on a straight-line basis over the period of the lease.

o) 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 the key management personnel of the Group or the Group's parent.

4. Summary of Significant Accounting Policies (Continued)

o) Related parties: (Continued)

(b) An entity is related to the Group if any of the following conditions applies:

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 employees of either 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 the key management personnel of the entity (or of a parent of the entity).

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 parent of the Group.

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 their dealings with the entity.

p) Segment reporting:

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

4. Summary of Significant Accounting Policies (Continued)

q) Employees benefits:

Pension obligations

The Group participates a defined contribution mandatory provident fund scheme (the "MPF Scheme") which is available to all employees. Contributions to the MPF Scheme by the Group and its employees are calculated based on a percentage of employees' relevant income. The Group's contributions to the fund are incurred as expenses and the assets of the MPF Scheme are held separately from those of the Group in an independently administrated fund.

Payments to the Group's MPF Scheme are charged as expenses as they fall due.

5. Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumption concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Valuation of financial instruments classified as level 3 in the fair value hierarchy

The Group holds financial instruments that are not traded or quoted in active markets. The Group uses its judgment to select the appropriate methods and make assumptions based on market conditions existing at the end of each reporting period to estimate the fair value of such financial instruments and classifies them as level 3 in the fair value hierarchy. Although best estimate is used in estimating fair value, there are inherent limitations in any valuation technique. Estimated fair value may differ from the value that would have been used if a readily available market existed.

Impairment of interest in an associate

The Group assesses impairment of interest in an associate at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amounts of the assets are determined. Estimation of future cash flows calculations performed in assessing recoverable amounts incorporate a number of key estimates and assumptions about future events, which are subject to uncertainty and might materially differ from the actual results. In making these key estimates and judgements, the management takes into consideration assumptions that are mainly based on market condition existing at the reporting date, appropriate market and discount rates and what information it can obtain from the associate. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

6. Capital Risk Management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of equity reserves attributable to equity holders of the Company, comprising issued share capital, other reserves and retained profits.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends and new share issues.

7. Financial Instruments by Category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2018

Financial assets

	Financial assets at amortised cost HK$	Financial assets at fair value through profit or loss HK$	Total HK$
Account and other receivables and deposits	2,422,687	—	2,422,687
Financial assets at fair value through profit or loss	—	132,052,762	132,052,762
Amount due from an investee	2,590,000	—	2,590,000
Cash and bank balances	46,994,381	—	46,994,381
	52,007,068	132,052,762	184,059,830

Financial liabilities

	Financial liabilities at amortised cost HK$
Other payables and accruals	511,453

7. Financial Instruments by Category (Continued)

2017

Financial assets

	Loans and receivables HK$	Financial assets at fair value through profit or loss HK$	Available-for-sale financial assets HK$	Total HK$
Amount due from an associate	9,535,862	—	—	9,535,862
Available-for-sale financial assets	—	—	39,378,487	39,378,487
Account and other receivables and deposits	40,209,040	—	—	40,209,040
Financial assets at fair value through profit or loss	—	86,700,030	—	86,700,030
Cash and bank balances	41,589,932	—	—	41,589,932
	91,334,834	86,700,030	39,378,487	217,413,351

Financial liabilities

	Financial liabilities at amortised cost HK$
Other payables and accruals	2,625,508

8. Financial Risk Management Objectives and Policies

a) Financial risk factors:

The Group's major financial instruments comprise amount due from an associate, available-for-sale financial assets, account and other receivables and deposits, financial assets at fair value through profit or loss, cash and bank balances and other payables and accruals.

The Group's activities expose it to a variety of financial risks: equity price risk, credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

i) *Equity price risk*

The Group is exposed to equity securities which are classified in the consolidated statement of financial position as financial assets at fair value through profit or loss and available-for-sale financial assets. These are susceptible to equity price risk arising from uncertainties about the future prices of the instruments. The Group's equity price risk is managed through diversification of the investment portfolio ratios by exposures.

The following table demonstrates the sensitivity to every 5% change in the fair values of the listed equity securities, with all other variables held constant, based on their carrying amounts at the end of the reporting period.

	Increase/ (decrease) in fair value	**Increase/ (decrease) in profit before taxation**	**In-crease/ (decrease) in equity**
	%	HK$	HK$
2018			
Investments listed in Hong Kong:			
— Financial assets at fair value through profit or loss	**5**	**5,769,000**	**4,817,000**
	(5)	**(5,769,000)**	**(4,817,000)**
2017			
Investments listed in Hong Kong:			
— Financial assets at fair value through profit or loss	5	4,073,000	3,401,000
	(5)	(4,073,000)	(3,401,000)
— Available-for-sale financial assets	5	—	1,125,000
	(5)	—	(1,125,000)

8. Financial Risk Management Objectives and Policies (Continued)

a) **Financial risk factors:** (Continued)

i) ***Equity price risk*** (Continued)

Concentration of equity price risk may arise if the Group has a significant investment in a single equity investment. At the end of the reporting period, the Group has a certain concentration risk in five (2017: four) equity investment which account for more than 5% of the total assets of the Group.

	% of total assets of the Group	
	2018	2017
Upbest Group Limited	**19.26%**	11.46%
Kwong Man Kee Group Limited	**8.77%**	6.75%
Gemilang International Limited	**7.75%**	7.89%
Yi Hua Holdings Limited	**8.89%**	9.35%
Diamond Motto Limited	**6.32%**	N/A

ii) ***Credit risk***

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Group by failing to discharge an obligation.

The Group is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations. These credit exposures exist within financing relationships and other transactions.

It is the Group's policy to enter into financial instruments with reputable counterparties.

The Group limits its exposure to credit risk by transacting the majority of its securities and contractual commitment activities with broker-dealers, banks and regulated exchanges with high credit ratings and which the Group considers to be well established. All transactions in listed securities are settled/paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal, as delivery of securities sold is only made when the broker has received payment. Payment is made on a purchase only the securities have been received by broker. The Group reviews and monitors the credit concentration of investments on a regular basis.

The credit risk on liquid funds is limited because the counterparties are banks or financial institutions with high credit ratings.

Other than concentration of credit risk on liquid funds which are deposited with several banks and financial institutions with high credit ratings, the Group does not have any other significant concentration of credit risk.

8. Financial Risk Management Objectives and Policies (Continued)

a) **Financial risk factors:** (Continued)

iii) Liquidity risk

The Group invests in both listed and unlisted securities which are designated as financial assets at fair value through profit or loss. Those listed securities are considered readily realisable as they are listed in regulated stock exchanges. Those unlisted securities may not be traded in an organised public market and may be illiquid. As a result, the Group may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value in order to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of credit facilities and the ability to close out market positions.

The following table details the Group's remaining contractual maturity for their financial liabilities. For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Carrying amount at 31 December HK$	**Total contractual undiscounted cash flow** HK$	**Within 1 year or on demand** HK$
2018			
Non-derivative financial liabilities			
Other payables and accruals	**511,453**	**511,453**	**511,453**
2017			
Non-derivative financial liabilities			
Other payables and accruals	2,625,508	2,625,508	2,625,508

8. Financial Risk Management Objectives and Policies (Continued)

a) **Financial risk factors:** (Continued)

iv) Interest rate risk

The Group has no interest-bearing financial liabilities at the end of the reporting period. The Group only exposes to changes in interest rates to their interest-bearing short-term bank deposits.

