

DT CAPITAL



DT CAPITAL LIMITED

鼎立資本有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 356

INTERIM REPORT

2020

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

Independent non-executive Directors

Mr. Chen Yeung Tak

Mr. Ruan Zhi

Mr. Jochum Siebren Haakma

Audit Committee

Mr. Chen Yeung Tak

(*Chairman of Audit Committee*)

Mr. Ruan Zhi

Mr. Jochum Siebren Haakma

Remuneration Committee

Mr. Chen Yeung Tak

(*Chairman of Remuneration Committee*)

Mr. Ruan Zhi

Mr. Jochum Siebren Haakma

Mr. Leung King Yue, Alex

Nomination Committee

Mr. Ruan Zhi

(*Chairman of Nomination Committee*)

Mr. Chen Yeung Tak

Mr. Leung King Yue, Alex

Mr. Jochum Siebren Haakma

Company Secretary

Mr. Ho Kim Fung

Authorized Representatives

Ms. Chan Pui Kwan

Mr. Lee Tak Shing

Auditors

BDO 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

CORPORATE INFORMATION (CONTINUED)

Head Office and Principal Place of Business

Room 6703, 67th Floor, The Center
99 Queen's Road Central
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 54
Hopewell Centre
183 Queen's Road East
Hong Kong

Stock Code

356

Interim Report and Condensed Accounts

The board (the “Board”) of directors (the “Directors”) of DT Capital Limited (the “Company”) hereby presents the interim report and unaudited condensed consolidated accounts of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2020. The interim report had been reviewed by the audit committee of the Company and approved by the Board.

Review of Report

For the six months ended 30 June 2020, the Group recorded a net loss attributable to shareholders of approximately HK\$30,321,308 (2019: HK\$10,304,182) and loss per share of HK1.33 cents (2019: HK0.45 cents).

Interim Dividend

The Board of Directors has resolved not to declare and pay any interim dividend for the period ended 30 June 2020 (2019: Nil).

Management Discussion and Analysis

Business Review

Compared with the corresponding period of the last year, the increase in net loss was mainly caused by increasing unrealized loss on financial assets at fair value through profit or loss to approximately HK\$23.73 million (2019: unrealized loss HK\$7.36 million).

There was no new investment plan since January 2020.

The stock market was fluctuating in the first half of 2020 that led to the Group’s unrealized fair value loss on listed securities of approximately HK\$22.11 million (2019: HK\$7.71 million) and realized loss on listed securities of approximately HK\$0.49 million (2019: gain of HK\$0.26 million).

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

Economic and Political – Economic and Political factors affected the stock market and caused its fluctuation, such as trade war between U.S. with China volatile and “COVID-19” and “National Security Law” event in Hong Kong.

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 in 2020. The Group had no new investment plan and disposed of one project in the first half of 2020. 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 with an aim to increase shareholder’s returns.

The proceeds of approximately HK\$35 million from the Placing on 28 December 2017 has changed its usage as disclosed in the announcement of the Company on 13 December 2019. The Board will take a prudent approach to study investment opportunities and expect net proceeds of approximately HK\$5 million will be used for new investment in 2020. For the remaining net proceeds, the Board estimated that approximately HK\$17.5 million thereof will be gradually used as general working capital of the Company to meet its operating expenses over the course of the year ending 31 December 2021, and the remaining of approximately HK\$12.5 million will be applied for suitable investment opportunities. The Board will closely monitor the economic and financial condition of the market and will actively look for suitable investment opportunities, with the aim to use the available fund of the Company in a more effective way. Although, the Placing fund has been raised since 28 December 2017 but risk management is the most important issue to consider when the new investment is to be made.

Prospects

While global economic performance became fluctuating since the start of 2020, we were being cautious on the impact brought by COVID-19 pandemic.

