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## **DT CAPITAL LIMITED**

### **鼎立資本有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 356)**

## **ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015**

The board of directors (the “Board”) of DT Capital Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2015 together with the comparative figures for the year ended 31 December 2014 as follows:

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

*For the year ended 31 December 2015*

	<i>Note</i>	<b>2015 HK\$</b>	<b>2014 HK\$</b>
<b>Turnover</b>	5	<b>41,095,485</b>	182,016
Cost of listed equity securities disposed of		<b>(10,852,555)</b>	—
Cost of unlisted debt securities redeemed		<b>(30,000,000)</b>	—
Other revenue	6	<b>6,678,462</b>	332,825
Gain on bargain purchase of a subsidiary		<b>985,562</b>	—
Other gain	6	<b>2,095,133</b>	3,168,300
Administrative and other operating expenses		<b>(9,235,289)</b>	(7,051,304)
Finance costs	7	—	(374,351)
Share of results of an associate		<b>815,866</b>	—
<b>Profit/(loss) before taxation</b>	8	<b>1,582,664</b>	(3,742,514)
Income tax expense	9	—	—
<b>Profit/(loss) and total comprehensive income/(loss) attributable to equity holders of the Company</b>		<b>1,582,664</b>	(3,742,514)
<b>Earnings/(loss) per share</b>			
Basic	10	<b>0.0008</b>	(0.004)
Diluted	10	<b>N/A</b>	N/A
<b>Dividend</b>		<b>Nil</b>	Nil

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 31 December 2015*

	<i>Note</i>	<b>2015</b> <b>HK\$</b>	2014 <i>HK\$</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>358,132</b>	376,741
Interest in an associate	11	<b>10,477,978</b>	—
Available-for-sale financial assets	12	<b>36,431,450</b>	28,000,000
		<b>47,267,560</b>	28,376,741
<b>Current assets</b>			
Other receivables, deposits and prepayments	13	<b>6,675,143</b>	958,664
Financial assets at fair value through profit or loss	14	<b>29,335,528</b>	8,506,508
Cash and bank balances		<b>69,291,017</b>	113,854,617
		<b>105,301,688</b>	123,319,789
<b>Current liabilities</b>			
Amount due to a director		—	400,000
Other payables and accruals	15	<b>1,211,692</b>	1,521,638
		<b>1,211,692</b>	1,921,638
<b>Net current assets</b>		<b>104,089,996</b>	121,398,151
<b>Net assets</b>		<b>151,357,556</b>	149,774,892
<b>Capital and reserves</b>			
Share capital		<b>18,995,000</b>	18,995,000
Reserves		<b>132,362,556</b>	130,779,892
<b>Total equity</b>		<b>151,357,556</b>	149,774,892
<b>Net asset value per share</b>	16	<b>0.08</b>	0.08

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

## 1. GENERAL

DT Capital Limited (“the Company”) is a public limited company incorporated in the Cayman Islands with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is 1/F., Shun On Commercial Building, 112-114 Des Voeux Road Central, Central, Hong Kong.

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

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

## 2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following revised standards for the first time for the current year’s financial statements:

*Amendments to HKAS 19 Defined Benefit Plans: Employee Contribution*  
*Annual Improvements to HKFRSs 2010-2012 Cycle*  
*Annual Improvements to HKFRSs 2011-2013 Cycle*

The adoption of the above revised standards has had no significant financial effect on these financial statements.

In addition, the Company has adopted the amendments to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) issued by the Stock Exchange of Hong Kong Limited relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact on the financial statements is on the presentation and disclosure of certain information in the financial statements.

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

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements:

Amendments to HKAS1	<i>Disclosure Initiative</i> <sup>1</sup>
HKFRS 9	<i>Financial Instruments</i> <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>4</sup>
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	<i>Investment Entities: Applying the Consolidation Exception</i> <sup>1</sup>
Amendments to HKFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i> <sup>1</sup>
HKFRS 14	<i>Regulatory Deferral Accounts</i> <sup>3</sup>
HKFRS 15	<i>Revenue from Contracts with Customers</i> <sup>2</sup>

Amendments to HKAS 16 and HKAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation<sup>1</sup></i>
Amendments to HKAS 16 and HKAS 41	<i>Agriculture: Bearer Plants<sup>1</sup></i>
Amendments to HKAS 27 (2011)	<i>Equity Method in Separate Financial Statements<sup>1</sup></i>
Annual Improvements — 2012-2014 Cycle	<i>Amendments to a number of HKFRSs<sup>1</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2016

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2018

<sup>3</sup> Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

<sup>4</sup> No mandatory effective date is determined but is available for early adoption.

