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**DT CAPITAL**



**DT CAPITAL LIMITED**

**鼎立資本有限公司**

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

**(Stock Code: 356)**

**ANNOUNCEMENT OF AUDITED RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

The board (the “Board”) of directors (the “Directors”) of DT Capital Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2022 together with the comparative figures for the year ended 31 December 2021 as follows:

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

*For the year ended 31 December 2022*

	<i>Notes</i>	<b>2022</b> <b>HK\$</b>	2021 <b>HK\$</b>
Gross proceeds from the disposal of listed and unlisted investments	4	<b>23,645,070</b>	16,991,605
<b>Revenue</b>	4	<b>1,833,791</b>	2,203,955
Other income, gains and losses	5	<b>155,670</b>	1,799,426
Fair value loss on financial assets at fair value through profit or loss		<b>(18,635,282)</b>	(575,559)
Administrative expenses		<b>(7,867,671)</b>	(8,116,342)
Finance cost		–	(37,110)
<b>Loss before taxation</b>	6	<b>(24,513,492)</b>	(4,725,630)
Income tax credit/(expense)	7(a)	<b>415,792</b>	(55,865)
<b>Loss for the year and total comprehensive expenses attributable to equity holders of the Company</b>		<b>(24,097,700)</b>	(4,781,495)
<b>Loss per share</b>			
Basic and diluted	8	<b>(0.0088)</b>	(0.0021)
Dividend		<b>Nil</b>	Nil

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	2022 HK\$	2021 HK\$
<b>Current assets</b>			
Other receivables, deposits and prepayments	9	21,737,190	1,526,315
Financial assets at fair value through profit or loss	10	79,934,666	100,170,107
Cash and bank balances		1,849,111	26,643,975
		<u>103,520,967</u>	<u>128,340,397</u>
<b>Current liabilities</b>			
Other payables and accruals	11	438,220	744,158
<b>Net current assets</b>		<u>103,082,747</u>	<u>127,596,239</u>
<b>Total assets less current liabilities</b>		103,082,747	127,596,239
<b>Non-current liabilities</b>			
Deferred taxation	7(b)	566,347	982,139
<b>Net assets</b>		<u>102,516,400</u>	<u>126,614,100</u>
<b>Capital and reserves</b>			
Share capital		27,352,800	27,352,800
Reserves		75,163,600	99,261,300
<b>Total equity</b>		<u>102,516,400</u>	<u>126,614,100</u>

## NOTES

*For the year ended 31 December 2022*

### 1. GENERAL

DT Capital Limited (“the Company”) is a public limited company incorporated in the Cayman Islands with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is Unit D 6th Floor, Eton Building, 288 Des Voeux Road Central, Hong Kong.

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

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

### 2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

#### **Amendments to HKFRSs that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19 Related Rent Concessions beyond 30 June 2021
Amendment to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

The application of the amendments to HKFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>1</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>3</sup> Effective for annual periods beginning on or 1 January 2024.

The directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

#### Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

### 4. REVENUE

	2022 <i>HK\$</i>	2021 <i>HK\$</i>
Dividend income from listed equity securities	<u>1,833,791</u>	<u>2,203,955</u>

No dividend income from unlisted equity securities was received for the years ended 31 December 2022 and 2021.

During the year ended 31 December 2022, the Group received gross proceeds of HK\$23,645,070 (2021: HK\$16,991,605) from selling the listed and unlisted investments to the market.

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

No information about major customers has been disclosed as a substantial portion of the Group's revenue is derived from the Group's investments in equity securities and the disclosure of information regarding customers would not be meaningful as the Group does not derive any revenue from external customers.

As the operation of the Group is entirely in Hong Kong, substantially all of the Group's non-current assets other than financial assets were located in Hong Kong and geographical analysis of non-current assets is not presented.

## 5. OTHER INCOME, GAINS AND LOSSES

	2022 <i>HK\$</i>	2021 <i>HK\$</i>
Interest income	19,670	83,385
Government grants	136,000	–
Exchange gain	–	176
Reversal of provision for reinstatement cost	–	1,715,865
	<u>155,670</u>	<u>1,799,426</u>

## 6. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging/(crediting):

	2022 <i>HK\$</i>	2021 <i>HK\$</i>
Auditor's remuneration	350,000	390,000
Staff cost (including directors):		
– Directors' fee and salaries	2,905,724	2,972,536
– Contribution on defined contribution mandatory provident fund scheme	80,978	87,000
Consulting fee	1,160,000	1,710,000
Expenses related to short term lease	240,826	117,000
	<u>240,826</u>	<u>117,000</u>

## 7. INCOME TAX (CREDIT)/EXPENSE

- a) The amount of taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2022 <i>HK\$</i>	2021 <i>HK\$</i>
Deferred tax (credit)/expense	<u>(415,792)</u>	<u>55,865</u>

No provision for Hong Kong profits tax has been made in these consolidated financial statements as the Company and its subsidiaries have sustained estimated tax losses for the years ended 31 December 2022 and 2021.