The COVID-19 pandemic causes high and rising human costs worldwide, and the necessary disease control measures are severely impacting economic activities. As a result of the pandemic, the global economy is projected to contract sharply by -3 percent in 2020, much worse than during the 2008-09 financial crisis. In a baseline scenario – which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound – the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalizes, helped by policy support.

The U.S. economy experienced a historic slowdown through April 2020 with, at one point, 95 percent of Americans under stay-at-home orders. The fiscal and monetary response, however, has been equally extraordinary. The U.S. Federal Reserve cut interest rates to zero, announced unlimited quantitative easing, and committed to buy investment grade and high yield corporate bonds. The fiscal stimulus packages include forgivable loans to small businesses and unemployment benefits equal to wage income for the median worker who loses their job.

Europe's disadvantage heading into the COVID-19 crisis was its lack of policy ammunition. The European Central Bank policy rate was already negative, there were strict rules around increasing fiscal deficits, and high-debt countries like Italy were at risk of a re-run of the 2012 debt crisis.

After being the first country to enter the COVID-19 crisis, China has emerged from the shutdown. The recovery in China has continued through the second quarter of 2020, with the services sector starting to catch up to the manufacturing sector. The Chinese government has announced further stimulus measures, including coupons to households to encourage spending, and the People's Bank of China is making monetary policy more accommodative. However, the stimulus does not match 2015/16 or the financial crisis of 2007-08, and the government appears worried about excessive debt levels. While geopolitical risks are rising, the rhetoric between the U.S. and China is at this stage unlikely to see the Phase One trade deal resolved in the short term.

In Hong Kong, the COVID-19 pandemic has continually affecting the Hong Kong investment environment in 2020.

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\$42.12 million as at 30 June 2020 (31 December 2019: HK\$35.65 million).

The Group's total borrowings comprising other payables and accruals and lease liability, amounted to approximately HK\$3.98 million as at 30 June 2020 (31 December 2019: HK\$5.71 million).

As at 30 June 2020, the Group's gearing ratio was approximately 3.15% (31 December 2019: 3.65%).

The Group had net financial asset investments of approximately in total of HK\$81.12 million as at 30 June 2020 (31 December 2019: HK\$105.66 million).

Capital structure

There has been no change to the capital structure of the Company since 1 January 2020.

Material acquisitions and disposals of subsidiaries

The Group has not made any material acquisition or disposal of subsidiaries during the period ended 30 June 2020.

Financial commitment, capital commitment and contingent liabilities

As at 30 June 2020, the Group has financial commitment HK\$4.08 million and no material capital commitment and no contingent liabilities.

Share options

The Company has not adopted any share option scheme.

Employment and Remuneration Policies

As at 30 June 2020, the Group employed a total of 6 employees (2019: 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.

Staff Cost

The Group's total staff costs for the period under review amounted to HK\$1,767,875 (2019: HK\$1,516,601).

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group's assets and liabilities are majority denominated in Hong Kong dollars. The Group at present does not have any contracts to hedge against its foreign exchange risks.

Purchase, Sale or Redemption of Securities

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

Directors' Interests in Securities

As at 30 June, 2020, the interests and short positions of the directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "SEHK") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the directors and the chief executive of the Company were deemed or taken to have under such provisions of the SFO) or which were required to be and were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") in the Listing Rules were as follows:

Long position in shares of the Company

Name of director	Number of shares				Total	Percentage of issued share capital
	Personal interests	Family interests (interest of spouse)	Corporate interests	Other interests (interest in controlled corporation)		
Chan Pui Kwan (Note 1)	-	-	-	254,500,000	254,500,000	11.16%

Note:

1. Fame Image Limited is beneficially and ultimately owned as to 70% by Ms. Chan Pui Kwan and 30% by Wu Weihong, Tony.

As at 30 June 2020, Ms. Chan Pui Kwan, is interested in 70% of the share capital of Fame Image Limited, which in turn owned 50% of the share capital of Sharp Years Limited, which in turn is holding 254,500,000 shares of the Company. Accordingly, she is deemed to be interested in 254,500,000 shares of the Company, representing approximately 11.16% of the entire issued share capital of the Company. Ms. Chan Pui Kwan was appointed as Director with effect from 7 July 2014.

