



德林控股
DL HOLDINGS

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

2024/2025
INTERIM REPORT

DL
TOWER
德林大廈

DL TOWER
92 WELLINGTON STREET

A Responsible
Life

CONTENTS

Report on Review of Interim Condensed Consolidated Financial Statements	2
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	4
Condensed Consolidated Statement of Financial Position	5
Condensed Consolidated Statement of Changes in Equity	7
Condensed Consolidated Statement of Cash Flows	8
Notes to the Interim Condensed Consolidated Financial Statements	10
Management Discussion and Analysis	56
Other Information	69

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF DL HOLDINGS GROUP LIMITED
(德林控股集團有限公司)

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim condensed consolidated financial statements set out on pages 4 to 55 which comprise the condensed consolidated statement of financial position of DL Holdings Group Limited and its subsidiaries (collectively referred to as the “Group”) as at 30 September 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the interim condensed consolidated financial statements, including material accounting policy information (“interim condensed consolidated financial statements”). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on the interim condensed consolidated financial statements based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

OTHER MATTER

The interim condensed consolidated financial statements of the Group for the six-month period ended 30 September 2023, were reviewed by another auditor who expressed an unmodified conclusion on those statements on 29 November 2023.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

BDO Limited

Certified Public Accountants

Lau Kin Tat, Terry

Practising Certificate no. P07676

Hong Kong, 27 November 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

	Notes	For the six months ended 30 September	
		2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Revenue	5	83,048	101,260
Cost of sales/services	7	(20,789)	(50,395)
Gross profit		62,259	50,865
Other gains/(losses), net	6	30,882	7,457
Selling expenses	7	(2)	(460)
General and administrative expenses	7	(63,114)	(49,131)
Expected credit loss ("ECL") of receivables, net	7	440	(4,052)
Share of profits of an associate		–	6,146
Operating profit		30,465	10,825
Finance income	10	1,286	2,830
Finance costs	10	(23,394)	(6,099)
Finance costs, net		(22,108)	(3,269)
Profit before income tax		8,357	7,556
Income tax expense	11	(608)	(573)
Profit for the period		7,749	6,983
Other comprehensive income/(expense), including reclassification adjustments			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		130	(193)
Other comprehensive income/(expense) for the period, including reclassification adjustments		130	(193)
Total comprehensive income attributable to the owners of the Company for the period		7,879	6,790
Earnings per share attributable to owners of the Company (expressed in HK cents per share)			(restated)
Basic	13	0.52	0.49
Diluted	13	0.52	0.49

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	14	7,803	2,546
Right-of-use assets	14	37,483	446
Intangible assets	15	91,212	96,046
Goodwill	16	226,430	226,430
Deferred tax assets		321	321
Deposits	18	4,370	–
Financial assets at fair value through profit or loss	17	218,484	152,653
		586,103	478,442
Current assets			
Trade and other receivables, prepayments and deposits	18	239,544	267,970
Loan and interest receivables	19	146,078	132,068
Bank balances – trust		63,038	158,110
Cash and cash equivalents		45,159	39,842
		493,819	597,990
Current liabilities			
Trade and other payables	20	121,482	226,068
Promissory notes	21	36,170	36,163
Bank borrowing	22	50,000	51,000
Bonds payable	23	38,000	20,000
Lease liabilities		8,803	468
Income tax payable		10,559	8,655
		265,014	342,354
Net current assets		228,805	255,636
Total assets less current liabilities		814,908	734,078

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
Non-current liabilities			
Promissory notes	21	–	135,388
Bonds payable	23	46,000	64,000
Lease liabilities		31,078	–
Deferred tax liabilities		13,031	13,725
		90,109	213,113
Net assets		724,799	520,965
EQUITY			
Share capital	24	15,183	14,539
Other reserves		442,267	217,184
Retained earnings		267,349	289,242
Total equity		724,799	520,965

Chen Ningdi
Executive Director

Ai Kuiyu
Executive Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Share capital HK\$'000	Share premium* HK\$'000	Share held for share award scheme* HK\$'000	Share options reserve* HK\$'000	Share award reserve* HK\$'000	Capital reserve* HK\$'000	Translation reserve* HK\$'000	Retained earnings HK\$'000	Total equity HK\$'000
Balance as at 1 April 2024 (audited)	14,539	354,685	(153,031)	15,506	421	10	(407)	289,242	520,965
Profit for the period	-	-	-	-	-	-	-	7,749	7,749
Other comprehensive income for the period	-	-	-	-	-	-	130	-	130
Total comprehensive income for the period	-	-	-	-	-	-	130	7,749	7,879
Shares granted under Share Award Scheme (note)	-	258	352	-	212	-	-	-	822
Lapse of share award	-	-	-	-	(421)	-	-	421	-
Issue of shares upon placement, net (note 24(a))	644	224,552	-	-	-	-	-	-	225,196
2024 final dividend declared (note 12)	-	-	-	-	-	-	-	(30,063)	(30,063)
Transactions with owners	644	224,810	352	-	(209)	-	-	(29,642)	195,955
Balance as at 30 September 2024 (unaudited)	15,183	579,495	(152,679)	15,506	212	10	(277)	267,349	724,799
Balance as at 1 April 2023 (audited)	14,539	354,685	(153,031)	26,728	-	10	(276)	193,093	435,748
Profit for the period	-	-	-	-	-	-	-	6,983	6,983
Other comprehensive expense for the period	-	-	-	-	-	-	(193)	-	(193)
Total comprehensive income for the period	-	-	-	-	-	-	(193)	6,983	6,790
Shares granted under Share Award Scheme (note)	-	-	3	-	-	-	-	-	3
Lapse of employee share options	-	-	-	(809)	-	-	-	809	-
2023 final dividend declared (note 12)	-	-	-	-	-	-	-	(14,976)	(14,976)
Transactions with owners	-	-	3	(809)	-	-	-	(14,167)	(14,973)
Balance as at 30 September 2023 (unaudited)	14,539	354,685	(153,028)	25,919	-	10	(469)	185,909	427,565

* Other reserves comprise the Group's reserves of HK\$442,267,000 (unaudited) (31 March 2024: HK\$217,184,000 (audited)) in the condensed consolidated statement of financial position.

Note:

During the six months ended 30 September 2024, a total of 350,000 shares (unaudited) (six months ended 30 September 2023: 354,484 shares (unaudited)) was granted to the eligible persons pursuant to the Share Award Scheme. As at 30 September 2024, the Group held 65,004,000 (unaudited) (31 March 2024: 65,154,000 (audited)) shares of the Company purchased but not yet awarded under the Share Award Scheme.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Notes	For the six months ended	
		30 September 2024	2023
		HK\$'000 (unaudited)	HK\$'000 (unaudited) (restated)
Profit before income tax		8,357	7,556
Adjustments for:			
– Finance costs	10	23,394	5,851
– Finance income	10	(1,286)	(2,830)
– Equity-settled share-based payment	8	822	3
– Amortisation of intangible asset	7	4,834	–
– Depreciation of property, plant and equipment	7	614	374
– Depreciation of right-of-use assets	7	4,167	2,633
– Dividend income	6	(614)	(972)
– Loss on early termination of lease	6	7	–
– ECL of receivables, net		(440)	4,052
– Written off of property, plant and equipment		–	25
– Fair value gain on financial assets at fair value through profit or loss	6	(29,348)	(5,543)
– Share of profits of an associate		–	(6,146)
– Others		1,428	(257)
Operating profit before working capital		11,935	4,746
Changes in working capital:			
– Trade and other receivables, prepayments and deposits		24,056	(4,379)
– Loans and interest receivables		(13,570)	(8,254)
– Trade and other payables		(134,649)	(195,973)
– Bank balances – trust		95,072	193,770
Cash used in operations		(17,156)	(10,090)
Income tax refund/(paid)		602	(12,843)
<i>Net cash used in operating activities</i>		(16,554)	(22,933)
Cash flows from investing activities			
Addition of financial assets at fair value through profit or loss		(74,354)	(4,000)
Dividend received	6	614	972
Interest income received	10	1,286	2,830
Purchases of property, plant and equipment		(5,871)	(85)
Proceeds from disposals of financial assets at fair value through profit or loss		37,871	25,961

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Notes	For the six months ended	
		30 September 2024	2023
		HK\$'000 (unaudited)	HK\$'000 (unaudited) (restated)
<i>Net cash (used in)/from investing activities</i>		(40,454)	25,678
Cash flows from financing activities			
Capital element of lease rentals paid		(3,017)	(2,234)
Proceed from short-term bank borrowings		9,000	41,000
Repayment of short-term bank borrowing		(10,000)	(40,000)
Interest paid		(7,769)	(5,814)
Interest element of lease rentals paid	10	(1,006)	(37)
Proceed from issuance of shares upon placement	24(a)	225,295	–
Transaction costs attributable to issue of shares	24(a)	(99)	–
Proceeds from issuance of bonds payable		–	18,000
Repayment of bonds payable		–	(44,000)
Proceeds from issuance of promissory notes		–	4,400
Repayment of promissory notes		(150,000)	–
<i>Net cash from/(used in) financing activities</i>		62,404	(28,685)
Net increase/(decrease) in cash and cash equivalents		5,396	(25,940)
Cash and cash equivalents at the beginning of the period (restated)		39,842	83,504
Effect of foreign exchange rate changes		(79)	21
Cash and cash equivalents at the end of the period		45,159	57,585

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

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 family office services, investment advisory, assets management services and referral services for ultra-high net worth families; (iii) provision of money lending services to customers; (iv) sale of apparel products with the provision of supply chain management total solutions to customers; and (v) provision of enterprise solutions services.

The directors consider the immediate holding company and the ultimate holding company of the Company is DA Wolf Investments I Limited.

2. BASIS OF PREPARATION

The interim financial report does not include all of the information and disclosures required in annual financial statements in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which comprises all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the HKICPA, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2024 (“2024 Annual Financial Statements”).

The preparation of these interim condensed consolidated financial statements requires the Company’s management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgements made by the Company’s management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2024 Annual Financial Statements, except as disclosed below and in notes 3 and 4.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

3. ACCOUNTING POLICIES AND USE OF JUDGEMENTS AND ESTIMATES

The accounting policies and methods of computation used in the preparation of the interim condensed consolidated financial statements are consistent with those used in 2024 Annual Financial Statements.

Critical accounting judgements

Determination of consolidation of investment funds

The Group set up certain investment funds in which the Group is an investor and also the fund manager. The Group has decision-making authority and power over the relevant activities of the fund because the Group, acting as the fund manager, can decide which investments the fund should acquire or dispose of. All facts and circumstances are taken into consideration in the assessment of whether the Group, as an investor, controls the investment funds.

