



2019

INTERIM REPORT

DT CAPITAL



DT CAPITAL LIMITED
鼎立資本有限公司
(Incorporated in the Cayman Islands with limited liability)
Stock Code: 356

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

(Appointed on 19 July 2019)

Mr. Ruan Zhi (Appointed on 19 July 2019)

Mr. Jochum Siebren Haakma

Mr. Kwok Ming Fai

(Resigned on 19 July 2019)

Mr. Lo Chi Ming (Resigned on 19 July 2019)

Audit Committee

Mr. Chen Yeung Tak

(*Chairman of Audit Committee*)

(Appointed on 19 July 2019)

Mr. Ruan Zhi (Appointed on 19 July 2019)

Mr. Jochum Siebren Haakma

Mr. Kwok Ming Fai

(Resigned on 19 July 2019)

Mr. Lo Chi Ming (Resigned on 19 July 2019)

Remuneration Committee

Mr. Chen Yeung Tak

(*Chairman of Remuneration Committee*)

(Appointed on 19 July 2019)

Mr. Ruan Zhi (Appointed on 19 July 2019)

Mr. Jochum Siebren Haakma

Mr. Leung King Yue, Alex

Mr. Kwok Ming Fai

(Resigned on 19 July 2019)

Mr. Lo Chi Ming (Resigned on 19 July 2019)

Nomination Committee

Mr. Ruan Zhi

(*Chairman of Nomination Committee*)

(Appointed on 19 July 2019)

Mr. Chen Yeung Tak

(Appointed on 19 July 2019)

Mr. Leung King Yue, Alex

Mr. Jochum Siebren Haakma

Mr. Kwok Ming Fai

(Resigned on 19 July 2019)

Mr. Lo Chi Ming (Resigned on 19 July 2019)

Company Secretary

Mr. Ho Kim Fung

(Appointed on 16 May 2019)

Mr. Lee Tak Shing

(Resigned on 16 May 2019)

Authorized Representatives

Ms. Chan Pui Kwan

Mr. Lee Tak Shing



CORPORATE INFORMATION (CONTINUED)

Auditors

Li, Tang, Chen & Co

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

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 54
Hopewell Centre
183 Queen's Road East
Hong Kong

Stock Code

356



Interim Report and Condensed Accounts

The Board of Directors (the “Board”) 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 2019. 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 2019, the Group recorded a net loss attributable to shareholders of approximately HK\$10,304,182 (2018: HK\$12,287,602) and loss per share of HK\$0.45 cents (2018: HK\$0.54 cents).

Interim Dividend

The Board of Directors has resolved not to declare and pay any interim dividend for the period ended 30 June 2019 (2018: Nil).

Management Discussion and Analysis

Business Review

Compared with the corresponding period of the last year, the decrease in net loss was mainly caused by decreasing unrealized loss on financial assets at fair value through profit or loss to approximately HK\$7.36 million (2018: unrealized loss HK\$10.45 million).

There was no new investment plan since January 2019.

The stock market was fluctuating in 2019 that led to the Group’s unrealized fair value loss on listed securities of approximately HK\$7.71 million (2018: loss HK\$11.06 million) and realized gain on listed securities of approximately HK\$0.3 million (2018: HK\$1.2 million).

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

Economic and Political – Economic and Political affected the stock market and caused its fluctuation, such as trade war between U.S. with China volatile, Brexit in U.K. and changing “Fugitive Offenders Ordinance” 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 2019. Therefore, the Group had no new investment plan in 2019, the placing which was completed on 28 December 2017, raised a net amount of approximately HK\$35.07 million which was intended to invest in potential projects in the PRC or relating to technology business, but had not yet utilized and was deposited into the bank account of the Company. For more detail of the treatment of the proceeds and the reason for keeping them in custody without utilising them yet, please refer to the announcement of the Company dated 26 August 2019. 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 to increase shareholder's returns.