Save as disclosed above as at 30 June 2020, none of the directors or the chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares of equity derivatives or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' Interests in Securities

As at 30 June 2020, the following persons or corporations, other than the interest disclosed above in respect of the directors, interest in 5% or more in the shares and underlying shares of the Company have been notified to the Company and recorded in the register of substantial shareholders' interests in shares and short positions required to be kept under Section 336 of Part XV of the SFO:

Long positions in Shares of the Company

Name of shareholders	Number of issued ordinary shares held	Approximate percentage of total issued ordinary shares
P.B. Global Asset Management Limited <i>(Note 1)</i>	504,410,000	22.13%
Vibrant Noble Limited <i>(Note 2)</i>	379,900,000	16.67%
Sharp Years Limited <i>(Note 3)</i>	254,500,000	11.16%
Long Surplus International Limited <i>(Note 3)</i>	254,500,000	11.16%
Fame Image Limited <i>(Note 3)</i>	254,500,000	11.16%
Ho Hoi Yee, Wisery <i>(Note 3)</i>	254,500,000	11.16%
Lai Tsui Har <i>(Note 3)</i>	254,500,000	11.16%
Wu Weihong, Tony <i>(Note 3)</i>	254,500,000	11.16%

Notes:

1. P.B. Global Asset Management Limited is an investment manager. P.B. Capital Advanced Fund SPC – P.B. Capital Advanced Fund 2 Segregated Portfolio beneficially owned the Shares.
2. Vibrant Noble Limited is wholly owned by Mr. Qian Jun.
3. Sharp Years Limited is owned as to 50% by Long Surplus International Limited and 50% by Fame Image Limited respectively. Long Surplus International Limited is beneficially and ultimately owned as to 66.67% by Ms. Ho Hoi Yee, Wisery and 33.33% by Ms. Lai Tsui Har. Fame Image Limited is beneficially and ultimately owned as to 70% by Ms. Chan Pui Kwan, a non-executive Director and 30% by Mr. Wu Weihong, Tony.

Save as disclosed above, the Directors are not aware of any other persons who have interests or short positions in the shares, underlying shares of equity derivatives or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be disclosed to the Company pursuant to Part XV of the SFO as at 30 June 2020.

Public Float

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

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

In the opinion of the Board, save as disclosed in note 16 to the condensed consolidated financial statement, there were no contracts 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 had a material interest, whether directly or indirectly, subsisted at any time during the period.

None of the Directors is interested in any business apart from the Group's interests, which competes or is likely to compete, either directly or indirectly with the Group's business.

Corporate Governance

The Board has established procedures on corporate governance that comply with the requirements of the Corporate Governance Code (the “CG Code”) contained in Appendix 14 of the Listing Rules. The Board has reviewed and taken measures to adopt the CG Code as the Company’s code of corporate governance practices. During the six months ended 30 June 2020, 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 2020.

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, 25 August 2020

As at the date of this report, the Board comprises Mr. Leung King Yue, Alex, Mr. Leong Chi Wai and Mr. Lewis Chan as Executive Directors; Ms. Chan Pui Kwan and Ms. Li Peng as Non-executive Directors; Mr. Chen Yeung Tak, Mr. Ruan Zhi and Mr. Jochum Siebren Haakma as Independent Non-executive Directors.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2020

		Six months ended 30 June 2020 (Unaudited) HK\$	Six months ended 30 June 2019 (Unaudited) HK\$
	<i>Note</i>		
Revenue	4	148,389	171,025
Other revenue	5	227,083	106,460
Fair value loss on financial assets at fair value through profit or loss	6	(24,217,183)	(7,103,378)
Administrative and other operating expenses		(7,145,337)	(3,471,044)
Finance cost	7	(120,142)	(7,245)
Loss before taxation	8	(31,107,190)	(10,304,182)
Taxation	9	785,882	–
Loss and total comprehensive loss for the period attributable to equity holder of the Company		(30,321,308)	(10,304,182)
Loss per share	10	(1.33) cents	(0.45) cents
Interim dividend	11	Nil	Nil