Due to the fact that the changes in interest rates would have no material impact on the results of the Group and accordingly, the sensitivity analysis in respect of changes in interest rate is not presented.

v) Foreign currency risk

The Group is mainly exposed to foreign exchange risk arising from Hong Kong dollars against Thai Baht. This foreign exchange risk arises from future commercial transactions or recognised assets and liabilities denominated in a currency that is not the entity's functional currency of Hong Kong dollars. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and it has not hedged its foreign exchange risk.

Due to the fact that the changes in foreign exchange rate would have no material impact on the results of the Group and accordingly, the sensitivity analysis in respect of changes in foreign exchange rate is not presented.

b) Fair values:

i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period 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 observablility 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.

8. Financial Risk Management Objectives and Policies (Continued)

b) **Fair values:** (Continued)

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

	Fair value measurements as at 31 December 2018 categorised into			**Fair value at 31 December 2018**
	Level 1	**Level 2**	**Level 3**	
	HK$	**HK$**	**HK$**	**HK$**
Financial assets at fair value through profit or loss				
— listed equity securities	**115,379,762**	**—**	**—**	**115,379,762**
— unlisted equity securities	**—**	**—**	**4,097,000**	**4,097,000**
— unlisted equity securities with a put option	**—**	**—**	**11,667,000**	**11,667,000**
— unlisted debt securities with early redemption option	**—**	**—**	**909,000**	**909,000**
	115,379,762	**—**	**16,673,000**	**132,052,762**

	Fair value measurements as at 31 December 2017 categorised into			Fair value at 31 December 2017
	Level 1	Level 2	Level 3	
	HK$	HK$	HK$	HK$
Financial assets at fair value through profit or loss				
— listed equity securities	81,450,030	—	—	81,450,030
— unlisted convertible bond	—	—	5,250,000	5,250,000
	81,450,030	—	5,250,000	86,700,030
Available-for-sale financial assets				
— listed equity securities	22,492,577	—	—	22,492,577

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.

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

8. Financial Risk Management Objectives and Policies (Continued)

b) **Fair values:** (Continued)

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

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

Financial assets	31 December 2018 HK$	31 December 2017 HK$	Fair value heartily	Valuation technique and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Unlisted equity securities	4,097,000	N/A	Level 3	Market approach	— price to earning multiples of several comparable companies	The higher the multiple, the higher the fair value
					— Enterprise value to sales ("EV/S") multiples of several comparable companies	The higher the multiples, the higher the fair value
					— Risk adjustment for a discount on lack of marketability	The higher the discount rate, the lower the fair value
Unlisted equity securities with a put option	11,667,000	N/A	Level 3	Market approach	— price to earning multiples of several comparable companies	The higher the multiple, the higher the fair value
					— Enterprise value to earnings before interest, taxes, deprecation and amortization ("EV/EBITDA") multiples of several comparable companies	The higher the multiples, the higher the fair value
					— Risk adjustment for a discount on lack of marketability	The higher the discount rate, the lower the fair value
				Binominal pricing model	— Volatility of the investee's share prices	The higher the volatility, the higher the fair value
					— Discount rate	The higher the discount rate, the lower the fair value
Unlisted debt securities with early redemption option	909,000	5,250,000	Level 3	Income approach	— Discount rate adjusted with estimated credit rating and default risk	The higher the discount rate, the lower the fair value
				Binominal pricing model	— Life of the option	The longer the life, the higher the fair value
					— Discount rate	The higher the discount rate, the lower the fair value

During the years ended 31 December 2018 and 2017, there were no transfer of fair value measurements between Level 1 and Level 2.

8. Financial Risk Management Objectives and Policies (Continued)

b) Fair values: (Continued)

i) *Fair value hierarchy* (Continued)

During the year ended 31 December 2018, there was transfer of fair value measurements into Level 3 for financial assets at fair value through profit or loss (2017: Nil) and the movements in fair value measurements in Level 3 are as follows:

	2018 HK$	2017 HK$
At 1 January	**5,250,000**	35,250,000
Reclassification upon initial application of HKFRS 9	**23,397,000**	—
Additions	**7,000,000**	—
Redemption of unlisted debt securities	**(5,250,000)**	(30,000,000)
Unrealised loss on unlisted equity and debt securities	**(13,724,000)**	—
At 31 December	**16,673,000**	5,250,000

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 are not materially different from their fair values as at 31 December 2018 and 31 December 2017.

9. Revenue

	2018 HK$	2017 HK$
Dividend income from listed equity securities	**2,910,370**	886,983
Dividend income from unlisted equity securities	**1,666,667**	1,666,667
	4,577,037	2,553,650

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 and unlisted equity and debt securities and the disclosure of information regarding customers would not be meaningful.

Certain figures in revenue and other revenue have been reclassified to better present the operation result of the Group.

10. Other Revenue

	2018 HK$	2017 HK$
Other revenue		
Net realised gain on listed available-for-sale financial assets	—	1,963,635
Interest income	428,189	7,578,080
Interest income on financial assets measured at amortised cost	44,722	—
Sundry income	844	128,610
Exchange gain	78,059	943,938
	551,814	10,614,263

11. Fair Value (Loss)/Gain on Financial Assets at Fair Value through Profit or Loss

	2018 HK$	2017 HK$
Fair value (loss)/gain on financial assets at fair value through profit or loss		
Realised		
— from listed shares in Hong Kong	5,241,685	3,266,107
Unrealised		
— from listed shares in Hong Kong	(22,368,363)	1,902,255
— from unlisted investments	(13,724,000)	—
	(36,092,363)	1,902,255
	(30,850,678)	5,168,362

12. (Loss)/Profit before Taxation

(Loss)/profit before taxation has been arrived at after charging:

	2018 HK$	2017 HK$
Auditors' remuneration	**245,000**	238,000
Depreciation	**49,934**	49,934
Investment management fee paid to an investment manager	**2,561,996**	2,624,237
Performance fee paid to an investment manager	**—**	1,504,784
Financial advisory fee paid to an investment manager	**—**	120,000
Staff costs, including contributions of HK$96,850 (2017: HK$94,900) to a defined contribution mandatory provident fund scheme	**2,755,180**	2,465,420
Minimum lease payments on properties under operating leases	**231,138**	227,520

13. Directors' and Senior Management's Emoluments

a) The remuneration of every director for the year ended 31 December 2018 is as follows:

	Fees HK$	Basic salaries, housing benefits, other allowances and benefits in kind HK$	Retirement benefits contributions HK$	Discretionary bonuses and/or performance-related bonuses HK$	Compensation for loss of office HK$	Inducement for joining the Group HK$	Total HK$
Executive directors:							
Leung King Yue, Alex	360,000	—	18,000	—	—	—	378,000
Lewis Chan	240,000	—	12,000	—	—	—	252,000
Leong Chi Wai	240,000	—	12,000	—	—	—	252,000
Non-executive directors:							
Chan Pui Kwan	180,000	—	9,000	—	—	—	189,000
Li Peng	176,130	—	—	—	—	—	176,130
Independent non-executive directors:							
Kwok Ming Fai	100,000	—	—	—	—	—	100,000
Lo Chi Ming	100,000	—	—	—	—	—	100,000
Jochum Siebren Haakma	100,000	—	—	—	—	—	100,000
	1,496,130	—	51,000	—	—	—	1,547,130

13. Directors' and Senior Management's Emoluments (Continued)

a) The remuneration of every director for the year ended 31 December 2017 is as follows:

	Fees HK$	Basic salaries, housing benefits, other allowances and benefits in kind HK$	Retirement benefits contributions HK$	Discretionary bonuses and/or performance-related bonuses HK$	Compensation for loss of office HK$	Inducement for joining the Group HK$	Total HK$
Executive directors:							
Leung King Yue, Alex	360,000	—	18,000	—	—	—	378,000
Lewis Chan	240,000	—	12,000	—	—	—	252,000
Leong Chi Wai	240,000	—	12,000	—	—	—	252,000
Non-executive directors:							
Chan Pui Kwan	180,000	—	9,000	—	—	—	189,000
Ma Chun Fai	158,000	—	7,900	—	—	—	165,900
Independent non-executive directors:							
Kwok Ming Fai	100,000	—	—	—	—	—	100,000
Lo Chi Ming	100,000	—	—	—	—	—	100,000
Jochum Siebren Haakma	100,000	—	—	—	—	—	100,000
	1,478,000	—	58,900	—	—	—	1,536,900

No directors waived or agreed to waive any remuneration during the year (2017: Nil).

b) Details of emoluments of the five highest paid individuals (including directors and other employees) are:

	2018 HK$	2017 HK$
Fees	**840,000**	840,000
Salaries and other benefits	**982,200**	875,520
Retirement benefits contributions	**78,000**	78,000
	1,900,200	1,793,520

Three (2017: Three) of the five highest paid individuals were directors of the Company, whose emoluments are included in Note 13(a).

13. Directors' and Senior Management's Emoluments (Continued)

b) (Continued)

Analysis of the emoluments of the five highest paid individuals (including directors and other employees) by number of individuals and emolument ranges is as follows:

	2018	2017
Nil to HK$1,000,000	**5**	5

14. Income Tax Expense

a)

	2018 **HK$**	2017 HK$
Tax expense recognised in profit or loss:		
Deferred taxation		
— current year	**1,554,832**	—

No provision for Hong Kong profits tax has been made in these consolidated financial statements as the Company and its subsidiaries sustained tax loss for the year ended 31 December 2018 (2017: the tax losses brought forward from prior years exceed the estimated assessable profits for the year.)

b) Deferred tax liabilities recognised are analysed as follows:

	Tax loss HK$	**Unrealised gain on financial assets at fair value through profit or loss** HK$	**Total** HK$
(Credit)/charge for the year	(482,382)	2,037,214	1,554,832
Balance at 31 December 2018	(482,382)	2,037,214	1,554,832

14. Income Tax Expense (Continued)

c) Reconciliation between income tax expense and the (loss)/profit before taxation per statement of profit or loss and other comprehensive income at the statutory income tax rate is set out below:

	2018 HK$	2017 HK$
(Loss)/profit before taxation	**(43,645,346)**	8,035,081
Tax at the statutory income tax rate of 16.5% (2017: 16.5%)	**(7,201,481)**	1,325,788
Tax effect of profit not subject to taxation	**(807,836)**	(903,622)
Tax effect of non-deductible expenses	**4,012,980**	283,320
Tax effect on previously recognised temporary different recorded in current year	**2,620,875**	—
Tax effect on unrecognised temporary differences	**3,113,574**	(471,346)
Tax effect of unused tax losses not recognised	**296,268**	37,419
Tax effect of utilisation of tax losses previously not recognised	**—**	(271,559)
Tax effect on previously unrecognised tax loss recorded in current year	**(479,548)**	—
Income tax expense *(note 1)*	**1,554,832**	—

d) Deferred tax asset has not been recognised in respect of the following items:

	2018 HK$	2017 HK$
Tax losses carried forward *(note 2)*	**5,385,025**	5,568,304
Decelerated/(accelerated) tax depreciation	**361**	(6,093)
Unrealised loss/(gain) on financial assets at fair value through profit or loss	**721,861**	(997,387)
Deferred tax asset	**6,107,247**	4,564,824

At the end of the reporting period, the Group had unutilized tax losses of approximately HK$32,637,000 (2017: HK$33,747,000) available for offsetting against future taxable profit.

No deferred tax asset has been recognised in respect of the above items due to the unpredictability of future profit streams. The tax losses and other deductible temporary difference do not expire under current tax legislation.

Note 1: In prior years, the Company had claimed tax loss approximate to HK$30,000,000. Such tax loss was disallowed by the Inland Revenue Department of Hong Kong. The Company has lodged an objection to the assessment of the Inland Revenue Department. The directors are confident that its claim will be successful. If the objection is failed, the Company and the Group may have additional tax payable amounted up to HK$1,252,000. The directors believe that realisation of these tax liabilities are unlikely and no provision has been made in the consolidated financial statements for the year ended 31 December 2018.

Note 2: It includes tax losses of HK$25,406,310 that was disallowed by the Inland Revenue Department of Hong Kong during the year. The Company has lodged an objection against the assessment of Inland Revenue as mentioned in note 1 above. The directors assessed all facts and circumstances and are confident that its claim will be successful.

15. (Loss)/Earnings Per Share

The basic loss per share is based on the Group's loss attributable to equity holders of the Company of HK$45,200,178 (2017: profit of HK$8,035,081) and the number of 2,279,400,000 (2017: weighted average number of 1,903,663,288) ordinary shares in issue during the year.

The Company has no dilutive potential ordinary shares.

16. Property, Plant and Equipment

	Leasehold improvements HK$	Computer equipment HK$	Furniture and fixtures HK$	Office equipment HK$	Total HK$
As at 1 January 2017					
Cost	125,890	89,693	30,200	57,964	303,747
Accumulated depreciation	(18,883)	(35,829)	(13,087)	(55,460)	(123,259)
Net book value	107,007	53,864	17,113	2,504	180,488
Net book value as at 1 January 2017	107,007	53,864	17,113	2,504	180,488
Depreciation	(25,178)	(17,938)	(6,040)	(778)	(49,934)
Net book value as at 31 December 2017	81,829	35,926	11,073	1,726	130,554
As at 31 December 2017					
Cost	125,890	89,693	30,200	57,964	303,747
Accumulated depreciation	(44,061)	(53,767)	(19,127)	(56,238)	(173,193)
Net book value	81,829	35,926	11,073	1,726	130,554
Net book value as at 1 January 2018	**81,829**	**35,926**	**11,073**	**1,726**	**130,554**
Depreciation	**(25,178)**	**(17,939)**	**(6,040)**	**(777)**	**(49,934)**
Net book value as at 31 December 2018	**56,651**	**17,987**	**5,033**	**949**	**80,620**
As at 31 December 2018					
Cost	**125,890**	**89,693**	**30,200**	**57,964**	**303,747**
Accumulated depreciation	**(69,239)**	**(71,706)**	**(25,167)**	**(57,015)**	**(223,127)**
Net book value	**56,651**	**17,987**	**5,033**	**949**	**80,620**