The principle of control sets out the following three elements of control, (a) power over the investment funds, (b) exposure, or rights, to variable returns from involvement with the investment funds, and (c) the ability to use power over the investment funds to affect the amount of the investor's returns. The Group's initial assessment of control or its status as a principal or an agent would not change simply because of a change in market conditions (e.g. a change in the investee's returns driven by market conditions), unless the change in market conditions changes one or more of the three elements of control listed above or changes the overall relationship between a principal and an agent. For these investment funds, the Group assesses whether (i) there are any other holders in these investment funds which have practical ability to remove the Group, and prevent the Group to direct the relevant activities of the investment funds, and (ii) the combination of investments it held together with its remuneration creates exposure to variability of returns from the activities of the investment funds.

As at 30 September 2024, the directors of the Company concluded that the Group has no control of and acted as agent for all the investment funds. Details of these investment funds are disclosed in note 17 to the interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

4. APPLICATION OF NEW OR AMENDED HKFRSs

Amended HKFRSs that are effective for annual periods beginning on 1 April 2024

The interim condensed consolidated financial statements for the six months ended 30 September 2024 have been prepared in accordance with the accounting policies adopted in 2024 Annual Financial Statements, except for the adoption of the following amended HKFRSs effective as at 1 April 2024. The Group has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HK Int 5 (Revised)	Presentation of Financial Statements – <i>Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause</i>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amended HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

4. APPLICATION OF NEW OR AMENDED HKFRSs (Continued) Issued but not yet effective HKFRSs

At the date of authorisation of this interim condensed 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.

Amendments to HKAS 21	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosure ³
Amendments to HK Int 5	Hong Kong Interpretation 5 Presentation of Financial Statements – <i>Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause</i> ⁵
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Annual improvements to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²

¹ Effective for annual periods beginning on or after 1 January 2025.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ Effective date not yet determined.

⁵ HK Int 5 has incorporated the references to HKFRS 18 which is effective for annual report periods beginning on or after 1 January 2027.

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. Except as stated below, the Group is in the process of making an assessment of what the impact of these new or revised HKFRSs is expected to be in the period of initial application. So far the directors of the Company (the "Directors") concluded that the adoption of the new and amendments to HKFRSs will have no material impact on the Group's consolidated financial statements.

The directors of the Company anticipate that the application of HKFRS 18 has no impact on the Group's financial positions and performance in foreseeable future, but has impact on presentation of the consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

5. 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 six months ended 30 September 2024 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;
- Family office services business – during the year ended 31 March 2024, the Group completed the acquisition of the remaining 55% interest in DL Family Office (HK) Limited (“DL Family Office HK”) on 28 November 2023, which is engaged in the provision of family office services, investment advisory, assets management services and referral services for ultra-high net worth families;
- Money lending services – provision of equity pledge financing services and money lending services to the customers;
- Sale of apparel products – sale 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

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 and amortisation, certain bank interest income, finance costs, ECL of trade and other receivables, ECL of loan and interest receivables and fair value gains/(losses) on financial asset at FVTPL (related to segment of financial services of licensed business). Changes in fair value of financial assets at FVTPL (excluding financial assets at FVTPL in reportable and operating segments), certain bank interest income, certain finance costs, certain depreciation of right-of-use assets, share of profits in an associate 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, lease liabilities, income tax payable and bank borrowings managed directly by the segments with exception of promissory notes, bonds payable, and other corporate liabilities.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

5. REVENUE AND SEGMENT INFORMATION (Continued)

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

	For the six months ended	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
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 (note)	44,017	72,861
– Provision of family office services	20,547	–
– Sales of apparel products	–	589
– Provision of supply chain management	1,800	2,004
– Provision of enterprise solutions services	6,248	11,986
	72,612	87,440
Revenue from other sources		
– Interest income from provision of money lending services	5,992	8,324
– Interest income from provision of margin financing services	4,444	5,496
	10,436	13,820
	83,048	101,260

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

5. REVENUE AND SEGMENT INFORMATION (Continued)

Disaggregated by timing of revenue recognition under HKFRS 15

	For the six months ended 30 September			
	2024		2023	
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
	Over time	At a point in time	Over time	At a point in time
Provision of financial services of licensed business	14,952	29,065	13,553	59,308
Provision of family office services	16,747	3,800	–	–
Sale of apparel products	–	–	–	589
Provision of supply chain management	–	1,800	–	2,004
Provision of enterprise solutions services	787	5,461	2,195	9,791
	32,486	40,126	15,748	71,692

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:

	For the six months ended 30 September	
	2024	2023
	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Revenue from provision of financial services of licensed business		
Service fee income from financial advisory services and investment management services	32,340	64,888
Commission and brokerage arising on securities dealing	1,597	1,428
Commission and brokerage from insurance brokerage services	10,080	6,545
	44,017	72,861

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

5. REVENUE AND SEGMENT INFORMATION (Continued)

The segment information provided to the CODM for the reportable segments for the six months ended 30 September 2024 is as follows:

	Financial services of licensed business HK\$'000 (unaudited)	Family office services business HK\$'000 (unaudited)	Money lending services HK\$'000 (unaudited)	Sale of apparel products HK\$'000 (unaudited)	Enterprise solutions services HK\$'000 (unaudited)	Inter-company elimination HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Revenue							
– From external customers	48,461	20,547	5,992	1,800	6,248	–	83,048
– Inter-segment revenue	1,026	–	–	–	–	(1,026)	–
Reportable segment revenue	49,487	20,547	5,992	1,800	6,248	(1,026)	83,048
Reportable segment profit/(loss)	12,439	943	3,520	(1,638)	(4,927)	–	10,337
Bank interest income							852
Unallocated other gains, net							31,801
– Fair value gains on financial assets at FVTPL							
Corporate and other unallocated expenses							(14,696)
Finance costs							(19,937)
Profit before income tax							8,357
Other information:							
Fair value losses on financial assets at FVTPL	–	–	–	–	(2,453)	–	(2,453)
Bank interest income	399	30	2	–	3	–	434
Depreciation of property, plant and equipment	(382)	(42)	(109)	(33)	(48)	–	(614)
Depreciation of right-of-use assets	–	–	(926)	(137)	–	–	(1,063)
Amortisation of intangible asset	–	(4,834)	–	–	–	–	(4,834)
Reversal of ECL on							
– loan and interest receivables	–	–	440	–	–	–	440
Finance costs	(1,616)	–	(1,841)	–	–	–	(3,457)
Income tax expense	(1,093)	(214)	–	–	699	–	(608)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

5. REVENUE AND SEGMENT INFORMATION (Continued)

The segment information provided to the CODM for the reportable segments for the six months ended 30 September 2023 is as follows:

	Financial services of licensed business HK\$'000 (unaudited)	Money lending services HK\$'000 (unaudited)	Sale of apparel products HK\$'000 (unaudited)	Enterprise solutions services HK\$'000 (unaudited)	Inter- company elimination HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Revenue						
– From external customers	78,357	8,324	2,593	11,986	–	101,260
– Inter-segment revenue	849	–	–	–	(849)	–
Reportable segment revenue	79,206	8,324	2,593	11,986	(849)	101,260
Reportable segment profit/(loss)	1,492	2,635	(3,297)	6,272	(24)	7,078
Bank interest income						5
Unallocated other gains, net						
– Net fair value gains on financial assets at FVTPL						3,707
Corporate and other unallocated expenses including depreciation of right-of-use assets of HK\$1,366,000						(5,322)
Share of profits of an associate						6,146
Finance costs						(3,858)
Profit before income tax						7,556
Other information:						
Net fair value (losses)/gains on financial assets at FVTPL	(617)	–	–	2,477	(24)	1,836
Bank interest income	2,802	7	–*	16	–	2,825
Written off of property, plant and equipment	–	–	–	(25)	–	(25)
Depreciation of property, plant and equipment	(335)	–	(33)	(6)	–	(374)
Depreciation of right-of-use assets	–	–	(1,267)	–	–	(1,267)
(Provision for)/Reversal of ECL on						
– trade and other receivables	(82)	–	–	42	–	(40)
– loan and interest receivables	–	(4,012)	–	–	–	(4,012)
Share of profits of an associate	–	–	–	6,146	–	6,146
Finance costs	(1,608)	(625)	(8)	–	–	(2,241)
Income tax expense	(364)	(59)	–	(150)	–	(573)

* Amount less than HK\$1,000.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

5. REVENUE AND SEGMENT INFORMATION (Continued)

	Financial services of licensed business HK\$'000	Family office services business HK\$'000	Money lending services HK\$'000	Sale of apparel products HK\$'000	Enterprise solutions services HK\$'000	Unallocated corporate assets/(liabilities) HK\$'000	Inter-company elimination HK\$'000	Total HK\$'000
As at 30 September 2024 (unaudited)								
Reportable segment assets	343,856	280,659	155,173	30,581	380,500	588,990	(699,837)	1,079,922
Reportable segment liabilities	129,877	2,442	122,515	4,462	320,832	384,007	(609,012)	355,123
Additions to non-current assets	2,380	1,135	7,547	–	–	40,250	–	51,312
As at 31 March 2024 (audited)								
Reportable segment assets	484,493	363,614	154,649	32,479	86,012	548,582	(593,397)	1,076,432
Reportable segment liabilities	269,317	18,645	123,913	4,722	315,454	418,610	(595,194)	555,467
Additions to non-current assets	116	294,066	1,178	59	46	–	–	295,465

6. OTHER GAINS/(LOSSES), NET

	For the six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Fair value gain on financial assets at FVTPL	29,348	5,543
Gain on deregistration of a subsidiary	50	–
Dividend income from financial assets at FVTPL	614	972
Loss on early termination of lease	(7)	–
Government grants	13	235
Written off of property, plant and equipment	–	(25)
Income from financial guarantee issued	844	–
Others	20	732
	30,882	7,457

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

7. EXPENSES BY NATURE

	For the six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Auditors' remuneration – other service	300	390
Amortisation of intangible assets	4,834	–
Consultancy fees	11,840	9,287
Cost of goods sold	–	507
Cost of services	20,789	49,888
Depreciation of property, plant and equipment	614	374
Depreciation of right-of-use assets	4,167	2,633
Donation	295	601
Provision for ECL on trade receivables	–	40
Provision for ECL on loan and interest receivables, net	(440)	4,012
ECL of receivables, net	(440)	4,052
Employee benefit expenses (note 8)	29,242	22,253
Entertainment and travelling expenses	2,555	2,386
Exchange differences, net	91	466
Marketing fees	1,043	378
Short-term leases/low-value leases in respect of		
– office	381	199
– car park	67	80
Other expenses	7,687	10,544
Total cost of sales/services, selling expenses, general and administrative expenses and ECL of receivables, net	83,465	104,038

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

8. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	For the six months ended	
	30 September	2023
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Salaries, bonus and other short-term employee benefits	27,467	21,590
Equity-settled share-based payment	822	3
Pension costs – defined contribution plans	953	660
	29,242	22,253

9. SHARE-BASED PAYMENTS

Share Option Scheme

The Company has a Share Option Scheme which was adopted on 22 September 2015 (“Share Option Scheme”) whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options to subscribe for shares of the Company by payment of HK\$1.00 consideration upon acceptance. At the time of grant of the share options, the Company may specify any minimum period(s) for which an option must be held before it can be exercised. An option may be exercised at any time during the period to be determined and identified by the Board to each grantee at the time of making an offer for the grant of an option, but in any event no later than 10 years from the date of grant but subject to early termination of the Share Option Scheme. Each option gives the holder the right to subscribe for one ordinary share in the Company.