The Group is in the process of making an assessment of the impact of these changes.

#### 4. BASIS OF PREPARATION

The 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 financial statements have been prepared under the historical cost convention except that financial assets at fair value through profit or loss are stated at fair value.

#### 5. TURNOVER

	<b>2015</b> <b>HK\$</b>	2014 <b>HK\$</b>
Proceeds from early redemption of available-for-sale financial assets — unlisted debt securities	<b>30,000,000</b>	—
Proceeds from sales of financial assets at fair value through profit or loss — listed equity securities	<b>10,466,737</b>	—
Dividend income from listed equity securities	<b>628,748</b>	182,016
	<b><u>41,095,485</u></b>	<b><u>182,016</u></b>

As the Group has just completed the reorganisation and resumption of trading of shares during 2014, therefore, there were no proceeds from sales of available-for-sale financial assets and sales of financial assets at fair value through profit or loss included in the turnover for year ended 31 December 2014.

No analysis of the Group’s turnover 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 turnover and the consolidated results of the Group are attributable to performance of the markets in Hong Kong.

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

## 6. OTHER REVENUE AND GAIN

	2015 HK\$	2014 HK\$
Other revenue		
Interest income	6,359,962	332,825
Set up fee income on bonds	300,000	—
Sundry income	18,500	—
	<u>6,678,462</u>	<u>332,825</u>
Other gain		
Unrealised gain on financial assets at fair value through profit or loss	1,647,531	3,168,300
Gain on disposal of subsidiaries	447,602	—
	<u>2,095,133</u>	<u>3,168,300</u>

## 7. FINANCE COSTS

	2015 HK\$	2014 HK\$
Interest on unsecured short term loans wholly repayable within five years	—	374,251
Interest on bank overdraft	—	100
	<u>—</u>	<u>374,351</u>

## 8. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation has been arrived at after charging:

	2015 HK\$	2014 HK\$
Auditors' remuneration	220,000	200,000
Depreciation	92,975	14,623
Investment management fee paid to an investment manager	2,269,722	1,013,248
Performance fee paid to an investment manager	279,294	—
Financial advisory fee paid to:		
i) an investment manager	360,000	212,903
ii) an independent financial advisor	—	50,000
Staff costs, including defined contributions of HK\$114,483 (2014: HK\$29,605) to a defined contribution mandatory provident fund scheme	2,271,442	2,634,047
Minimum lease payments on properties under operating leases	930,725	504,599
Exchange loss	823,522	—
	<u>823,522</u>	<u>—</u>

## 9. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made in these financial statements as the tax losses brought forward from prior years exceed the estimated assessable profits for the year ended 31 December 2015 (2014: no provision for Hong Kong profits tax had been made as the Group incurred a loss for the year ended 31 December 2014).

## 10. EARNINGS/(LOSS) PER SHARE

The basic earnings/(loss) per share is based on the Group's profit/(loss) attributable to equity holders of the Company of HK\$1,582,664 (2014: loss of HK\$3,742,514) and the weighted average number of 1,899,500,000 (2014: weighted average number of shares of 927,993,151) ordinary shares in issue during the year.

There is no diluted earnings/(loss) per share for the years ended 31 December 2015 and 31 December 2014 presented since the Company has no dilutive potential ordinary shares.

## 11. INTEREST IN AN ASSOCIATE

	2015 HK\$	2014 HK\$
Unlisted investments, at cost	5	—
Share of post-acquisition profits	1,922,409	—
	1,922,414	—
Amount due from an associate	8,555,564	—
	10,477,978	—

## 12. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2015 HK\$	2014 HK\$
Unlisted equity securities, at cost	8,431,450	3,000,000
Unlisted debt securities, at cost	28,000,000	25,000,000
	36,431,450	28,000,000

At the end of the reporting period, the unlisted equity and debt securities are stated at cost because their fair values cannot be measured reliably. In the opinion of the directors, the costs of these unlisted equity and debt securities are not materially different from their fair values.