17. Particular of Subsidiaries

Particulars of subsidiaries as at 31 December 2018 are as follows:

Name of subsidiary	Place of incorporation	Issued and fully paid ordinary share capital	Percentage of equity interest held		Principal activity
			Directly	Indirectly	
			%	%	
Ace Perfection Group Limited	British Virgin Islands	US$1	100	—	Investment in unlisted debt securities
Power Bright International Limited	British Virgin Islands	US$1	100	—	Dormant holding
Equity Merit International Limited	British Virgin Islands	US$1	100	—	Trading of securities
New Fantasy International Limited	British Virgin Islands	US$1	100	—	Investment in unlisted debt securities
Rainbow Ocean Investments Limited	British Virgin Islands	US$2	100	—	Investment holding
Peak Star Group Limited	British Virgin Islands	US$1	100	—	Investment in unlisted debt securities
Genius Pro Asia Limited	British Virgin Islands	US$1	100	—	Investment holding
United Solutions International Limited	British Virgin Islands	US$1	100	—	Investment in listed equity securities
Nova System International Limited	British Virgin Islands	US$1	100	—	Investment in unlisted equity securities
Super Bloom Investments Limited	Hong Kong	HK$1	—	100	Investment in unlisted equity securities
Venture Glory Enterprises Limited	British Virgin Islands	US$1	100	—	Investment in listed equity securities
Key Summit Enterprises Limited	British Virgin Islands	US$1	100	—	Investment in unlisted equity securities
Wealth Champion Group Limited	Hong Kong	HK$1	100	—	Provision of management services
Royal Money International Limited	Hong Kong	HK$1	100	—	Dormant
Rich Way Asia Corporation	British Virgin Islands	US$1	100	—	Dormant

All subsidiaries operate in Hong Kong.

18. Interest in an Associate

	2018 HK$	2017 HK$
Unlisted investments, at cost	**5**	5
Share of post-acquisition profits, net of dividends received	**808,207**	912,235
	808,212	912,240
Amount due from an associate	**9,614,286**	9,535,862
	10,422,498	10,448,102
Impairment loss	**(10,422,498)**	—
	—	10,448,102

During the year ended 31 December 2018, the Company performed impairment review for its investment in an associate. In determining whether the interest in associate is impaired, the Group measures the differences between the carrying amount and the net present value of the estimated future cash flows generated from the associate. The management assessed that the associate would not be able to realise its assets and expected that no estimated cash inflow would be generated from operation and proceeds from the ultimate disposal of the associate in the foreseeable future. Based on the management's assessment, an impairment loss was recognised in profit or loss during the year, to reduce the carrying amount of the associate to nil.

a) The amount due from an associate denominated in a currency other than the functional currency of the relevant group entity, Hong Kong dollars:

	2018	2017
Thai Baht	**THB39,211,926**	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 this balance due to the related party nature of these instruments.

18. Interest in an Associate (Continued)

b) The Company's interest in its associate which is unlisted, whose quoted market price is not available, was as follows:

Name of associate	Particulars of issued shares held	Form of business structure	Place of incorporation	Percentage of effective interest attributable to the Group %	Principal activity
Purple Link Investment Limited ("Purple Link")	5 ordinary shares	Incorporated	Hong Kong	25	Property investment in Thailand

The associate is accounted for using the equity method in the consolidated financial statements.

c) Summarised unaudited financial information of the associate, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	2018 HK$	2017 HK$
Summarised statement of financial position		
Current assets	**41,811,184**	41,821,213
Non-current assets	**—**	—
Current liabilities	**(38,578,337)**	(38,172,254)
Non-current liabilities	**—**	—
Equity	**3,232,847**	3,648,959
Summarised statement of profit or loss and other comprehensive income		
Revenue	**3**	15
Loss after tax	**(416,111)**	(3,853,017)
Other comprehensive loss	**—**	—
Total comprehensive loss	**(416,111)**	(3,853,017)
Dividends received from associate	**—**	—
Reconciled to the Group's interest in the associate		
Net assets of the associate	**3,232,847**	3,648,959
Group's effective interest	**25%**	25%
Group's share of net assets of the associate	**808,212**	912,240

19. Available-for-sale Financial Assets

	2018 HK$	2017 HK$
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
— List equity securities in Hong Kong, at fair value	—	22,492,577
	—	41,378,487
	—	41,378,487
Less: provision for impairment loss	—	(2,000,000)
	—	39,378,487
Less: Amount not matured within 12 months	—	(31,378,487)
Amount included under current assets	—	8,000,000

a) Details of available-for-sale financial assets

	2018 HK$	2017 HK$
Unlisted debt securities		
Yi Hua Holdings Limited *(note 1)*	—	5,000,000
Star League Investments Limited *(note 2)*	—	3,000,000
	—	8,000,000
Unlisted equity securities		
Diamond Motto Limited *(note 3)*	—	4,666,667
Yiu Wing Succession Holding Hong Kong Company Limited *(note 3 and 4)*	—	—
	—	4,666,667
Listed equity securities in Hong Kong		
Gemilang International Limited *(note 3)*	—	14,317,652
Kwong Man Kee Group Limited *(note 3)*	—	8,174,925
	—	22,492,577
Capital contribution		
廣州市金洋水產養殖有限公司 *(note 3)*	—	4,219,243
	—	39,378,487

19. Available-for-sale Financial Assets (Continued)

a) Details of available-for-sale financial assets (Continued)

Note 1: This unlisted debt security was held for the collection of contractual cash flows which represent solely payments of principal and interest. The debts security was reclassified from AFS to amortised cost under HKFRS 9 at 1 January 2018.

Note 2: Under HKAS 39, debt securities and embedded derivative financial instruments not held for trading were classified as available-or-sale financial assets and financial assets/liabilities at FVPL respectively. The Group considered that it is appropriate not to separate out the embedded derivative from the debt host contract and to classify these securities as financial assets at FVPL under HKFRS 9 at 1 January 2018 based on latest assessment.

Note 3: Under HKAS 39, listed and unlisted equity investment not held for trading were classified as available-for-sale financial assets. These securities were classified as financial assets at FVPL under HKFRS 9 at 1 January 2018.

