

DT CAPITAL



DT CAPITAL LIMITED

鼎立資本有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 356



2017

INTERIM REPORT

# 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*)

Mr. Ma Chun Fai

### Independent non-executive Directors

Mr. Kwok Ming Fai

Mr. Lo Chi Ming

Mr. Jochum Siebren Haakma

## Audit Committee

Mr. Kwok Ming Fai

(*Chairman of Audit Committee*)

Mr. Lo Chi Ming

Mr. Jochum Siebren Haakma

## Remuneration Committee

Mr. Kwok Ming Fai

(*Chairman of Remuneration Committee*)

Mr. Leung King Yue, Alex

Mr. Lo Chi Ming

Mr. Jochum Siebren Haakma

## Nomination Committee

Mr. Lo Chi Ming

(*Chairman of Nomination Committee*)

Mr. Leung King Yue, Alex

Mr. Kwok Ming Fai

Mr. Jochum Siebren Haakma

## Company Secretary

Mr. Lee Tak Shing

## Authorized Representatives

Mr. Ma Chun Fai

Mr. Lee Tak Shing

## Auditors

Li, Tang, Chen & Co

## Principal Bankers

DBS Bank (Hong Kong) Limited

Industrial and Commercial Bank of China  
(Asia) Limited

Luso International Banking Limited

## CORPORATE INFORMATION (CONTINUED)

### **Registered Office**

Cricket Square  
Hutchins Drive, P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### **Head Office and Principal Place of Business**

Unit D 6/F Eton Building  
288 Des Voeux Road Central  
Hong Kong

### **Principal Registrar**

SMP Partners (Cayman) Limited  
Royal Bank House, 3rd Floor  
24 Shedden Road  
P.O. Box 1586  
Grand Cayman KY1-1110  
Cayman Islands

### **Hong Kong Branch Share Registrar**

Tricor Secretaries Limited  
Level 22  
Hopewell Centre  
183 Queen's Road East  
Hong Kong

### **Stock Code**

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 (the "Group") for the six months ended 30 June 2017. The interim report had been reviewed by the audit committee of the Company and approved by the Board.

## Review of Report

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

## Interim Dividend

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

## Management Discussion and Analysis

### Business Review

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

There was no new investment plan since January 2017.

### Prospects

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

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

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

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

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

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

## **Financial Review**

### **Financial Resources and Liquidity**

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

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

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

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

## **Capital structure**

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

## **Material acquisitions and disposals of subsidiaries**

The Group has not made any material acquisition or disposal of subsidiaries during the period ended 30 June 2017.

## **Capital commitment and contingent liabilities**

As at 30 June 2017, the Group has capital commitment of approximately HK\$9.9 million for long term equity investment and no contingent liabilities were noted by the Directors.

## **Share options**

The Company has not adopted any share option scheme.

## **Employment and Remuneration Policies**

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

## **Staff Cost**

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

## **Exposure to Fluctuations in Exchange Rates and Related Hedges**

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

## **Purchase, Sale or Redemption of Securities**

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

## **Directors' Interests in Securities**

As at 30 June, 2017, 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					Percentage of issued share capital
	Personal interests	Family interests (interest of spouse)	Corporate interests	Other interests (interest in controlled corporation)	Total	
Leung King Yue, Alex (Note 1)	—	—	960,500,000	—	960,500,000	50.56%
Chan Pui Kwan (Note 2)	—	—	—	254,500,000 (Note 2)	254,500,000	13.40%
Ma Chun Fai (Note 3)	—	254,500,000 (Note 3)	—	—	254,500,000	13.40%

### Note:

- As at 30 June 2017, Mr. Leung King Yue, Alex, through his 100% equity interest in Hugo Lucky Limited held 960,500,000 shares of the Company, representing approximately 50.56% of the entire issued share capital of the Company. Mr. Leung King Yue, Alex was appointed as Director with effect from 7 July 2014.
- 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 2017, 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, representing approximately 13.40% of the entire issued share capital of the Company. Ms. Chan Pui Kwan was appointed as Director with effect from 7 July 2014.

- Long Surplus International Limited is interested in the remaining 50% of the share capital of Sharp Years Limited, and it is beneficially and ultimately owned as to 66.67% by Ms. Ho Hoi Yee, Wisery and 33.33% by Ms. Lai Tsui Har.