Prospects

While global economic performance became fluctuating since the start of 2019, we remain cautious of possible risks of decline due to uneven economic growth and geopolitical tensions.

In the US, US started the trade war with China, EU and other countries and US dollar has fluctuated in recent month, so the economy was increasing uncertainty that could make the US economy more fragile and fluctuation.

In the EU, the Brexit and trade war with US were 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, US started the trade war with China, downward pressure on the Chinese economy has increased. The yuan has depreciated in recent month and expected the yuan to remain under pressure in near future. Chinese economy was likely to experience a mild slowdown in the second half of the year as financial market risks become obvious and demand was expected to decline.

In Hong Kong, changing the "Fugitive Offenders Ordinance" event has been continuing affecting the Hong Kong investment environment in recent months.



According to the latest “World Economic Outlook Update” published by IMF, global economic activity is projected to reach 3.3 percent in 2019 but the expansion is becoming less even, and risks to the outlook are mounting.

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\$43.30 million as at 30 June 2019 (31 December 2018: HK\$46.99 million).

The Group’s total borrowings comprising other payables and accruals and lease liability, amounted to approximately HK\$0.33 million as at 30 June 2019 (31 December 2018: HK\$0.51 million).

As at 30 June 2019, the Group’s gearing ratio was approximately 0.19% (31 December 2018: 0.28%).

The Group had net financial asset investments of approximately in total of HK\$118.17 million as at 30 June 2019 (31 December 2018: HK\$132.05 million).

Capital structure

There has been no change to the capital structure of the Company since 1 January 2019.

Material acquisitions and disposals of subsidiaries

The Group has not made any material acquisition or disposal of subsidiaries during the period ended 30 June 2019.

Financial commitment, capital commitment and contingent liabilities

As at 30 June 2019, the Group has financial commitment HK\$4 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 2019, the Group employed a total of 6 employees (2018: 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\$1,516,601 (2018: HK\$1,444,180).

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.

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, 2019, 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 (Note 2)	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 2019, 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 2019, 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 2019, 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	504,410,000	22.13%
Vibrant Noble Limited (Note 1)	379,900,000	16.67%
Sharp Years Limited (Note 2)	254,500,000	11.16%
Long Surplus International Limited (Note 2)	254,500,000	11.16%
Fame Image Limited (Note 2)	254,500,000	11.16%
Ho Hoi Yee, Wisery (Note 2)	254,500,000	11.16%
Lai Tsui Har (Note 2)	254,500,000	11.16%
Wu Weihong, Tony (Note 2)	254,500,000	11.16%

Notes:

1. Vibrant Noble Limited is wholly owned by Mr. Qian Jun.
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 2019.

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 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 2019, 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 2019.

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, 29 August 2019

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 2019

	<i>Note</i>	Six months ended 30 June 2019 (Unaudited) HK\$	Six months ended 30 June 2018 (Unaudited) HK\$
Revenue	4	171,025	522,066
Other revenue	5	106,460	599,378
Fair value loss on financial assets at fair value through profit or loss	6, 19	(7,103,378)	(9,244,869)
Administrative and other operating expenses		(3,471,044)	(4,265,083)
Share of result of an associate		—	100,906
Finance cost	7	(7,245)	—
Loss before taxation	8, 19	(10,304,182)	(12,287,602)
Taxation	9	—	—
Loss and total comprehensive loss for the period attributable to equity holder of the Company		(10,304,182)	(12,287,602)
Loss per share	10	(0.45) cents	(0.54) cents
Interim dividend	11	Nil	Nil