All share-based employee compensation will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options other than by issuing the Company's ordinary shares.

No share options granted during the six months ended 30 September 2024 and 2023.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

9. SHARE-BASED PAYMENTS (Continued)

Share Option Scheme (Continued)

Movement in share options

Six months ended 30 September 2024 (unaudited)

	Option type	Outstanding as at 1 April 2024 (audited)	Lapsed during the period (unaudited)	Outstanding as at 30 September 2024 (unaudited)
Directors				
Mr. Lang	2023A	4,500,000	–	4,500,000
Ms. He	2023A	2,500,000	–	2,500,000
Sub-total		7,000,000	–	7,000,000
Employee(s) of the Group	2023A	19,600,000	–	19,600,000
Sub-total		19,600,000	–	19,600,000
Total		26,600,000	–	26,600,000

	Outstanding as at 1 April 2024 (audited)	Lapsed during the period (unaudited)	Outstanding as at 30 September 2024 (unaudited)
Weighted average exercise price per share option (HK\$)	2.7	N/A	2.7
Weighted average remaining contractual life of options outstanding	1.98 years	N/A	1.48 years
Number of options exercisable	26,600,000	–	26,600,000
Weighted average exercise price per share option exercisable (HK\$)	2.7	N/A	2.7

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

9. SHARE-BASED PAYMENTS (Continued)

Share Option Scheme (Continued)

Movement in share options (Continued)

Six months ended 30 September 2023 (unaudited)

	Option type	Outstanding as at 1 April 2023 (audited)	Lapsed during the period (unaudited)	Outstanding as at 30 September 2023 (unaudited)
Directors				
Mr. Liu	2020B	3,000,000	(3,000,000)	–
Mr. Lang	2023A	4,500,000	–	4,500,000
Ms. He	2023A	2,500,000	–	2,500,000
Sub-total		10,000,000	(3,000,000)	7,000,000
Employee(s) of the Group				
	2020B	1,500,000	(1,500,000)	–
	2020C	23,500,000	–	23,500,000
	2023A	19,600,000	–	19,600,000
Sub-total		44,600,000	(1,500,000)	43,100,000
Other participants	2020B	1,500,000	(1,500,000)	–
Sub-total		1,500,000	(1,500,000)	–
Total		56,100,000	(6,000,000)	50,100,000

	Outstanding as at 1 April 2023 (audited)	Lapsed during the period (unaudited)	Outstanding as at 30 September 2023 (unaudited)
Weighted average exercise price per share option (HK\$)	2.4	N/A	2.6
Weighted average remaining contractual life of options outstanding	1.72 years	N/A	1.38 years
Number of options exercisable	56,100,000	(6,000,000)	50,100,000
Weighted average exercise price per share option exercisable (HK\$)	2.4	N/A	2.6

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

9. SHARE-BASED PAYMENTS *(Continued)*

Share Option Scheme *(Continued)*

Movement in share options *(Continued)*

The share options outstanding as at 30 September 2024 had exercise prices of HK\$2.7 (30 September 2023: HK\$2.5 to HK\$2.7). During the six months ended 30 September 2024, there was no share options have been lapsed or cancellation of share options (During the six months ended 30 September 2023: 6,000,000 share options have been lapsed for option type 2020B).

The share options outstanding at 31 March 2024 had exercise prices of HK\$2.7. During the year ended 31 March 2024, totalling 29,500,000 share options have been lapsed for option type 2020B and 2020C.

During the six months ended 30 September 2024 and 2023, no share-based payment expense in relation to share options was granted to the directors.

As at 30 September 2024, the Company had 26,600,000 (unaudited) (30 September 2023: 50,100,000 (unaudited)) share options outstanding under the Share Option Scheme, which represented approximately 1.75% (unaudited) (30 September 2023: 3.4% (unaudited)) of the Company's shares in issue at that date. Share options do not confer rights on the holders to dividends or to vote at shareholder's meetings.

When the share options are forfeited or are still not exercised at the expiry date, the amount previously recognised in the share option reserve will be transferred to retained earnings.

Share Award Scheme

On 8 September 2020, a share award scheme ("Share Award Scheme") was approved and adopted by the Board of directors of the Company. Unless otherwise cancelled or amended, the Share Award Scheme will remain valid and effective for 10 years from the date of adoption.

The number of shares to be awarded under the Share Award Scheme throughout its duration is limited to 10% of the issued share capital of the Company from time to time. The maximum number of shares which may be awarded to a selected participant under the Share Award Scheme shall not exceed one per cent (1%) of the issued share capital of the Company from time to time.

On 17 April 2024, the Group granted a total of 200,000 shares under the Share Award Scheme with a vesting period of a year.

Name	Number of shares granted
Employee(s) of the Group	200,000

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

9. SHARE-BASED PAYMENTS (Continued)

Share Award Scheme (Continued)

On 24 April 2024, the Group granted a total 150,000 shares under the Share Award Scheme with no vesting period.

Name	Number of shares granted
Employee(s) of the Group	140,000
Director of the Group	10,000

On 6 August 2024, the board of directors passed a resolution to amend the terms of the Share Award Scheme and Share Option Scheme to the effect that the Company may satisfy the grants of the share awards under the Share Award Scheme and the share options under the Share Option Scheme using treasury shares of the Company at the board's discretion.

On 2 September 2024, the board of directors resolved to retain the Share Option Scheme and terminate the Share Award Scheme with effect from 2 September 2024. Pursuant to the rules of the Share Award Scheme, the Share Award shall terminate on the earlier of such date of early termination as determined by the board, provided that such termination shall not affect any subsisting rights of any selected participants who have been granted any award Shares pursuant to the Share Award Scheme. Upon termination of the Share Award Scheme, no further Award Shares may be granted thereunder, while the Award Shares already granted before the termination shall remain valid and continue to be held by the trustee and become vested according to the conditions of the Awards and in accordance with the Share Award Scheme.

On 28 September 2023, the Group granted a total of 354,484 shares under the Share Award Scheme with a vesting period of a year.

Name	Number of shares granted
Employee(s) of the Group	354,484

During the six months ended 30 September 2024 and 2023, the Company did not purchase (unaudited) ordinary shares of the Company on the Stock Exchange. During the six months ended 30 September 2024, a total of 350,000 shares (unaudited) (six months ended 30 September 2023: 354,484 shares (unaudited)) were granted to the eligible persons pursuant to the Share Award Scheme.

The fair value of the awarded shares was calculated based on the market price of the Company's shares at the respective grant date.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

9. SHARE-BASED PAYMENTS (Continued)

Share Award Scheme (Continued)

Movement in share awards

Six months ended 30 September 2024 (unaudited)

	Granted as at 1 April 2024 (audited)	Granted during the period (unaudited)	Lapsed during the period (unaudited)	Granted as at 30 September 2024 (unaudited)
Directors				
Mr. Ai	15,000	–	–	15,000
Mr. Jiang	200,000	–	–	200,000
Ms. He Zhiying	50,000	10,000	–	60,000
Sub-total	265,000	10,000	–	275,000
Employee(s) of the Group	714,484	340,000	(354,484)	700,000
Sub-total	714,484	340,000	(354,484)	700,000
Total	979,484	350,000	(354,484)	975,000

Six months ended 30 September 2023 (unaudited)

	Granted as at 1 April 2023 (audited)	Granted during the period (unaudited)	Granted as at 30 September 2023 (unaudited)
Directors			
Mr. Ai	15,000	–	15,000
Mr. Jiang	200,000	–	200,000
Ms. He Zhiying	50,000	–	50,000
Sub-total	265,000	–	265,000
Employee(s) of the Group	360,000	354,484	714,484
Sub-total	360,000	354,484	714,484
Total	625,000	354,484	979,484

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

10. FINANCE COSTS, NET

	For the six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Finance income		
Bank interest income	1,286	2,830
Finance costs		
Interest expenses on bank borrowing	(1,616)	(1,607)
Interest expenses on lease liabilities	(1,006)	(37)
Interest expenses on bonds payable	(1,373)	(3,829)
Interest expenses on promissory notes	(19,399)	(626)
	(23,394)	(6,099)
Finance cost, net	(22,108)	(3,269)

11. INCOME TAX EXPENSE

Hong Kong

	For the six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current income tax		
– Hong Kong	(189)	1,611
Deferred tax	797	(1,038)
	608	573

The provision for Hong Kong Profits Tax for the six months ended 30 September 2024 is calculated at 16.5% (six months ended 30 September 2023: 16.5%) of the estimated assessable profits for the period, 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% (six months ended 30 September 2023: 8.25%), and the profits above HK\$2,000,000 are taxed at 16.5% (six months ended 30 September 2023: 16.5%).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

11. INCOME TAX EXPENSE (Continued)

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 Company in the PRC, under the notice of the Ministry of Finance and the State Administration of Taxation on Preferential Income Tax Policies for Small Low-Profit Enterprises, for the portion of profit less than RMB1,000,000, 25% of the profit will be taxed at 20% and for the portion of profits within the range of RMB1,000,000 to RMB3,000,000, 50% of the profit will be taxed at 20%.

12. DIVIDENDS

(a) Dividends attributable to the period

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 September 2024 and 2023.

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

	For the six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Final dividend in respect of the previous financial year ended 31 March 2024 of HK1.98 cents (six months ended 30 September 2023; final dividend in respect of the previous financial year ended 31 March 2023 of HK1.03 cents) per share	30,063	14,976

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

13. EARNINGS PER SHARE

13.1 Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares of the Company in issue during the respective periods.

