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DL HOLDINGS GROUP LIMITED

德林控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1709)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2023

The board (the “**Board**”) of directors (the “**Directors**”) of DL Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the audited consolidated results of the Group for the year ended 31 March 2023 together with the comparative audited figures for the preceding financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2023

	Notes	2023 HK\$'000	2022 HK\$'000
Revenue	4	191,116	309,065
Cost of sales/services	6	<u>(88,476)</u>	<u>(136,345)</u>
Gross profit		<u>102,640</u>	<u>172,720</u>
Other (losses)/gains, net	5	(37,669)	38,630
Selling expenses	6	(1,854)	(3,455)
General and administrative expenses	6	(96,015)	(78,532)
Expected credit loss of receivables, net	6	(1,660)	(20)
Share of profit of an associate		<u>1,197</u>	<u>–</u>
Operating (loss)/profit		(33,361)	129,343
Finance income	8	715	93
Finance costs	8	<u>(11,113)</u>	<u>(8,900)</u>
Finance costs, net		<u>(10,398)</u>	<u>(8,807)</u>

	<i>Notes</i>	2023 HK\$'000	2022 <i>HK\$'000</i>
(Loss)/Profit before income tax		(43,759)	120,536
Income tax expense	9	<u>(5,418)</u>	<u>(10,761)</u>
(Loss)/Profit for the year		(49,177)	109,775
Other comprehensive (expense)/income, including reclassification adjustments			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		<u>(289)</u>	<u>13</u>
Other comprehensive (expense)/income for the year, including reclassification adjustments		<u>(289)</u>	<u>13</u>
Total comprehensive (expense)/income attributable to the owners of the Company for the year		<u>(49,466)</u>	<u>109,788</u>
(Loss)/Earnings per share attributable to owners of the Company <i>(expressed in HK cents per share)</i>			
- Basic	<i>11.1</i>	(3.52)	7.80 (restated)
- Diluted	<i>11.2</i>	<u>(3.51)</u>	<u>7.77 (restated)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	Notes	2023 HK\$'000	2022 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	12	2,058	3,398
Right-of-use assets		4,776	9,349
Intangible assets		12,248	12,248
Goodwill		19,397	7,921
Deferred tax assets		256	294
Deposits	14	140	1,377
Financial assets at fair value through profit or loss	13	133,686	200,451
Interest in an associate		64,197	–
		<u>236,758</u>	<u>235,038</u>
Current assets			
Trade and other receivables, prepayments and deposits	14	146,997	227,531
Loan and interest receivables	15	183,248	166,633
Bank balances – trust		244,179	130,942
Cash and cash equivalents		83,504	154,636
		<u>657,928</u>	<u>679,742</u>
Current liabilities			
Trade and other payables	17	263,328	160,281
Promissory notes		14,856	25,000
Bank borrowing	18	50,000	80,000
Bonds payable	19	64,000	13,000
Lease liabilities		4,140	6,453
Income tax payable		21,224	20,075
		<u>417,548</u>	<u>304,809</u>
Net current assets		<u>240,380</u>	<u>374,933</u>
Total assets less current liabilities		<u>477,138</u>	<u>609,971</u>

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Non-current liabilities			
Trade and other payables	<i>17</i>	–	250
Bonds payable	<i>19</i>	41,000	80,000
Lease liabilities		390	3,560
		<u>41,390</u>	<u>83,810</u>
Net assets		<u>435,748</u>	<u>526,161</u>
Equity			
Share capital	<i>16</i>	14,539	14,301
Other reserves		228,116	250,319
Retained earnings		193,093	261,541
Total equity		<u>435,748</u>	<u>526,161</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023

	Other reserves							Total equity HK\$'000
	Share capital HK\$'000	Share premium* HK\$'000	Share options reserve* HK\$'000	Share held for share award scheme* HK\$'000	Translation reserve* HK\$'000	Capital reserve* HK\$'000	Retained earnings HK\$'000	
Balance as at 1 April 2021	13,966	263,464	24,796	(17,255)	-	10	215,576	500,557
Profit for the year	-	-	-	-	-	-	109,775	109,775
Other comprehensive income for the year	-	-	-	-	13	-	-	13
Profit and total comprehensive income for the year	-	-	-	-	13	-	109,775	109,788
Acquisition of shares under Share Award Scheme (note (a))	-	-	-	(98,778)	-	-	-	(98,778)
Shares granted under Share Award Scheme (note(a))	-	282	-	373	-	-	-	655
Issuance of shares under Share Option Scheme (note 16(a))	335	90,988	(13,574)	-	-	-	-	77,749
Dividend paid (note 10)	-	-	-	-	-	-	(63,810)	(63,810)
Transactions with owners	335	91,270	(13,574)	(98,405)	-	-	(63,810)	(84,184)
Balance as at 31 March 2022	14,301	354,734	11,222	(115,660)	13	10	261,541	526,161

	Other reserves							
	Share capital	Share premium*	Share options reserve*	Share held for share award scheme*	Translation reserve*	Capital reserve*	Retained earnings	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance as at 1 April 2022	14,301	354,734	11,222	(115,660)	13	10	261,541	526,161
Loss for the year	-	-	-	-	-	-	(49,177)	(49,177)
Other comprehensive expense for the year	-	-	-	-	(289)	-	-	(289)
Loss and total comprehensive expense for the year	-	-	-	-	(289)	-	(49,177)	(49,466)
Share based payment	-	-	15,506	-	-	-	-	15,506
Acquisition of shares under Share Award Scheme (note (a))	-	-	-	(38,354)	-	-	-	(38,354)
Shares granted under Share Award Scheme (note(a))	-	189	-	983	-	-	-	1,172
Issue of shares upon bonus issue (note 16(b))	238	(238)	-	-	-	-	-	-
Dividend paid (note 10)	-	-	-	-	-	-	(19,271)	(19,271)
Transactions with owners	238	(49)	15,506	(37,371)	-	-	(19,271)	(40,947)
Balance as at 31 March 2023	14,539	354,685	26,728	(153,031)	(276)	10	193,093	435,748

* Other reserves comprise the Group's reserves of HK\$228,116,000 (2022: HK\$250,319,000) in the consolidated statement of financial position.

Note:

(a) During the year ended 31 March 2023, the Company contributed approximately HK\$38,354,000 (2022: HK\$98,778,000) at an average price of HK\$2.54 (2022: HK\$2.57) per share for repurchase of 15,104,400 (2022: 38,415,000) ordinary shares which are currently held under the share award scheme adopted on 8 September 2020 (the "Share Award Scheme"). During the year ended 31 March 2023, a total of 423,000 (2022: 202,000) shares were granted to the eligible persons pursuant to the Share Award Scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

DL Holdings Group Limited (the “**Company**”) was incorporated in the Cayman Islands on 11 May 2015 as an exempted company with limited liability under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company has established a place of business in Hong Kong at Unit 2902, Vertical Square, 28 Heung Yip Road, Wong Chuk Hang, Hong Kong. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company and its subsidiaries (together the “**Group**”) are principally engaged in (i) provision of financial services of licensed businesses including financial advisory services; securities research services; securities trading and brokerage services; margin financing services; referral services; investment management and advisory services; and insurance brokerage services to customers; (ii) provision of money lending services to customers; (iii) sales of apparel products with the provision of supply chain management total solutions to customers; and (iv) provision of enterprise solutions services.

The immediate holding company and ultimate holding company of the Company is DA Wolf Investments I Limited (“**DA Wolf**”), a company incorporated in the British Virgin Islands.

These consolidated financial statements are presented in Hong Kong Dollars (“**HK\$**”), unless otherwise stated.

The consolidated financial statements for the year ended 31 March 2023 were approved for issue by the board of Directors on 26 June 2023.

2. BASIS OF PREPARATION

These annual consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”).

The adoption of new and amended HKFRSs and the impacts on the Group’s consolidated financial statements, if any, are disclosed in note 3.

The consolidated financial statements have been prepared on the historical cost basis, except for financial assets at fair value through profit or loss (“**financial assets at FVTPL**”) which are stated at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

3. ADOPTION OF NEW AND AMENDED HKFRSs

Amended HKFRSs that are effective for annual periods beginning on or after 1 April 2022

In the current year, the Group has applied for the first time the following amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on or after 1 April 2022:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments 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 HKFRS Standards 2018–2020
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination

The adoption of the amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

Issued but not yet effective HKFRSs

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 17	Insurance Contracts and related amendments ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 ²
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹

¹ Effective for annual periods beginning on or after 1 January 2023

² Effective for annual periods beginning on or after 1 January 2024

³ Effective date not yet determined

The Directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. The above new and amended HKFRSs are not expected to have a material impact on the Group's consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors (i.e. the chief operating decision-maker (“CODM”)) for their decisions about resources allocation to the Group’s business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group’s major product and service lines.

The Group has identified the following reportable segments for the years ended 31 March 2022 and 2023:

- Financial services of licensed business – provision of financial advisory services; securities research services; securities trading and brokerage services; margin financing services; referral services; investment management and advisory services; and insurance brokerage services to the customers;
- Money lending services – provision of equity pledge financing services and money lending services to the customers;
- Sales of apparel products – sales of apparel products with the provision of supply chain management total solutions to customers; and
- Enterprise solutions services – provision of global identity planning and wealth inheritance consultancy services, and other business consultancy services.

Each of these reportable segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm’s length prices.

For the purposes of assessing segment performance and allocating resources between segments, the Group’s CODM monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to the revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation, bank interest income, finance costs, expected credit loss (“ECL”) of trade and other receivables, ECL of loan and interest receivables, net (losses)/gains on disposals of financial assets at FVTPL (related to segment of financial services of licensed business), net fair value (losses)/gains on financial asset at FVTPL (related to segment of financial services of licensed business), impairment of goodwill and share of profit in an associate. Changes in fair value of financial assets at FVTPL (excluding financial assets at FVTPL in reportable and operating segments), certain net (losses)/gains on disposal of financial assets at FVTPL, certain bank interest income, certain finance costs, certain depreciation of right-of-use assets and unallocated corporate expenses are not included in the result for each reportable segment.

Segment assets include all assets with the exception of financial assets at FVTPL and other corporate assets.

Segment liabilities include contract liabilities, trade and other payables, provision for reinstatement cost, lease liabilities, income tax payable and bank borrowing managed directly by the segments with exception of promissory notes, bonds payable and other corporate liabilities.

Disaggregation of revenue from contracts with customers by major products or service lines and timing of revenue recognition are as follows:

	2023 HK\$'000	2022 HK\$'000 (Restated)
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
– Provision of financial services of licensed business (<i>note</i>)	123,399	131,467
– Sales of apparel products	21,616	130,381
– Provision of supply chain management	711	–
– Provision of enterprise solutions services	15,280	22,290
	<u>161,006</u>	<u>284,138</u>
Revenue from other sources		
– Interest income from provision of money lending services	16,656	15,042
– Interest income from provision of margin financing services	13,454	9,885
	<u>30,110</u>	<u>24,927</u>
	<u>191,116</u>	<u>309,065</u>
Disaggregated by timing of revenue recognition under HKFRS 15		
– Services provided over time	34,939	53,777
– Services provided at a point in time	104,451	99,980
– Goods transferred at a point in time	21,616	130,381
	<u>161,006</u>	<u>284,138</u>
Revenue from other sources		
– Interest income from provision of money lending services	16,656	15,042
– Interest income from provision of margin financing services	13,454	9,885
	<u>30,110</u>	<u>24,927</u>
	<u>191,116</u>	<u>309,065</u>

The Group applied the practical expedient in HKFRS 15.94 and therefore expensed the incremental costs of obtaining a contract if the amortisation period is one year or less.

