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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 INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

INTERIM REPORT AND CONDENSED CONSOLIDATED ACCOUNTS

The Board (the “Board”) of Directors (the “Directors”) of DT Capital Limited (the “Company”) hereby presents the unaudited condensed consolidated accounts of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2023. The interim results had been reviewed by the audit committee of the Company and approved by the Board.

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

For the six months ended 30 June 2023

	<i>Note</i>	Six months ended 30 June 2023 (Unaudited) HK\$	Six months ended 30 June 2022 (Unaudited) HK\$
Revenue	4	117,162	318,670
Other revenue	5	112	67,643
Fair value (loss) on financial assets at fair value through profit or loss	6	(21,002,055)	(18,841,845)
Administrative and other operating expenses		(4,082,088)	(4,173,920)
(Loss) before taxation	7	(24,966,869)	(22,629,452)
Taxation	8	151,545	318,189
(Loss) and total comprehensive (expense) for the period attributable to equity holder of the Company		(24,815,324)	(22,311,263)
(Loss) per share	9	(0.91) cents	(0.82) cents
Interim dividend		Nil	Nil

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		30 June 2023 (Unaudited) HK\$	31 December 2022 (Audited) HK\$
	<i>Note</i>		
Current assets			
Financial assets at fair value through profit or loss	<i>10</i>	67,095,849	79,934,666
Other receivables, deposits and prepayments		10,826,889	21,737,190
Cash and bank balances		724,744	1,849,111
		<u>78,647,482</u>	<u>103,520,967</u>
Current liabilities			
Other payables and accruals		<u>531,604</u>	<u>438,220</u>
		531,604	438,220
Net current assets		<u>78,115,878</u>	<u>103,082,747</u>
Non-current liability			
Deferred taxation	<i>8</i>	<u>414,802</u>	<u>566,347</u>
		414,802	566,347
Net assets		<u>77,701,076</u>	<u>102,516,400</u>
Capital and reserves			
Share capital		27,352,800	27,352,800
Reserves		<u>50,348,276</u>	<u>75,163,600</u>
Shareholders' funds		<u>77,701,076</u>	<u>102,516,400</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 June 2023 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2022 except for the accounting policy changes that are expected to be reflected in the 2023 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 2022, except for the adoption of new standards effective as of 1 January 2023.

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction

None of these amended standards has a impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amended standards that is not yet effective for the current accounting period.

4. REVENUE

	Six months ended 30 June 2023 (Unaudited) HK\$	Six months ended 30 June 2022 (Unaudited) HK\$
Dividend income from listed equity securities	117,162	318,670
	<u>117,162</u>	<u>318,670</u>

4. REVENUE (CONT'D)

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

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

5. OTHER REVENUE

	Six months ended 30 June 2023 (Unaudited) HK\$	Six months ended 30 June 2022 (Unaudited) HK\$
Other Revenue		
Interest income	112	19,643
HKSAR – ESS's Subsidy	–	48,000
	<u>112</u>	<u>67,643</u>

6. FAIR VALUE LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Six months ended 30 June 2023 (Unaudited) HK\$	Six months ended 30 June 2022 (Unaudited) HK\$
Fair value (loss)/gain on financial assets at fair value through profit and loss		
Realised		
– from listed shares in Hong Kong	<u>20,621</u>	<u>(10,031,256)</u>
Unrealised		
– from listed shares in Hong Kong	<u>(18,628,519)</u>	<u>(9,469,110)</u>
– from unlisted investment 廣州市金洋水產養殖有限公司	<u>(2,394,157)</u>	<u>658,521</u>
	<u>(21,022,676)</u>	<u>(8,810,589)</u>
	<u>(21,002,055)</u>	<u>(18,841,845)</u>

7. (LOSS) BEFORE TAXATION

	Six months ended 30 June 2023 (Unaudited) HK\$	Six months ended 30 June 2022 (Unaudited) HK\$
(Loss)/Profit before taxation is stated after charging the following:		
Staff cost (including directors' remuneration)		
– Salaries, bonuses and allowances	1,248,116	1,750,240
– Contribution on defined contribution mandatory provident fund scheme	<u>34,500</u>	<u>45,250</u>

8. 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 2022 and 30 June 2023.