The notes on pages 17 to 33 form part of this interim report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

		30 June 2020 (Unaudited) HK\$	31 December 2019 (Audited) HK\$
	<i>Note</i>		
Non-current assets			
Property, plant and equipment		204,629	264,097
Right-of-use assets		4,479,696	6,589,024
Interest in an associate		–	7
Deposit		1,029,194	1,029,194
Amount due from an investee		2,120,135	2,230,000
		7,833,654	10,112,322
Current assets			
Financial assets at fair value through profit or loss	12	81,124,394	105,655,428
Prepayments, deposits and other receivables		1,166,703	13,658,467
Bank balances and cash		42,117,052	35,653,786
		124,408,149	154,967,681
Current liabilities			
Other payables and accruals		499,120	519,364
Lease liability	15	3,181,811	3,129,070
		3,680,931	3,648,434
Net current assets		120,727,218	151,319,247

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 30 June 2020

		30 June 2020 (Unaudited) HK\$	31 December 2019 (Audited) HK\$
	<i>Note</i>		
Non-current liability			
Other payables and accruals	13	1,715,865	1,715,865
Lease liability	15	298,543	2,062,050
Deferred taxation	9	275,491	1,061,373
		2,289,899	4,839,288
Net assets		126,270,973	156,592,281
Capital and reserves			
Share capital	14	22,794,000	22,794,000
Reserves		103,476,973	133,798,281
Shareholders' funds		126,270,973	156,592,281

The notes on pages 17 to 33 form part of this interim report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

	For the six months ended 30 June 2019 (Unaudited)			
	Share capital	Share premium	Accumulated losses	Total
	HK\$	HK\$	HK\$	HK\$
Balance at 1 January 2019	22,794,000	262,926,160	(103,318,842)	182,401,318
Loss and total comprehensive loss attributable to equity holders of the Company	-	-	(10,304,182)	(10,304,182)
At 30 June 2019	22,794,000	262,926,160	(113,623,024)	172,097,136

	For the six months ended 30 June 2020 (Unaudited)			
	Share capital	Share premium	Accumulated losses	Total
	HK\$	HK\$	HK\$	HK\$
Balance at 1 January 2020	22,794,000	262,926,160	(129,127,879)	156,592,281
Loss and total comprehensive loss attributable to equity holders of the Company	-	-	(30,321,308)	(30,321,308)
At 30 June 2020	22,794,000	262,926,160	(159,449,187)	126,270,973

The notes on pages 17 to 33 form part of this interim report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2020

	Six months ended 30 June 2020 (Unaudited) HK\$	Six months ended 30 June 2019 (Unaudited) HK\$
Net cash used in operating activities	(4,525,842)	(3,563,114)
Cash flows from investing activities		
Net proceeds from disposal of a subsidiary	12,820,016	–
Net cash generated from investing activities	12,820,016	–
Cash flows from financing activities		
Payment of principal portion of the lease liabilities	(1,710,766)	(120,753)
Interest paid	(120,142)	(7,245)
Net cash used in financing activities	(1,830,908)	(127,998)
Net increase/(decrease) in cash and cash equivalents	6,463,266	(3,691,112)
Cash and cash equivalents at beginning of period	35,653,786	46,994,381
Cash and cash equivalents at end of period	42,117,052	43,303,269
Analysis of the balances of cash and cash equivalents		
Cash at bank and in hand	42,117,052	43,303,269

The notes on pages 17 to 33 form part of this interim report.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

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 which are measured at fair values.

The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 June 2020 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2019 except for the accounting policy changes that are expected to be reflected in the 2020 annual financial statements. Details of any changes in accounting policies are set out in note 3.