Note 4: Full provision for impairment loss had been made against its cost of investment amounted to HK$2,000,000 in prior year. The carrying value of the investment was zero as at 31 December 2017, upon adoption of HKFRS 9 on 1 January 2018 the fair value of the investment was zero. The investment was written off during the year ended 31 December 2018 as the investee was in severe financial difficulty and there was no realistic prospect of recovery.

b) Details of the listed equity securities are as follows:

	Fair value at 31 December		Total accumulated fair value changes recognised in investment revaluation reserve		% of total assets of the Group		Net assets attributable to the Group	
Name of investee	**2018 HK$**	2017 HK$	**2018 HK$**	2017 HK$	**2018**	2017	**2018 HK$**	2017 HK$
Gemilang International Limited	—	14,317,652	—	11,036,692	—	6.55%	—	2,967,557
Kwong Man Kee Group Limited	—	8,174,925	—	4,743,475	—	3.74%	—	2,087,941

19. Available-for-sale Financial Assets (Continued)

c) Details of the unlisted equity and debt securities are as follows:

Name of investee	Place of incorporation	Proportion of share capital owned 2018	Proportion of share capital owned 2017	Carrying amount 2018 HK$	Carrying amount 2017 HK$	% of total asset of the Group 2018	% of total asset of the Group 2017	Principal activities
Yi Hua Holdings Limited ("Yi Hua")	Cayman Islands	—	N/A*1	—	5,000,000	—	2.29%	Operation of department store chain
Yiu Wing Succession Holdings Company Limited	Hong Kong	—	7.69%	—	—	—	—	Investment holding
Star League Investments Limited ("Star League")	British Virgin Islands	—	N/A*2	—	3,000,000	—	1.37%	Investment holding
廣州市金洋水產養殖有限公司 ("金洋水產")*3	The People of Republic China ("PRC")	—	1.60%	—	4,219,243	—	1.93%	Aquacultural and feed production
Diamond Motto Limited ("Diamond Motto")*4	British Virgin Islands	—	16.67%	—	4,666,667	—	2.13%	Investment holding

*1 No share capital owned as this is a 3-years bond with 7% coupon rate issued by Yi Hua. The maturity date was 17 March 2018.

*2 No share capital owned as this is a debenture with 6.5% coupon rate and an early redemption option issued by Star League. The Group is also entitled for the capital surplus in the shares of the investee under certain conditions. In the opinion of the directors, the fair value of the early redemption option and the capital element were immaterial as at 31 December 2017. The maturity date was 27 April 2019.

*3 An agreement was signed by the Group and the major investor of 金洋水產 on 30 October 2015. According to the agreement, the major investor agrees to take up the Group's interest in 金洋水產 at a price not less than the investment cost plus 20% annual interest in the event that 金洋水產 fails to fulfill certain terms and conditions stipulated in the agreement as at the specified dates. The right had been lapsed on 31 December 2017.

*4 Pursuant to the agreement signed by the Group and other investors of Diamond Motto, the Group has an option to require the major shareholder of the Diamond Motto to acquire all of the shares of Diamond Motto held by the Group at their original cost in the event that Diamond Motto fails to fulfill certain condition and terms stipulated in the agreement. In the opinion of the directors, the fair value of the option was immaterial as at 31 December 2017. The above-mentioned option will lapse on 31 December 2019.

20. Account and Other Receivables, Deposits and Prepayments

	2018	2017
	HK$	HK$
Account receivables	**—**	37,200,000
Other receivables	**2,349,812**	2,943,275
Deposits	**72,875**	65,765
Prepayments	**327,153**	259,769
	2,749,840	40,468,809

The ageing analysis of account receivables that are neither individually nor collectively considered to be impaired is as follows:

	2018	2017
	HK$	HK$
Over 3 months but less than one year past due	**—**	37,200,000

No receivables were past due and impaired during the year ended 31 December 2018 (2017: receivables that were past due but not impaired related to a matured convertible bond which has been recovered in January 2018).

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.

21. Financial Assets at Fair Value Through Profit or Loss

	2018	2017
	HK$	HK$
Equity securities listed in Hong Kong at fair value *(note 21(a))*	**115,379,762**	81,450,030
Unlisted equity securities at fair value *(note 21(b))*	**15,764,000**	—
Unlisted debt securities at fair value *(note 21(c))*	**909,000**	5,250,000
	16,673,000	5,250,000
	132,052,762	86,700,030

21. Financial Assets at Fair Value Through Profit or Loss (Continued)

a) Details of the listed equity securities are as follows:

Name of investee	Fair value		Unrealised gain/(loss) for the year		% of total assets of the Group		Net assets attributable to the Group	
	2018 HK$	2017 HK$	**2018 HK$**	2017 HK$	**2018**	2017	**2018 HK$**	2017 HK$
UBA Investments Limited	**650,412**	500,640	**(113,359)**	(200,256)	**0.35%**	0.23%	**1,050,358**	683,665
Upbest Group Limited	**35,524,560**	25,061,760	**(3,356,033)**	(2,198,529)	**19.26%**	11.46%	**31,898,252**	19,360,371
Bank of China Limited	**449,540**	—	**(34,210)**	—	**0.24%**	—	**2,924,580**	—
Tenant Holdings Limited	**690,800**	—	**(10,308)**	—	**0.37%**	—	**85,224**	—
China Construction Bank Corporation Limited	**—**	144,000	**(7,128)**	7,128	**—**	0.07%	**—**	177,593
China Mobile Limited	**—**	1,188,750	**(13,112)**	13,112	**—**	0.54%	**—**	866,112
Ausupreme International Holdings Limited	**2,520,500**	4,124,600	**(101,937)**	(456,434)	**1.37%**	1.89%	**1,602,309**	2,050,791
Gemilang International Limited	**14,302,500**	2,922,400	**(5,606,946)**	932,223	**7.75%**	1.34%	**3,754,264**	605,713
Kwong Man Kee Group Limited	**16,178,940**	6,587,460	**1,283,749**	66,540	**8.77%**	3.01%	**3,954,479**	1,682,490
Tech Pro Technology Development Limited	**510,000**	1,020,000	**(510,000)**	(1,740,000)	**0.28%**	0.47%	**1,762,773**	1,854,778
PCCW Limited	**1,010,240**	726,400	**4,063**	54,088	**0.55%**	0.33%	**496,044**	413,304
Cathay Pacific Airways Limited	**334,200**	242,400	**(64,273)**	3,741	**0.18%**	0.11%	**487,584**	310,643
Standard Chartered Plc	**—**	2,119,320	**(9,002)**	9,002	**—**	0.97%	**—**	3,178,257
i-Control Holdings Limited	**8,307,000**	7,577,200	**(1,404,187)**	1,438,929	**4.5%**	3.46%	**3,732,335**	2,458,821
Bank of Communication Company Limited	**6,629,350**	2,262,000	**(75,534)**	17,796	**3.59%**	1.03%	**24,673,279**	8,967,362
China Literature Limited	**36,300**	83,350	**(47,050)**	561	**0.02%**	0.04%	**20,517**	16,702
Great Eagle Holdings Limited	**670,000**	409,500	**(106,835)**	(1,935)	**0.36%**	0.19%	**1,985,346**	936,242
Ping An Insurance (Group) Company Limited	**—**	162,700	**(1,407)**	1,407	**—**	0.07%	**—**	152,475
Power Assets Holdings Limited	**2,016,500**	989,250	**(445,082)**	(94,367)	**1.09%**	0.45%	**1,448,561**	671,755
Shen You Holdings Limited	**—**	83,200	**(19,203)**	19,203	**—**	0.04%	**—**	15,617
Wing On Company International Limited	**—**	27,700	**(287)**	287	**—**	0.01%	**—**	60,672
Chi Ho Development Holdings Limited	**1,440,000**	4,772,400	**(2,102,500)**	3,345,917	**0.78%**	2.18%	**46,958**	271,401
Yi Hua Holdings Limited	**16,400,000**	20,445,000	**(8,775,885)**	683,842	**8.89%**	9.35%	**3,445,917**	4,536,054
AIA Group Limited	**65,000**	—	**5,569**	—	**0.04%**	—	**25,192**	—
A.Plus Group	**79,000**	—	**5,834**	—	**0.04%**	—	**38,135**	—
Winto Group (Holdings) Limited	**2,040,000**	—	**(386,585)**	—	**1.11%**	—	**190,728**	—
MTR Corporation Limited	**4,573,200**	—	**(354,886)**	—	**2.48%**	—	**3,262,426**	—
Hong Kong Exchange and Clearing Limited	**951,720**	—	**(121,829)**	—	**0.52%**	—	**136,780**	—
	115,379,762	81,450,030	**(22,368,363)**	1,902,255				