Note:

	2023 HK\$'000	2022 HK\$'000 (Restated)
Revenue from provision of financial services of licensed business		
Service fee income from financial advisory services and investment management services	110,091	122,918
Commission and brokerage arising on securities dealing	5,822	8,549
Commission and brokerage from insurance brokerage services	7,486	–
	<u>123,399</u>	<u>131,467</u>

The segment information provided to the CODM for the reportable segments for the year ended 31 March 2023 is as follows:

	Financial services of licensed business HK\$'000	Money lending services HK\$'000	Sales of apparel products HK\$'000	Enterprise solutions services HK\$'000	Inter- company elimination HK\$'000	Total HK\$'000
Revenue						
– From external customers	136,853	16,656	22,327	15,280	–	191,116
– Inter-segment revenue	45	–	–	–	(45)	–
Reportable segment revenue	136,898	16,656	22,327	15,280	(45)	191,116
Reportable segment profit/(loss)	22,631	12,048	(11,851)	2,458	–	25,286
Bank interest income						7
Unallocated other losses, net						
– Net loss on disposals of financial assets at FVTPL						(36,781)
– Net fair value losses on financial assets at FVTPL						(3,581)
Corporate and other unallocated expenses including depreciation of right-of use assets of HK\$2,732,000						(22,971)
Share of profit of an associate						1,197
Finance costs						(6,916)
Loss before income tax						<u>(43,759)</u>
Other information:						
Net losses on disposals of financial assets at FVTPL	(969)	–	–	–	–	(969)
Net fair value (losses)/gains on financial assets at FVTPL	(56)	–	–	453	–	397
Bank interest income	676	4	1	27	–	708
Written off of property, plant and equipment	(830)	–	–	–	–	(830)
Depreciation of property, plant and equipment	(844)	–	(58)	(28)	–	(930)
Depreciation of right-of-use assets	(502)	–	(2,737)	–	–	(3,239)
(Provision for)/Reversal of ECL on						
– trade and other receivables	(1,389)	–	396	(75)	–	(1,068)
– loan and interest receivables	–	(592)	–	–	–	(592)
Impairment loss on goodwill	–	–	–	(1,335)	–	(1,335)
Share of profit of an associate	–	–	–	1,197	–	1,197
Finance costs	(3,580)	(550)	(67)	–	–	(4,197)
Income tax expense	<u>(2,186)</u>	<u>(2,060)</u>	<u>(38)</u>	<u>(1,134)</u>	<u>–</u>	<u>(5,418)</u>

The segment information provided to the CODM for the reportable segments for the year ended 31 March 2022 is as follows:

	Financial services of licensed business <i>HK\$'000</i>	Money lending services <i>HK\$'000</i>	Sales of apparel products <i>HK\$'000</i>	Enterprise solutions services <i>HK\$'000</i>	Inter- company elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue						
– From external customers	141,352	15,042	130,381	22,290	–	309,065
– Inter-segment revenue	<u>1,069</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(1,069)</u>	<u>–</u>
Reportable segment revenue	<u>142,421</u>	<u>15,042</u>	<u>130,381</u>	<u>22,290</u>	<u>(1,069)</u>	<u>309,065</u>
Reportable segment profit/(loss)	72,955	12,764	(30)	11,780	(1,753)	95,716
Bank interest income						69
Unallocated other gains, net						
– Net gains on disposals of financial assets at FVTPL						1,361
– Net fair value gains on financial assets at FVTPL						34,780
Corporate and other unallocated expenses including depreciation of right-of use assets of HK\$2,505,000						(5,816)
Finance costs						<u>(5,574)</u>
Profit before income tax						<u>120,536</u>
Other information:						
Net gains/(losses) on disposals of financial assets at FVTPL	2,609	–	–	(897)	–	1,712
Net fair value gains on financial assets at FVTPL	54	–	–	–	–	54
Bank interest income	23	–	–	1	–	24
Depreciation of property, plant and equipment	(1,081)	–	(46)	(7)	–	(1,134)
Depreciation of right-of-use assets	(1,505)	(135)	(2,360)	–	–	(4,000)
(Provision for)/Reversal of ECL on						
– trade and other receivables	(270)	–	–	–	–	(270)
– loan and interest receivables	–	250	–	–	–	250
Finance costs	(2,373)	(843)	(110)	–	–	(3,326)
Income tax expense	<u>(6,738)</u>	<u>(2,064)</u>	<u>(18)</u>	<u>(1,941)</u>	<u>–</u>	<u>(10,761)</u>

	Financial services of licensed business <i>HK\$'000</i>	Money lending services <i>HK\$'000</i>	Sales of apparel products <i>HK\$'000</i>	Enterprise solutions services <i>HK\$'000</i>	Unallocated corporate assets/ (liabilities) <i>HK\$'000</i>	Inter- company elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 31 March 2023							
Reportable segment assets	<u>528,450</u>	<u>191,855</u>	<u>43,042</u>	<u>109,546</u>	<u>391,671</u>	<u>(369,878)</u>	<u>894,686</u>
Reportable segment liabilities	<u>310,534</u>	<u>159,030</u>	<u>9,642</u>	<u>100,690</u>	<u>163,029</u>	<u>(283,987)</u>	<u>458,938</u>
Additions to non-current assets	<u>207</u>	<u>-</u>	<u>1,966</u>	<u>12,847</u>	<u>-</u>	<u>-</u>	<u>15,020</u>
As at 31 March 2022							
Reportable segment assets	<u>410,010</u>	<u>176,650</u>	<u>63,536</u>	<u>59,904</u>	<u>492,695</u>	<u>(288,015)</u>	<u>914,780</u>
Reportable segment liabilities	<u>234,806</u>	<u>154,411</u>	<u>18,247</u>	<u>22,245</u>	<u>162,762</u>	<u>(203,852)</u>	<u>388,619</u>
Additions to non-current assets	<u>2,129</u>	<u>11</u>	<u>18</u>	<u>340</u>	<u>6,224</u>	<u>-</u>	<u>8,722</u>

Revenue from external customers is analysed by region as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue from provision of financial services of licensed business:		
– Hong Kong	119,383	99,435
– Cayman Islands	17,470	41,917
	136,853	141,352
Revenue from provision of money lending services:		
– Hong Kong	16,656	15,042
Revenue from sales of apparel products:		
– Europe	10,152	66,823
– America	10,610	55,331
– Middle East	15	6,476
– Asia Pacific (including Hong Kong)	839	1,751
	21,616	130,381
Revenue from provision of supply chain management:		
– Europe	711	-
Revenue from provision of enterprise solutions services:		
– Hong Kong	14,993	18,061
– People's Republic of China (“PRC”)	287	4,229
	15,280	22,290
	191,116	309,065

Geographical information

The geographical location of customers is based on the location at which the services were provided or the goods were delivered. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment and right-of-use assets; and the location of the operations to which they are allocated, in the case of intangible assets and goodwill. Specified non-current assets do not include deferred tax assets, interest in an associate and financial instruments for the purpose of geographical information disclosure.

The Group's operations are principally located in Hong Kong, Singapore and PRC.

The Group's information about its specified non-current assets by geographical locations are detailed below:

	Specified non-current assets	
	2023	2022
	HK\$'000	HK\$'000
Hong Kong	38,422	31,542
Singapore	5	1,347
PRC	<u>52</u>	<u>27</u>
	<u>38,479</u>	<u>32,916</u>

Revenue individually generated from the following customers contributed more than 10% of the total revenue of the Group:

	2023	2022
	HK\$'000	HK\$'000
Customer A	N/A*	52,713
Customer B	<u>31,311</u>	<u>N/A*</u>

Note: During the year ended 31 March 2023, revenue from customer A and B of the Group's segment of sales of apparel products and segment of financial services of licensed business amounted less than 10% of the total revenue (2022: HK\$52,713,000) and approximately HK\$31,311,000 (2022: nil), respectively, which represented approximately nil (2022: 17%) and 16% (2022: nil), respectively, of the Group's consolidated revenue.

* Revenue from this customer is less than 10% of total revenue of the Group for the years ended 31 March 2022 or 2023.

Liabilities related to contracts with customers

The consideration received in advance as prepayments from customers amounting to HK\$83,000 (2022: HK\$1,666,000) is for financial advisory service; consideration received in advance as prepayments from customers amounting to HK\$1,194,000 (2022: HK\$4,796,000) is for investment management service and consideration received in advance as prepayments from customers amounting to HK\$59,000 (2022: HK\$302,000) is for sales of apparel products. The contract liabilities of HK\$1,336,000 (2022: HK\$6,764,000) are regarded as short term as the respective revenue is expected to be recognised in its normal operating cycle.

The significant decrease of contract liabilities as at 31 March 2023 is mainly due to decrease in advance payments made by customers.

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	<u>5,222</u>	<u>14,542</u>

5. OTHER (LOSSES)/GAINS, NET

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Net (losses)/gains on disposals of financial assets at FVTPL	(37,750)	3,073
Net fair value (losses)/gains on financial assets at FVTPL	(3,184)	34,834
Dividend income from financial assets at FVTPL	12	9
Losses on early termination of lease	(2)	–
Government grants (<i>note</i>)	1,844	309
Net foreign exchange gain	313	66
Other interest income	922	–
Others	<u>176</u>	<u>339</u>
	<u>(37,669)</u>	<u>38,630</u>

Note: During the year ended 31 March 2023

Being (i) grants received from Monetary Authority of Singapore (“MAS”) that aims to support digitalisation in smaller financial institutions and fintech firms, (ii) grants received from the Inland Revenue Authority of Singapore to support employers to expand local hiring, and (iii) grants received from the Anti-epidemic Fund under the Employment Support Scheme set up by the Hong Kong Government.

During the year ended 31 March 2022

Being (i) grants received from MAS under the Financial Sector Development Fund (FSDF) to co-fund qualifying expenses paid to Singapore-based service providers for work done in Singapore in relation to the incorporation or registration of a Variable Capital Company, (ii) grants received from Job-Support Scheme to support COVID-19 epidemic launched by the Ministry of Manpower of Singapore, (iii) grants received from the Inland Revenue Authority of Singapore to support employers to expand local hiring, and (iv) grants received from the HK Financial Services Development Council to cope with the challenge facing by university graduates in finding work under the pandemic.

6. EXPENSES BY NATURE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Agency fee	75	–
Advertising expenses	28	215
Auditors' remuneration		
– Audit services	1,890	1,342
Consultancy fees	9,872	9,265
Bad debt written off	600	315
Cost of goods sold	20,498	109,863
Cost of services	66,287	24,296
Depreciation of property, plant and equipment (<i>note 12</i>)	930	1,134
Depreciation of right-of-use assets	5,971	6,505
Donations	40	230
Entertainment	4,889	5,579
Graphic design	–	313
Provision for ECL on trade receivables (<i>note 14</i>)	1,068	270
Provision for/(Reversal of) ECL on loan and interest receivables, net (<i>note 15</i>)	592	(250)
ECL on receivables, net	1,660	20
Employee benefit expenses (<i>note 7</i>)	58,657	41,797
Impairment loss on goodwill	1,335	–
Insurance	657	655
Legal and professional fees	4,730	5,665
License expenses	51	48
Marketing fees	1,451	359
Motor vehicles expenses	348	318
Postage and courier	109	343
Printing and stationary	79	412
Sales commission	1,045	109
Short-term leases/low-value leases in respect of		
– office	64	16
Sponsorship fee	–	100
Travelling expenses	2,115	877
Written off of property, plant and equipment (<i>note 12</i>)	830	–
Other expenses	3,794	8,576
Total cost of sales/services, selling expenses, general and administrative expenses and ECL of receivables, net	<u>188,005</u>	<u>218,352</u>

7. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2023	2022
	HK\$'000	HK\$'000
Salaries, bonus and other short-term employee benefits	40,876	40,219
Share options granted to employees and directors	15,506	–
Share award granted to employees and directors	1,172	655
Reversal of provision for unutilised annual leave	(64)	(224)
Pension costs – defined contribution plans (<i>note</i>)	1,167	1,147
	<u>58,657</u>	<u>41,797</u>

Note: As at 31 March 2022 and 2023, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years.