3. Changes in Accounting Policies

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of new standards effective as of 1 January 2020.

Amendments to HKFRS 3

Amendments to HKAS 1 and HKAS 8

Amendments to HKFRS 9, HKAS 39 and HKFRS 7

Definition of a Business

Definition of Material

Interest Rate Benchmark Reform

The new and revised standards are not relevant to the preparation of the Group’s interim condensed consolidated financial information.

4. Revenue

	Six months ended 30 June 2020 (Unaudited) HK\$	Six months ended 30 June 2019 (Unaudited) HK\$
Dividend income from listed equity securities	148,389	171,025
	148,389	171,025

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

No analysis of the Group's revenue and contribution to operating loss 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.

5. Other Revenue

	Six months ended 30 June 2020 (Unaudited) HK\$	Six months ended 30 June 2019 (Unaudited) HK\$
Other Revenue		
Interest income	42,567	106,460
HKSAR – ESS's Subsidy	184,500	–
Gain on disposed of a subsidiary	16	–
	227,083	106,460

6. Fair Value Loss on Financial Assets at Fair Value through Profit or Loss

	Six months ended 30 June 2020 (Unaudited) HK\$	Six months ended 30 June 2019 (Unaudited) HK\$
Fair value (loss)/gain on financial assets at fair value through profit and loss		
Realised		
– from listed shares in Hong Kong	(487,797)	260,919
Unrealised		
– from listed shares in Hong Kong	(22,110,846)	(7,713,097)
– from unlisted investment		
Diamond Motto Limited	664,000	(104,000)
廣州市金洋水產養殖有限公司	(2,282,540)	1,361,800
Star League Investments Limited	–	(909,000)
	(23,729,386)	(7,364,297)
	(24,217,183)	(7,103,378)

7. Finance Costs

	Six months ended 30 June 2020 (Unaudited) HK\$	Six months ended 30 June 2019 (Unaudited) HK\$
Interest on lease liabilities	120,142	7,245

8. Loss Before Taxation

	Six months ended 30 June 2020 (Unaudited) HK\$	Six months ended 30 June 2019 (Unaudited) HK\$
Loss before taxation is stated after charging the following:		
Depreciation of property, plant and equipment	31,323	24,967
Depreciation of right-of-use assets	2,109,328	135,924
Impairment loss on amount due from an investee	109,865	–
Investment management fee	–	147,637
Staff cost (including directors' remuneration)		
– Salaries, bonuses and allowances	1,714,100	1,466,534
– Contribution on defined contribution mandatory provident fund scheme	53,775	50,067

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the six months ended 30 June 2020

9. 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 2019 and 30 June 2020.

Deferred tax liabilities recognised are analysed as follows:

	Tax losses	Unrealised gain on financial assets at FVPL	Total
	HK\$	HK\$	HK\$
At 31 December 2019	(482,382)	1,543,755	1,061,373
At 31 December 2019 and 1 January 2020	(482,382)	1,543,755	1,061,373
Charge/(credit) for the period	482,382	(1,268,264)	(785,882)
At 30 June 2020	–	275,491	275,491

10. Loss Per Share

The calculation of the loss per share for the six months ended 30 June 2020 is based on the Group's loss attributable to the equity holders of the Company of HK\$30,321,308 and the weighted average number of 2,279,400,000 ordinary shares in issue during the period. Loss per share for the six months ended 30 June 2019 is based on the Group's loss attributable to equity holders of the Company of HK\$10,304,182 and the weighted average number of 2,279,400,000 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.