	For the six months ended 30 September	
	2024 (unaudited)	2023 (unaudited)
Profit attributable to owners of the Company (HK\$'000)	7,749	6,983
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share ('000) (restated for the six months ended 30 September 2023)	1,480,056	1,429,327
Basic earnings per share (HK cents per share) (restated for the six months ended 30 September 2023)	0.52	0.49

The calculation of the basic earnings per share amount is based on profit attributable to owners of the Company and the weighted average number of ordinary shares in issue for the six months ended 30 September 2024 and 2023 as adjusted to exclude the shares held under the Share Award Scheme and has been adjusted to reflect the impact of the bonus element of shares issued and bonus issue of shares in September and October 2024, respectively. The comparative figures have been restated accordingly.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

13. EARNINGS PER SHARE (Continued)

13.2 Diluted

	For the six months ended	
	2024	2023
	(unaudited)	(unaudited)
Profit attributable to owners of the Company (HK\$'000)	7,749	6,983
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share ('000) (restated for the six months ended 30 September 2023)	1,480,056	1,429,327
Effect of dilutive potential ordinary shares		
– share options ('000)	9,638	3,865
– share awards ('000)	81	354
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share ('000) (restated for the six months ended 30 September 2023)	1,489,775	1,433,546
Diluted earnings per share (HK cents per share) (restated for the six months ended 30 September 2023)	0.52	0.49

The calculation of the diluted earnings per share are based on the profit attributable to owners of the Company and the weighted average number of ordinary shares in issue during the period and excluded the shares held under the Share Award Scheme, as used in the basic 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 with into ordinary shares and the restricted shares under the Shares Award Scheme.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

14. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 September 2024, the Group purchased property, plant and equipment of approximately HK\$5,871,000 (unaudited) (six months ended 30 September 2023: HK\$85,000 (unaudited)). The purchase of property, plant and equipment are the addition of leasehold improvements for the six months ended 30 September 2024.

During the six months ended 30 September 2024, there is addition to right-of-use assets amounting to approximately HK\$41,290,000 (unaudited) (six months ended 30 September 2023: no addition (unaudited)). The additions are the contracted new leases of office premises that contains lease period from three to five years during the six months ended 30 September 2024.

15. INTANGIBLE ASSETS

Intangible assets included the Securities and Futures Commission (the “SFC”) License Types 1 (dealing in securities), 4 (advising on securities) and 6 (advising on corporate finance) of DL Securities (HK) Limited (“DL Securities”), Money Lending License of DA Finance (HK) Limited (“DA Finance”) and SFC License Type 4 (advising on securities) and 9 (asset management) of DL Family Office HK. The Group regards these licenses to have an indefinite useful lives and are carried at cost less any subsequent accumulated impairment losses.

In respect of the licenses which were allocated to the cash-generating units (“CGUs”) of various financial services of licensed businesses, money lending business and family office services business acquired, the licenses have no foreseeable limit to the period over which the Group can use to generate net cash flows. The directors of the Company consider the licenses as having indefinite useful lives because they are expected to contribute to net cash inflows indefinitely. The licenses will not be amortised until their useful life are determined to be finite.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

15. INTANGIBLE ASSETS (Continued)

Intangible asset also includes customer relationship of DL Family Office HK and recognised initially at cost. After initial recognition, intangible asset with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible asset with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortisation commences when the intangible asset is available for use. The following useful lives is applied:

Customer relationships	9 years
------------------------	---------

The carrying amounts of SFC License Types 1, 4 and 6, Money Lending License, SFC License Type 4 and 9, customer relationships are HK\$11,748,000 (unaudited) (31 March 2024: HK\$11,748,000 (audited)), HK\$500,000 (unaudited) (31 March 2024: HK\$500,000 (audited)) and HK\$612,000 (31 March 2024: HK\$612,000 (audited)) and HK\$78,352,000 (31 March 2024 HK\$83,186,000 (audited)) respectively.

Amortisation expenses of approximately HK\$4,834,000 (unaudited) (six months ended 30 September 2023: nil) have been charged to the general and administrative expenses for the six months ended 30 September 2024.

No impairment loss has been recognised during the six months ended 30 September 2024 and 2023.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

16. GOODWILL

	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
At the beginning of period/year		
Gross carrying amount	227,765	20,732
Net carrying amount	226,430	19,397
Acquisition through business combination	–	207,033
Net carrying amount	226,430	226,430
At the end of the period/year		
Gross carrying amount	227,765	227,765
Accumulated impairment	(1,335)	(1,335)
	226,430	226,430

The Group's goodwill mainly arose from business combinations in connection with the acquisitions of (i) DL Securities; (ii) DA Finance; (iii) Four Seasons Investment Management Limited ("Four Seasons"); (iv) DL Family Office Pte. Ltd. ("DL Family Office Singapore"); (v) DL Advisory Services Limited ("DL Advisory"); (vi) DL Emerald and (vii) DL Family Office HK in prior periods.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

16. GOODWILL (Continued)

Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
Financial services of licensed business		
– DL Securities	274	274
– Four Seasons	5,951	5,951
– DL Emerald	12,811	12,811
	19,036	19,036
Family Office services business		
– DL Family Office HK	207,033	207,033
Money lending services		
– DA Finance	98	98
Enterprise solutions services		
– DL Advisory	263	263
	226,430	226,430

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FINANCIAL ASSETS AT FVTPL”)

		As at 30 September 2024	As at 31 March 2024
	Notes	HK\$'000 (unaudited)	HK\$'000 (audited)
Non-current portion			
Listed securities			
Equity securities – Hong Kong		8,514	31,596
Non-listed securities			
Investment funds	(i)	67,230	5,814
Equity investment – outside Hong Kong	(ii)	142,740	115,243
		218,484	152,653

Notes:

- (i) The fair value of the unlisted investment funds is determined based on the net asset values with reference to the recent transaction price of the underlying assets. During the six months ended 30 September 2024, the Group increased the partnership interest in a limited partnership fund by approximately HK\$43,000,000.
- (ii) It represents investment in an unlisted company related to 26.65% (unaudited) of the interest in the Carmel Reserve LLC, a company in which Mr. Chen Ningdi (“Mr. Chen”), the Chairman, Chief Executive Officer and Executive Director of the Company, has interests, as the non-voting class B membership interest as at 30 September 2024 (31 March 2024: 26.65% (audited)).

The table below analyses the Group’s financial instruments carried at fair value, by level of inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices, and not using significant unobservable inputs) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FINANCIAL ASSETS AT FVTPL”) (Continued)

Disclosures of level in fair value hierarchy:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
As at 30 September 2024 (unaudited)			
Financial assets at FVTPL			
– Listed equity securities	8,514	–	–
– Unlisted equity investment	–	–	142,740
– Unlisted investment funds	–	67,230	–
As at 31 March 2024 (audited)			
Financial assets at FVTPL			
– Listed equity securities	31,596	–	–
– Unlisted equity investment	–	–	115,243
– Unlisted investment funds	–	5,814	–

There were no transfers among levels 1, 2 and 3 during the six months ended 30 September 2023 and 2024.

The carrying amounts of the Group's other financial assets and liabilities including bank balance-trust, cash and cash equivalents, trade and other receivables and deposits, loan and interest receivables, trade and other payables, promissory notes, bonds payable, lease liabilities and bank borrowing approximate their fair values due to their short maturities or the impact of discounting is not significant.

Valuation process used by the Group and valuation techniques and inputs used in fair value measurements

Level 1 fair value measurements

Fair value of financial instruments under level 1 fair value measurement is based on quoted prices (unadjusted) reflected in active markets.

The fair value of the listed equity securities is based on quoted market prices at the end of the reporting period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FINANCIAL ASSETS AT FVTPL”) (Continued)

Valuation process used by the Group and valuation techniques and inputs used in fair value measurements (Continued)

Level 2 fair value measurements

As at 30 September 2024 and 31 March 2024, the Group’s financial assets at FVTPL under level 2 fair value measurements are unlisted investment funds, and their fair value measurement was determined as follows:

For unlisted investment funds of based on the net asset values HK\$67,230,000 (unaudited) (31 March 2024: HK\$5,814,000 (audited)), fair value is determined with reference to the recent transaction price of the underlying assets.

Level 3 fair value measurements

In determining fair value, specific valuation techniques (asset-based approach) are used with reference to significant inputs such as property under development’s market value, loan from other parties and long-term loan included in the unlisted equity investment. Loan from other parties and long-term loan are measured at amortised cost. The main input used by the Group in measuring the fair value of the unlisted equity investment is derived and evaluated as follows:

- Market value of property under development: this is valued at 30 September 2024 and 31 March 2024 by independent and professional qualified valuer based on residual method as follow:

Valuation technique of property under development included in the unlisted equity investment	Significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Residual method (31 March 2024: residual method)	Market price of finished lot, ranging from US\$2,063,000 (unaudited) (31 March 2024: US\$2,063,000 (audited)) per lot to US\$3,085,000 (unaudited) (31 March 2024: US\$2,810,000 (audited)) per lot, and adjusted taking into account of time and locations to the underlying assets of the invested company	The higher/lower the market price, the higher/lower the fair value

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FINANCIAL ASSETS AT FVTPL”) (Continued)

Valuation process used by the Group and valuation techniques and inputs used in fair value measurements (Continued)

The reconciliations of the carrying amounts of the Group’s financial instruments classified within Level 3 fair value measurement is as follows:

	Level 3
	HK\$'000
Financial assets at FVTPL	
As at 1 April 2023 (audited)	107,125
Fair value gain	8,118
As at 31 March 2024 and 1 April 2024 (audited)	115,243
Fair value gain	27,497
As at 30 September 2024 (unaudited)	142,740

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

18. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
Gross trade receivables – margin receivables (Note (a))	76,208	82,241
Gross trade receivables – financial advisory services	3,346	8,842
Gross trade receivables – family office services	33,011	28,941
Gross trade receivables – sale of apparel products and provision of supply chain management total solutions	–	900
Gross trade receivables – investment management services	41,224	43,966
Gross trade receivables – enterprise solutions services	2,558	5,712
	156,347	170,602
Less: Provision for expected credit loss	(2,642)	(2,642)
Trade receivables, net of provision	153,705	167,960
Clearing house receivables	14,574	59,157
Prepayments	7,942	1,024
Rental deposits	4,389	550
Amount due from an investee company (note (b))	373	373
Amounts due from related parties (note (b))	29,001	38,238
Loans to a related company (note (c))	18,320	–
Other receivables and deposits	15,610	668
Total trade and other receivables, prepayments and deposits	243,914	267,970
Less: Non-current portion		
Long-term portion of deposits	(4,370)	–
	239,544	267,970

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

18. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

Notes:

- (a) Margin receivables are secured by the clients' pledged securities with undiscounted market value of approximately HK\$458,804,000 (unaudited) (31 March 2024: HK\$505,788,000 (audited)) as at 30 September 2024 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\$115,499,000 (unaudited) (31 March 2024: HK\$106,137,000 (audited)) of the collateral from margin clients to secure the Group's loan facility related to bank borrowing during the period ended 30 September 2024.
- (b) As at 30 September 2024, the amounts due from an investee company and related parties amounting to HK\$373,000 (unaudited) (31 March 2024: HK\$373,000 (audited)) and HK\$29,001,000 (unaudited) (31 March 2024: HK\$38,238,000 (audited)), respectively, are unsecured, interest-free and repayable on demand.
- (c) During the six months ended 30 September 2024, the Company and Carmel Reserve LLC, a company in which Mr. Chen has interests, entered into several loan agreements, pursuant to which the Company agreed to provide unsecured loans total amounting to US\$2,450,000 (equivalents to approximately HK\$19,000,000) to Carmel Reserve LLC at an interest rate from 8% to 12% per annum and due from 2 months to one year. There is a repayment of US\$100,000 during the six months ended 30 September 2024 and with outstanding balance US\$2,350,000 (equivalents to approximately HK\$18,000,000) as at 30 September 2024.