The notes on pages 15 to 36 form part of this interim report.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	<i>Note</i>	30 June 2019 (Unaudited) HK\$	31 December 2018 (Audited) HK\$
Non-current assets			
Property, plant and equipment		55,653	80,620
Right-of-use Asset-Lease		203,887	—
		259,540	80,620
Current assets			
Amount due from an investee		2,590,000	2,590,000
Financial assets at fair value through profit or loss	12	118,166,663	132,052,762
Prepayments, deposits and other receivables		9,665,279	2,749,840
Bank balances and cash		43,303,269	46,994,381
		173,725,211	184,386,983
Current liabilities			
Other payables and accruals	13	127,469	511,453
Lease liability		205,314	—
		332,783	511,453
Net current assets		173,392,428	183,875,530
Non-current liability			
Deferred taxation	9	1,554,832	1,554,832
Net assets		172,097,136	182,401,318
Capital and reserves			
Share capital	14	22,794,000	22,794,000
Reserves		149,303,136	159,607,318
Shareholders' funds		172,097,136	182,401,318

The notes on pages 15 to 36 form part of this interim report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2019

	For the six months ended 30 June 2018 (Unaudited)				
	Share capital HK\$	Share premium HK\$	Investment valuation reserve (recycling) HK\$	Accumulated losses HK\$	Total HK\$
Balance at 31 December 2017	22,794,000	262,926,160	15,780,167	(85,409,921)	216,090,406
Impact on initial application of HKFRS 9	—	—	(15,780,167)	27,291,257	11,511,090
Adjusted balance at 1 January 2018	22,794,000	262,926,160	—	(58,118,664)	227,601,496
Loss and total comprehensive loss attributable to equity holders of the Company	—	—	—	(12,287,602)	(12,287,602)
At 30 June 2018	22,794,000	262,926,160	—	(70,406,266)	215,313,894

	For the six months ended 30 June 2019 (Unaudited)			
	Share capital HK\$	Share premium HK\$	Accumulated losses HK\$	Total 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

The notes on pages 15 to 36 form part of this interim report.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2019

	Six months ended 30 June 2019 (Unaudited) HK\$	Six months ended 30 June 2018 (Unaudited) HK\$
Net cash (used in)/generated from operating activities	(3,691,112)	18,962,545
Net (decrease)/increase in cash and cash equivalents	(3,691,112)	18,962,545
Cash and cash equivalents at the beginning of the period	46,994,381	41,589,932
Cash and cash equivalents at the end of the period	43,303,269	60,552,477
Analysis of the balances of cash and cash equivalents		
Cash at bank and in hand	38,234,726	50,388,241
Deposits with bank	5,068,543	10,164,236
Cash and Cash equivalents in the statement of financial position and the statement of cash flows	43,303,269	60,552,477

The notes on pages 15 to 36 form part of this interim report.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

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, and financial assets at amortised cost, which is measured at amortised cost as appropriate.

The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 June 2019 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2018 except for the accounting policy changes that are expected to be reflected in the 2019 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 2018, except for the adoption of new standards effective as of 1 January 2019.

3. Changes in Accounting Policies (Continued)

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Annual Improvements 2015-2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures

Other than as explained below regarding the impact of HKFRS 16 *Leases*, the new and revised standards are not relevant to the preparation of the Group's interim condensed consolidated financial information.

Adoption of HKFRS 16

Impacts on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019 and included in lease liabilities. The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019. All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

3. Changes in Accounting Policies (Continued)

Adoption of HKFRS 16 (Continued)

(a) *The impacts arising from the adoption of HKFRS 16 as at 1 January 2019 are as follows:*

	Increase/ (decrease) (Unaudited)
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Assets	
Increase in right-of-use assets	339,811
Decrease in prepayments, deposits and other receivables	(13,762)
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Increase in total assets	326,049
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Liabilities	
Increase in lease liabilities	326,049
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Increase in total liabilities	326,049
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3. Changes in Accounting Policies (Continued)

Adoption of HKFRS 16 (Continued)

(b) Nature of the effect of adoption of HKFRS 16

The lease liabilities as at 1 January 2019 reconciled to the operating leases commitments as at 31 December 2018 is as follows:

	(Unaudited)
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Operating lease commitments as at 31 December 2018	
Weighted average incremental borrowing rate as at	
1 January 2019	5.25%
Discounted operating lease commitments as at	
1 January 2019	326,049
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Lease liabilities as at 1 January 2019	326,049
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3. Changes in Accounting Policies (Continued)