As at 30 June 2017, Ms. Ho Hoi Yee, Wisery, the spouse of Mr. Ma Chun Fai, is interested in 254,500,000 shares through her interest in 66.67% of the share capital of Long Surplus International Limited and which in turn owned 50% of the share capital of Sharp Years Limited. Accordingly, Mr. Ma Chun Fai is also deemed to be interested in 254,500,000 Shares of the Company, representing approximately 13.40% of the entire issued share capital of the Company.

Save as disclosed above, as at 30 June 2017, 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 2017, 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

<b>Name of shareholders</b>	<b>Number of issued ordinary shares held</b>	<b>Approximate percentage of total issued ordinary shares</b>
Hugo Lucky Limited <i>(Note 1)</i>	960,500,000	50.56%
Sharp Years Limited <i>(Note 2)</i>	254,500,000	13.40%
Long Surplus International Limited <i>(Note 2)</i>	254,500,000	13.40%
Fame Image Limited <i>(Note 2)</i>	254,500,000	13.40%
Ho Hoi Yee, Wisery <i>(Note 2)</i>	254,500,000	13.40%
Lai Tsui Har <i>(Note 2)</i>	254,500,000	13.40%
Wu Weihong, Tony <i>(Note 2)</i>	254,500,000	13.40%

Notes:

1. Hugo Lucky Limited is wholly owned by Mr. Leung King Yue, Alex, an executive Director.
2. 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 2017.

## Public Float

Based on the information that is publicly available to the Company and within the knowledge of the 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 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 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 2017, the Company has complied with the code provisions under the CG Code.

## Audit Committee

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

## Model Code for Securities Transactions by Directors

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

## Publication of Interim Report

This interim report is published on HKExnews website at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.dt-capitalhk.com](http://www.dt-capitalhk.com).

By order of the Board

**Chan Pui Kwan**

*Chairman*

Hong Kong, 24 August 2017

*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 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.*

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

For the six months ended 30 June 2017

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

The notes on pages 15 to 28 form part of this interim report.

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Note	30 June 2017 (Unaudited) HK\$	31 December 2016 (Audited) HK\$
<b>Non-current assets</b>			
Property, plant and equipment		155,521	180,488
Interest in associate	10	10,469,325	10,470,265
Available-for-sale financial assets	11	25,194,663	26,107,755
		<b>35,819,509</b>	36,758,508
<b>Current assets</b>			
Available-for-sale financial assets	11	28,000,000	28,000,000
Financial assets at fair value through profit or loss	12	106,359,346	85,573,176
Prepayments, deposits and other receivables		5,240,729	6,505,210
Bank balances and cash		5,828,747	13,164,109
		<b>145,428,822</b>	133,242,495
<b>Current liabilities</b>			
Other payables and accruals	13	874,382	3,634,983
		<b>874,382</b>	3,634,983
<b>Net current assets</b>		<b>144,554,440</b>	129,607,512
<b>Net assets</b>		<b>180,373,949</b>	166,366,020
<b>Capital and reserves</b>			
Share capital	14	18,995,000	18,995,000
Reserves		161,378,949	147,371,020
<b>Shareholders' funds</b>		<b>180,373,949</b>	166,366,020

The notes on pages 15 to 28 form part of this interim report.

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2017

For the six months ended 30 June 2016 (Unaudited)

	Share capital HK\$	Share premium HK\$	Investment valuation Reserve HK\$	Accumulated losses HK\$	Total HK\$
Balance at 1 January 2016	18,995,000	231,014,560	—	(98,652,004)	151,357,556
Total comprehensive income attributable to equity holders of the Company	—	—	—	2,931,102	2,931,102
At 30 June 2016	18,995,000	231,014,560	—	(95,720,902)	154,288,658

For the six months ended 30 June 2017 (Unaudited)

	Share capital HK\$	Share premium HK\$	Investment valuation Reserve HK\$	Accumulated losses HK\$	Total HK\$
Balance at 1 January 2017	18,995,000	231,014,560	9,801,462	(93,445,002)	166,366,020
Profit for the period	—	—	—	14,296,381	14,296,381
Other comprehensive income for the period	—	—	(288,452)	—	(288,452)
Total comprehensive income attributable to equity holders of the Company	—	—	(288,452)	14,296,381	14,007,929
At 30 June 2017	18,995,000	231,014,560	9,513,010	(79,148,621)	180,373,949

The notes on pages 15 to 28 form part of this interim report.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2017