8. FINANCE COSTS, NET

	2023	2022
	HK\$'000	HK\$'000
Finance income		
Bank interest income	715	93
Finance costs		
Interest expenses on bank borrowing	(3,575)	(2,373)
Interest expenses on lease liabilities	(176)	(266)
Interest expenses on bonds payable	(6,811)	(5,418)
Interest expenses on promissory notes	(551)	(843)
	<u>(11,113)</u>	<u>(8,900)</u>
Finance costs, net	<u>(10,398)</u>	<u>(8,807)</u>

9. INCOME TAX EXPENSE

The amount of taxation charged to the consolidated statement of profit or loss and other comprehensive income represents:

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current income tax		
– Hong Kong	5,384	10,690
– PRC	(4)	53
	5,380	10,743
Deferred tax		
– Hong Kong	38	18
Total	<u>5,418</u>	<u>10,761</u>

Hong Kong

The provision for Hong Kong Profits Tax for year ended 31 March 2023 is calculated at 16.5% (2022: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying entities are taxed at 8.25% (2022: 8.25%), and the profits above HK\$2,000,000 are taxed at 16.5% (2022: 16.5%).

Cayman Islands and British Virgin Islands (“BVI”)

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Company and its subsidiaries are not subject to any taxation under the jurisdictions of the Cayman Islands and the BVI.

Singapore

Singapore profits tax has not been provided as the subsidiary of the Group has no estimated assessable profits in the jurisdiction.

PRC

For the subsidiaries of the Group in the PRC, under the 《國家稅務總局關於小型微利企業所得稅優惠政策》，for the portion of profit less than RMB1 million, 25% of the profit will be taxed at 20% and profits within the range of RMB1 million to RMB3 million, 50% of the profit will be taxed at 20%.

10. DIVIDENDS

(a) Dividends attributable to the year

	2023 HK\$'000	2022 <i>HK\$'000</i>
No interim dividends declared for the year (2022: HK1.04 cents per share)	<u>–</u>	<u>14,350</u>
Proposed 2023 final dividend for the year of HK1.03 cents per ordinary share (2022: HK1.40 cents per share)	<u>14,976</u>	<u>20,022</u>

The proposed final dividend in respect of the year ended 31 March 2023 of HK\$0.0103 per share, amounting to a total dividend of approximately HK\$14,976,000 was resolved by the Board to propose on 26 June 2023, which is subject to approval at the annual general meeting of the Company to be held on 8 September 2023.

(b) Dividends attributable to the previous financial year, approved and paid during the year

	2023 HK\$'000	2022 <i>HK\$'000</i>
Final dividend in respect of the previous financial year, of HK1.40 cents (2022: HK3.58 cents) per share	<u>19,271</u>	<u>49,460</u>

The final dividend in respect of the year ended 31 March 2022 of HK\$0.0140 (2022: in respect of the year ended 31 March 2021 of HK\$0.0358) per share, amounting to a total dividend of HK\$19,271,000 (2022: HK\$49,460,000) was paid out during the year ended 31 March 2023.

11. (LOSS)/EARNINGS PER SHARE

11.1 Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares of the Company in issue during the years.

	2023	2022 (Restated)
(Loss)/Profit attributable to owners of the Company (HK\$'000)	(49,177)	109,775
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	<u>1,396,462,154</u>	<u>1,406,917,412</u>
Basic (loss)/earnings per share (HK cents per share)	<u>(3.52)</u>	<u>7.80</u>

11.2 Diluted

	2023	2022 (Restated)
(Loss)/Profit attributable to owners of the Company (HK\$'000)	(49,177)	109,775
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	<u>1,396,462,154</u>	<u>1,406,917,412</u>
Effect of dilutive potential ordinary shares – Share options	<u>5,701,682</u>	<u>6,135,178</u>
Weighted average number of ordinary shares for the purpose of calculating diluted (loss)/earnings per share	<u>1,402,163,836</u>	<u>1,413,052,590</u>
Diluted (loss)/earnings per share (HK cents per share)	<u>(3.51)</u>	<u>7.77</u>

Note: On 14 October 2022, 23,835,350 shares were issued as bonus share on the basis one bonus share for every 60 existing shares held by the shareholders of the Company. The effect of the bonus share has been included within the calculation of basic and diluted loss per share for year ended 31 March 2023. Basic and diluted earnings per share for the year ended 31 March 2022 have been restated to take into account the effects of the bonus issue.

The calculation of the basic (loss)/earnings per share amount is based on (loss)/profit for the year attributable to owners of the Company of HK\$49,177,000 (2022: HK\$109,775,000) and the weighted average number of ordinary shares of 1,396,462,154 (2022: (restated): 1,406,917,412) in issue during the year as adjusted to exclude the shares held under the Share Award Scheme.

The calculation of the diluted (loss)/earnings per share for the years ended 31 March 2022 and 2023 are based on the (loss)/profit for the year attributable to owners of the Company. The weighted average number of ordinary shares used in the calculation is the sum of the weighted average number of the ordinary shares in issue during the year and excluded the shares held under the Share Award Scheme, as used in the basic (loss)/earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

12. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements <i>HK\$'000</i>	Office equipment <i>HK\$'000</i>	Computer equipment <i>HK\$'000</i>	Fitting and furniture <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 March 2022						
Opening net carrying amount	1,546	602	41	119	-	2,308
Acquisition through business combinations (<i>note 21</i>)	-	-	40	-	-	40
Additions	1,361	189	27	607	-	2,184
Depreciation	<u>(751)</u>	<u>(215)</u>	<u>(37)</u>	<u>(131)</u>	<u>-</u>	<u>(1,134)</u>
Closing net carrying amount	<u>2,156</u>	<u>576</u>	<u>71</u>	<u>595</u>	<u>-</u>	<u>3,398</u>
As at 31 March 2022 and 1 April 2022						
Cost	6,827	1,174	1,050	976	1,030	11,057
Accumulated depreciation	<u>(4,671)</u>	<u>(598)</u>	<u>(979)</u>	<u>(381)</u>	<u>(1,030)</u>	<u>(7,659)</u>
Net carrying amount	<u>2,156</u>	<u>576</u>	<u>71</u>	<u>595</u>	<u>-</u>	<u>3,398</u>
Year ended 31 March 2023						
Opening net carrying amount	2,156	576	71	595	-	3,398
Additions	177	44	129	70	-	420
Depreciation	(476)	(228)	(62)	(164)	-	(930)
Written off	<u>(830)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(830)</u>
Closing net carrying amount	<u>1,027</u>	<u>392</u>	<u>138</u>	<u>501</u>	<u>-</u>	<u>2,058</u>
As at 31 March 2023						
Cost	4,168	1,218	1,179	1,046	1,030	8,641
Accumulated depreciation	<u>(3,141)</u>	<u>(826)</u>	<u>(1,041)</u>	<u>(545)</u>	<u>(1,030)</u>	<u>(6,583)</u>
Net carrying amount	<u>1,027</u>	<u>392</u>	<u>138</u>	<u>501</u>	<u>-</u>	<u>2,058</u>

Depreciation expenses of approximately HK\$930,000 (2022: HK\$1,134,000) have been charged to the general and administrative expenses for the year ended 31 March 2023.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>Notes</i>	2023 HK\$'000	2022 <i>HK\$'000</i>
Non-current portion			
Listed securities			
Equity securities – Hong Kong		24,125	314
Non-listed securities			
Investment funds	<i>(i)</i>	2,436	89,432
Equity investment – outside Hong Kong	<i>(ii)</i>	107,125	110,705
		<u>133,686</u>	<u>200,451</u>

Notes:

- (i) The fair value of the unlisted investment funds is based on the net asset value of the investment funds reported to the limited partners by the general partners at the end of the reporting period. The fair value change is recorded in the other (losses)/gains, net in the consolidated statement of profit or loss and other comprehensive income.
- (ii) It represents investment in an unlisted company related to the acquisition of 27.06% of the interest in Carmel Reserve LLC as the non-voting class B membership interest during the year ended 31 March 2021. During the year ended 31 March 2023, the interest in Carmel Reserve LLC was diluted to 26.65% (2022: 27.06%) due to issuance of new shares.

14. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Gross trade receivables (excluding margin receivables and receivables from investment management services, financial advisory services and enterprise solutions services)	3,174	12,712
Gross trade receivables – investment management services	7,262	26,479
Gross trade receivables – margin receivables (<i>note (a)</i>)	102,938	151,114
Gross trade receivables – financial advisory services	18,569	10,448
Gross trade receivables – enterprise solutions services	<u>4,109</u>	<u>11,738</u>
	136,052	212,491
Less: Provision for expected credit loss	<u>(1,734)</u>	<u>(666)</u>
Trade receivables, net of provision	134,318	211,825
Prepayments	2,287	1,507
Payment in advance to suppliers	18	1,584
Rental deposits	1,517	2,034
Amount due from an associate (<i>note (b)</i>)	952	–
Amount due from an investee company (<i>note (b)</i>)	373	–
Amounts due from related parties (<i>note (b)</i>)	30	14
Other receivables and deposits (<i>note (c)</i>)	<u>7,642</u>	<u>11,944</u>
Total trade and other receivables, prepayments and deposits	147,137	228,908
Less: Non-current portion		
Long-term portion of deposits	<u>(140)</u>	<u>(1,377)</u>
	<u>146,997</u>	<u>227,531</u>

Notes:

- (a) Margin receivables are secured by the client's pledged securities with undiscounted market value of approximately HK\$599,236,000 as at 31 March 2023 (2022: HK\$711,723,000) which can be sold at the Group's discretion to settle any margin call requirements imposed by their respective securities transactions. Trade receivables from margin clients are repayable on demand and bear interest at commercial rates. The Group repledged approximately HK\$129,570,000 of the collateral from margin clients to secure the Group's loan facility related to bank borrowing during the year ended 31 March 2023 (2022: HK\$209,600,000).
- (b) As at 31 March 2023, the amounts due from an associate, an investee company and a related party amounting to HK\$952,000 (2022: nil), HK\$373,000 (2022: nil) and HK\$30,000 (2022: HK\$14,000), respectively, are unsecured, interest-free and repayable on demand.

- (c) As at 31 March 2022, other receivables and deposits included receivable of HK\$10,043,000 in relation to the redemption of 8,200 units of unlisted investment fund. The receivables was received during the year ended 31 March 2023.

The carrying amounts of trade and other receivables, prepayments and deposits approximated their fair values.

The settlement terms of trade receivables, except for secured margin clients, arising from the business of dealing in securities are two days after trade date. In addition, the settlement terms of Hong Kong Securities Clearing Company Limited are two days after trade date. For the remaining trade receivables, the Group allows an average credit period of 30 – 90 days (2022: 90 days) to its trade customers of other business.