21. Financial Assets at Fair Value Through Profit or Loss (Continued)

b) Details of the unlisted equity securities are as follows:

Name of investee	Proportion of share capital owned	Fair value		Unrealised gain/(loss) for the year		% of total assets of the Group	
		2018 HK$	2017 HK$	2018 HK$	2017 HK$	2018	2017
Diamond Motto Limited[*1]	16.67%	11,667,000	—	(10,539,000)	—	6.32%	—
廣州市金洋水產養殖有限公司	1.60%	4,097,000	—	(1,139,000)	—	2.22%	—
		15,764,000	—	(11,678,000)	—		

[*1] Pursuant to the agreement signed by the Group and other investors of Diamond Motto, the Group has an option to require the major shareholder of the Diamond Motto to acquire all of the shares of Diamond Motto held by the Group at their original cost in the event that Diamond Motto fails to fulfill certain condition and terms stipulated in the agreement. The above-mentioned option will lapse on 31 December 2019.

c) Details of the unlisted debt securities are as follows:

Name of investee	Proportion of share capital owned	Fair value		Unrealised gain/(loss) for the year		% of total assets of the Group	
		2018 HK$	2017 HK$	2018 HK$	2017 HK$	2018	2017
Toyoplas Investments Limited ("Toyoplas")[*1]	N/A[*2]	—	5,250,000	—	—	—	2.40%
Star League Investment Limited ("Star League")	N/A[*3]	909,000	—	(2,046,000)	—	0.49%	—
		909,000	5,250,000	(2,046,000)	—		

[*1] It is convertible bond guaranteed by ultimate controlling shareholder of Toyoplas and charged on the shares of Toyoplas by deed of guaranty and deed of charge dated 20 April 2015. The bond had been redeemed during the year.

[*2] No share capital owned as it is bond issued by Toyoplas.

[*3] No share capital owned as this is a debenture with 6.5% coupon rate and an early redemption option issued by Star League. The Group is also entitled for the capital surplus in the shares of the investee under certain conditions. The bond will mature on 27 April 2019.

22. Amount due from an Investee

The advance are unsecured, interest free and to be repayable on or before 31 December 2019.

At the end of the reporting date, the Group undertakes that it will fund the professional fees and other charges in relating to the application of the investee for listing in a stock exchange up to an additional amount of HK$4,000,000.

23. Cash and Bank Balances

	2018 HK$	2017 HK$
Time deposits with maturity period less than 3 months	**5,008,918**	—
Bank balances	**41,985,463**	41,589,932
	46,994,381	41,589,932

24. 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$252,638 and performance fee of HK$Nil (2017: HK$669,997 and HK$1,504,784).

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

25. Share Capital

	Number of shares		**Share capital**	
	2018 HK$	2017 HK$	**2018 HK$**	2017 HK$
Ordinary shares of HK$0.01 each				
Authorised	**4,000,000,000**	4,000,000,000	**40,000,000**	40,000,000
Issued and fully paid:				
At 1 January	**2,279,400,000**	1,899,500,000	**22,794,000**	18,995,000
Issue of shares upon placing *(note)*	**—**	379,900,000	**—**	3,799,000
At 31 December	**2,279,400,000**	2,279,400,000	**22,794,000**	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 had 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.

26. Reserves

	Share premium HK$	Investment valuation reserves (recycling) HK$	Accumulated losses HK$	Total HK$
Balance as at 1 January 2017	231,014,560	9,801,462	(93,445,002)	147,371,020
Issue of share upon placing	31,911,600	—	—	31,911,600
Profit for the year	—	—	8,035,081	8,035,081
Other comprehensive income for the year	—	5,978,705	—	5,978,705
Total comprehensive income for the year	—	5,978,705	8,035,081	14,013,786
Balance as at 31 December 2017 and 1 January 2018	262,926,160	15,780,167	(85,409,921)	193,296,406
Impact on application of HKFRS 9	—	(15,780,167)	27,291,257	11,511,090
Adjusted balance as at 1 January 2018	262,926,160	—	(58,118,664)	204,807,496
Loss for the year and total comprehensive loss for the year	—	—	(45,200,178)	(45,200,178)
Balance as at 31 December 2018	262,926,160	—	(103,318,842)	159,607,318

27. Net Asset Value Per Share

The calculation of net asset value per share is based on the net assets of HK$182,401,318 (2017: HK$216,090,406) and 2,279,400,000 (2017: 2,279,400,000) ordinary shares in issue as at 31 December 2018.

28. Commitments

a) Capital commitments

Capital expenditure contracted but not provided for is as follows:

	2018 **HK$**	2017 HK$
Investments	—	7,000,000

b) Operating lease commitments

At the end of the reporting period, the Group had entered into the following future minimum lease payments in respect of the office premises under non-cancellable operating leases. These leases run for 2 years (2017: 2 years).

	2018 **HK$**	2017 HK$
Within one year	**255,960**	50,153
In the second to fifth years, inclusive	**46,100**	—
	302,060	50,153

29. Connected and Related Party Transactions

During the year, the Group had the following material transactions with its related parties:

	Notes	**2018 HK$**	2017 HK$
Performance fee paid to Hua Yu Investment Management Limited	*(a)*	**2,561,996**	1,504,784
Investment management fee paid to Hua Yu Investment Management Limited	*(a)*	**—**	2,624,237
Financial advisory fee paid to Hua Yu Investment Management Limited	*(b)*	**—**	120,000
Custodian fee paid to Bank of Communication Trustee Limited	*(c)*	**35,200**	35,200

a) The Company and 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, had entered into an investment management agreement on 28 May 2014 for the service period of three years to 31 May 2017. Monthly investment management fee is payable quarterly at 1.5% of the Gross Net Asset Value (NAV) per annum, calculated as the arithmetical average of the published Gross NAV on the last day of each calendar month during each relevant year.

In addition to the above management fee, a performance fee is payable annually at 15% on the amount of audited consolidated NAV of the Company (calculated as at the end of each respective financial year) exceeding the High Watermark as at the financial year, subject to adjustments by disregarding the effects of any new issue of securities or distribution on the Gross NAV.

