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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)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE ANNUAL REPORT OF THE COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2018**

The board (the “**Board**”) of directors (the “**Directors**”) of DT Capital Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) makes this announcement further to its annual report for the year ended 31 December 2018 (the “**2018 Annual Report**”). Capitalised terms used herein shall have the same meanings as those defined in the 2018 Annual Report unless the context requires otherwise.

USE OF PROCEEDS FROM PLACING

Reference is made to the announcements of the Company dated 12 December 2017 and 28 December 2017 (the “**Announcements**”) in relation to the placing (the “**Placing**”) of an aggregate of 379,900,000 ordinary shares of the Company.

The Board would like to provide supplemental information to the 2018 Annual Report to update on the actual use of proceeds from the Placing. As disclosed in the Announcements, the net proceeds from the Placing of approximately HK\$35.07 million would be applied for investment in potential projects in the PRC or relating to technology business identified by the Company, and as disclosed in the 2018 Annual Report, the entire amount of the net proceeds has not been utilised. The delay in making the investment and applying the proceeds was due to the reason that the Company has been taking a more prudent approach in studying investment opportunities and making new investment with the function of the Investment Manager suspended during the year. The Company is in the course of actively reviewing the intended investment opportunities again and targeted to confirm and implement such investment opportunity shortly. The proceeds will then be applied.

IMPAIRMENT ASSESSMENT ON INTEREST IN AN ASSOCIATE

During the year ended 31 December 2018, the Group performed impairment review for its investment in an associate, namely Purple Link investment Limited (“**Purple Link**”). The sole business of Purple Link was investment in a real estate development project in Thailand amounted to approximately HK\$41 million. The investment was wholly financed by shareholder loans from its shareholders. The Group holds 25% equity interest in Purple Link and had contributed approximately HK\$ 10 million to the associate.

Investment agreement had been signed between Purple Link and a Thailand real estate developer back in 2013. The investment agreement set out that Purple Link would finance the construction of several property units and it would yield 30% profits once these units are completed and sold. The Thailand developer should be responsible for the construction and management of the project. Pursuant to the terms of several supplementary agreements signed between the parties, the project was expected to be completed in the year 2018 and Purple Link should receive the return in August 2018 from the Thailand developer. Unfortunately, by September 2018 there remained no return paid from the Thailand developer to Purple Link and upon subsequent site inspection in Thailand, it was found that the construction had not fully completed and remaining interior construction work had been suspended since October 2018. The Thailand developer could not provide any further concrete action plan and there was no immediate evidence to support the Thailand developer has the ability to refund the investment cost to Purple Link. The Group assessed that the investment agreement had been defaulted.

In determining whether the interest in the associate is impaired, the Group measures the differences between the carrying amount and the net present value of the estimated future cash flows generated from the Purple Link. Without the return from the investment in Thailand, Purple Link would sustain a net liabilities approximately to HK\$ 39 million and would has no fund to repay to its shareholders. Under such scenario, the Group expected that no estimated cash inflow would be generated from operation and proceeds from the ultimate disposal of the associate in the foreseeable future. Based on the management’s assessment, an impairment loss was recognized in profit or loss during the year, to reduce the carrying amount of the associate to nil.

After the default, the Board has been discussing with the management of Purple Link and was seeking for alternative plans for Purple Link to fund and complete the project so as to aim for generating profit to Purple Link. The Company will make further announcement as and when necessary.

The Board confirmed that the above supplemental information does not affect other information contained in the 2018 Annual Report.

By order of the Board
DT Capital Limited
Chan Pui Kwan
Chairman

Hong Kong, 26 August 2019

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