No aging analysis is disclosed for the Group's margin clients as these margin clients were carried on an open account basis, and only fall due on conditions or on demand by the Group. The directors of the Company consider that an aging analysis does not give additional value in the view of the value of business of margin financing. At 31 March 2023, the aging analysis of trade receivables net ECL allowance of HK\$1,734,000 (2022: HK\$666,000) (except margin receivables) based on invoice date (or date of revenue recognition if earlier) is as follows:

	2023 HK\$'000	2022 <i>HK\$'000</i>
1 to 30 days	22,747	13,003
31 to 60 days	3,920	894
61 to 90 days	825	13,048
Over 90 days	3,888	33,766
	<u>31,380</u>	<u>60,711</u>

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. To measure the ECL, these receivables have been grouped based on shared credit risk characteristics and the aging from billing. For margin receivables, the Group applied the general approach in calculating ECL and recognise an ECL allowance based on 12-month ECL at each reporting date. Margin receivables have been grouped based on the shortfall of loan balances over the respective collateral amounts and the days past due.

The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. Other than margin receivables, the Group does not hold any collateral as securities on its trade receivables.

The movement in the provision for ECL allowance of trade receivables is as follows:

	2023	2022
	HK\$'000	HK\$'000
Balance as at 1 April	666	756
ECL allowance for the year	1,068	270
Written off during the year	<u>–</u>	<u>(360)</u>
Balance as at 31 March	<u>1,734</u>	<u>666</u>

The carrying amounts of the trade and other receivables, prepayments and deposits are denominated in the following currencies:

	2023	2022
	HK\$'000	HK\$'000
– Denominated in United States dollars (“US\$”)	15,550	39,453
– Denominated in HK\$	130,096	186,769
– Denominated in Renminbi (“RMB”)	1,411	2,652
– Denominated in Singapore dollars (“SG\$”)	<u>80</u>	<u>34</u>
	<u>147,137</u>	<u>228,908</u>

15. LOAN AND INTEREST RECEIVABLES

Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management.

	2023	2022
	HK\$'000	HK\$'000
Loan receivables	174,054	161,409
Less: Provision for ECL on loan receivables – Stage 1	<u>(2,136)</u>	<u>(1,619)</u>
Loan receivables, net of provision	<u>171,918</u>	<u>159,790</u>
Interest receivables	11,474	6,912
Less: Provision for ECL on interest receivables		
– Stage 1	<u>(144)</u>	<u>(69)</u>
Interest receivables, net of provision	<u>11,330</u>	<u>6,843</u>
	<u>183,248</u>	<u>166,633</u>

The credit quality analysis of the loan and interest receivables is as follows:

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loan receivables		
Neither past due nor impaired		
– Secured	8,117	1,154
– Unsecured	<u>163,801</u>	<u>158,636</u>
	<u>171,918</u>	<u>159,790</u>
Interest receivables		
Neither past due nor impaired		
– Secured	863	1
– Unsecured	<u>10,467</u>	<u>6,842</u>
	<u>11,330</u>	<u>6,843</u>
	<u><u>183,248</u></u>	<u><u>166,633</u></u>

The secured loans were secured by interests in a limited partnership fund and senior note issued by a listed company in Hong Kong (2022: shares of certain companies incorporated in BVI).

The carrying amounts of the loan and interest receivables are denominated in the following currencies:

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
– Denominated in HK\$	179,005	150,037
– Denominated in US\$	<u>4,243</u>	<u>16,596</u>
	<u><u>183,248</u></u>	<u><u>166,633</u></u>

Loan receivables bear interest from 8.0% – 15.0% (2022: 8.0% – 15.0%) per annum and repayable in fixed terms agreed with customers. Interest receivables bear interest from 8.0% – 36.0% (2022: 8.0% – 36.0%) per annum for default interest and repayable in fixed terms agreed with customers.

As at 31 March 2022 and 2023, all loan and interest receivables based on the maturity date, are within one year.

The maximum exposure to credit risk at each of the reporting date is the carrying value of the loan and interest receivables mentioned above.

	Loan receivables	Interest receivables	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
As at 1 April 2021	90,885	1,816	92,701
New loans originated	208,346	14,886	223,232
Amounts recovered or repaid during the year	(139,748)	(9,802)	(149,550)
Transfer interest portion to loan portion	30	(30)	–
Reversal of ECL allowance on loan and interest receivables	1,603	32	1,635
ECL allowance under 12 month ECL (Stage 1) recognised during the year	<u>(1,326)</u>	<u>(59)</u>	<u>(1,385)</u>
As at 31 March 2022 and 1 April 2022	159,790	6,843	166,633
New loans originated	178,558	16,623	195,181
Amounts recovered or repaid during the year	(165,914)	(12,060)	(177,974)
Reversal of ECL allowance on loan and interest receivables	1,620	68	1,688
ECL allowance under 12 month ECL (Stage 1) recognised during the year	<u>(2,136)</u>	<u>(144)</u>	<u>(2,280)</u>
As at 31 March 2023	<u>171,918</u>	<u>11,330</u>	<u>183,248</u>

For loan and interest receivables that are not credit-impaired without significant increase in credit risk since initial recognition (“**Stage 1**”), ECL is measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months. If a significant increase in credit risk since initial recognition is identified (“**Stage 2**”) but not yet deemed to be credit-impaired, ECL is measured based on lifetime ECL. If credit impaired is identified (“**Stage 3**”), ECL is measured based on lifetime ECL. In general, when loan and interest receivables are overdue by 30 days, there is significant increase in credit risk.

Directors consider that the fair values of loan and interest receivables are not materially different from their carrying amounts because these amounts have short maturity periods on their inception.

16. SHARE CAPITAL

	Number of ordinary shares	Nominal value of ordinary shares HK\$'000
Authorised share capital		
As at 1 April 2021, 31 March 2022 and 31 March 2023	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid		
As at 1 April 2021	1,396,621,000	13,966
Issuance of ordinary share under Share Option Scheme (<i>note (a)</i>)	<u>33,500,000</u>	<u>335</u>
As at 31 March 2022 and 1 April 2022	1,430,121,000	14,301
Issue of shares upon bonus issue (<i>note (b)</i>)	<u>23,835,350</u>	<u>238</u>
As at 31 March 2023	<u>1,453,956,350</u>	<u>14,539</u>

Notes:

- (a) On 8 July 2021, 3,000,000 shares were issued at the subscription price at HK\$1 to respective option holders to the exercise of their options under the Share Option Scheme of the Company.

On 30 July 2021, 30,500,000 shares were issued at subscription price from HK\$1 to HK\$2.5 to respective option holders to the exercise of their options under the Share Option Scheme of the Company.

- (b) On 20 September 2022, the Company was approved for bonus issue of shares on the basis of one new share for every 60 existing ordinary shares held by the members on 29 September 2022. A total of 23,835,350 shares were issued on 14 October 2022.

17. TRADE AND OTHER PAYABLES

	2023 HK\$'000	2022 HK\$'000
Trade payables (<i>note (a)</i>)	8,868	11,963
Trade payables to securities brokerage clients (<i>note (b)</i>)	240,340	120,768
Contract liabilities (<i>note (e)</i>)	1,336	6,764
Provision for reinstatement cost	250	250
Accrued employee benefits expenses	653	1,196
Other payables (<i>note (c)</i>)	11,743	11,605
Amount due to clearing house	–	1,260
Broker payables	–	6,725
Amounts due to related parties (<i>note (d)</i>)	<u>138</u>	<u>–</u>
	263,328	160,531
Less: Non-current portion		
Provision for reinstatement cost	–	(250)
	<u>263,328</u>	<u>160,281</u>

Notes:

(a) Trade payables

The carrying amounts of trade and other payables approximated their fair values. The Group was granted by its suppliers with credit periods ranging from 30–90 days (2022: 30–90 days). Based on the invoice dates, the aging analysis of the trade payables (excluding trade payables to securities brokerage clients) were as follows:

	2023 HK\$'000	2022 HK\$'000
1 to 30 days	8,032	978
31 to 60 days	439	6,130
61 to 90 days	222	81
Over 90 days	175	4,774
	<u>8,868</u>	<u>11,963</u>

(b) Trade payables to securities brokerage clients

	2023 HK\$'000	2022 HK\$'000
Trade payables from the business of dealing in securities:		
– Trade payables – margin clients	215,728	66,816
– Trade payables – cash clients	24,612	53,952
	<u>240,340</u>	<u>120,768</u>

(c) It mainly represents (i) amounts due to limited partnership funds; and (ii) accruals of audit fee, consultancy fee, sales commission, interest payables and other operating expenses.

(d) The amounts due were unsecured, interest-free and repayable on demand.

(e) The contract liabilities that is expected to be settled after more than one year is HK\$28,000 (2022: HK\$1,542,000).

The directors of the Company considered that the fair values of trade payables to margin clients are not materially different from their carrying amounts because these amounts have short maturity periods on their inception.

No aging analysis of margin clients is disclosed as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of this business.

18. BANK BORROWING

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current bank borrowing	<u>50,000</u>	<u>80,000</u>

As at 31 March 2023, the bank borrowing is repayable within 1 year with the interest rate of 2.3% (2022: 2.3%) per annum over Hong Kong Interbank Offered Rate as determined by the bank for an interest period of 3 months on the first business day of such interest period. The average rate during the year ended 31 March 2023 was 4.35% (2022: 2.74%). The exposure of the bank borrowing to interest rate changes and the contractual repricing dates as at 31 March 2022 and 2023 were within 1 year.

As at 31 March 2022 and 2023, the bank borrowing is secured by corporate guarantee given by the Company.

The Group repledged approximately HK\$129,570,000 of the collateral from margin clients to secure the Group's loan facility related to bank borrowing during the year ended 31 March 2023 (2022: HK\$209,600,000).

The carrying amount of the bank borrowing as at 31 March 2022 and 2023 was denominated in HK\$ and approximated its fair value.

19. BONDS PAYABLE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Bonds carried at fixed coupon rate of 5% per annum (<i>note (a)</i>)	11,000	6,000
Bonds carried at fixed coupon rate of 8% per annum (<i>note (b)</i>)	74,000	87,000
Bonds carried at fixed coupon rate of 10% per annum (<i>note (c)</i>)	<u>20,000</u>	<u>–</u>
	105,000	93,000
Less: non-current portion	<u>(41,000)</u>	<u>(80,000)</u>
Current portion	<u>64,000</u>	<u>13,000</u>

Notes:

- (a) The Company issued 5% coupon unlisted bonds during the year ended 31 March 2023 with aggregate principal amount of HK\$5,000,000. The amounts were repayable within 84 months from the date of issue.

The Company issued 5% coupon unlisted bonds during the year ended 31 March 2021 with aggregate principal amount of HK\$6,000,000. The amounts were repayable within 84 months from the date of issue.

- (b) The Company issued 8% coupon unlisted bonds during the year ended 31 March 2022 with the aggregate principal amount of HK\$87,000,000 of which HK\$30,000,000 was repayable within 60 months from the date of issue, HK\$44,000,000 was repayable within 24 months from the date of issue and HK\$13,000,000 was repayable within 12 months from the date of issue and was fully repaid during the year ended 31 March 2023, respectively. As at 31 March 2023, HK\$44,000,000 (2022: HK\$13,000,000) is repayable within 12 months.
- (c) The Company issued 10% coupon unlisted bonds during the year ended 31 March 2023 with the aggregate principal amount of HK\$20,000,000. The amounts of HK\$20,000,000 was repayable within 12 months from the date of issue.