### 13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2015 HK\$	2014 HK\$
Deposits	186,860	339,950
Prepayments	339,459	349,194
Other receivables	6,148,824	269,520
	<u>6,675,143</u>	<u>958,664</u>

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

### 14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015 HK\$	2014 HK\$
Financial assets designated at financial assets at fair value through profit or loss:		
Unlisted convertible debt securities at fair value	5,250,000	—
Financial assets held for trading:		
Equity securities listed in Hong Kong at fair value	24,085,528	8,506,508
	<u>29,335,528</u>	<u>8,506,508</u>
Fair value of listed equity securities	<u>24,085,528</u>	<u>8,506,508</u>
Fair value of unlisted debt securities	<u>5,250,000</u>	<u>—</u>

### 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\$558,895 and performance fee of HK\$279,294 (2014: HK\$763,248 and HK\$Nil) and the amount due to the financial advisor for unsettled financial advisory fee amounting to HK\$90,000 (2014: HK\$212,903).

No ageing analysis is disclosed as they are not trade creditors.

### 16. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets of HK\$151,357,556 (2014: HK\$149,774,892) and the 1,899,500,000 (2014: 1,899,500,000) ordinary shares in issue as at 31 December 2015.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

For the year ended 31 December 2015, DT Capital Limited (the “Company”) and its subsidiaries (the “Group”) recorded profit attributable to equity holders of approximately HK\$1.6 million (2014: loss of HK\$3.7 million). The earnings per share was HK\$0.0008 (2014: the loss per share was HK\$0.004). The profit in 2015 was mainly due to an increase in the interest income of approximately HK\$6 million. In addition, there were no interest expenses in 2015, as opposed to the previous year’s interest expenses of approximately HK\$0.4 million. Increased turnover in 2015 was mainly due to the early redemption of a corporate bond investment of HK\$30 million and disposal of listed equity of approximately HK\$10 million.

Having adopted the advice from Hua Yu Investment Management Limited (“Hua Yu”), the Company’s investment manager, the Group has successfully completed 6 investment plans. These included corporate bonds, corporate debentures, long-term equity investments and convertible bonds.

### Prospects

2015 was a year when the global economy slightly strengthened with a lot of divergences. The global economy is still struggling to gain momentum while the emerging markets have had a difficult year with the China slowdown, and most developed economies continue to grapple with the global financial crisis. According to the International Monetary Fund (IMF)’s report in January 2016, the world economic growth disappointed again in 2015, slowing to 3.1%, and is expected to recover at a slower pace than previously envisioned. Meanwhile, growth is projected to reach 3.4% in 2016 and 3.6% in 2017.

Looking ahead at year 2016, we believe the global growth will continue to be challenging and uneven. The prospect of rising interest rates in the US and an economic slowdown in China are contributing to uncertainty and a higher risk of economic vulnerability worldwide. Moreover, growth in global trade has slowed down considerably, with raw material exporting economies suffering from declining prices. The financial sector in many countries still has weaknesses, and financial risks are arising in emerging markets.

Eurozone growth is expected to rise moderately in 2016, supported by low oil prices, weaker exchange rates, better domestic financial conditions and fiscal expansion. However, with the current Syrian refugee situation and the threat of a possible Brexit, the future of the Eurozone faces considerable uncertainty. As for Asia, the region shows slow economic growth. For many of the region’s countries, exports to China make up a significant portion of their GDP, from 12% for Malaysia, 6-8% for Singapore and Thailand, and as little as 3% for Indonesia. With China’s slowing economy and weakened demand for exports, countries most dependent on exports to China will suffer the most, and the region will likely experience a dampening effect on overall economic growth.



China's economy has inevitably slowed down after more than a decade of double-digit growth. Its GDP officially expanded by 6.9% in 2015, the slowest pace for 25 years. Growth in China is expected to slow to 6.3% in 2016 and 6.0% in 2017, according to the IMF's forecast in January 2016, primarily reflecting weaker investment growth as the economy continues to rebalance. As one of the biggest commodities consumers, China's woes are being felt in other economies and also weighing on oil prices.