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 (unaudited) (31 March 2024: 30-90 days (audited)) to its trade customers of other business.

No ageing 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 ageing analysis does not give additional value in the view of the value of business of margin financing.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

18. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

As at 30 September 2024 and 31 March 2024, the ageing analysis of trade receivables (except margin receivables), net of ECL allowance, based on invoice date is as follows:

	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
1 to 30 days	24,827	35,524
31 to 60 days	450	520
61 to 90 days	3,330	439
Over 90 days	48,890	49,236
	77,497	85,719

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 ageing from billing. For margin receivables, the Group applied the general approach in calculating ECL and recognises 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 of ECL allowance of trade receivables is as follows:

	HK\$'000
Balance as at 1 April 2023 (audited)	1,734
ECL allowance for the year	2,279
Written off	(1,371)
Balance as at 31 March 2024, 1 April 2024 (audited) and 30 September 2024 (unaudited)	2,642

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

19. 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.

As at 30 September 2024 and 31 March 2024, all loan and interest receivables are not past due. All loan and interest receivables, based on the maturity date, mature within one year and are denominated in HK\$ and United States Dollar.

	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
Loan receivables	141,051	129,559
Less: Provision for ECL on loan receivables – Stage 1 and 2	(7,183)	(7,630)
Loan receivables, net of provision	133,868	121,929
Interest receivables	12,951	10,873
Less: Provision for ECL on interest receivables – Stage 1 and 2	(741)	(734)
Interest receivables, net of provision	12,210	10,139
Loan and interest receivables, net of provision	146,078	132,068

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

19. LOAN AND INTEREST RECEIVABLES (Continued)

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

	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
Loan receivables		
Neither past due nor impaired		
– Secured	18,531	7,067
– Unsecured	115,337	114,862
	133,868	121,929
Interest receivables		
Neither past due nor impaired		
– Secured	2,527	893
– Unsecured	9,683	9,246
	12,210	10,139
	146,078	132,068

Loan with gross carrying amount of (i) HK\$1,200,000 (unaudited) (31 March 2024: HK\$1,200,000 (audited)) was secured by the shares of certain companies incorporated in BVI; (ii) HK\$4,750,000 (unaudited) (31 March 2024: HK\$4,750,000 (audited)) was secured by certain loans and interest receivables of the customer; and (iii) HK\$13,210,000 (unaudited) (31 March 2024: HK\$2,000,000 (audited)) was secured by the securities account maintained in the subsidiary of the Company, DL Securities, investment in limited partnership fund of US\$250,000 and an interest bearing senior note amounting to US\$342,000.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

19. LOAN AND INTEREST RECEIVABLES (Continued)

Loan receivables bear interest from 8%-15% (unaudited) (31 March 2024: 8%–15% (audited)) per annum and repayable in fixed term agreed with customers. Interest receivables bear interest from 8%–36% (unaudited) (31 March 2024: 8%–36% (audited)) per annum for default interest and repayable in fixed term agreed with customers. 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
	HK\$'000	HK\$'000	HK\$'000
Balance at 1 April 2024 (audited)	121,929	10,139	132,068
New loans originated	30,601	5,628	36,229
Amounts recovered or repaid during the period	(19,109)	(3,550)	(22,659)
Reversal of ECL allowance on loan and interest receivables	2,499	431	2,930
ECL allowance under 12-month ECL (Stage 1) recognised during the period	(123)	(5)	(128)
ECL allowance under lifetime ECL (Stage 2) recognised during the period	(1,929)	(433)	(2,362)
Balance at 30 September 2024 (unaudited)	133,868	12,210	146,078
Balance at 1 April 2023 (audited)	171,918	11,330	183,248
New loans originated	49,010	5,597	54,607
Amounts recovered or repaid during the year	(93,505)	(6,198)	(99,703)
Reversal of ECL allowance on loan and interest receivables	994	82	1,076
ECL allowance under 12-month ECL (Stage 1) recognised during the year	1,006	56	1,062
ECL allowance under lifetime ECL (Stage 2) recognised during the year	(7,494)	(728)	(8,222)
Balance at 31 March 2024 (audited)	121,929	10,139	132,068

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

19. LOAN AND INTEREST RECEIVABLES (Continued)

For loans 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 result 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 loans and interest receivables are overdue by 30 days, there is significant increase in credit risk.

The 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.

20. TRADE AND OTHER PAYABLES

	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
Trade payables (note (a))	5,869	1,292
Trade payables to securities brokerage clients (note (b))	64,203	207,677
Contract liabilities (note (c))	347	179
Accrued employee benefits expenses	2,390	1,760
Dividend payable	30,063	–
Other payables (note (d))	17,949	15,160
Amounts due to related parties	661	–
	121,482	226,068

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

20. TRADE AND OTHER PAYABLES (Continued)

Notes:

- (a) The carrying amount of trade and other payables approximated their fair values. The Group was granted by its suppliers' credit periods ranging from 30-90 days (unaudited) (31 March 2024: 30-90 days (audited)). Based on the invoice dates, the aging analysis of the trade payables (excluding payables from securities dealing business) were as follows:

	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
1 to 30 days	4,584	899
31 to 60 days	–	–
61 to 90 days	–	–
Over 90 days	1,285	393
Total trade payables (excluding payables from securities dealing business)	5,869	1,292

- (b) The directors of the Company considered that the fair values of trade payables from securities dealing business are not materially different from their carrying amounts because these amounts have short maturity periods on their inception.

No ageing analysis of payables arose from securities dealing business is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

- (c) The contract liabilities that is expected to be settled after more than one year is HK\$347,000 (unaudited) (31 March 2024: HK\$179,000 (audited)).
- (d) It mainly represents (i) accruals of audit fee, consultancy fee, sales commission, interest expenses on bonds payable, promissory notes, bank borrowing and other operating expenses and (ii) amounts due to the limited partnership funds or managed funds.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

21. PROMISSORY NOTES

On 20 March 2023, the Group issued one promissory note amounting to HK\$14,820,000 to a third party and is unsecured, bears interest rate of 8% per annum and matures in 3 months from the date of issue, (i.e 19 June 2023). The promissory note was renewed six times with the same terms and conditions and will mature on 19 December 2024.

On 20 September 2023, 22 November 2023 and 19 December 2023, the Group issued three promissory notes in aggregate amounting HK\$22,350,000 to a third party and are unsecured, bears interest rate of 10% per annum and matured in 3 months from the date of issue, of which HK\$1,000,000 was early repaid during the year ended 31 March 2024. The three promissory notes were renewed with the same terms and conditions and with maturity dates of 19 December 2024, 21 November 2024 and 18 December 2024.

The following table shows the remaining contractual maturities of the promissory notes:

	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
Total minimum payments:		
Due within one year	36,928	36,806
Due in the second to fifth years	–	150,000
Future finance charges on promissory notes	(758)	(15,255)
Present value of promissory notes	36,170	171,551

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

22. BANK BORROWING

As at 30 September 2024, the bank borrowing repayable within 1 year with a floating interest rate of 2% per annum over the Hong Kong Interbank Offered Rate as determined by the bank for an interest period of 1 or 2 week(s) or 1, 2, or 3 month(s) on the first business day of such interest period (six months ended 30 September 2023: 2% to 2.3% per annum over the 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). Effective interest rate was 6.23% (six months ended 30 September 2023: 6.57%) during the six months ended 30 September 2024. The exposure of the bank borrowing to interest rate changes and the contractual repricing dates as at 30 September 2024 was within one year.

As at 30 September 2024, the Group repledged approximately HK\$115,499,000 (unaudited) (31 March 2024: HK\$106,137,000 (audited)) of the collateral from margin clients to secure the Group's loan facility related to bank borrowing.

As at 30 September 2024, the bank borrowing is secured by corporate guarantee of HK\$50,000,000 (unaudited) (31 March 2024: HK\$120,000,000 (audited)) given by the Company.

23. BONDS PAYABLE

	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
Bonds carried at fixed coupon rate of 5% per annum (note (a))	16,000	16,000
Bonds carried at fixed coupon rate of 8% per annum (note (b))	30,000	30,000
Bonds carried at fixed coupon rate of 10% per annum (note (c))	38,000	38,000
	84,000	84,000
Less: non-current portion	(46,000)	(64,000)
Current portion	38,000	20,000

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

23. BONDS PAYABLE (Continued)

Notes:

- (a) The Company issued 5% coupon unlisted bonds during the year ended 31 March 2024 with aggregate principal amount of HK\$5,000,000. The amounts were repayable within 48 months from the date of issue.

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, respectively. During the year ended 31 March 2024, HK\$44,000,000 was fully repaid.
- (c) The Company issued 10% coupon unlisted bonds during the year ended 31 March 2024 with the aggregate principal amount of HK\$38,000,000, of which HK\$18,000,000 was repayable within 24 months from date of issue and HK\$20,000,000 was repayable within 12 months from date of issue.