20. COMMITMENTS

20.1 Capital commitment

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Contracted but not provided for Capital injection to limited partnership fund	<u>3,276</u>	<u>3,276</u>

20.2 Commitment as lessee

At the end of the reporting period, the lease commitment for low-value asset lease is as follows:

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one year	16	64
In the second to fifth years	<u>-</u>	<u>16</u>
	<u>16</u>	<u>80</u>

The total future cash outflows for this lease amounting to HK\$16,000 (2022: HK\$80,000) in aggregate which are included in the table above.

21. ACQUISITIONS OF SUBSIDIARIES

Business combinations

Acquiree	Principal activities	Date of acquisition	Proportion of shares acquired	Consideration transferred
For the year ended 31 March 2023				
DL Emerald Wealth Management Limited (formerly known as Emerald Wealth Management Limited) (“DL Emerald”)	Provision for insurance brokerage service	18 October 2022	100%	HK\$15,500,000
For the year ended 31 March 2022				
DL Advisory Services Limited (formerly known as ONE Advisory Limited) (“DL Advisory”)	Provision for global identity planning consulting services	9 September 2021	100%	HK\$2,000,000

DL Emerald

On 23 May 2022, DL Asset Management Limited (“**DL Asset Management**”), a wholly-owned subsidiary of the Company entered into share purchase agreement with DL Family Office Limited, a company incorporated in the British Virgin Islands with limited liability and a directly wholly-owned subsidiary of DL Global Holdings Limited, to acquire 100% equity interest in DL Emerald at total consideration of HK\$15,500,000. The acquisition was completed on 18 October 2022.

DL Emerald is principally engaged in provision for insurance brokerage services. The acquisition of DL Emerald is to allow the Group to enter into the insurance brokerage business, which would be complimentary to the existing financial services provided by the Group and is an important step for the Group to develop into a full-services integrated financial services provider.

Goodwill of approximately HK\$12,811,000 arose from expected future development of DL Emerald’s business and improvement on market coverage.

The following table summarises the consideration paid for DL Emerald and the fair value of assets and liabilities assumed at the acquisition date.

	Recognised values on acquisition <i>HK\$'000</i>
Trade and other receivables	1,268
Cash and cash equivalents	1,913
Trade and other payables	<u>(492)</u>
Net liabilities acquired	2,689
Goodwill	<u>12,811</u>
	<u><u>15,500</u></u>
Total purchase consideration settled in cash during the year	<u><u>15,500</u></u>
Net cash outflow arising on acquisition of DL Emerald	
Cash consideration paid	(15,500)
Cash and cash equivalents acquired	<u>1,913</u>
	<u><u>(13,587)</u></u>

Impact of acquisition on the result of the Group

Included in the consolidated loss for the year ended 31 March 2023 is revenue of approximately HK\$7,486,000 and profit of approximately HK\$1,123,000 attributable to the additional business generated by DL Emerald.

If the acquisition had occurred on 1 April 2022, the Group's revenue would have been approximately HK\$198,602,000 and loss before income tax for the year would have been approximately HK\$42,636,000 for the year ended 31 March 2023. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisitions been completed on 1 April 2022, nor is it intended to be a projection of future results.

DL Advisory

On 9 September 2021, Instant Glad Investments Limited ("**Instant Glad**") a wholly-owned subsidiary of the Company entered into share purchase agreement with an independent third party to acquire 100% equity interest in DL Advisory at total consideration of HK\$2,000,000.

Instant Glad (i) acquired 100% of all the issued shares of DL Advisory and (ii) accepted the assignment of the shareholders' loans amounted to HK\$1,961,000.

DL Advisory is principally engaged in provision for global identity planning consulting services. The acquisition of DL Advisory is to develop its global identity planning and wealth inheritance consultancy services, constitutes a strategic upgrade for the long-term development of the Group and enhances its global business coverage and service capabilities.

Goodwill of approximately HK\$263,000 arose from expected future development of DL Advisory's business and improvement on market coverage.

The following table summarises the consideration paid for DL Advisory and the fair value of assets and liabilities assumed at the acquisition date.

	Recognised values on acquisition <i>HK\$'000</i>
Property, plant and equipment (<i>note 12</i>)	40
Trade and other receivables	1,143
Cash and cash equivalents	546
Other payables	<u>(1,953)</u>
Net liabilities acquired	(224)
Assignment of shareholders' loans	1,961
Goodwill	<u>263</u>
	<u><u>2,000</u></u>
Total purchase consideration settled in cash during the year	<u><u>2,000</u></u>
Net cash outflow arising on acquisition of DL Advisory	
Cash consideration paid	(2,000)
Cash and cash equivalents acquired	<u>546</u>
	<u><u>(1,454)</u></u>

Impact of acquisition on the result of the Group

Included in the consolidated profit for the year ended 31 March 2022 was revenue of approximately HK\$1,288,000 and profit of approximately HK\$55,000 attributable to the additional business generated by DL Advisory.

If the acquisition had occurred on 1 April 2021, the Group's revenue would have been approximately HK\$311,324,000 and profit before income tax for the year would have been approximately HK\$121,446,000 for the year ended 31 March 2022. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisitions been completed on 1 April 2021, nor is it intended to be a projection of future results.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year ended 31 March 2023 (the “**Reporting Period**”), despite the uncertainties cast on the global economic prospect by the outbreak of COVID-19, the Group continued to expand its financial services of licensed business, including, financial advisory services; securities research services; securities trading and brokerage services; margin financing services; referral services; investment management and advisory services and insurance brokerage services to customers, and money lending services (the “**Financial Services Businesses**”). During the Reporting Period, the Group acquired 45% interests in DL Family Office (HK) Limited (“**DL Family Office HK**”) and the entire interests in DL Emerald Wealth Management Limited (previously known as Emerald Wealth Management Limited) (“**DL Emerald**”), to further expand its Financial Services Businesses.

During the Reporting Period, the Group recorded a decrease in revenue by approximately 38.2% to approximately HK\$191.1 million (2022: HK\$309.1 million), a decrease in gross profit by approximately 40.6% to approximately HK\$102.6 million (2022: HK\$172.7 million), and the Group recorded a total comprehensive expense attributable to the owners of the Company of approximately HK\$49.5 million for the Reporting Period, as compared to a total comprehensive income of approximately HK\$109.8 million for the year ended 31 March 2022.

Provision of financial services of licensed business

The financial services provided by the licensed business of the Group include financial advisory services; securities research services; securities trading and brokerage services; margin financing services; referral services; investment management and advisory services; and insurance brokerage services to customers.

The financial advisory services provided by the Group include advising clients on corporate finance. During the Reporting Period, the Group has provided financial advisory services to its clients from different industry sectors, including communications, industrial, consumer, technology and financial sectors, of which approximately 27.3% (2022: 66%) are companies listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The securities research services include conducting research by the in-house analysts of the Group and producing research reports for clients of our securities trading and brokerage and margin financing services.

The securities trading and brokerage services include trading securities on behalf of clients. As at 31 March 2023, the Group has 418 (2022: 348) securities brokerage clients. During the Reporting Period, the transaction amount for the securities trading and brokerage services amounted to approximately HK\$5,435 million (2022: HK\$11,382 million). As at 31 March 2023, the total customer asset size for brokerage services amounted to approximately HK\$2,598 million (2022: HK\$3,348 million).

The margin financing business includes provision of stock-secured financing for retail, corporate and high-net-worth clients who need financing to purchase securities. As at 31 March 2023, the loan receivables from margin financing services amounted to approximately HK\$102.9 million (2022: HK\$151.1 million).

The referral services includes (a) advising, sourcing and referring investment targets and/or investors to institutional funds; (b) connecting projects with clients and buyers with clients; and (c) coordinating, advising on and executing fundraising projects. During the Reporting Period, the Group mainly provided referral services to financial, biotechnology and manufacturing sector clients.

The investment management services include managing the investment portfolio and asset allocation of offshore funds. In the year 2021, the Group acquired a licensed entity in the Cayman Islands (“**Cayman Investment Manager**”) and a licensed entity in Singapore (“**Singapore Investment Manager**”) and commenced the provision of investment management services in the Cayman Islands and Singapore. During the Reporting Period, the Group has acquired 45% interest in DL Family Office HK, a licensed entity to carry out type 4 and type 9 regulated activities by the Securities and Futures Commission, to further expand its investment management services in Hong Kong. The investment advisory services include providing securities advisory services to clients. As at 31 March 2023, the assets under investment management and assets subject to investment advisory services of the Group were approximately HK\$7,290 million (2022: HK\$2,886 million). During the Reporting Period, the service fees charged by the Group for managing the assets under investment management amounted to approximately HK\$18.7 million (2022: HK\$35.0 million).

The insurance brokerage service includes sourcing insurance policies for clients and advocating on clients’ behalf to liaise with insurance companies. During the Reporting Period, the Group has acquired a licensed insurance intermediary to provide insurance brokerage services to high-net-worth individuals. During the Reporting Period, the services fee charged by the Group for provision of insurance brokerage services amounted to approximately HK\$7.5 million (2022: nil).

During the Reporting Period, the segment revenue for provision of financial services of licensed business was approximately HK\$136.9 million (2022: HK\$141.4 million) and segment profit was approximately HK\$22.6 million (2022: HK\$73.0 million).

The decrease in segment revenue and segment profit was attributable to the continuing adverse impact on the financial market by the global interest rate hike, particularly on our investment management services due to adverse performance of the assets under investment management and assets subject to investment advisory services leading to the decrease in service fees, which was partly offset by the service fees charged for provision of insurance brokerage services attributed by DL Emerald.

Provision of money lending services

The Group's money lending business mainly targets customers who wish to obtain trade financing.

During the Reporting Period, the segment revenue for provision of money lending services was approximately HK\$16.7 million (2022: HK\$15.0 million) and segment profit was approximately HK\$12.0 million (2022: HK\$12.8 million). The increase in segment revenue was attributable to an increase in loan and interest receivables from money lending services to approximately HK\$183.2 million as at 31 March 2023 (31 March 2022: HK\$166.6 million), resulting in an increase in interest received or accrued. The slight decrease in the segment profit by approximately 5.6% was attributable to the increase in the provision for expected credit loss ("ECL") allowance on loan and interest receivables by approximately HK\$0.8 million.

During the Reporting Period, the Group granted loans to 21 (2022: 28) customers, which are mainly individual customers in seek of funding for investment and general working capital purpose. As at 31 March 2023, the Group had a customer concentration risk as 11.8% (2022: 18.3%) and 39.3% (2022: 59.0%) of total loans to customers (net of allowance) were made up by the Company's largest loan customer's and the five largest loans customers' outstanding balances respectively. As at 31 March 2022 and 2023, all loan and interest receivables based on the maturity date, are within one year.

As at 31 March 2023, loan receivables of the Group bore interest from 8.0% – 15.0% (31 March 2022: 8.0% – 15.0%) per annum and repayable in fixed terms agreed with customers. As at 31 March 2023, interest receivables bore interest from 8.0% – 36.0% (31 March 2022: 8.0% – 36.0%) per annum for default interest and repayable in fixed terms agreed with customers.

As required under Hong Kong Financial Reporting Standard 9 Financial Instruments, the Group performed impairment assessment under ECL model on loan and interest receivables as at 31 March 2023. Key inputs used for measuring the ECL are the probability of default, the magnitude of the loss if there is default and the exposure of the Group at default.