- b) Deferred tax liabilities recognised are analysed as follows:

	<b>Unrealised gains/(losses) on financial assets at FVTPL <i>HK\$</i></b>
At 31 December 2020 and 1 January 2021	926,274
Charge for the year	<u>55,865</u>
At 31 December 2021 and 1 January 2022	982,139
Charge for the year	<u>(415,792)</u>
At 31 December 2022	<u><u>566,347</u></u>

## 8. LOSS PER SHARE

The basic loss per share is based on the Group's loss attributable to equity holders of the Company of HK\$24,097,700 (2021: HK\$4,781,495) and the weighted average number of 2,735,280,000 (2021: 2,280,648,986) ordinary shares in issue during the year.

Dilutive loss per share is the same as the basic loss per share as the Company has no dilutive potential ordinary shares in issue for both 2022 and 2021.

The directors do not recommend payment of the final dividend for the year ended 31 December 2022 (2021: Nil).

## 9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2022 <i>HK\$</i>	2021 <i>HK\$</i>
Other receivables ( <i>Note 1 and 2</i> )	20,843,443	1,001,513
Deposits	245,061	66,941
Prepayments	<u>648,686</u>	<u>457,861</u>
	<u><u>21,737,190</u></u>	<u><u>1,526,315</u></u>

Note:

1. As at 31 December 2022, the balances placed in broker securities accounts of HK\$843,443 (2021: HK\$1,001,513) were included in other receivables.
2. The other receivables included an amount due from a related party of HK\$20,000,000 (2021: Nil). On 7 January 2022, the Group invested in a private Fund (the "Fund") incorporated in the Cayman Islands, by subscribing 20,000 participating, non-redeemable, non-voting class A shares with a subscription amount of HK\$20,000,000. On 29 June 2022, the Group has withdrawn from the investment, therefore the full amount of HK\$20,000,000 was recorded as an amount due from a related party. The amount was unsecured, interest free and repayable on demand as at 31 December 2022. As at the date of result announcement, 31 March 2023, HK\$12.8 million has been refunded to the Group. The remaining balance of HK\$7.2 million is expected to be refunded within April 2023.

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

	<b>2022</b>	2021
	<b>HK\$</b>	HK\$
Equity securities listed in Hong Kong at fair value	<b>75,766,706</b>	97,556,902
Unlisted equity securities at fair value	<b>4,167,960</b>	2,613,205
	<u><b>79,934,666</b></u>	<u>100,170,107</u>

#### 11. OTHER PAYABLES AND ACCRUALS

As at 31 December 2022 and 2021, the other payables and accruals in the current liabilities include the provision for reinstatement of leased office premise of HK\$5,000, on which the tenancy will expire within one year.

#### 12. NET ASSET VALUE PER SHARE

	<b>2022</b>	2021
	<b>HK\$</b>	HK\$
Net asset value per share	<u><b>0.04</b></u>	<u>0.05</u>

The calculation of net asset value per share is based on the net assets of HK\$102,516,400 (2021: HK\$126,614,100) and 2,735,280,000 (2021: 2,735,280,000) ordinary shares in issue as at 31 December 2022.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

For the year ended 31 December 2022, DT Capital Limited (the “Company”) and its subsidiaries (collectively, the “Group”) recorded loss attributable to equity holders of approximately HK\$24.1 million (2021: HK\$4.8 million). The loss per share was HK\$0.0088 (2021: HK\$0.0021). Increase in loss in 2022 was mainly caused by an increase in the realised and unrealised loss on listed securities approximately HK\$20.2 million compared with 2021. In addition, there were no bank interest expenses in 2021 and 2022.

The stock market was fluctuating in 2022 that led to the Group’s unrealized fair value loss on listed securities of approximately HK\$9.71 million (2021: HK\$5.92 million) and realized loss on listed securities of approximately HK\$10.48 million (2021: gain HK\$1.77 million).

The Company had invested of one project and stopped of one project in 2022.

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

Economic, Social and Political – Economic, Social and Political affected the stock market and caused its fluctuation, such as COVID-19 pandemic around the globe, inflation and Ukraine’s war.

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. 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.

The proceeds of approximately HK\$35 million from the Placing conducted on 28 December 2017 has changed its usage as disclosed in the announcement of the Company on 13 December 2019. The Board resolved to reallocate the sum of approximately HK\$17.5 million for general working capital and this HK\$17.5 million was used in 2020 and 2021. The remaining sum of approximately HK\$17.5 million shall be used for investment in potential projects in China or relating to technology business as originally planned, and/or for such other business opportunities as may be identified by the Company as suitable, among which approximately HK\$14 million has been invested in some listed shares in 2021. The approximately HK\$3.5 million were not utilised as at 31 December 2021 and was kept in the Company’s bank accounts.

The proceeds of approximately HK\$15.72 million from the Placing on 31 December 2021 was for investment in potential projects relating to biological technology business or other potential projects identified by the Group. The Group had invested HK\$20 million, together with the balance of HK\$3.5 million of the proceeds from the Placing conducted on 28 December 2017, in one unit fund for biological technology business in January 2022. But this project had been ceased in June 2022 because we had considered the current investment environment, relevant risk and potential return of the biotechnology business. As at the date of this result announcement, the HK\$12.8 million has been refunded to the Group. The remaining balance of HK\$7.2 million is expected to be refunded within April 2023.