As at 30 September 2024, HK\$38,000,000 (unaudited) (31 March 2024: HK\$20,000,000 (audited)) is repayable within 12 months.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

24. SHARE CAPITAL

	Number of ordinary shares	Nominal value of ordinary shares HK\$'000
Authorised		
Ordinary shares of the Company of HK\$0.01 each		
As at 1 April 2023, 31 March 2024, 1 April 2024 (audited) and 30 September 2024 (unaudited)	10,000,000,000	100,000
Issued and fully paid		
As at 1 April 2023, 31 March 2024 and 1 April 2024 (audited)	1,453,956,350	14,539
Issue of shares upon placement (note (a))	64,370,000	644
As at 30 September 2024 (unaudited)	1,518,326,350	15,183

Notes:

- (a) On 21 March 2024, the Company entered into a placing agreement with placing agents pursuant to which the Company had conditionally agreed to place, through the placing agents on a best effort basis, up to 100,000,000 new shares of the Company at a placing price of HK\$3.50 per placing share to not less than six placees. The placing shares would be allotted and issued pursuant to the general mandate approved by the shareholders of the Company at the annual general meeting of the Company held on 11 September 2023. On 9 April 2024, the Company completed the placing of new shares totalling 64,370,000 under the general mandate at HK\$3.50 per share for a total consideration of approximately HK\$225,295,000. The net proceeds, after considering the share issuance expense of HK\$99,000, amounting to approximately HK\$225,196,000 of which HK\$644,000 was credited to the share capital account and approximately HK\$224,552,000 was credited to share premium account.
- (b) On 13 September 2024, the Company approved bonus issue of shares on the basis of one new share for every 50 existing ordinary shares held by the members on 25 September 2024. A total of 30,366,527 shares were issued on 10 October 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

25. RELATED PARTY TRANSACTIONS

(a) **Details of the transactions between the Group and its related parties are summarised below:**

Save as disclosed elsewhere in the interim condensed consolidated financial statements, the Group had the following significant transactions with related companies during six months ended 30 September 2024 and 2023:

	For the six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Advisory and management fee income (note (a))	9,473	–
Advisory fee income (note (b))	–	940
Management fee income (note (c))	1,936	454
Management fee expense (note (d) and (e))	1,200	31
Building management fee expense (note (f))	103	–
Income from financial guarantee issued (note (g))	844	–

Notes:

- (a) Advisory and management fee income of HK\$9,473,000 (six months ended 30 September 2023: nil) was received from Mr. Chen and his family during the six months ended 30 September 2024. The transaction constitutes continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in the directors' report.
- (b) Advisory fee income of HK\$940,000 was received from DLC Capital GP Limited, a company connected with the executive director during the six months ended 30 September 2023.
- (c) Management fee income of HK\$1,936,000 (six months ended 30 September 2023: HK\$454,000) was received from the limited partnership funds, companies controlled by the executive director, during the six months ended 30 September 2024.
- (d) Management fee expense of HK\$1,200,000 (six months ended 30 September 2023: nil) was paid to DL Family China (HK) Limited, a company incorporated in Hong Kong with limited liability and a directly wholly owned subsidiary of DL Family Office Limited, during the six months ended 30 September 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

25. RELATED PARTY TRANSACTIONS *(Continued)*

(a) **Details of the transactions between the Group and its related parties are summarised below:** *(Continued)*

Notes: *(Continued)*

- (e) Management fee expense of HK\$31,000 was paid to DL Family Office HK, an associate of the Group for its services provided as investment manager of the limited partnership funds during the six months ended 30 September 2023.
- (f) Building management fee expense of HK\$103,000 (six months ended 30 September 2023: nil) was paid to Asia Family Heritage Club Limited, a company incorporated in Hong Kong with limited liability and connected with executive director during the six months ended 30 September 2024.
- (g) On 12 April 2024, the guarantee agreements were entered into among the Company, as guarantor, five borrowers who are limited companies incorporated in BVI and being the investment vehicles wholly-owned by a limited partnership fund managed by a subsidiary of the Company, and Banco Delta Asia S.A., as the lender, pursuant to which the Company has agreed to provide guarantees of an aggregate maximum amount of HK\$180,000,000 for the borrowers' obligations.

Income from financial guarantee of HK\$844,000 (six months ended 30 September 2023: nil) was receivable from the limited partnership fund.

- (h) During the six months ended 30 September 2024, the Company and Carmel Reserve LLC, an investee of the Group, entered into several loan agreements, pursuant to which the Company agreed to provide unsecured loans total amounting to US\$2,450,000 (equivalents to approximately HK\$19,000,000) to Carmel Reserve LLC at an interest rate from 8% to 12% per annum and due from 2 months to one year. There is a repayment of US\$100,000 during the six months end 30 September 2024 and with outstanding balance US\$2,350,000 (equivalents to approximately HK\$18,000,000) as at 30 September 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

25. RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related party

	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
Trade receivables due from Mr. Chen and his family, net of ECL allowance	11,688	16,460
Amounts due from related parties:		
DL Family China	1,520	904
DL Family Office BVI	25,010	34,710
DL Global Holdings	2,471	2,507
Asia Family Heritage Club Limited*	–	26
DL Fund VCC*	–	91
	29,001	38,238
Amounts due to related parties:		
DL Family China	616	–
Asia Family Heritage Club Limited*	44	–
SH Delin Family Office*	1	–
	661	–

* Being related companies controlled by Mr. Chen and Ms. Jiang.

(c) Key management compensation

Key management includes directors (executive and non-executive), five highest paid individuals and other senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	For the six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Salaries, bonus and other short-term employee benefits	8,476	8,358
Equity-settled share-based payment	23	–
Pension costs – defined contribution plans	99	116
	8,598	8,474

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

26. CAPITAL COMMITMENTS

	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
Contracted but not provided for Capital injection to limited partnership funds	–	9,276

27. COMPARATIVE RESTATEMENT

Certain comparative figures in these interim condensed consolidated financial statements were reclassified to conform to current period's presentation.

As previously disclosed in the 2023/2024 Interim Report, the bank balances – trust under the current assets of the condensed consolidated statement of financial position was misclassified as part of cash and cash equivalents under the condensed consolidated statement of cash flows since it represents integral part of the Group's cash management. For the purpose of the condensed consolidated statement of cash flows presentation, cash and cash equivalents which are repayable on demand and form an integral part of the Group's cash management as disclosed in the accounting policy of the Group in the 2024 Annual Report. In current period, after considering the market practice regarding the presentation of statement of cash flows, the Company has excluded bank balances – trust as part of cash and cash equivalents under the condensed consolidated statement of cash flows. This re-presentation had no impact on the profit after tax or any line item in the condensed consolidated statement of financial position, however impacted condensed consolidated statement of cash flows.

After the re-presentation adjustment, net cash used in operating activities as part of the condensed consolidated statement of cash flows has decreased from HK\$215,138,000 to HK\$21,368,000 for the six months ended 30 September 2023 and cash and cash equivalents at the end of six months ended 30 September 2023 and at the beginning of six months ended 30 September 2024 as part of the condensed consolidated statement of cash flows has decreased from HK\$107,994,000 to HK\$57,585,000 and decreased from HK\$197,952,000 to HK\$39,842,000 respectively.

28. EVENT AFTER THE REPORTING PERIOD

On 13 September 2024, the Company was approved for bonus issue of shares on the basis of one new share for every 50 existing ordinary shares held by the members on 25 September 2024. A total of 30,366,527 shares were issued on 10 October 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the six months ended 30 September 2024 (the “Reporting Period”), despite the uncertainties cast on the global economic prospect by the international conflicts and other market events, the Group continued to expand its financial services of licensed business, including, but not limited to, financial advisory services; securities research services; securities trading and brokerage services; margin financing services; referral services; investment management and advisory services; insurance brokerage services to customers; and money lending services (the “Financial Services Businesses”).

During the Reporting Period, the Group recorded a decrease in revenue by approximately 18.1% to approximately HK\$83.0 million (six months ended 30 September 2023: HK\$101.3 million). Gross profit increased by approximately 22.4% to approximately HK\$62.3 million (six months ended 30 September 2023: HK\$50.9 million). The Group recorded a profit for the period of approximately HK\$7.7 million (six months ended 30 September 2023: profit for the period of HK\$7.0 million), representing an increase of approximately 10.0% as compared with the six months ended 30 September 2023.

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, but not limited to, communications, industrial, consumer, technology, and financial sectors, including, but not limited to, 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 in relation to our securities trading and brokerage and margin financing services.

The securities trading and brokerage services include trading securities on behalf of the clients of the Group.

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 30 September 2024, the loan receivables from margin financing services amounted to approximately HK\$76.2 million (31 March 2024: HK\$82.2 million).

MANAGEMENT DISCUSSION AND ANALYSIS

The referral services include (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 sector clients.

The investment management services mainly include managing the investment portfolio and asset allocation of offshore funds. The Group had a licensed entity in the Cayman Islands (the “Cayman Investment Manager”) and a licensed entity in Singapore (the “Singapore Investment Manager”) to provide investment management services in Cayman Islands and Singapore. The Group, through its indirect wholly-owned subsidiary, DL Family Office (HK) Limited, a licensed entity to carry out type 4 (advising on securities) and type 9 (asset management) regulated activities by the Securities and Futures Commission, perform its investment management services in Hong Kong. The investment advisory services include providing securities advisory services to clients. During the Reporting Period, the service fees charged by the Group for managing the assets under investment management in Cayman Islands and Singapore amounted to approximately HK\$7.8 million and HK\$1.8 million, respectively (six months ended 30 September 2023: HK\$13.5 million in total).

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 services fee charged by the Group for provision of insurance brokerage services amounted to approximately HK\$10.1 million (six months ended 30 September 2023: HK\$6.5 million).

Segment revenue from the provision of financial services of licensed business decreased from approximately HK\$78.4 million for the six months ended 30 September 2023 to approximately HK\$48.5 million during the Reporting Period mainly due to the macroeconomic headwinds and geopolitical uncertainties in the region. As a result, there were significant pushbacks to both the number of deal transactions and deal volumes during the Reporting Period. Nonetheless, the segment profit increased from approximately HK\$1.5 million for the six months ended 30 September 2023 to approximately HK\$12.4 million during the Reporting Period mainly due to changes in the deal structures and the higher gross profit margin for the deals conducted during the Reporting Period.

Provision of family office services business

The family office services include provision of family office services, investment advisory, assets management services and referral services to ultra-high net worth families. On 28 November 2023, the Group completed the acquisition of the remaining 55% interest in DL Family Office (HK) Limited and commenced the provision of family office services business. During the Reporting Period, the segment revenue for the provision of family office services was approximately HK\$20.5 million and segment profit was approximately HK\$0.9 million.

MANAGEMENT DISCUSSION AND ANALYSIS

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\$6.0 million (six months ended 30 September 2023: HK\$8.3 million), and segment profit for the Reporting Period was approximately HK\$3.5 million (six months ended 30 September 2023: HK\$2.6 million). The decrease of segment revenue was mainly attributable to the decrease in loan and interest receivables from money lending services, resulting in a decrease in interest received or accrued. The increase in the segment profit was mainly attributable to the reversal of the expected credit loss on receivables recorded during the Reporting Period.