During the Reporting Period, provision of approximately HK\$2.3 million was recognised as at 31 March 2023 in respect of the ECL for the loan and interests receivables (31 March 2022: approximately HK\$1.7 million). The increase in the provision for ECL was in line with the increase in loan and interests receivables as at 31 March 2023. For the Reporting Period, provisions for ECL on loan and interest receivables of approximately HK\$0.6 million (2022: net reversal of provisions for ECL on loan and interest receivables of approximately HK\$0.3 million) were recognized in the Company's consolidated statement of profit or loss and other comprehensive income.

The Group manages its credit risk by adoption of conservative credit risk assessment policy. A series of credit assessment procedures, such as identity checks, financial position assessment and public searches, were performed by the Group before each loan was approved and advanced to the borrowing customers. In credit assessment, the Company will take into consideration factors including but not limited to the borrower's financial soundness, internal and external credit checking results, and, where applicable, the availability of any guarantee, collateral and/or other forms of security.

Subsequent to the drawdown, the Group will regularly review and update the information we obtained during the credit assessment procedures. The Group also actively reviews and monitors the loan repayment status to ensure all the interests and principal payments are punctual and the past due amounts, if any, are closely followed up.

The credit policy is reviewed and revised on a regular basis to incorporate changes in the prevailing market and economic conditions, legal and regulatory requirements, and other factors the Directors consider as important.

Sales of apparel products with the provision of supply chain management total solutions to customers

The sales of apparel products business includes selling apparels and sourcing suppliers and third-party manufacturers to produce apparels that meet the requirements of the customers of the Group ("**Sale of Apparel Products Business**") and the supply chain management total solutions business (together with the Sale of Apparel Products Business, the "**Apparel Business**") include market trend analysis, design and product development, sourcing, production management, quality control and logistics services.

During the Reporting Period, the Group continued to explore business opportunities with e-commerce customers and Direct to Consumer (D to C) model brands by selling apparels products to them and arranging the delivery of goods from factory to customer distribution centers of clients or from factory directly to final customers of clients.

During the Reporting Period, the segment revenue for the Apparel Business decreased to approximately HK\$22.3 million from approximately HK\$130.4 million for the year ended 31 March 2022, representing a decrease of approximately 82.9% and the segment loss for the Reporting Period increased significantly from approximately HK\$0.03 million for the year ended 31 March 2022 to approximately HK\$11.9 million for the year ended 31 March 2023. The Apparel Business continued to suffer from challenges in the global business environment and fierce competition under COVID-19 outbreaks and international trade conflicts. During the Reporting Period, the COVID-19 outbreaks were still rampant in Asia (particularly in the People's Republic of China (the "PRC")) for which both the sourcing activities and business development opportunities for the garment business had been adversely affected. Relationship building and sales activities were restricted and confined to online meetings instead of face-to-face meetings that led to loss of sales opportunities from both existing and new potential clients. Our sourcing activities were also restricted by travel limitation that seriously affected both product development abilities and production management processes, leading to longer production cycle that deterred customer from placing orders with us.

Provision of enterprise solutions services

The enterprise solutions services include provision of global identity planning and wealth inheritance consultancy services, and other business consultancy services provided to high net worth clients. During the Reporting Period, the enterprise solutions services business contributed segment revenue of approximately HK\$15.3 million (31 March 2022: approximately HK\$22.3 million) and segment profit of approximately HK\$2.5 million (31 March 2022: approximately HK\$11.8 million). The decrease in the segment revenue and segment profit was attributable to the global economic downturn leading to the decrease in service fees.

PROSPECTS

Future outlook

In view of the uncertainties and fluctuations in the global and local economies faced by the Group, the Directors expect that the overall business environment the Group operates in will remain challenging, particularly pursuant to the continuing effect of the COVID-19 pandemic on the global economy and the high interest rate environment.

In particular, as set out in the announcement of the Company dated 24 July 2020 and the subsequent annual reports of the Company, the COVID-19 pandemic, global economy uncertainty and international conflict had been imposing pressure to the general prospects of apparel industry and overall trading environment. In face of such pressure, the Group adopted a conservative strategy in the Apparel Business with the view to lower the risk exposure of the Group amid such turbulent market situation. Nonetheless, the adverse impact on the business environment persisted throughout the reporting period and despite the cost control measures taken by the Group and the new clientele developed in the United States, the Group continued to record gross loss position for the Apparel Business segment in the past three years. Whilst the Group continues to assess its sales strategy for the Apparel Business having taking into account the demand for apparel products globally and the profit margin of the business segment following cost-benefit analysis of the Group, the Group will from time to time reassess the Group's strategy in allocating of its resources between the business units so as to ensure the interests of the Company and its shareholders are preserved.

On the other hand, in respect of the Financial Services Businesses, the Group continued to expand in the business segment for the year ended 31 March 2023 and it was a major contributing factor to the gross profit recorded by the Group. In view of the positive development and organic growth of its Financial Services Business, as part of the forward-looking strategy, the Group aims to be a prominent asset management and financial services platform, with a core focus on family office in the Asia-Pacific region. Our developing strategy for the coming fiscal year is as below:

1. Based on the newly acquired DL Family Office HK (“**FO**”), DL Emerald and Advisory businesses, we provide personalized wealth management and succession services throughout the entire life cycle for ultra-high net worth families. Our goal is to expand the current asset under management (“**AUM**”)/asset under advisory (“**AUA**”) under FO from USD2.3 billion to USD4 billion by the end of next fiscal year (3/2024).
2. DL Securities (“**DLS**”) will continue to serve our increasing key corporate clients and expand its investor base for capital market activities. DLS currently manages 25 limited partnership funds and other funds with total AUM/AUA of USD935 million, which we aim to further increase such amount by the end of next fiscal year.
3. DL Asset Management (“**DLAM**”) and DLS have developed a standardized investment scheme (Flagship Strategy) for all investors under DL Securities trading platform, where we are able to offer standard global asset allocation and management services to high net worth families, professional investors (“**PI**”), financial institutions, private enterprises, and external wealth management platforms. With such effort, the FO investment and services will not be limited to ultra-high net worth families, but can be extended to other range of investors under a more standardized and scalable DL Flagship program. Our target is to achieve at least 1000 PI client accounts by the end of next fiscal year, DLAM will also develop other asset management products and offer them to our increasing investor pool.

4. DL Global Real Estate has been established based on its initial investment in Carmel project. We expect to complete the phase one construction by the end of next fiscal year. We will also start exploring real estate investment opportunities in Hong Kong, Singapore, Japan and the United States in both equity and credit nature. We aim to increase our investments and real estate related AUM by the end of next fiscal year.
5. A strategic cooperation agreement has been entered into between the Group and Soochow Securities (Hong Kong) Financial Holdings Limited (“SCS”), pursuant to which we will cooperate with SCS in all business fronts and launch all-round cooperation in the aspects of family office, wealth management, joint operation and equity, including docking domestic and overseas client resources, providing asset allocation strategies and investment products, and selling various financial products on behalf of each other, to jointly promote cross-border investment and wealth management between Mainland China and Hong Kong, the Greater Bay Area, and potentially covering the Asia-Pacific region.

With the diversified revenue source and capability of the Group, the Group strives to proactively adapt to the changing environment with an ultimate aim of bringing better investment return to the shareholders of the Company.

Looking forward, the Group will proactively review its performance and prospects in different business segments from time to time in light of the changing business environment, with an aim of optimising the use of the Group’s resources in the interests of the Company thereby bringing maximum return to the shareholders of the Company.

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group reported revenue of approximately HK\$191.1 million, representing a decrease of approximately 38.2% from approximately HK\$309.1 million for the year ended 31 March 2022. The decrease in revenue was mainly attributable to the decrease in revenue from the Apparel Business of approximately HK\$108.1 million and the slight decrease in revenue generated from the Financial Services Businesses of approximately HK\$4.5 million.

During the Reporting Period, the Financial Services Business, money lending business, the Apparel Business and the enterprise solution business contributed segment revenue of approximately HK\$136.9 million (2022: HK\$141.4 million), HK\$16.7 million (2022: HK\$15.0 million), HK\$22.3 million (2022: HK\$130.4 million) and HK\$15.3 million (2022: HK\$22.3 million) respectively, and the Financial Services Business remained the major revenue contributor during the Reporting Period.

During the Reporting Period, the segment revenue of the Financial Services Business decreased to approximately HK\$136.9 million from approximately HK\$141.4 million for the year ended 31 March 2022, which represents a decrease of approximately 3.2%. It was mainly attributable to the decrease in revenue from our investment management services, as a result of the deteriorating market conditions, leading to the decrease in service fees.

During the Reporting Period, the segment revenue of the money lending services increased to approximately HK\$16.7 million from approximately HK\$15.0 million for the year ended 31 March 2022, which represents an increase of approximately 10.7%. It was mainly attributable to the increase in the size of loan and interest receivables.

During the Reporting Period, the segment revenue for the Apparel Business decreased to approximately HK\$22.3 million from approximately HK\$130.4 million for the year ended 31 March 2022, representing a decrease of approximately 82.9% and the segment loss was approximately HK\$11.9 million (2022: HK\$0.03 million). The significant reduction of segment revenue in the Apparel Business was mainly attributable to the severe adverse effect of COVID-19 outbreaks on our customers sourcing and other related business activities.

During the Reporting Period, the segment revenue of enterprise solutions services decreased to approximately HK\$15.3 million from approximately HK\$22.3 million for the year ended 31 March 2022 and was attributable to the decrease in service fees generated from consultancy services provided by the Group.

Cost of sales/services

The Group's cost of sales/services primarily consists of cost of services from the Financial Services Businesses and cost of goods sold from the Apparel Business. The cost of services from the Financial Services Businesses mainly consist of sub-referral fee to business vendors and expenses for placement projects, and the costs of goods sold from the Apparel Business mainly consists of (i) fees charged by third-party manufacturers; and (ii) cost of raw materials occasionally purchased by the Group and passed to third-party manufacturers for their production of salesman samples. The cost of sales/services decreased to approximately HK\$88.5 million for the year ended 31 March 2023 from approximately HK\$136.3 million for the year ended 31 March 2022, representing a decrease of approximately 35.1%, which is in line with the decrease in revenue.

Gross profit and gross profit margins

The gross profit of the Group was approximately HK\$102.6 million for the year ended 31 March 2023 as compared with approximately HK\$172.7 million for the year ended 31 March 2022, which represents a decrease of approximately 40.6%. During the Reporting Period, the Group's gross profit margin remained stable at approximately 53.7% as compared to approximately 55.9% for the year ended 31 March 2022.

Other (losses)/gains, net

During the Reporting Period, the Group recorded net other losses of approximately HK\$37.7 million as compared to net other gains of approximately HK\$38.6 million for the year ended 31 March 2022, mainly attributable to net losses on disposals of financial assets at fair value through profit or loss due to the sales of listed equities of approximately HK\$37.8 million (2022: net gains of HK\$3.1 million).

Selling expenses

Selling expenses are mainly incurred by the Apparel Business and mainly consist of sales commission paid to external sales representatives and staff costs of in-house staff whose roles are mainly focusing on sourcing new customers. Selling expenses decreased to approximately HK\$1.9 million for the year ended 31 March 2023 from approximately HK\$3.5 million for the year ended 31 March 2022, representing a decrease of approximately 46.3% which was in line with the decrease in segment revenue for the Apparel Business.