Adoption of HKFRS 16 *(Continued)*

Summary of new accounting policies

The accounting policy for leases as disclosed in the annual financial statements for the year ended 31 December 2018 is replaced with the following new accounting policies upon adoption of HKFRS 16 from 1 January 2019:

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

3. Changes in Accounting Policies (Continued)

Adoption of HKFRS 16 (Continued)

Summary of new accounting policies (Continued)

Lease liabilities (Continued)

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

4. Revenue

	Six Months ended 30 June 2019 (Unaudited) HK\$	Six Months ended 30 June 2018 (Unaudited) HK\$
Dividend income from listed equity securities	171,025	522,066
	171,025	522,066

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.

4. Revenue (Continued)

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 2019 (Unaudited) HK\$	Six Months ended 30 June 2018 (Unaudited) HK\$
Other Revenue		
Interest income	106,460	599,378
	106,460	599,378

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

	Six Months ended 30 June 2019 (Unaudited) HK\$	Six Months ended 30 June 2018 (Unaudited) HK\$	(Reclassified and restated) HK\$	Six Months ended 30 June 2018 (Unaudited and Restated) HK\$
Fair value (loss)/gain on financial assets at fair value through profit and loss				
Realised				
— from listed shares in Hong Kong	260,919	1,201,729		1,201,729
Unrealised				
— from listed shares in Hong Kong	(7,713,097)	(11,641,712)		(11,641,712)
Kwong Man Kee Group Limited			578,025	578,025
— from unlisted investment				
Diamond Motto Limited	(104,000)	—	3,494,010	3,494,010
廣州市金洋水產養殖有限公司	1,361,800	—	(1,212,780)	(1,212,780)
Star League Investments Limited	(909,000)	—	(1,664,141)	(1,664,141)
	(7,364,297)	(11,641,712)	1,195,114	(10,446,598)
	(7,103,378)	(10,439,983)	1,195,114	(9,244,869)

The Group's management has applied HKFRS 9 and reclassified its financial instruments on 1 January 2018 that effect has been reflected in interim 2018. But the Group has reclassified in 2018 annual report. Therefore Diamond Motto Limited, 廣州市金洋水產養殖有限公司 and Kwong Man Kee Group Limited (listed share) have been reclassified from Available-for-sale Financial Assets to Financial assets at fair value through profit and loss in 2018 annual report. In 2018 annual report, the Group has been revalued all unlisted investment on 1 January 2018 and 31 December 2018 so the Group has adopted the consistent approach to restate all unlisted investment on 30 June 2018.

7. Finance Costs

	Six Months ended 30 June 2019 (Unaudited) HK\$	Six Months ended 30 June 2018 (Unaudited) HK\$
Interest on lease liabilities	7,245	—

8. Loss Before Taxation

	Six months ended 30 June 2019 (Unaudited) HK\$	Six months ended 30 June 2018 (Unaudited) HK\$
Loss before taxation is stated after charging the following:		
Depreciation — owned property, plant and equipment	24,967	24,967
Depreciation — right-of-use assets	135,924	—
Investment management fee	147,637	1,546,052
Rental charges under operating leases in respect of rented premises	—	104,446
Staff costs, including directors' emoluments	1,516,601	1,444,180

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 2018 and 30 June 2019.

In prior years, the Company had claimed tax loss approximate to HK\$30,000,000. Such tax loss was disallowed by the Inland Revenue Department of Hong Kong. The Company has lodged an objection to the assessment of the Inland Revenue Department. The directors are confident that its claim will be successful. If the objection is failed, the Company and the Group may have additional tax payable amounted up to HK\$1,252,000. The directors believe that realisation of these tax liabilities are unlikely and no provision has been made in the consolidated financial statements for the six months ended 30 June 2019.