Deferred tax liabilities recognised are analysed as follows:

	Unrealised gain on financial assets at FVPL HK\$
At 31 December 2022 (audited)	<u>566,347</u>
At 31 December 2022 and 1 January 2023 (audited)	566,347
Credit for the period	<u>(151,545)</u>
At 30 June 2023 (unaudited)	<u>414,802</u>

9. (LOSS) PER SHARE

The calculation of the loss per share for the six months ended 30 June 2023 is based on the Group's loss attributable to the equity holders of the Company of HK\$24,815,324 (unaudited) and the weighted average number of 2,735,280,000 ordinary shares in issue during the period. Loss per share for the six months ended 30 June 2022 is based on the Group's loss attributable to equity holders of the Company of HK\$22,311,263 (unaudited) and the weighted average number of 2,735,280,000 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.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2023 (Unaudited) HK\$	31 December 2022 (Audited) HK\$
Equity securities listed in Hong Kong at fair value	<u>65,322,046</u>	<u>75,766,706</u>
Unlisted equity securities, at fair value	<u>65,322,046 1,773,803</u>	<u>75,766,706 4,167,960</u>
	<u><u>67,095,849</u></u>	<u><u>79,934,666</u></u>

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

	30 June 2023 (Unaudited) HK\$	31 December 2022 (Audited) HK\$
Name of investee		
Unlisted equity securities, at fair value		
廣州市金洋水產養殖有限公司	<u>1,773,803</u>	<u>4,167,960</u>
	<u><u>1,773,803</u></u>	<u><u>4,167,960</u></u>

REVIEW OF REPORT

For the six months ended 30 June 2023, the Group recorded a net loss attributable to shareholders of approximately HK\$24,815,324 (2022: HK\$22,311,263) and loss per share of HK0.91 cents (2022: HK0.82 cents).

INTERIM DIVIDEND

The Board of Directors has resolved not to declare and pay any interim dividend for the period ended 30 June 2023 (2022: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Compared with the corresponding period of the last year, the loss were mainly caused by unrealized loss on financial assets at fair value through profit or loss to approximately HK\$21.02 million (2022: unrealized loss HK\$8.81 million).

There was no new investment plan since January 2023.

The stock market was fluctuating and unsatisfactory in general in the first half of 2023 that led to the Group's unrealized fair value loss on listed securities of approximately HK\$18.63 million (2022: HK\$9.47 million) and realized gain on listed securities of approximately HK\$0.02 million (2022: loss HK\$10.03 million).

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

Economic and Social – Economic and Social factors affected the stock market and caused its fluctuation, such as inflation, Ukraine's war and tense relationship between China and the United States.

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 cash balance to prepare for stock market fluctuation in 2023. The Group had not a new investment plan in the first half of 2023. The Group short term strategy is changed from time to time to reflect the market and economic situation and long term strategy is balanced in investing listed and unlisted securities with an aim to increase shareholder's returns.

The proceeds of approximately HK\$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 interim announcement, the HK\$13.8 million has been refunded to the Group. The remaining balance of HK\$6.2 million has been refunded to the Group in August 2023.

PROSPECTS

The global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks – most notably, the COVID-19 pandemic and Russia’s invasion of Ukraine – manifesting in unforeseen ways. Spurred by pent-up demand, lingering supply disruptions, and commodity price spikes, inflation reached multi-decade highs last year in many economies, leading central banks to tighten aggressively to bring it back toward their targets and keep inflation expectations anchored.

U.S. may be enter a mild recession near the end of 2023 as the restrictive policy stance from the Federal Reserve creates tighter credit conditions, gradually dragging down growth. Market is expected that inflation will decline and unemployment will rise enough for the Federal Reserve to begin removing economic restraints.

Growth in the first half of the year was strong in Asia. Much of this lift came from China’s reopening and the end of its zero-COVID policy. However, recovery following its reopening has been uneven, activity has been volatile and sentiment has been soft. Data disappointments since April have intensified concerns about China’s ongoing recovery and the likelihood of additional stimulus in the near-term appears to be low.

With the above in mind, we will adopt a prudent approach to identify and assess investment opportunities while 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\$0.7 million as at 30 June 2023 (31 December 2022: HK\$1.9 million).

The Group’s total borrowings comprising other payables and accruals amounted to approximately HK\$0.5 million as at 30 June 2023 (31 December 2022: HK\$0.4 million).

As at 30 June 2023, the Group’s gearing ratio was approximately 0.68% (31 December 2022: 0.42%).

The Group had net financial asset investments of approximately in total of HK\$67.1 million as at 30 June 2023 (31 December 2022: HK\$79.93 million).

Capital structure

There has been no change to the capital structure of the Company since 1 January 2023.

EMPLOYMENT AND REMUNERATION POLICIES

As at 30 June 2023, the Group employed a total of 5 employees (2022: 6) including the Directors and senior management 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\$1,282,616 (2022: HK\$1,795,490).

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

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

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

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 2023, 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 2023.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

PUBLICATION OF INTERIM REPORT

This interim report is published on HKExnews website at www.hkexnews.hk and on the website of the Company at www.dt-capitalhk.com.

By order of the Board
Chan Pui Kwan
Chairman

Hong Kong, 25 August 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 and Mr. Jochum Siebren Haakma as independent non-executive Directors.