General and administrative expenses

General and administrative expenses primarily consist of employee benefit expenses, entertainment and travelling expenses, depreciation of property, plant and equipment, legal and professional fees and other miscellaneous general and administrative expenses. General and administrative expenses increased to approximately HK\$96.0 million for the year ended 31 March 2023 from approximately HK\$78.5 million for the year ended 31 March 2022, representing an increase of approximately 22.3%. Such increase was mainly due to the increase in share-based payment expenses upon granting of share options to eligible participants of approximately HK\$15.5 million incurred in the year ended 31 March 2023.

Finance costs

The overall finance cost increased from approximately HK\$8.9 million for the year ended 31 March 2022 to approximately HK\$11.1 million for the year ended 31 March 2023 which was mainly attributable to the Group's increased usage of debt financing instruments, including bank borrowing and corporate bonds and the global interest rate hike.

As at 31 March 2023, the Group had (i) bank borrowing of approximately HK\$50.0 million with a floating interest rate of 2.3% per annum over the Hong Kong Interbank Offered Rate (2022: HK\$80.0 million); (ii) bonds payable of approximately HK\$105.0 million with fixed coupon rates ranging from 5% to 10% per annum (2022: HK\$93.0 million); and (iii) promissory notes of approximately HK\$14.9 million with interest rate of 8% per annum (2022: HK\$25.0 million).

Total comprehensive (expense)/income attributable to owners of the Company

Total comprehensive expense attributable to owners of the Company was approximately HK\$49.5 million for the Reporting Period, as compared to the total comprehensive income attributable to owners of the Company of approximately HK\$109.8 million for the year ended 31 March 2022. The change from net gain to net loss was attributable to (i) the decrease in gross profit of approximately HK\$70.1 million; (ii) the net losses on disposals of financial assets at FVTPL of approximately HK\$37.8 million as compared to the net fair value gains on financial assets at FVTPL of approximately HK\$34.8 million recorded for the year ended 31 March 2022; and (iii) the increase in the share-based payment expenses upon granting of share options to eligible participants of approximately HK\$15.5 million for the Reporting Period (2022: nil).

LIQUIDITY AND FINANCIAL RESOURCES

For the year ended 31 March 2023, the Group mainly financed its operations with its own working capital, bank borrowing and proceeds from issuance of corporate bonds and promissory notes. As at 31 March 2023 and 2022, the Group had net current assets of approximately HK\$240.4 million and HK\$374.9 million respectively, including cash and cash equivalents of approximately HK\$83.5 million and HK\$154.6 million respectively. The Group's current ratio decreased from approximately 2.23 as at 31 March 2022 to approximately 1.58 as at 31 March 2023. Such decrease was mainly due to the increase in current liabilities, particularly in trade and other payables and bonds payable.

As at 31 March 2023, the Group has bank borrowing of approximately HK\$50.0 million (31 March 2022: HK\$80.0 million) at a floating interest rate of 2.3% per annum over the Hong Kong Interbank Offered Rate. The decrease in bank borrowing was due to repayment of bank borrowing of approximately HK\$30.0 million. The bank borrowing is denominated in Hong Kong Dollars and is repayable within one year and secured by corporate guarantee given by the Company.

During the Reporting Period, the Group issued a promissory note to a third party. As at 31 March 2023, the aggregate principal amount of promissory note issued by the Group amounted to approximately HK\$14.9 million (31 March 2022: HK\$25.0 million), with interest rate of 8% per annum (2022: 3% per annum), which are denominated in United States dollars (31 March 2022: Hong Kong dollars) and shall be repayable within one year.

As of 31 March 2023, the Group has unlisted coupon bonds in issue to independent third-party subscribers with an aggregate principal amount of HK\$105.0 million (31 March 2022: HK\$93.0 million). The unlisted bonds are denominated in Hong Kong Dollars and unsecured and not guaranteed. The coupon rate and maturity date of the unlisted coupon bonds issued by the Group as at 31 March 2023 are set out as follows:

Principal amount of the unlisted bonds	Maturity date	Coupon rate
(1) HK\$11 million	Within 84 months from the date of issue	5%
(2) HK\$44 million	Within 24 months from the date of issue	8%
(3) HK\$30 million	Within 60 months from the date of issue	8%
(4) HK\$20 million	Within 12 months from the date of issue	10%

As at 31 March 2023 and 2022, the cash and cash equivalents of the Group were mainly held in United States dollars, Renminbi, Singapore dollars, Euro dollars and Hong Kong dollars.

Details of changes in the Company's share capital are set out in note 16 to this announcement.

Gearing ratio is calculated by dividing total debts (including bank borrowing, bonds payable, promissory notes and lease liabilities) by total equity as at the end of the reporting period. The Group's gearing ratio increased from approximately 39.5% as at 31 March 2022 to approximately 40.0% as at 31 March 2023.

TREASURY POLICIES

The Group adopts prudent treasury policies. The Group's management performs an ongoing credit evaluation of the financial conditions of its customers in order to reduce the Group's exposure of credit risk. In addition to these ongoing credit evaluations, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

COMMITMENTS

The Group's contractual commitments primarily related to the leases of its office premises and capital injection to a limited partnership fund. As at 31 March 2023, the Group has lease commitments for short-term lease of approximately HK\$16,000 (31 March 2022: approximately HK\$80,000) and the capital commitments of the Group amounted to approximately HK\$3.3 million (31 March 2022: approximately HK\$3.3 million).

CAPITAL STRUCTURE

The capital structure of the Group consists of (i) net cash and cash equivalents; (ii) equity attributable to owners of the Group, comprising issued capital and other reserves; and (iii) other borrowings comprising corporate bonds, bank borrowing and promissory notes.

BONUS SHARES

Following the shareholders' approval on 20 September 2022, the Company issued a total of 23,835,350 bonus shares on 14 October 2022 on the basis of one new share for every 60 existing ordinary shares held by the members on 29 September 2022.

SIGNIFICANT INVESTMENTS

- (i) In May 2020, DJT Partners Limited (“**DJT Partners**”), the Group's wholly owned subsidiary, has subscribed for and holds all the management shares of a Cayman private fund, DJT Equity Series SPC (the “**Cayman Fund**”).

As at 30 September 2022, the Cayman Fund had one segregated portfolio (the “**Segregated Portfolio**”) with expected fund size of HK\$120 million and the Group had subscribed for 100,000 participating shares of the Segregated Portfolio with investment costs of HK\$100 million. As at 30 September 2022, the Group held 58,050 participating shares in the Cayman Fund, representing approximately 96.7% of the participating shares of the Segregated Portfolio.

The investment objective of the Segregated Portfolio is to generate returns for its participating shareholders by investing in publicly-listed stocks of the companies listed on the Stock Exchange, and/or publicly-listed stocks of the companies listed on the Shanghai Stock Exchange through Shanghai Connect and/or publicly-listed stocks of the companies listed on the Shenzhen Stock Exchange through Shenzhen Connect (the “**Portfolio Companies**”). Particularly, the investment strategy of the Segregated Portfolio would be to hold minority interests in the Portfolio Companies. In selecting the Portfolio Companies, the Segregated Portfolio shall invest in companies which are either (i) constituents of the Hang Seng Composite Index; (ii) companies with market capitalisation of HK\$3.5 billion or above; or (iii) companies with daily share turnover rate not lower than 0.05%.

In October 2022, DJT Partners had disposed of all the management shares of the Cayman Fund to an independent third party.

In November 2022, the Group had disposed of all the participating shares in the Cayman Fund at approximately HK\$41.0 million. During the Reporting Period, there was a realised fair value losses of approximately HK\$36.6 million arising from the disposal of this investment. No dividend income was received from the investment in the Cayman Fund during the Reporting Period.

- (ii) On 21 August 2020, DL Investment Holdings US, LLC, a wholly-owned subsidiary of the Company (the “**Subscriber**”), and Carmel Reserve LLC (the “**Target Company**”) entered into a subscription agreement (the “**Subscription Agreement**”). The Target Company is an associate of Ms. Jiang Xinrong (“**Ms. Jiang**”), the honorary chairman of the Board and the non-executive Director who resigned with effect from 28 April 2023 and Mr. Chen Ningdi, the chairman of the Board, the executive Director and chief executive officer of the Company. As such, the Target Company is a connected person of the Company. Pursuant to the Subscription Agreement, the Target Company has conditionally agreed to issue and allot to the Subscriber, and the Subscriber has conditionally agreed to subscribe for, 27.06% of the interest in the Target Company as a class B member as enlarged by the subscription in two tranches at the consideration of US\$5,000,000 (equivalent to approximately HK\$39,000,000) which represents a post-money enterprise value of the Target Company of approximately US\$35,000,000 (equivalent to approximately HK\$273,000,000) (the “**Subscription**”). The Subscription has completed on 30 December 2020 and the consideration was satisfied by a combination of cash and the issuance of promissory note by the Company.

The Target Company is principally engaged in the investment, construction and development of an ultra-luxury real estate project. The construction of the real estate project has been kicked off in the early 2023. Offsite cut and fill grading and road widening is under process. A sales centre was established and launched in May 2023. The investment of the Group in the Target Company is stated at fair value and is recorded as financial assets at fair value through profit or loss. As at 31 March 2023, the fair value of the investment in the Target Company amounted to approximately HK\$107.1 million (2022: HK\$110.7 million), which represents approximately 12.0% of the total assets of the Group as at 31 March 2023. No dividend was received from this investment by the Group during the Reporting Period. During the Reporting Period, there was a fair value loss of approximately HK\$3.6 million (2022: fair value gain of HK\$38.5 million) arising from this investment.

The Subscription represents the first real estate investment of the Group. Notwithstanding the fact that the Subscription interest bears no management rights or control on the Target Company, having considered that the Group has been expanding its investment portfolio, the Board was of the view that being a passive financial investor in the Target Company, the Group will be able to enjoy the future potential profit through distribution to be made by the Target Company.

Save as disclosed above, as at 31 March 2023, the Group had no significant investments accounting for more than 5% of the Group's total assets.

The Group adopts prudent and pragmatic investment strategies over its significant investment to generate investment return with a view to better utilise the capital and funds of the Group. Factors including but not limited to the investee's financial performance, prospect, dividend policy and associated risk of the investment were considered for investment decisions.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 23 May 2022, (i) DL Asset Management Limited ("**DL Asset Management**"), a wholly-owned subsidiary of the Company (as the purchaser) and DL Global Holdings Limited ("**DL Global Holdings**") (as the vendor) entered into an acquisition agreement, pursuant to which, DL Asset Management has conditionally agreed to acquire and DL Global Holdings has conditionally agreed to sell 8,195,441 shares of DL Family Office HK (representing approximately 45.0% of the total issued share capital of DL Family office HK) at a consideration of HK\$63.0 million; and (ii) DL Asset Management (as the purchaser) and DL Family Office Limited ("**DL Family Office BVI**") (as the vendor) entered into an acquisition agreement, pursuant to which, DL Asset Management has conditionally agreed to acquire and DL Family Office BVI has conditionally agreed to sell 1,750,000 shares of DL Emerald (representing the entire issued share capital of DL Emerald) at a consideration of HK\$15.5 million.