Deferred tax liabilities recognised are analysed as follows:

	30 June 2019 (Unaudited) HK\$	31 December 2018 (Audited) HK\$
Tax loss	(482,382)	(482,382)
Unrealised gain on financial asset at fair value through profit or loss	2,037,214	2,037,214
Deferred Tax	1,554,832	1,554,832

10. Loss Per Share

The calculation of the loss per share for the six months ended 30 June 2019 is based on the Group's loss attributable to the equity holders of HK\$10,304,182 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 2018 is based on the Group's loss attributable to equity holders of HK\$12,287,602 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. (2018: HK\$Nil)

12. Financial Assets at Fair Value through Profit or Loss

	30 June 2019 (Unaudited) HK\$	31 December 2018 (Audited) HK\$
Unlisted equity securities, at fair value	17,021,800	15,764,000
Unlisted debt securities, at fair value	—	909,000
Equity securities listed in Hong Kong, at fair values	101,144,863	115,379,762
	118,166,663	132,052,762

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

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

	30 June 2019 (Unaudited) HK\$	31 December 2018 (Audited) HK\$
Name of investee		
Unlisted equity securities, at fair value		
Diamond Motto Limited	11,563,000	11,667,000
廣州市金洋水產養殖有限公司	5,458,800	4,097,000
Unlisted debt securities, at fair value		
Star League Investments Limited	—	909,000
	17,021,800	16,673,000

b) Particulars of major Financial Assets at Fair Value through Profit or Loss

Unlisted debt securities

Star League Investments Limited (“Star League”)

Star League is incorporated in the British Virgin Islands and is principally engaged in business of investment holding during the period.

On 27 April 2015, the Group entered into the Subscription Agreement with Star League pursuant to which the Group agreed to subscribe for 6.5% coupon unlisted debenture due on April 2019.

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

b) Particulars of major 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 2019.

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 2019.

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\$0 (31 December 2018: HK\$252,638).

14. Share Capital

	Number of ordinary shares of HK\$0.01 each	HK\$
Authorised:		
At 1 January 2018 (unaudited), 31 December 2018 (audited), 1 January 2019 (unaudited) and 30 June 2019 (unaudited)	4,000,000,000	40,000,000
Issued and fully paid:		
At 1 January 2018 (unaudited), 31 December 2018 (audited), 1 January 2019 (unaudited) and 30 June 2019 (unaudited)	2,279,400,000	22,794,000

15. Operating Leases Commitments

At 30 June 2019, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of office premises which fall due as follows:

	30 June 2019 (Unaudited) HK\$	31 December 2018 (Audited) HK\$
Within one year	—	255,960
In the second to fifth year inclusive	—	46,100
	—	302,060

15. Operating Leases Commitments (Continued)

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

	Six months ended 30 June 2019 (Unaudited) HK\$	Six months ended 30 June 2018 (Unaudited) HK\$
Investment management fee paid to Hua Yu Investment Management Limited (Note 1)	147,637	1,546,052
	147,637	1,546,052

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 2019 and 31 December 2018 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 as at 30 June 2019 categorised into			Fair value at 30 June 2019
	Level 1	Level 2	Level 3	
	HK\$	HK\$	HK\$	HK\$
		(unaudited)		(unaudited)
Financial assets at fair value through profit or loss				
— listed equity securities	101,144,863	—	—	101,144,863
— unlisted equity securities	—	—	5,458,800	5,458,800
— unlisted equity securities with a put option	—	—	11,563,000	11,563,000
— unlisted debt securities with early redemption option	—	—	—	—
	101,144,863	—	17,021,800	118,166,663

17. Fair Values Measurement of Financial Instruments (Continued)

i) Fair value hierarchy (Continued)

	Fair value measurements as at			Fair value at 31 December 2018 HK\$ (audited)
	31 December 2018 categorised into			
	Level 1 HK\$	Level 2 HK\$ (audited)	Level 3 HK\$	
Financial assets at fair value through profit or loss				
— listed equity securities	115,379,762	—	—	115,379,762
— unlisted equity securities	—	—	4,097,000	4,097,000
— unlisted equity securities with a put option	—	—	11,667,000	11,667,000
— unlisted debt securities with early redemption option	—	—	909,000	909,000
	115,379,762	—	16,673,000	132,052,762