11. Dividend

The Directors do not recommend the payment of any interim dividend for both periods.
(2019: HK\$Nil)

12. Financial Assets at Fair Value through Profit or Loss

	30 June 2020 (Unaudited) HK\$	31 December 2019 (audited) HK\$
Unlisted equity securities, at fair value	12,166,300	13,784,840
Equity securities listed in Hong Kong, at fair values	68,958,094	91,870,588
	81,124,394	105,655,428

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

	30 June 2020 (Unaudited) HK\$	31 December 2019 (audited) HK\$
Name of investee		
Unlisted equity securities, at fair value		
Diamond Motto Limited	9,318,000	8,654,000
廣州市金洋水產養殖有限公司	2,848,300	5,130,840
	12,166,300	13,784,840

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

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

	30 June 2020 (Unaudited)		31 December 2019 (Audited)	
	Holding shares	HK\$	Holding shares	HK\$
UBA Investments Limited	10,308,000	309,240	10,308,000	546,324
Upbest Group Limited	33,816,000	30,434,400	33,816,000	34,492,320
Bank of China Limited	180,000	516,600	180,000	599,400
Ausupreme International Holdings Limited	6,520,000	1,956,000	6,520,000	2,803,600
Gemilang International Limited	7,387,250	6,722,397	7,387,250	11,450,237
Kwong Man Kee Group Limited	29,961,000	7,130,718	29,961,000	14,980,500
Tech Pro Technology Development Limited	–	–	15,000,000	510,000
PCCW Limited	220,000	972,400	220,000	1,014,200
Cathay Pacific Airways Limited	30,000	225,000	30,000	345,600
I-Control Holdings Limited	26,700,000	9,745,500	27,430,000	10,423,400
Bank of Communication Company Limited	380,000	1,816,400	380,000	2,105,200
Great Eagle Holdings Limited	20,000	390,000	20,000	525,000
Power Assets Holdings Limited	38,000	1,601,700	38,000	2,166,000
Yi Hua Holdings Limited	20,000,000	2,880,000	20,000,000	4,900,000
MTR Corporation Limited	91,991	3,693,439	91,991	4,236,186
Hong Kong Exchange and Clearing Limited	–	–	217	54,901
Kwoon Chung Bus Holdings Limited	84,000	193,200	84,000	235,200
Huaneng Power International Inc	96,000	279,360	96,000	378,240
Modern Living Investments Holdings Limited	660,000	91,740	660,000	104,280
Total		68,958,094		91,870,588

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

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

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 period.

The Group holds 1.6% interest in 金洋水產. No dividend was received since January 2020.

Diamond Motto Limited (“Diamond Motto”)

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

The Group holds 50 shares in Diamond Motto, representing 16.67% interest in the issued share capital of Diamond Motto. No dividend was received since January 2020.

13. Other Payables and Accruals

As at 30 June 2020, the other payables and accruals in non-current liabilities is the provision for reinstatement of HK\$1,715,865 (31 December 2019: HK\$1,715,865) for the office premise leased by the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the six months ended 30 June 2020

14. Share Capital

	Number of ordinary shares of HK\$0.01 each	HK\$
Authorised:		
At 1 January 2019 (unaudited), 31 December 2019 (audited), 1 January 2020 (unaudited) and 30 June 2020 (unaudited)	4,000,000,000	40,000,000
Issued and fully paid:		
At 1 January 2019 (unaudited), 31 December 2019 (audited), 1 January 2020 (unaudited) and 30 June 2020 (unaudited)	2,279,400,000	22,794,000

15. Leases

At 30 June 2020, the the present value of future lease payments are analysis as:

	30 June 2020 (Unaudited) HK\$	31 December 2019 (Audited) HK\$
Current liabilities	3,181,811	3,129,070
Non-current liabilities	298,543	2,062,050
	3,480,354	5,191,120

16. Connected and Related Party Transactions

	Six months ended 30 June 2020 (Unaudited) HK\$	Six months ended 30 June 2019 (Unaudited) HK\$
Investment management fee paid to Hua Yu Investment Management Limited (<i>Note 1</i>)	–	147,637
	–	147,637

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

Notes:

- 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.