At the material time, DL Global Holdings was owned as to 36.6% and 30% by Ms. Jiang Xinrong, the non-executive Director (who resigned with effect from 28 April 2023) and Mr. Chen Ningdi, the chairman of the Board, executive Director and chief executive officer of the Company and DL Family Office BVI is a direct wholly owned subsidiary of DL Global Holdings. Therefore, both DL Global Holdings and DL Family Office BVI are connected persons of the Company. The transactions contemplated under the acquisition of DL Family Office HK and DL Emerald constituted connected transactions of the Company under Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

DL Family Office HK is principally engaged in provision of financial services of licensed businesses including securities advisory services and asset management services. DL Family Office HK is a licensed corporation under the Securities and Futures Ordinance and is permitted to carry on Type 4 regulated activity (advising on securities) and Type 9 regulated activity (asset management).

DL Emerald is a licensed insurance intermediary and is permitted to carry on general and long term business (including linked long term business).

The acquisition of DL Emerald and DL Family Office HK have been completed on 18 October 2022 and 17 January 2023 respectively. Upon completion, DL Emerald has become an indirectly wholly-owned subsidiary of the Company and the investment in DL Family Office HK is accounted for in the financial statements of the Group as investment in an associate using the equity method of accounting.

Save as the disclosed above, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures for the Reporting Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments or capital assets as at 31 March 2023. In the event that the Group is engaged in any plan for material investments or capital assets, the Company will make announcement(s) and comply with relevant rules under the Listing Rules as and when appropriate.

CONTINGENT LIABILITIES

The Group did not have material contingent liabilities as at 31 March 2023 and 2022.

FOREIGN EXCHANGE EXPOSURE

The Group's exposure to currency risk is primarily related to Renminbi, United States dollars, Singapore dollars and Euro dollars. As at 31 March 2023 and 2022, foreign exchange risk on financial assets and liabilities denominated in the above-mentioned foreign currencies was insignificant to the Group. The Group currently does not undertake any foreign currency hedging and does not use any financial instrument for hedging purposes.

CHARGE ON GROUP ASSETS

As at 31 March 2023, the Group did not pledge any of its assets (31 March 2022: nil) as securities for any facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2023 and 2022, the Group employed a total of 66 and 67 full-time employees respectively. The Group's employee benefit expenses mainly include salaries, wages, other staff benefits and contributions to retirement schemes. For the years ended 31 March 2023 and 2022, the Group's total employee benefit expenses (including Directors' emoluments) amounted to approximately HK\$58.7 million and HK\$41.8 million respectively. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. In addition to a basic salary, year-end bonuses would be discretionarily offered to employees in accordance with their performance. The Group has also adopted a share option scheme and a share award scheme in which the employees of the Group are a category of eligible participants as incentive or reward for their contribution to the Group. The Group also provides appropriate staff training and development, so as enhance the Group's sustainable development.

SHARE OPTION SCHEME

The Share Option Scheme was adopted and approved by the then Shareholders on 22 September 2015. The purpose of the Share Option Scheme is to enable the Company to grant options to eligible participants as incentive or reward for their contribution to the Group to subscribe for the Shares thereby linking their interest with that of the Group. The eligible participants of the Share Option Scheme include the employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner of the Company or any subsidiary (including any Director of the Company or any subsidiary) who is in full-time or part-time employment with or otherwise engaged by the Company or any subsidiary at the time when an option is granted to such employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner or any person who, in the absolute discretion of the Board, has contributed or may contribute to the Group.

During the year ended 31 March 2023, the Company granted 26,600,000 share options to Director and employees of the Group under the Share Option Scheme. As at 31 March 2023, the Company had 56,100,000 (31 March 2022: 29,500,000) share options outstanding under the Share Option Scheme.

SHARE AWARD SCHEME

A share award scheme was adopted by the Company on 8 September 2020 (the “**Share Award Scheme**”). The Share Award Scheme is (i) to recognise the contributions by the participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group. The Share Award Scheme shall be subject to administration of the Board and DL Securities (HK) Limited, the trustee in accordance with the rules of the Share Award Scheme and the trust deed in relation thereto. The eligible participants of the Share Award Scheme include any employee (including without limitation any executive director) of any member of the Group, any non-executive director or proposed non-executive director (including independent non-executive director) of any member of the Group or any entity in which any member of the Group holds any equity interest (the “**Invested Entity**”), any supplier of goods or services to any member of the Group or any Invested Entity, any customer of the Group or any Invested Entity, any person or entity that provides or will provide research, development, consultancy, advisory services or other technological support to the Group or any Invested Entity, any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued or proposed to be issued by any member of the Group or any Invested Entity, any other group or class of participants from time to time determined by the Directors as having contributed or may contribute by way of joint venture, business alliances, consultancy, advisory services or other business arrangements to the development and growth of the Group and any person or entity, who, at the sole determination of the Directors, has contributed to the Group.

During the year ended 31 March 2023, the Company has granted 423,000 shares under the Share Award Scheme. As at 31 March 2023, the Company had 65,154,400 Shares held under the Share Award Scheme (31 March 2022: 50,473,000 Shares). During the year ended 31 March 2023, the trustee of the Share Award Scheme, being a subsidiary of the Company, purchased on the Stock Exchange 15,104,400 Shares at an aggregate consideration of approximately HK\$38,354,000.

SUBSEQUENT EVENTS

Since 31 March 2023 and up to the date of this announcement, save as disclosed above, there is no significant event affecting the Group that have occurred.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Save as disclosed in the paragraph headed “Share Award Scheme” of this announcement, the Company and its subsidiaries did not purchase, sell or redeem any of its Shares listed on the Stock Exchange for the year ended 31 March 2023.

CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on principles and code provisions as set out in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules. The Board and the management of the Company are committed to maintaining and achieving a high standard of corporate governance practices with an emphasis on a quality Board, an effective accountability system and a healthy corporate culture in order to safeguard the interests of the Shareholders and enhance the business growth of the Group.

Provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the year ended 31 March 2023, Mr. Chen Ningdi performed his duties as both the chairman of the Board and chief executive officer of the Company. However, the Board is of the view that this structure will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high caliber individuals and meets regularly to discuss issues affecting the operations of the Company. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Group to make and implement decisions efficiently, and thus is in the best interest of the Group. The Board has full confidence in Mr. Chen Ningdi and believes that his appointment to the posts of chairman of the Board and chief executive officer of the Company is beneficial to the business prospects of the Group. The Board will continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

Save as disclosed above, the Company was in compliance with all code provisions set out in the CG Code for the year ended 31 March 2023.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a 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 for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors by the Company, all Directors confirmed that they have complied with the required standard of dealings and the Company's code of conduct concerning securities transactions by the Directors for the year ended 31 March 2023.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

For the year ended 31 March 2023 and up to the date of this announcement, none of the Directors or any of their respective close associates, engaged in any business that competes or is likely to compete, either directly or indirectly, with the business of the Group, or had any other conflict of interest with the Group.

NON-COMPETITION UNDERTAKING

The Company confirms that the non-competition undertaking dated 25 September 2015 and executed by Wise Manner Limited and Ms. Mang Ngai, details of which were set out in the prospectus of the Company dated 29 September 2015, has been fully complied with and enforced for the year ended 31 March 2023. The Board also confirms that there are no other matter in relation to the aforesaid non-competition undertaking which should be brought to the attention of the Shareholders and the potential investors.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group mainly carries out its businesses in Hong Kong. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has complied with all relevant laws and regulations in Hong Kong that have a significant impact on the Group during the Reporting Period.

ENVIRONMENTAL POLICY

The Group aims to protect the environment by minimising environmental adverse impacts in its daily operations, such as energy saving and recycling of office resources. The Group will continue to seek for better environmental practices and promote the right environmental attitudes within the organisation. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has complied with all relevant laws and regulations regarding environmental protection, health and safety, workplace conditions and employment during the Reporting Period.

RELATIONSHIPS WITH STAKEHOLDERS

The Group recognises its employees as one of the valuable assets of the Group and the Group strictly complies with the labour laws and regulations in Hong Kong and regularly reviews the existing staff benefits for improvement during the Reporting Period. Apart from the reasonable remuneration packages, the Group also offers other employee benefits, such as medical insurance, etc.

The Group provides good quality services to the customers and maintains a good relationship with them. The Group keeps a database for direct communications with recurring customers for developing long-term business relationships.

The Group also maintains effective communication and develops a long-term trust relationship with its suppliers. During the Reporting Period, there was no material dispute or disagreement between the Group and its suppliers.

RESULTS AND APPROPRIATIONS

The Group's results for the year ended 31 March 2023 are set out in the Group's consolidated statement of profit or loss and other comprehensive income on pages 1–2 of this announcement.

The Board recommends the payment of a final dividend of HK\$0.0103 per Share in the form of cash in respect of the Reporting Period, amounting to a total dividend of approximately HK\$15.0 million to Shareholders whose names appear on the register of members of the Company on Tuesday, 19 September 2023 (record date). Subject to approval of the Shareholders at the annual general meeting of the Company to be held on Friday, 8 September 2023 (the “AGM”), it is expected that the final dividend will be paid to the eligible Shareholders on or around Wednesday, 4 October 2023. This proposed dividend is not reflected as a dividend payable in the consolidated financial statements, but reflected as an appropriation of retained earnings for the year ended 31 March 2023.

CLOSURE OF REGISTER OF MEMBERS

- (a) For the purpose of determining the Shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 5 September 2023 to Friday, 8 September 2023, both days inclusive. In order to qualify for attending and voting at the AGM, all transfer documents should be lodged for registration with the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, not later than 4:30 p.m. on Monday, 4 September 2023.
- (b) For the purpose of determining the Shareholders who qualify for the final dividend, the register of members of the Company will be closed from Friday, 15 September 2023 to Tuesday, 19 September 2023, both days inclusive. In order to qualify for the final dividend, all transfer documents should be lodged for registration with the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, not later than 4:30 p.m. on Thursday, 14 September 2023.

ANNUAL GENERAL MEETING

The AGM will be held on Friday, 8 September 2023 and the notice of the AGM will be published and despatched in the manner as required by the Listing Rules and the Company's memorandum and articles of association in due course.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established on 22 September 2015. The terms of reference of the Audit Committee are available at the websites of the Stock Exchange and the Company.

The primary duties of the Audit Committee are mainly to make recommendations to the Board on the appointment, reappointment and removal of external auditor, review the financial statements and significant financial reporting judgement and oversee financial reporting system, risk management and internal control systems of the Group.

As at the date of this announcement, the Audit Committee consisted of members, namely Mr. Chang Eric Jackson (chairman of the Audit Committee), Mr. Chen Cheng-Lien (also known as Chen Cheng-Lang and Chen Stanley) and Mr. Liu Chun, all being independent non-executive Directors. No member of the Audit Committee is a member of the former or existing independent auditor of the Company. The Audit Committee has reviewed this announcement, including the audited consolidated results of the Group for the year ended 31 March 2023.

SCOPE OF WORK OF GRANT THORNTON HONG KONG LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 March 2023 as set out in this announcement have been agreed by the Group’s auditor, Grant Thornton Hong Kong Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Grant Thornton Hong Kong 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 Grant Thornton Hong Kong Limited on this announcement.

By order of the Board
DL Holdings Group Limited
Chen Ningdi

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 26 June 2023

As at the date of this announcement, the executive Directors are Mr. Chen Ningdi, Mr. Lang Joseph Shie Jay, Mr. Ai Kuiyu and Ms. He Zhiying; the non-executive Directors are Mr. Chan Kwan and Mr. Chan Kwun Wah Derek; and the independent non-executive Directors are Mr. Chang Eric Jackson, Mr. Chen Cheng-Lien (also known as Chen Cheng-Lang and Chen Stanley) and Mr. Liu Chun.