	<b>Six months ended 30 June 2017 (Unaudited) HK\$</b>	Six months ended 30 June 2016 (Unaudited) HK\$
<b>Net cash (used in)/generated from operating activities</b>	<b>(9,023,637)</b>	4,171,824
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	—	(145,670)
Purchase of available-for-sale financial assets	—	(50,084,990)
Disposal of available-for-sale financial assets	<b>1,688,275</b>	—
<b>Net cash generated from/(used in) investing activities</b>	<b>1,688,275</b>	(50,230,660)
<b>Net decrease in cash and cash equivalents</b>	<b>(7,335,362)</b>	(46,058,836)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>13,164,109</b>	69,291,017
<b>Cash and cash equivalents at the end of the period</b>	<b>5,828,747</b>	23,232,181
<b>Analysis of the balances of cash and cash equivalents</b>		
Cash at bank and in hand	<b>5,828,747</b>	2,450,311
Deposits with bank	—	20,781,870
Cash and Cash equivalents in the statement of financial position and the statement of cash flows	<b>5,828,747</b>	23,232,181

The notes on pages 15 to 28 form part of this interim report.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2017

## 1. Basis of Preparation

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

## 2. Principal Accounting Policies

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
For the six months ended 30 June 2017

### 3. Revenue

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

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
For the six months ended 30 June 2017

#### 4. Other Revenue

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

#### 5. Finance Costs

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

## 6. Profit Before Taxation

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

## 7. Taxation

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

## 8. Profit Per Share

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

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

## 9. Dividend

The Directors do not recommend the payment of any interim dividend for both periods.

## 10. Interest in an Associate

	<b>30 June 2017 (Unaudited) HK\$</b>	31 December 2016 (Audited) HK\$
Unlisted investments, at cost	5	5
Share of post-acquisition profits	<b>1,325,577</b>	1,875,484
	<b>1,325,582</b>	1,875,489
Amount due from an associate	<b>9,143,743</b>	8,594,776
	<b>10,469,325</b>	10,470,265

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
For the six months ended 30 June 2017

## 10. Interest in an Associate (Continued)

The amount due from an associate denominated in a currency other than the Group's functional currency, Hong Kong dollars:

	<b>30 June 2017</b>	31 December 2016
Thai Baht	<b>THB39,211,926</b>	THB39,211,926

The amount is unsecured, interest-free and repayable upon resolution of the directors of the associate. No imputation of interests has been accrued on the balance due to the related party nature of this instruments.

## 11. Available-for-sale Financial Assets

	<b>30 June 2017 (Unaudited) HK\$</b>	31 December 2016 (Audited) HK\$
Capital contribution, at cost	<b>4,219,243</b>	4,219,243
Unlisted equity securities, at cost	<b>6,750,000</b>	6,750,000
Unlisted debt securities, at cost	<b>28,000,000</b>	28,000,000
	<b>38,969,243</b>	38,969,243
Less: provision for impairment loss	<b>(2,000,000)</b>	(2,000,000)
	<b>36,969,243</b>	36,969,243
Listed equity securities in Hong Kong	<b>16,225,420</b>	17,138,512
	<b>53,194,663</b>	54,107,755
Less: Amount not matured within 12 months	<b>(25,194,663)</b>	(26,107,755)
Amount included under current assets	<b>28,000,000</b>	28,000,000
Market value of listed equity securities	<b>16,225,420</b>	17,138,512

## 12. Financial Assets at Fair Value through Profit or Loss

	<b>30 June 2017 (Unaudited) HK\$</b>	31 December 2016 (Audited) HK\$
Financial assets designated at financial assets at fair value through profit or loss:		
Unlisted convertible debt securities, at fair value	<b>35,250,000</b>	35,250,000
Financial assets held for trading:		
Equity securities listed in Hong Kong, at fair values	<b>71,109,346</b>	50,323,176
	<b>106,359,346</b>	85,573,176

## 13. Other Payables and Accruals

Included in the other payables and accruals are the amount due to the investment manager for unsettled investment management fee amounting to HK\$652,925 and performance fee of HK\$Nil (31 December 2016: HK\$636,425 and HK\$2,648,553) and the amount due to the financial advisor for unsettled financial advisory fee amounting to HK\$30,000 (31 December 2016: HK\$90,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
For the six months ended 30 June 2017