Looking back, we have seen big swings on China and Hong Kong stock markets. The CSI 300 index of the largest listed companies in Shanghai and Shenzhen is down 42% since a peak in June 2015. Hong Kong HSI Index lost 5,529 points or 22.25% during the last 12 months from 24,850 points in January of 2015. Management always believes the key to the success is in managing risk successfully. In 2016, we will focus more on the consumer and service sectors than the industrial sector, as the former two are supported by China's government while the latter still faces the overcapacity and restructuring challenges. We will continue to be cautious yet creative in our investment strategy and portfolio management.

Apart from trading securities, Hua Yu together with the management will continue to look with caution for other favourable investment opportunities with potential of asset appreciation as well as sustainable income stream across various sectors and regions to increase shareholder's return.

## **Financial Review**

### ***Financial Resources and Liquidity***

As at 31 December 2015, the total equity of the Group amounted to approximately HK\$151.36 million (31 December 2014: HK\$149.77 million).

As disclosed in the clarification announcement of the Company dated 19 August 2015, the net proceeds from the Subscription and the Open Offer were intended to be used for (i) as to approximately HK\$39.90 million to settle liabilities of the Company; (ii) as to approximately HK\$83.30 million to be invested in listed companies and fixed income instruments and (iii) as to approximately HK\$55.50 million to be invested in private equities. As at 31 December 2015, the net proceeds from the Subscription and the Open Offer in 2014 were used approximately (i) HK\$35 million has been used for settlement of liabilities of the Company; (ii) HK\$50.93 million has been used for investment in corporate bonds, corporate debentures, long-term equity investments and convertible bonds; (iii) HK\$24.08 million has been used for investment in Hong Kong listed shares. The balance of the net proceeds would be used as intended.

As at 31 December 2015, the Group maintained a strong cash position and held short-term bank deposits, bank balances and cash amounting to HK\$69.29 million (31 December 2014: HK\$113.85 million).

The Group had net financial asset investments and interest in associate approximately in total of HK\$76.24 million as at 31 December 2015 (31 December 2014: HK\$36.51 million)

### ***Gearing Ratio***

The Group's total borrowings comprising the accounts payable and accruals, amounted to HK\$1.21 million as at 31 December 2015 (31 December 2014: HK\$1.92 million comprising other payables, accruals and amount due to a director).

The Group's gearing ratio calculated on the basis of total borrowings over the shareholders' equity of the Company was approximately 0.8% as at 31 December 2015 (31 December 2014: 1.28%).

### ***Final Dividend***

The Board has resolved not to recommend any payment of final dividend for the year ended 31 December 2015 (2014: Nil).

### ***Capital Structure***

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

### ***Capital Commitment and Contingent Liabilities***

As at 31 December 2015, the Group has capital commitment of approximately HK\$4.2 million for long term equity investment and no contingent liabilities (2014: Nil).

### ***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 does not have any share option schemes.

### ***Employees and Remuneration Policies***

As at 31 December 2015, the Group employed a total of 5 employees (2014: 5) including the executive directors of the Company. The remuneration packages consist of basic salary, mandatory provident fund, medical insurance, and other benefits considered as appropriate. Remuneration packages are generally structured by reference to market terms, individual qualification and performance. They are under periodic review based on individual merit and other market factors.

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

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries for the year ended 31 December 2015.

## **CORPORATE GOVERNANCE**

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 2015, save and except for the deviations of the following:

Code provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should attend the general meeting and develop a balanced understanding of the views of shareholders. One independent non-executive director was unable to attend the annual general meeting ("AGM") of the Company held on 19 June 2015 due to his other business engagements.

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

## **AUDIT COMMITTEE**

The Company has established an audit committee according to "A Guide for the Effective Audit Committees" published by the Hong Kong Institute of Certified Public Accountants. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. The Audit Committee had also reviewed the annual results of the Group for the year ended 31 December 2015 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 2015 have been agreed by the Group's auditors, Li, Tang, Chen & Co, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Li, Tang, Chen & Co in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Li, Tang, Chen & Co on the preliminary announcement.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

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

## **SUFFICIENCY OF PUBLIC FLOAT**

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

## **PUBLICATION OF THE FINAL RESULT AND ANNUAL REPORT**

The results announcement is published on the Stock Exchange's website (<http://www.hkex.com.hk>) and the Company's website (<http://www.dt-capitalhk.com>) under sections of "Annual/Interim Report" and "Announcements". The 2015 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 2015 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, 21 March 2016

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