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

The sale 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 (the "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 amounted to approximately HK\$1.8 million (six months ended 30 September 2023: HK\$2.6 million), and the segment loss for the Reporting Period was approximately HK\$1.7 million (six months ended 30 September 2023: HK\$3.3 million). The Apparel Business continued to suffer from challenges in the global business environment and fierce competition and international trade conflicts, and the business environments remain very challenging.

Provision of enterprise solutions services

The Group's enterprise solutions services business includes provision of global identity planning and wealth inheritance consultancy services, and other business consultancy services to high net-worth clients. During the Reporting Period, our enterprise solutions services business contributed segment revenue of approximately HK\$6.2 million (six months ended 30 September 2023: HK\$12.0 million) and recorded a segment loss of approximately HK\$4.9 million (six months ended 30 September 2023: segment profit of HK\$6.3 million).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW REVENUE

During the Reporting Period, the Group reported revenue of approximately HK\$83.0 million, representing a decrease of approximately 18.1% from approximately HK\$101.3 million for the six months ended 30 September 2023. The decrease was mainly attributable to the decrease in revenue from the provision of financial services of licensed business.

During the Reporting Period, the segment revenue for provision of financial services of licensed business decreased by approximately 38.1% to approximately HK\$48.5 million (six months ended 30 September 2023: HK\$78.4 million). The decrease was mainly attributable to the decrease in revenue from financial advisory services in relation to placing of securities and corporate finance advisory services due to the macroeconomic headwinds and geopolitical uncertainties.

During the Reporting Period, the segment revenue from the provision of family office services amounted to approximately HK\$20.5 million.

During the Reporting Period, the segment revenue of the money lending services amounted to approximately HK\$6.0 million (six months ended 30 September 2023: HK\$8.3 million).

During the Reporting Period, the segment revenue for the Apparel Business decreased to approximately HK\$1.8 million (six months ended 30 September 2023: HK\$2.6 million). The Apparel Business continued to suffer from challenges in the global business environment and fierce competition and international trade conflicts, and the business environments remain very challenging.

During the Reporting Period, the segment revenue of enterprise solutions services amounted to approximately HK\$6.2 million (six months ended 30 September 2023: HK\$12.0 million).

Cost of sales/services

The Group's cost of sales/services primarily consists of cost of goods sold from the Apparel Business and cost of services from the Financial Services Businesses.

The cost 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 costs of services from the Financial Services Businesses mainly consist of sub-referral fee to business vendors and expenses for placement projects.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the cost of sales/services decreased by approximately 58.7% to approximately HK\$20.8 million (six months ended 30 September 2023: HK\$50.4 million). Such decrease was primarily attributable to the significant decrease in cost of services by the provision of financial services of licensed business.

Gross profit and gross profit margins

During the Reporting Period, the gross profit of the Group increased by approximately 22.4% to approximately HK\$62.3 million (six months ended 30 September 2023: HK\$50.9 million), which was mainly attributable to the gross profit contribution from the provision of family office services. During the Reporting Period, the gross profit margin of the Group increased to approximately 75.0%, as compared to approximately 50.2% for the six months ended 30 September 2023, which was mainly attributable to the higher gross profit margin from the provision of family office services.

Other gains, net

During the Reporting Period, the Group recorded other gains, net of approximately HK\$30.9 million (six months ended 30 September 2023: other gains, net of HK\$7.5 million). The increase is mainly attributable to the fair value gain on financial assets at fair value through profit or loss ("FVTPL") of approximately HK\$29.3 million (six months ended 30 September 2023: HK\$5.5 million).

Selling expenses

Selling expenses 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 in the Apparel Business. During the Reporting Period, selling expenses decreased by approximately 99.6% to approximately HK\$2,000 (six months ended 30 September 2023: HK\$0.5 million). The decrease was mainly attributable to the decrease in sales commission incurred.

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. During the Reporting Period, general and administrative expenses increased by approximately 28.5% to approximately HK\$63.1 million (six months ended 30 September 2023: HK\$49.1 million). The increase was mainly attributed to the increase in employee benefit expenses and amortization of intangible assets and depreciation of right-of-use assets during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance costs

During the Reporting Period, finance costs increased by approximately 283.6% to approximately HK\$23.4 million (six months ended 30 September 2023: HK\$6.1 million). The increase was mainly attributed to the early repayment of promissory note and the increase in the interest expenses on bank borrowing, bonds payable and promissory notes during the Reporting Period.

Income tax expense

During the Reporting Period, income tax expense amounted to approximately HK\$0.6 million (six months ended 30 September 2023: HK\$0.6 million).

Profit for the period

Profit for the period amounted to approximately HK\$7.7 million (six months ended 30 September 2023: profit for the period of HK\$7.0 million), representing an increase of approximately 10.0% as compared with the six months ended 30 September 2023.

LIQUIDITY AND FINANCIAL RESOURCES

During the Reporting Period, the Group mainly financed its operations with its own working capital, proceeds from bank borrowing, corporate bonds, and promissory notes. As at 30 September 2024, the Group had net current assets of approximately HK\$228.8 million (31 March 2024: HK\$255.6 million), including cash and cash equivalents of approximately HK\$45.2 million (31 March 2024: HK\$39.8 million). As at 30 September 2024, the Group's current ratio was 1.86 (31 March 2024: 1.75).

As at 30 September 2024, the Group had bank borrowing of approximately HK\$50.0 million (31 March 2024: HK\$51.0 million) at a floating interest rate of 2% (31 March 2024: 2% to 2.3%) per annum over the Hong Kong interbank offered rate. The bank borrowing is denominated in Hong Kong Dollars and is repayable within one year and secured by the corporate guarantee given by the Company.

As at 30 September 2024, the aggregate principal amounts of promissory notes issued by the Group amounted to approximately HK\$36.2 million (31 March 2024: HK\$171.6 million), with interest rates of 8% to 10% (31 March 2024: 8%-10%) per annum, which are denominated in Hong Kong and United States Dollars and shall be repayable within one year.

As at 30 September 2024, the Group had unlisted coupon bonds in issue to independent third party subscribers with an aggregate principal amount of HK\$84.0 million (31 March 2024: HK\$84.0 million). The unlisted bonds are denominated in Hong Kong Dollars and unsecured and not guaranteed.

MANAGEMENT DISCUSSION AND ANALYSIS

The coupon rate and maturity date of the unlisted coupon bonds issued by the Group as at 30 September 2024 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\$5 million	Within 48 months from the date of issue	5%
(3) HK\$30 million	Within 60 months from the date of issue	8%
(4) HK\$18 million	Within 24 months from the date of issue	10%
(5) HK\$20 million	Within 12 months from the date of issue	10%

As at 30 September 2024, the cash and cash equivalents of the Group were mainly held in Hong Kong Dollars, Renminbi, United States Dollars and Singapore Dollars.

Gearing ratio is calculated by dividing total debts (including bonds payable, promissory note, bank borrowing, and lease liabilities) by total equity as at the end of the Reporting Period. The Group's gearing ratio decreased from approximately 58.9% as at 31 March 2024 to approximately 29.0% as at 30 September 2024 which was mainly attributable to net repayment of the Group's debts.

TREASURY POLICIES

The Group adopts prudent treasury policies. The Group's management performs ongoing credit evaluation of the financial conditions of the customers in order to reduce the Group's exposure of credit risk. Besides, 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 related to capital injection to a limited partnership fund. As at 30 September 2024, the Group had no capital commitments (31 March 2024: approximately HK\$9.3 million).

CAPITAL STRUCTURE

As at 30 September 2024, the capital structure of the Group consisted 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.

MANAGEMENT DISCUSSION AND ANALYSIS

SIGNIFICANT INVESTMENTS

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, the honorary chairman of the Board and non-executive Director who resigned with effect from 20 April 2023 and Mr. Chen Ningdi, the chairman of the Board (the “Chairman”), the executive Director and chief executive officer of the Company (the “Chief Executive Officer”). 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. As at 30 September 2024, the Group held 26.65% of the non-voting class B membership interest in the Target Company.

The Target Company is principally engaged in the investment, construction and development of an ultra-luxury real estate project. The investment of the Group in the Target Company is stated at fair value and is recorded as financial assets at FVTPL. As at 30 September 2024, the fair value of the investment in the Target Company amounted to approximately HK\$142.7 million (31 March 2024: HK\$115.2 million), which represents approximately 13.3% of the total assets of the Group as at 30 September 2024. No dividend was received from this investment by the Group during the Reporting Period. During the Reporting Period, there is a fair value gain of approximately HK\$27.5 million (six months ended 30 September 2023: fair value gain of approximately HK\$3.7 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 is 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 30 September 2024, the Group had no significant investment accounting for more than 5% of the Group’s total assets.

The Group adopts prudent and pragmatic investment strategies over its significant investments 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.

MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 17 July 2024, (a) DL Holdings (Japan) Limited (“DLJP”) (as issuer), a company owned as to 100% by Mr. Chen Ningdi, and (b) Instant Glad Investments Limited (a wholly-owned subsidiary of the Company), GOTOU Co., Ltd.* (五島株式會社) and HIJIRI PARTNERS Co., Ltd.* (ヒジリパートナーズ株式會社) (collectively as the “DLJP Subscribers”), entered into a subscription agreement, pursuant to which the DLJP Subscribers have conditionally agreed to subscribe for, and DLJP has conditionally agreed to allot and issue, the subscription shares, representing 87.5% of the issued share capital of DLJP as enlarged by the allotment and issue of the subscription shares, at the aggregate subscription price of JPY140 million (equivalent to approximately HK\$7 million) (the “DLJP Subscription”).

DLJP is principally engaged in, among others, property investment and the major asset and activity of DLJP is investment in a property located in Tokyo, Japan held by DLJP and the leasing thereof.

The completion took place on 29 November 2024. Upon completion, DLJP is indirectly owned as to 62.5% by the Company and has become an indirect non-wholly owned subsidiary of the Company, and the financial results of DLJP will be consolidated into the accounts of the Group.

For further details, please refer to the announcements of Company dated 17 July 2024 and 29 November 2024.

Save as 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

Save as disclosed in this interim report, there was no further specific plan for material investments or capital assets as at 30 September 2024. 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 30 September 2024 (31 March 2024: nil).

FOREIGN EXCHANGE EXPOSURE

The Group’s exposure to currency risk is primarily related to Renminbi, United States dollars, Singapore dollars and Japanese Yen. As at 30 September 2024, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

CHARGES ON GROUP ASSETS

As at 30 September 2024, the Group did not pledge any of its assets (31 March 2024: nil) as securities for any facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2024, the Group employed a total of 92 (31 March 2024: 85) fulltime employees. The Group's employee benefit expenses mainly included salaries, wages, other staff benefits and contributions to retirement schemes. For the Reporting Period, the Group's total employee benefit expenses (including Directors' emoluments) amounted to approximately HK\$33.9 million (six months ended 30 September 2023: HK\$22.3 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. In addition to 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 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.