## PROSPECTS

Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook.

The economic news is likely to deteriorate. Europe and the UK are probably in recession, and a mild recession at least seems likely for the United States given the extent of monetary tightening.

In the United States, inflation remains the dominant issue for U.S. markets. It pressures the Federal Reserve to prioritise price stability over the economic expansion which, in turn, casts a cloud over the outlook for corporate profits and asset prices.

In China, 2023 should see the Chinese economy eventually exit zero-COVID government rules, after having spent most of 2022 under intense restrictions. A key watchpoint for 2023 is the struggling property market. The government has announced new support measures, but they do not appear large enough to create a sustained recovery. The market expect more measures to improve confidence in the housing sector and to boost spending when the economy re-opens. Retail sales are running well below previous trends, driven by the zero-COVID policy and by low consumer confidence. Attention should also be paid to any further government announcements around investment in semiconductors following the actions by the U.S. government to limit the export of chips to China.

Ukraine's war become a very important unpredictable factor in 2023 investment market.

With so many unpredictable factors, we believe the key to success is in managing risk successfully through diversification and due diligence. In 2023, we will continue our creative yet careful approach to new investments and portfolio management – we will explore new potential areas of investment while exercising due caution where necessary.

Apart from trading securities, the Management will continue to increase shareholder's returns, by exploring various sectors and regions with the aim of finding additional favorable investments that are undervalued and have sustainable income streams.

## **FINANCIAL REVIEW**

### **Financial Resources and Liquidity**

As at 31 December 2022, the total equity of the Group amounted to approximately HK\$102.52 million (31 December 2021: HK\$126.61 million).

As at 31 December 2022, the Group maintained a cash position, bank balances and cash amounting to approximately HK\$1.9 million (31 December 2021: HK\$26.6 million).

The Group's net financial asset investments of approximately HK\$79.93 million as at 31 December 2022 (31 December 2021: HK\$100.17 million).

### **Gearing Ratio**

The Group's total borrowings comprising the other payables and accruals, excluding the provision for reinstatement of leased office premise, and lease liabilities, amounted to approximately HK\$0.4 million as at 31 December 2022 (31 December 2021: HK\$0.7 million).

The Group's gearing ratio calculated on the basis of total borrowings over the shareholders' equity of the Company was approximately 0.42% as at 31 December 2022 (31 December 2021: 0.58%).

### **Final Dividend**

The Board has resolved not to recommend any payment of final dividend for the year ended 31 December 2022 (2021: Nil).

### **Capital Structure**

There was no change to the Group's capital structure for the year ended 31 December 2022.

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

As at 31 December 2022, there had no material capital commitment and no contingent liabilities.

### **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.

### **Share Options**

The Company has not adopted any share option scheme.

## **Employees and Remuneration Policies**

As at 31 December 2022, the Group employed a total of 5 employees (2021: 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.

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

There was no purchase, sale or redemption of the Company's shares by the Company or any of its subsidiaries for the year ended 31 December 2022.

## **CORPORATE GOVERNANCE CODE COMPLIANCE**

The Board has applied the principles and complied with the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange"), save and except for the deviations of the following:

CG Code provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should attend general meeting and develop a balanced understanding of the views of shareholders. One non-executive Director and two independent non-executive Directors were unable to attend the annual general meeting of the Company held on 27 May 2022 due to their other business engagements.

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

## **AUDIT COMMITTEE**

The Company has established an audit committee (the "Audit Committee") according to "A Guide for the Effective Audit Committees" published by the Hong Kong Institute of Certified Public Accountants and the terms of reference adopted in compliance with the CG Code. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. The Audit Committee had also reviewed the annual results of the Group for the year ended 31 December 2022 in conjunction with the Company's external auditors.

## **SCOPE OF WORK OF CWK CPA LIMITED**

The figures in respect of the preliminary announcement of the Group's result for the year ended 31 December 2022 have been agreed by the Group's auditors, CWK CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by CWK CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CWK CPA Limited on the preliminary announcement.

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

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

## **SUFFICIENCY OF PUBLIC FLOAT**

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

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

The results announcement is published on the Stock Exchange's website (<http://www.hkex.com.hk>) and the Company's website (<http://www.dt-capitalhk.com>) under sections of "Annual/Interim Report" and "Announcements". The 2022 annual report will be dispatched to the shareholders and will be available on websites of the Stock Exchange and the Company in due course.

## **APPRECIATION**

On behalf of the Board, I would like to take this opportunity to express my appreciation to the staff and management team of the Group for their contribution in 2022 and would like to give my sincere gratitude to the shareholders for their continual support.

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

Hong Kong, 31 March 2023

*As at the date of this announcement, the Board comprises Mr. Leong Chi Wai, Mr. Lewis Chan and Mr. Su Chunxiang as Executive Directors; Ms. Chan Pui Kwan and Mr. Lam Chi Keung as Non-executive Directors; Mr. Chen Yeung Tak, Mr. Leung Ka Kui and Mr. Jochum Siebren Haakma as Independent Non-executive Directors.*