The annual cap for the management fee and performance fee for the seven months ended 31 December 2014, years ended 31 December 2015 and 31 December 2016 and the five months ended 31 May 2017 are HK$3,050,000, HK$10,000,000, HK$12,500,000 and HK$1,800,000 respectively. These continuing connected transactions were approved at the extraordinary general meeting of the Company held on 24 June 2014.

The investment management agreement was renewed and entered into between the Company and the investment manager on 26 May 2017 for the service period of three years to 31 May 2020. Monthly investment management fee and performance fee is payable quarterly and annually pursuant to the same agreement terms as referred to above.

The annual cap for the management fee and performance fee for the periods from 1 June 2017 to 31 May 2018, from 1 June 2018 to 31 May 2019 and from 1 June 2019 to 31 May 2020 are HK$8,000,000, HK$8,000,000 and HK$8,000,000 respectively. These continuing connected transactions falls below the de-minimis threshold under Rule 14A.33 of the Listing Rules and exempt from the circular and independent shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

29. Connected and Related Party Transactions (Continued)

b) The Company entered corporate financial advisory agreement with the investment manager as referred to in (a) above on 28 May 2014 for corporate finance advisory service in relation to the compliance with the Listing Rules of The Stock Exchange of Hong Kong Limited. The investment manager is entitled to a monthly fee of HK$30,000 for its services pursuant to the corporate financial advisory agreement.

   The annual cap for the corporate finance advisory fee for the seven months ended 31 December 2014, years ended 31 December 2015 and 31 December 2016 and the five months ended 31 May 2017 are HK$210,000, HK$360,000, HK$360,000 and HK$150,000 respectively. These continuing connected transactions were approved at the extraordinary general meeting of the Company held on 24 June 2014.

   There are no renewal of corporate finance advisory agreement after its expiry.

c) Pursuant to a custodian agreement dated 30 June 2009 between the Company and Bank of Communication Trustee Limited as a custodian, the custodian agrees to provide securities custodian services to the Company including the safe custody of the Group's securities and the settlement of the securities of the Group, the collection of dividends and other entitlements on behalf of the Group.

   The custodian is regarded as a connected person of the Company under Rule 14A.08 of the Listing Rules, but the custodian fee falls below the de-minimis threshold under Rule 14A.33 of the Listing Rules.

d) The remuneration of directors and other members of key management during the year were disclosed in note 13.

e) Details of the balances with an associate and investment manager is disclosed in note 18 and 24 respectively.

The above-mentioned transactions were carried out in the normal course of the Group's business on terms mutually agreed between the parties involved.

The related party transactions in respect of items (a) to (c) above also fall under the definition of connected transactions or continuing connected transactions in Chapter 14A of the Listing Rules. The Company has complied with the requirements in accordance with Chapter 14A of the Listing Rules.

30. Statement of Financial Position and Reserve Movement of the Company

a) Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2018 HK$	2017 HK$
Non-current assets		
Property, plant and equipment	**23,969**	48,725
Investments in subsidiaries	**121,073**	121,073
Loans to subsidiaries	**45,100,000**	45,000,000
Amounts due from subsidiaries	**6,755,782**	6,790,484
	52,000,824	51,960,282
Current assets		
Loans to subsidiaries	**27,907,360**	42,816,214
Other receivables, deposits and prepayments	**2,569,515**	40,169,282
Financial assets at fair value through profit or loss	**54,926,922**	32,367,990
Cash and bank balances	**46,957,689**	41,508,335
	132,361,486	156,861,821
Current liabilities		
Other payables and accruals	**511,453**	2,623,068
Net current assets	**131,850,033**	154,238,753
Total assets less current liabilities	**183,850,857**	206,199,035
Non-current liabilities		
Amount due to subsidiaries	**1,168,546**	975,241
Net assets	**182,682,311**	205,223,794
Capital and reserves		
Share capital	**22,794,000**	22,794,000
Reserves *(note (b))*	**159,888,311**	182,429,794
Total equity	**182,682,311**	205,223,794

The statement of financial position of the Company was approved and authorised for issue by the board of directors on 29 March 2019.

Leung King Yue, Alex
Executive Director

Lewis Chan
Executive Director

30. Statement of Financial Position and Reserve Movement of the Company (Continued)

b) A summary of the Company's reserves is as follows:

	Share premium HK$	Accumulated losses Total HK$	Total HK$
Balance as at 1 January 2017	231,014,560	(85,777,058)	145,237,502
Issued of shares upon placing	31,911,600	—	31,911,600
Profit and total comprehensive income for the year	—	5,280,692	5,280,692
Balance as at 31 December 2017 and 1 January 2018	262,926,160	(80,496,366)	182,429,794
Loss and total comprehensive loss for the year	—	(22,541,483)	(22,541,483)
Balance as at 31 December 2018	262,926,160	(103,037,849)	159,888,311

31. Particulars of Major Investments

Particulars of major investments held by the Group as at 31 December 2018 are as follows:

i) Listed equity securities

Upbest Group Limited ("Upbest Group")

Upbest Group is incorporated in the Cayman Islands and is principally engaged in financial business.

The Group holds 34,828,000 (2017: 21,984,000) shares in Upbest Group, representing 1.30% (2017: 0.82%) interest in the issued share capital of Upbest Group with a corresponding investment cost of HK$28,079,814 (2017: HK$11,227,381) and derived a dividend income of HK$1,194,336 (2017: HK$395,712) for the year ended 31 December 2018. Based on the interim report for the six months ended at 30 September 2018 (2017: 30 September 2017), the net asset value of Upbest Group were approximately HK$2,456,679,000 (2017: HK$2,362,202,000).

This year the Group received more dividend income than last year (2018: HK$1,194,336 vs 2017: HK$395,712) and also the NAV of Upbest has been increased by nearly 4% this year. The Group believes that Upbest will be beneficial to the "One belt One Road" and also the "Greater Bay Area" policies, given the significant increase in demand on related financial services.

i-Control Holdings Limited ("i-Control")

i-Control is incorporated in the Cayman Islands and is principally engaged in provision of video conferencing and multimedia audio visual solutions.

The Group holds 27,690,000 (2017: 19,940,000) shares in i-Control, representing 2.77% (2017: 1.99%) interest in the issued share capital of i-Control with a corresponding investment cost of HK$8,272,258 (2017: HK$6,138,271) and derived a dividend income of HK$185,680 (2017: HK$210,900) for the year ended 31 December 2018. Based on the interim report for the six months ended 30 September 2018 (2017: 30 September 2017), the net asset value of i-Control were approximately HK$134,790,000 (2017: HK$123,311,000).

31. Particulars of Major Investments (Continued)

i) **Listed equity securities** (Continued)

i-Control Holdings Limited ("i-Control") *(Continued)*

I-Control's NAV has been increased by nearly 9%. As I-Control is one of the leading service provider in the industry, the Group is optimistic about the prospects of its business in system applications and IT consulting, as the "Greater Bay Area" will promote the related areas to be more "MICE" oriented and Hong Kong is already a business hub in the Asia Pacific regions and these will strengthen the steady growth of I-Control.