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	31	Fair value	Valuation technique and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	2019 (Unaudited) HK\$	December 2018 (Audited) HK\$				
Unlisted equity securities	5,458,800	4,097,000	Level 3	Market approach	<ul style="list-style-type: none"> — price to earning multiples of several comparable companies — Enterprise value to sales ("EVS") multiples of several comparable companies — Risk adjustment for a discount on lack of marketability 	<p>The higher the multiple, the higher the fair value</p> <p>The higher the multiples, the higher the fair value</p> <p>The higher the discount rate, the lower the fair value</p>

17. Fair Values Measurement of Financial Instruments (Continued)

i) Fair value hierarchy (Continued)

Financial assets	30 June	31	Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	2019 (Unaudited) HK\$	December 2018 (Audited) HK\$				
Unlisted equity securities with a put option	11,563,000	11,667,000	Level 3	Market approach	— price to earning multiples of several comparable companies	The higher the multiple, the higher the fair value
					— Enterprise value to earnings before interest, taxes, depreciation and amortization ("EV/EBITDA") multiples of several comparable companies	The higher the multiples, the higher the fair value
					— Risk adjustment for a discount on lack of marketability	The higher the discount rate, the lower the fair value
				Binominal pricing model	— Volatility of the investee's share prices	The higher the volatility, the higher the fair value
					— Discount rate	The higher the discount rate, the lower the fair value
					—	
Unlisted debt securities with early redemption option	—	909,000	Level 3	Income approach	— Discount rate adjusted with estimated credit rating and default risk	The higher the discount rate, the lower the fair value
					Binominal pricing model	— Life of the option
				— Discount rate		The higher the discount rate, the lower the fair value

During the six months ended 30 June 2019 and the year ended 31 December 2018, there were no transfer of fair value measurements between Level 1 and Level 2.

17. Fair Values Measurement of Financial Instruments (Continued)

i) Fair value hierarchy (Continued)

During the six months ended 30 June 2019, there was no transfer into or out of level 3.

During the year ended 31 December 2018, there was transfer of fair value measurements into Level 3 for financial assets at fair value through profit or loss. The movements in fair value measurements in Level 3 are as follows:

	HK\$
At 1 January 2018 (Unaudited)	5,250,000
Reclassification upon initial application of HKFRS 9	23,397,000
Additions	7,000,000
Redemption of unlisted debt securities	(5,250,000)
Unrealised loss on unlisted equity and debt securities	(13,724,000)
At 31 December 2018 (audited) and 1 January 2019 (unaudited)	16,673,000
Unrealised gain on unlisted equity and debt securities	348,800
At 30 June 2019 (unaudited)	17,021,800

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 2019 and 31 December 2018.

18. Commitments

As at 30 June 2019, the Group has financial commitment HK\$4 million and no material capital commitment and no contingent liabilities.

19. Comparative Figures

The following June 2018 comparative figures in financial asset was based on annual report and has been restated.

	Six months ended 30 June 2018 (Unaudited) HK\$	Loss per Share Six months ended 30 June 2018 (Unaudited) HK\$
Loss before taxation	(13,482,716)	(0.59) cents
Reclassified and restated the fair value gain on financial assets at fair value through profit or loss (Note 6)	<u>1,195,114</u>	
Loss before taxation (restated)	<u>(12,287,602)</u>	<u>(0.54) cents</u>

The adjustment was due to reclassification of investment as explained in Note 6 above.

The calculation of the loss per share for the six months ended 30 June 2018 is based on the Group's loss attributable to the equity holders of HK\$12,287,602 and the weighted average number of 2,279,400,000 ordinary shares in issue during the period.

No diluted earnings per share is presented since the Group did not issue any dilutive potential ordinary shares for the six months ended 30 June 2018.