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DT CAPITAL LIMITED

鼎立資本有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 356)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

INTERIM REPORT AND CONDENSED CONSOLIDATED ACCOUNTS

The Board (the “Board”) of Directors (the “Directors”) of DT Capital Limited (the “Company”) hereby presents the interim report and unaudited condensed consolidated accounts of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2017. The interim report had been reviewed by the audit committee of the Company and approved by the Board.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2017

		Six months ended 30 June 2017 (Unaudited) HK\$	Six months ended 30 June 2016 (Unaudited) HK\$
	Note		
Gross proceeds from disposal of securities		19,493,122	9,304,659
Revenue	3	13,024,960	1,740,977
Other revenue	4	5,005,581	5,043,949
Administrative and other operating expenses		(3,184,253)	(3,784,485)
Share of result of an associate		(549,907)	(69,339)
Profit before taxation	6	14,296,381	2,931,102
Taxation	7	—	—
Profit for the period attributable to equity holder of the Company		14,296,381	2,931,102
Other comprehensive income for the period			
Items that may be reclassified subsequent to profit or loss:			
Fair value change on available-for-sale financial assets		541,148	—
Reclassification adjustments transfer to profit or loss			
— release upon disposal of available-for-sale financial assets		(829,600)	—
Total comprehensive income for the period attributable to equity holders of the Company		14,007,929	2,931,102
Profit per share	8	0.75 cents	0.15 cents
Interim dividend		Nil	Nil

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION*As at 30 June 2017*

	30 June 2017 (Unaudited) HK\$	31 December 2016 (Audited) HK\$
Non-current assets		
Property, plant and equipment	155,521	180,488
Interest in associate	10,469,325	10,470,265
Available-for-sale financial assets	25,194,663	26,107,755
	35,819,509	36,758,508
Current assets		
Available-for-sale financial assets	28,000,000	28,000,000
Financial assets at fair value through profit or loss	106,359,346	85,573,176
Prepayments, deposits and other receivables	5,240,729	6,505,210
Bank balances and cash	5,828,747	13,164,109
	145,428,822	133,242,495
Current liabilities		
Other payables and accruals	874,382	3,634,983
	874,382	3,634,983
Net current assets	144,554,440	129,607,512
Net assets	180,373,949	166,366,020
Capital and reserves		
Share capital	18,995,000	18,995,000
Reserves	161,378,949	147,371,020
Shareholders' funds	180,373,949	166,366,020

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2017

1. Basis of Preparation

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

2. Principal Accounting Policies

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

The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 June 2017 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2016.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) and interpretations that are first effective or available for early adoption for the current accounting period of the Company. The adoption of these new and revised HKFRSs has no material effect on the Interim Financial Statements, and there have otherwise been no significant changes to the accounting policies applied in these financial statements.

3. Revenue

	Six Months ended 30 June 2017 (Unaudited) HK\$	Six Months ended 30 June 2016 (Unaudited) HK\$
Net realized and unrealized gain on financial assets at fair value through profit or loss	12,992,890	1,727,813
Dividend income from listed equity securities	32,070	13,164
	<u>13,024,960</u>	<u>1,740,977</u>

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

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

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

4. Other Revenue

	Six months ended 30 June 2017 (Unaudited) HK\$	Six months ended 30 June 2016 (Unaudited) HK\$
Other Revenue		
Net realized gain on available-for-sale financial assets	1,063,635	—
Interest income	3,813,336	4,739,449
Other Income	128,610	304,500
	<u>5,005,581</u>	<u>5,043,949</u>

5. Finance Costs

There were no interest expenses for the six months ended 30 June 2016 and 30 June 2017.

6. Profit Before Taxation

	Six months ended 30 June 2017 (Unaudited) HK\$	Six months ended 30 June 2016 (Unaudited) HK\$
Profit before taxation is stated after charging the following:		
Depreciation	24,967	36,759
Investment management fee	1,292,154	1,135,002
Rental charges under operating leases in respect of rented premises	116,335	197,943
Staff costs, including directors' emoluments	<u>1,269,120</u>	<u>1,239,584</u>

7. Taxation

No provision for Hong Kong profits tax has been made as the tax losses brought forward from prior years exceeded the estimated assessable profits of the Group for the period ended 30 June 2016 and 30 June 2017.