Ausupreme International Holdings Limited ("Ausupreme")

Ausupreme is incorporated in the Cayman Islands and is principally engaged in developing marketing, selling and distributing of health and personal care products, classified by health supplement products, honey and pollen products and personal care products.

The Group holds 7,100,000 (2017: 10,060,000) shares in Ausupreme, representing 0.95% (2017: 1.34%) interest in the issued share capital of Ausupreme with a corresponding investment cost of HK$3,608,468 (2017: HK$5,110,630) and derived a dividend income of HK$71,000 (2017: HK$Nil) for the year ended 31 December 2018. Based on the interim report for the six months ended 30 September 2018 (2017: 30 September 2017), the net asset value of Ausupreme were approximately HK$169,258,000 (2017: HK$152,892,000)).

Ausupreme's NAV has been increased by nearly 11%. As Ausupreme is one of the active health and personal care product provider in Hong Kong, the Group is optimistic about the prospects of its business in the future, as now the societies across China, Hong Kong and SEA have huge concerns about the aging population, health and personal care, etc, and people will be more willing to spend more on these products, Ausupreme will certainly enjoy the trend here.

Kwong Man Kee Group Limited ("Kwong Man Kee")

Kwong Man Kee is incorporated in the Cayman Islands and is principally engaged in provision of carpark flooring services and ancillary services.

The Group holds 29,961,000 (2017: 29,823,000) shares in Kwong Man Kee, representing 4.99% (2017: 4.97%) interest in the issued share capital of Kwong Man Kee with a corresponding investment cost of HK$10,062,688 (2017: HK$9,929,882) and derived a dividend income of HK$407,190 (2017: HK$Nil) for the year ended 31 December 2018. Based on the interim report for the six months ended 30 September 2018 (2017: 30 September 2017), the net asset value of Kwong Man Kee were approximately HK$79,192,000 (2017: HK$75,856,000).

This year the Group received more dividend income than last year (2018: HK$407,190 vs 2017:Nil). As Kwong Man Kee is one of the active carpark flooring services and ancillary services provider in Hong Kong, the Group believes Kwong Man Kee will be continuously beneficial to the steady demand from the property market in Hong Kong and Macau.

31. Particulars of Major Investments (Continued)

i) **Listed equity securities** (Continued)

Gemilang International Limited ("Gemilang")

Gemilang is incorporated in the Cayman Islands and is principally engaged in design and manufacture of bus bodies and assemble buses.

The Group holds 7,151,250 (2017: 6,135,250) shares in Gemilang, representing 2.85% (2017: 2.45%) interest in the issued share capital of Gemilang with a corresponding investment cost of HK$7,940,530 (2017: HK$5,271,137) and derived a dividend income of HK$181,177 (2017: HK$Nil) for the year ended 31 December 2018. Based on the annual financial statements for the year ended 31 October 2018 (2017: 31 October 2017), the net asset value of Gemilang were approximately HK$131,812,000 (2017: HK$145,872,000).

This year the Group received more dividend income than last year (2018: HK$181,177 vs 2017:Nil). The Group is optimistic about the prospects of its business in the future, Gemilang's objective is to become one of the leading bus manufacturing solution provider in Asia and it will certainly be beneficial to the "One belt One Road" and also the "Greater Bay Area" policies, given the potential increasing demand on buses.

Bank of Communication Company Limited ("Bank of Communication")

Bank of Communication is incorporated in the People's Republic of China and is principally engaged in provision of corporate and personal banking services conducting treasury business, provision of asset management, trustee, finance leasing, investment banking, insurance and other financial services.

The Group holds 1,085,000 shares in Bank of Communication, representing 0.003% interest in the issued share capital of Bank of Communication with a corresponding investment cost of HK$6,687,088 and derived a dividend income of HK$364,587 for the year ended 31 December, 2018. Based on the annual financial statements for the year ended 31 December 2018, the net asset value of Bank of Communication were approximately HK$796,182,000,000.

The Group is optimistic about the prospects of the banking industry and the Group believes that Bank of Communication will be beneficial to the "One belt One Road" and also the "Greater Bay Area" policies, given the significant increase in demand on related banking services.

Yi Hua Holdings Limited ("Yi Hua")

Yi Hua is incorporated in the Cayman Islands and is principally engaged in the operation of department store chain in the People's Republic of China.

The Group holds 20,000,000 (2017: 14,500,000) shares in Yi Hua, representing 1.99% (2017: 1.45%) interest in the issued share capital of Yi Hua with a corresponding investment cost of HK$24,492,043 (2017: HK$19,761,158). No dividend income was received during the years ended 31 December 2018 and 2017. Based on the annual financial statements for the year ended 31 December 2018 (2017: 31 December 2017), the net asset value of Yi Hua were approximately HK$172,840,000 (2017: HK$313,819,000).

The Group believes Yi Hua will seek more other business opportunities other than its original department stores in China, like opening of convenience stores, real estate development and game console business to diversify the existing business.

31. Particulars of Major Investments (Continued)

i) **Listed equity securities** (Continued)

MTR Corporation Limited ("MTR Group")

MTR is incorporated in the Hong Kong and is principally engaged in railway operation.

The Group holds 111,000 shares in MTR, representing 0.002% interest in the issued share capital of MTR with a corresponding investment cost of HK$4,928,086 and derived a dividend income of HK$88,400 for the year ended 31 December 2018. Based on the annual financial statements for the year ended at 31 December 2018, the net asset value of MTR were approximately HK$180,447,000,000.

The Group is optimistic about the prospects of MTR in the railway operation in Hong Kong, its investment property portfolio and rail franchise and rail-related property development opportunities across China and internationally.

ii) **Unlisted equity securities**

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 year.

The Group holds 1.6% (2017: 1.6%) equity interest in 金洋水產with a corresponding investment cost of HK$4,219,243 (2017: HK$4,219,243). No dividend was received during the years ended 31 December 2018 and 2017. Based on the unaudited financial statements for the year ended 31 December 2018, the net asset value of 金洋水產 were approximately HK$229,075,000 (2017: HK$226,507,000). The net assets attributable to the Group was approximately HK$3,665,000 (2017: HK$3,624,000).

The Group believes that the 金洋水產 will be beneficial to the steady consumption of agricultural and feed production in China, as the local consumption power is emerging.

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 year.

The Group holds 50 shares in Diamond Motto, representing 16.67% (2017: 16.67%) interest in the issued share capital of Diamond Motto with a corresponding investment cost of HK$11,666,667 (2017: HK$4,666,667). A dividend income of HK$1,666,667 (2017: HK$1,666,667) was received during the year ended 31 December 2018. LMP International Limited ("LMP") is a wholly owned subsidiary of Diamond Motto. Based on the unaudited financial statements at 31 December 2018, the net asset value of LMP was approximately HK$11,186,000 (2017: HK$29,096,000). The net assets attributable to the Group was approximately HK$1,865,000 (2017: HK$4,850,000).

LMP International Limited ("LMP") is a wholly owned subsidiary of Diamond Motto and the Group is optimistic about its interior design and decoration works business in Hong Kong, given the steady property market sentiment here and people will tend to spend much on it.