17. Fair Values Measurement of Financial Instruments

i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured as at 30 June 2020 and 31 December 2019 on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

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

17. Fair Values Measurement of Financial Instruments (Continued)

i) Fair value hierarchy (Continued)

	Fair value measurements			Fair value
	as at 30 June 2020 categorised into			at 30 June
	Level 1	Level 2	Level 3	2020
	HK\$	HK\$	HK\$	HK\$
	(unaudited)			(unaudited)
Financial assets at fair value through profit or loss				
– listed equity securities	68,958,094	–	–	68,958,094
– unlisted equity securities	–	–	2,848,300	2,848,300
– unlisted equity securities with a put option	–	–	9,318,000	9,318,000
	68,958,094	–	12,166,300	81,124,394

17. Fair Values Measurement of Financial Instruments (Continued)

i) Fair value hierarchy (Continued)

	Fair value measurements			Fair value at
	as at 31 December 2019 categorised into			31 December
	Level 1	Level 2	Level 3	2019
	HK\$	HK\$	HK\$	HK\$
		(audited)		(audited)
Financial assets at fair value through profit or loss				
– listed equity securities	91,870,588	–	–	91,870,588
– unlisted equity securities	–	–	5,130,840	5,130,840
– unlisted equity securities with a put option	–	–	8,654,000	8,654,000
	91,870,588	–	13,784,840	105,655,428

17. Fair Values Measurement of Financial Instruments (Continued)

i) Fair value hierarchy (Continued)

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.

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

Financial assets	30 June 2020 (unaudited) HK\$	31 December 2019 (audited) HK\$	Fair value category	Valuation technique and key inputs	Significant unobservable inputs in 2020	Significant unobservable inputs in 2019	Relationship of unobservable inputs to fair value
Unlisted equity securities	2,848,300	5,130,840	Level 3	Market approach	Price-to-earnings ("P/E") multiples: 19.29x	P/E multiples: 24.55x	The higher the multiple, the higher the fair value
					Enterprise value-to-sales ("EVS") multiples: 1.42x	EVS multiples: 0.84x	The higher the multiple, the higher the fair value
					Discount of lack of marketability ("DLOM"): 31%	DLOM: 31%	The higher the discount rate, the lower the fair value

17. Fair Values Measurement of Financial Instruments (Continued)

i) Fair value hierarchy (Continued)

Financial assets	30 June 2020 (unaudited) HK\$	31 December 2019 (audited) HK\$	Fair value hearthly	Valuation technique and key inputs	Significant unobservable inputs in 2020	Significant unobservable inputs in 2019	Relationship of unobservable inputs to fair value
Unlisted equity securities with a put option	9,318,000	8,654,000	Level 3	Market approach	P/E multiples: N/A	P/E multiples: 13.75x	The higher the multiple, the higher the fair value
					EV/EBITDA: N/A	EV/EBITDA: 6.55x	The higher the multiple, the higher the fair value
					EV/S multiple: 0.84x	EV/S multiple: 0.55x	The higher the multiple, the higher the fair value
					DLOM: 31%	DLOM: 31%	The higher the discount rate, the lower the fair value
					Binomial pricing model	Risk-free interest rate: 0.32%	Risk-free interest rate: 1.75%
Volatility: 75%	Volatility: 57%	The higher the volatility, the higher the fair value					

During the six months ended 30 June 2020 and the year ended 31 December 2019, there were no transfer of fair value measurements between levels of fair value hierarchy.

17. Fair Values Measurement of Financial Instruments (Continued)

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 30 June 2020 and 31 December 2019.

18. Commitments

As at 30 June 2020, the Group has financial commitment HK\$4.08 million (31 December 2019: HK\$4.08 million) and no material capital commitment and no contingent liabilities.

19. Events after the Reporting Date

The Company has signed a conditional agreement for sale and purchase of the issued shares of and the account receivables due by Diamond Motto Limited on 18 August 2020 that will result in a loss on disposal of approximately HK\$7.81 million. As at the date of this report, the disposal loss has not yet been completed.