## 14. Share Capital

	Number of ordinary shares of HK\$0.01 each	HK\$
Authorised:		
At 1 January 2016 (unaudited), 31 December 2016 (audited), 1 January 2017 (unaudited) and 30 June 2017 (unaudited)	4,000,000,000	40,000,000
Issued and fully paid:		
At 1 January 2016 (unaudited), 31 December 2016 (audited), 1 January 2017 (unaudited) and 30 June 2017 (unaudited)	1,899,500,000	18,995,000

## 15. Operating Leases Commitments

At 30 June 2017, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of office premises which fall due as follows:

	<b>30 June 2017 (Unaudited) HK\$</b>	31 December 2016 (Audited) HK\$
Within one year	<b>163,912</b>	208,560
In the second to fifth year inclusive	—	50,153
	<b>163,912</b>	258,713

The above lease agreement was made between the Group and the landlord for a term of two years and rentals are fixed for two years.

## 16. Connected and Related Party Transactions

	<b>Six months ended 30 June 2017 (Unaudited) HK\$</b>	Six months ended 30 June 2016 (Unaudited) HK\$
Investment management fee paid to Hua Yu Investment Management Limited (Note 1)	<b>1,292,154</b>	1,135,002
	<b>1,292,154</b>	1,135,002

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

Notes:

1. 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 2017 and 31 December 2016 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.

## 17. Fair Values Measurement of Financial Instruments (Continued)

### i) Fair value hierarchy (Continued)

- 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.

	Fair value measurements as at 30 June 2017 categorised into			Fair value at 30 June 2017
	Level 1	Level 2	Level 3	
	HK\$	HK\$	HK\$	HK\$
	(unaudited)			(unaudited)
<b>Recurring fair value measurement</b>				
Financial assets at fair value through profit or loss	<b>71,109,346</b>	—	<b>35,250,000</b>	<b>106,359,346</b>
Available-for-sale financial assets	<b>16,225,420</b>	—	—	<b>16,225,420</b>
	<b>87,334,766</b>	—	<b>35,250,000</b>	<b>122,584,766</b>

## 17. Fair Values Measurement of Financial Instruments (Continued)

### i) Fair value hierarchy (Continued)

	Fair value measurements as at 31 December 2016 categorised into			Fair value at 31 December
	Level 1	Level 2	Level 3	2016
	HK\$	HK\$ (audited)	HK\$	HK\$ (audited)
<b>Recurring fair value measurement</b>				
Financial assets at fair value through profit or loss	50,323,176	—	35,250,000	85,573,176
Available-for-sale financial assets	17,138,512	—	—	17,138,512
	67,461,688	—	35,250,000	102,711,688

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.

## 17. Fair Values Measurement of Financial Instruments (Continued)

### i) Fair value hierarchy (Continued)

Unlisted convertible 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:

	Valuation technique	Significant inputs
Financial assets at fair value through profit or loss (Level 3)	Discounted cash flow/ Current market value	Expected recoverable amount of underlying investments

Additional information about fair value measurements using significant unobservable inputs (Level 3):

	Significant unobservable inputs	Range
Financial assets at fair value through profit or loss	Expected recoverable amount of underlying investments	Not applicable

The valuation will be performed and reported at each of the Group's reporting dates to the Group's management. The higher the expected recoverable amount of underlying investment, the higher the fair value.

There were no changes in valuation technologies during the period.

## 17. Fair Values Measurement of Financial Instruments (Continued)

### i) Fair value hierarchy (Continued)

During the six months ended 30 June 2017 and the year ended 31 December 2016, there were no transfer of fair value measurements between Level 1 and Level 2 and no transfer into or out of Level 3.

The following table presents the changes in Level 3 instruments for the six months ended 30 June 2017 and year ended 31 December 2016.

	<b>Financial assets at fair value through profit or loss HK\$</b>
At 1 January 2016 (unaudited)	5,250,000
Addition	30,000,000
At 31 December 2016 (audited), 1 January 2017 (unaudited) and 30 June 2017 (unaudited)	35,250,000

### ii) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's other financial instruments carried at costs are not materially different from their fair values as at 30 June 2017 and 31 December 2016.

## 18. Commitments

On 7 June 2016, the Group entered into a sale and purchase agreement with other investors for capital investment in an available-for-sale financial asset, Diamond Motto Limited (“Diamond Motto”). The Group acquired 16.67% of shares in Diamond Motto at a consideration of HK\$11,666,667. First instalment of the consideration of HK\$1,750,000 had been paid as at the end of the reporting period. The remaining balance of approximately HK\$9,917,000 was required to be paid on or before 30 September 2018, which was remaining unpaid as at 30 June 2017.