8. Profit Per Share

The calculation of the profit per share for the six months ended 30 June 2017 is based on the Group's profit attributable to the equity holders of HK\$14,296,381 and the weighted average number of 1,899,500,000 ordinary shares in issue during the period. Profit per share for the six months ended 30 June 2016 is based on the Group's profit attributable to equity holders of HK\$2,931,102 and the weighted average number of 1,899,500,000 ordinary shares in issue during the prior period.

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

REVIEW OF REPORT

For the six months ended 30 June 2017, the Group recorded a net profit attributable to shareholders of HK\$14,296,381 (2016: HK\$2,931,102) and profit per share of HK\$0.75 cents (2016: HK\$0.15 cents).

INTERIM DIVIDEND

The Board has resolved not to pay any interim dividend for the period ended 30 June 2017 (2016: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Compared with the corresponding period of the last year, the increase in the net profit was mainly caused by an increase in the revenue that included net realized and unrealized gain on financial assets at fair value through profit or loss of approximately HK\$11.27 million.

There was no new investment plan since January 2017.

Prospects

While global economic performance has improved since the start of 2017, we remain cautious of possible risks of decline due to uneven economic growth and geopolitical tensions.

In the US, further recovery of the economy is likely to follow as its fiscal policy becomes more expansionary. At the same time, this is balanced by uncertainties about the impact of financial legislations to be proposed, as well as potential protectionist measures bringing pressure to certain emerging markets and low-income countries.

In the EU, the Brexit has resulted in political instability and increasing uncertainty about the EU's prospects. The overall impact on the European economy will likely be felt for a long time in the markets.

As for China, the Central Government is expected to continue to offer policy support to drive the development of an affluent society. In addition to the Belt and Road initiative, the Asian Infrastructure Investment Bank has also commenced operation to provide a new driving force for global economies.

According to the latest "World Economic Outlook Update" published by IMF, global economic activity could accelerate more robustly if the policy stimulus adopted by the US or China in 2017 is stronger than currently projected. The IMF estimated global growth at 3.1% for 2016, rising to 3.4% for 2017 and 3.6% for 2018.

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

FINANCIAL REVIEW

Financial Resources and Liquidity

The Group maintained a cash position, bank balance and cash amounting to approximately HK\$5.83 million as at 30 June 2017 (31 December 2016: HK\$13.16 million).

The Group's total borrowings comprising other payables and accruals, amounted to approximately HK\$0.87 million as at 30 June 2017 (31 December 2016: HK\$3.63 million).

As at 30 June 2017, the Group's gearing ratio was approximately 0.48% (31 December 2016: 2.18%).

The Group had net financial asset investments and interest in associate of approximately in total of HK\$170.02 million as at 30 June 2017 (31 December 2016: HK\$150.15 million).

Capital structure

There has been no change to the capital structure of the Company since 1 January 2017.

OTHER INFORMATION

Employment and Remuneration Policies

As at 30 June 2017, the Group employed a total of 5 employees (2016: 5) including the executive directors of the Company. The remuneration packages consist of basic salary, mandatory provident fund, medical insurance, and other benefits considered as appropriate. Remuneration packages are generally structured by reference to market terms, individual qualification and performance. They are under periodic review based on individual merit and other market factors.

Staff Cost

The Group's total staff costs for the period under review amounted to HK\$1,269,120 (2016: HK\$1,239,584).

Exposure to Fluctuations in Exchange Rates and Related Hedges

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

Purchase, Sale or Redemption of Securities

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

Corporate Governance

The Board has established procedures on corporate governance that comply with the requirements of the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules. The Board has reviewed and taken measures to adopt the CG Code as the Company's code of corporate governance practices. During the six months ended 30 June 2017, the Company has complied with the code provisions under the CG Code.

Audit Committee

The Company has established an audit committee in accordance with Rule 3.21 of the Listing Rules, for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee of the Company has reviewed the interim report for the period ended 30 June 2017.

Model Code for Securities Transactions by Directors

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

Publication of Interim Report

This interim report is published on HKExnews website at www.hkexnews.hk and on the website of the Company at www.dt-capitalhk.com.

By order of the Board
Chan Pui Kwan
Chairman

Hong Kong, 24 August 2017

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