DT CAPITAL

DT CAPITAL LIMITED
鼎立資本有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 356)

ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

The board (the "Board") of directors (the "Directors") of DT Capital Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2018 together with the comparative figures for the year ended 31 December 2017 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Note	**2018** HK$	2017 HK$
Revenue	5	**4,577,037**	2,553,650
Other revenue	6	**551,814**	10,614,263
Fair value (loss)/gain on financial assets at fair value through profit or loss		**(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	7	**(43,645,346)**	8,035,081
Income tax expense	8	**(1,554,832)**	—
(Loss)/profit for the year attributable to equity holders of the Company		**(45,200,178)**	8,035,081

	Note	2018 HK$	2017 HK$
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	*9*	**(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		**80,620**	130,554
Interest in an associate	*10*	—	10,448,102
Available-for-sale financial assets	*11*	—	31,378,487
		80,620	41,957,143
Current assets			
Account and other receivables, deposits and prepayments	*12*	**2,749,840**	40,468,809
Available-for-sale financial assets	*11*	—	8,000,000
Financial assets at fair value through profit or loss	*13*	**132,052,762**	86,700,030
Amount due from an investee	*14*	**2,590,000**	—
Cash and bank balances		**46,994,381**	41,589,932
		184,386,983	176,758,771
Current liabilities			
Other payables and accruals	*15*	**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		**1,554,832**	—
Net assets		**182,401,318**	216,090,406
Capital and reserves			
Share capital		**22,794,000**	22,794,000
Reserves		**159,607,318**	193,296,406
Total equity		**182,401,318**	216,090,406
Net asset value per share	*16*	**0.08**	0.09

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018

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 financial statements for the annual period beginning on 1 January, 2018.

HKFRS 9	Financial instruments
HKFRS 15	Revenue from contracts with customers
HK (IFRIC) 22	Foreign currency transactions and advance consideration
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 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 financial statements.

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

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

	HK$
Accumulated loss	
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 retained earnings 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 retained earnings relating to financial assets now measured at FVPL	(15,780,167)
At 1 January 2018	—

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 revaluation 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.

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 investment 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.

3. NEW OR AMENDED HKFRSs THAT HAVE BEEN ISSUED BUT NOT YET EFFECTIVE

The following new/revised HKFRSs, potentially relevant to the Group's 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 and 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 Imnprovements 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 on 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. 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.

5. REVENUE

	2018	2017
	HK$	*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 securities and unlisted 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.

6. OTHER REVENUE

	2018	2017
	HK$	*HK$*
Other revenue		
Net realised gain on listed available-for-sale financial assets	**—**	1,963,635
Interest income on financial assets measured at amortised cost	**472,911**	7,578,080
Sundry income	**844**	128,610
Exchange gain	**78,059**	943,938
	551,814	10,614,263

7. (LOSS)/PROFIT BEFORE TAXATION

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

	2018	2017
	HK$	*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

8. INCOME TAX EXPENSE

	2018	2017
	HK$	*HK$*
Tax expense recognised in profit or loss:		
Deferred taxation		
— current year	**1,554,832**	—
Total tax expenses	**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 years.)

Deferred tax liabilities, recognised are analysed as follows:

	Tax loss	**Unrealised again on financial assets at fair value through profit or loss**	**Total**
	HK$	*HK$*	*HK$*
(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

9. (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.

10. INTEREST IN AN ASSOCIATE

	2018	2017
	HK$	*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.

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2018	2017
	HK$	*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

For details of the reclassification of available-for-sale financial assets, please refer to Note 2 above.

12. 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.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

14. AMOUNT DUE FROM AN INVESTEE

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

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

15. 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.

16. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

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.

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.

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.

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.

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.

The figures in respect of the preliminary announcement of the Group's result for the year ended 31 December 2018 have been agreed by the Group's auditors, Li, Tang, Chen & Co, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Li, Tang, Chen & Co in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Li, Tang, Chen & Co on the preliminary announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

SUFFICIENCY OF PUBLIC FLOAT

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

PUBLICATION OF THE FINAL RESULT AND ANNUAL REPORT

The results announcement is published on the Stock Exchange's website (http//www.hkex.com.hk) and the Company's website (http//www.dt-capitalhk.com) under sections of "Annual/Interim Report" and "Announcements". The 2018 annual report will be dispatched to the shareholders and will be available on websites of the Stock Exchange and the Company in due course.

APPRECIATION

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
DT Capital Limited
Chan Pui Kwan
Chairman

Hong Kong, 29 March 2019

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 Ms. Li Peng as Non-executive Directors; Mr. Kwok Ming Fai, Mr. Lo Chi Ming and Mr. Jochum Siebren Haakma as Independent Non-executive Directors.