FUTURE PROSPECTS

In respect of the Financial Services Businesses, it remained to be a major contributing factor to the revenue for the Reporting Period recorded by the Group. 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. The Group's developing strategy is as below:

1. Based on the financial advisory services provided through DL Family Office (HK) Limited, DL Emerald Wealth Management Limited and DL Advisory Services Limited, the Group provides personalised wealth management and succession services throughout the entire life cycle for ultra-high net worth families.
2. DL Securities (HK) Limited ("DL Securities") will continue to serve the Group's increasing key corporate clients and expand its investor base for capital market activities.
3. DL Digital Family Office (HK) Limited ("DL Digital FO") and DL Securities have developed a standardised investment scheme ("Flagship Strategy") for all investors under DL Securities trading platform, where the Group is 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 investment and services under the family office division will not be limited to ultra-high net worth families but can be extended to other range of investors under a more standardised and scalable Flagship Strategy program. DL Digital FO will also develop other asset management products and offer them to the Group's increasing investor pool.

MANAGEMENT DISCUSSION AND ANALYSIS

- DL New Economy Research Institute (the “Institute”) is established to promote the institutionalisation, programming, systematisation and professionalism of internal research, providing recommendations and valuable reference for the overall investment direction of the Group. Internally, the Institute will provide reports, consultation and services based on the needs of research from different departments. Externally, the Institute will launch extensive inter-industry cooperation to expand the influence of the think-tank and provide services such as macroeconomic trends and specialised industry analysis for the family office customers of the Group. The Group will provide research results of the wealth management industry both internally and externally in the form of a think-tank to provide advice and suggestions for the government and the development of the industry. The Institute will fully leverage on the market and information advantages of Hong Kong as an international financial center as well as the business platform of the Group, actively put into practice the Group’s philosophy of “Delivering Legacy”, employ competent think-tanks and talent teams, and strengthen the application and promotion of the brand name of “DL Research”, to solidly promote and enhance the Group’s research capability and customer service level.
- The business of DL Global Capital (“DLGC”) includes, but not limited to ONE Carmel, ONE Plus Property Management, and private equity and credit funds. DLGC provides clients with private investment opportunities through debt and equity instruments. ONE Carmel is a luxury real estate project of 891 acres with 73 world-class houses and global community services located in the breathtaking Carmel Valley, California. After years of hard work, the first phase of the project is expected to be completed in the first quarter of 2025.

DLGC will also continue to explore investment opportunities in Hong Kong, Singapore, Japan and the United States in both equity and credit nature.

AI Services Upgrade in Securities

Reference is made to the Company’s announcement dated 4 October 2024.

DL Digital FO intends to upgrade and enhance its service offerings through the introduction of face-to-face AI digital humans as its brand representatives, targeting professional investors as its core clientele with a self-built database, who may provide registered users with 24/7 access to global macroeconomic analysis, market insights, and other services. In the future, it will also gradually introduce a selection of 150,000 top-performing funds for investors to choose from, with a goal of reaching over 100,000 high-net-worth professional investors across the Asia-Pacific region.

Established in 2011, DL Securities is committed to offering a comprehensive suite of financial services to high-net-worth individuals and corporate clients in Asia, including, but not limited to, securities trading, financial advisory, investment research and professional investment advisory services.

MANAGEMENT DISCUSSION AND ANALYSIS

At present, DL Securities serves 700 enterprise clients and ultra-high-net-worth individuals and has taken part in numerous IPOs, financing, placements and other investment banking activities, which has earned it a good reputation and growth potential in the Hong Kong capital market.

To further leverage on the AI capability of DL Digital FO, it is proposed that DL Digital FO will comprehensively empower DL Securities subject to fulfillment of the necessary regulatory requirements and/or the obtainment of regulatory approvals where necessary: First, DL Securities' existing clients will have free access to DL Digital FO's AI digital human services, which is equivalent to having a dedicated digital family office for each securities client. Second, the range of investment products available to existing clients of DL Securities will be significantly expanded to encompass global financial products for family office clients. Third, DL Digital FO will leverage digital technology to help DL Securities significantly streamline the account opening process, reduce customer acquisition costs and substantially enhance customer loyalty and engagement.

With the growing competition in the traditional securities sector, it has become increasingly difficult to attract customers through cost reduction. DL Securities intends to take a different approach by providing clients with premium products and services that are traditionally available only to family offices, allowing every individual to access their own family office through AI technology. With the empowerment of AI technology, DL Securities will experience a significant improvement in customer loyalty, service capabilities and customer base.

Through unwavering efforts, DL Digital FO strives to differentiate itself from other market players by developing face-to-face AI digital humans, which focuses not on intelligent investment advisory but rather on intelligent customer service, which is the most time-consuming, labor-intensive and costly aspect of the traditional financial industry.

As DL Digital FO's fellow subsidiary, subject to compliance with all relevant regulatory requirements, it is intended that DL Securities will be the first to reap the benefits, streamlining the account opening process of DL Securities and clients will have access to investment products for family offices and will also be able to use the AI digital humans developed by DL Digital FO. Investors in fund products will also receive trailer commission rebates as a reward.

The Board believes that, upon successful implementation of the intended business strategy, DL Digital FO's AI technology and digital human services will hold a leading position in the industry. When combined with the current scale and service demands of the securities business, this will not only greatly enhance customer experience and service offerings with reduced communication costs and increased customer loyalty, but also provide securities clients with higher-end family office products, creating a distinctive investment bank with added value.

MANAGEMENT DISCUSSION AND ANALYSIS

In addition, DL Securities will share resources with DL Digital FO. By expanding the database, the AI performance of DL Digital FO will be further enhanced, which will showcase the Group's ability to unify and integrate internally, improve service quality, reduce costs and expand its presence, enabling a faster increase in both customer base and management scale.

The intended business strategy outlined above is subject to DL Digital FO' and DL Securities' compliance with the necessary regulatory requirements and/or the obtainment of regulatory approvals where necessary, and the said entities of the Group will engage in ongoing communication with the relevant regulatory authorities to facilitate the effective implementation of the plan.

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 optimizing the use of the Group's resources in the interests of the Company thereby bringing maximum return to the shareholders of the Company.

On the other hand, the global economy uncertainty and international conflict had been imposing pressure on 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 lowering 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, the Group continued to record gross loss position for the Apparel Business segment. 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.

SUBSEQUENT EVENTS

On 13 September 2024, the Company approved bonus issue of shares on the basis of one new share for every 50 existing ordinary shares held by the members on 25 September 2024. A total of 30,366,527 shares were issued on 10 October 2024.

Save as disclosed, since 30 September 2024 and up to the date of this interim report, there is no significant event affecting the Group that have occurred.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES, AND DEBENTURES

As at 30 September 2024, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571. Laws of Hong Kong)) (the "SFO"), as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were deemed or taken to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules, were as follows:

Long positions

Name of Director(s)	Capacity/nature of interest	Number of Shares	Approximate percentage of interest in the Company (Note 1)
Mr. Chen Ningdi ("Mr. Chen")	Interest of controlled corporation	535,808,134 (Note 2)	35.29%
	Interest of spouse	226,328,299 (Note 3)	14.91%
	Beneficial owner	17,791,666 (Note 2)	1.17%
Mr. Chan Kwan	Beneficial owner	26,171,667 (Note 4)	1.72%
Mr. Ai Kuiyu ("Mr. Ai")	Beneficial owner	6,108,133 (Note 5)	0.40%
	Interest of spouse	559,166 (Note 5)	0.04%
Mr. Lang Joseph Shie Jay ("Mr. Lang")	Beneficial owner	4,500,000 (Note 6)	0.30%
	Interest of spouse	1,427,400 (Note 6)	0.09%
Ms. He Zhiying ("Ms. He")	Beneficial owner	6,054,874 (Note 7)	0.40%
Mr. Li Xiaoxiao ("Mr. Li")	Beneficial owner	210,000 (Note 8)	0.01%

OTHER INFORMATION

Notes:

1. Based on the total number of issued Shares as at 30 September 2024.
2. DA Wolf Investments I Limited (“DA Wolf”) directly owned 535,808,134 Shares, representing approximately 35.29% of all issued Shares as at 30 September 2024. Mr. Chen being the sole shareholder of DA Wolf was deemed to be interested in the total of 535,808,134 Shares held by DA Wolf. Mr. Chen also held 17,791,666 Shares as beneficial owner.
3. Rapid Raise Investments Limited (“Rapid Raise”), a company wholly owned by DL Family Office Global Limited (“DL Global”) as at 30 September 2024, of which approximately 30% of the issued share capital was held by Mr. Chen and approximately 36.6% of the issued share capital was held by Ms. Jiang Xinrong (“Ms. Jiang”), directly held 226,124,966 Shares, representing approximately 14.89% of all issued Shares as at 30 September 2024. Accordingly, Ms. Jiang was deemed to be interested in the 226,124,966 Shares held by Rapid Raise. Ms. Jiang also held 203,333 Shares as beneficial owner. By virtue of the SFO, Mr. Chen, being the spouse of Ms. Jiang, was deemed to be interested in all Shares held by Ms. Jiang.
4. These 26,171,667 Shares represented the Shares beneficially owned by Mr. Chan Kwan.
5. These 6,108,133 Shares represented the Shares beneficially owned by Mr. Ai. These 559,166 Shares represented the Shares held by the spouse of Mr. Ai. By virtue of the SFO, Mr. Ai was deemed to be interested in those Shares.
6. These 4,500,000 Shares represented 4,500,000 share options granted to Mr. Lang pursuant to the Share Option Scheme. These 1,427,400 Shares represented the Shares held by the spouse of Mr. Lang. By virtue of the SFO, Mr. Lang was deemed to be interested in those Shares.
7. These 6,054,874 Shares represented 3,554,874 Shares held by Ms. He and 2,500,000 share options granted to Ms. He pursuant to the Share Option Scheme.
8. These 210,000 Shares represented the Shares beneficially owned by Mr. Li.

Save as disclosed above, as at 30 September 2024, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as the Directors and chief executive of the Company are aware, at 30 September 2024, the interests or short positions of the corporations or persons (other than a Director or chief executive of the Company) in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO were as follows:

Long positions

Name	Capacity/nature of interest	Number of Shares interested in or deemed to be interested	Approximate percentage of interest in the Company (Note 1)
DA Wolf	Beneficial owner	535,808,134 (Note 2)	35.29%
Ms. Jiang	Interest of spouse	553,599,800 (Note 2)	36.46%
	Interest of controlled corporation	226,124,966 (Note 3)	14.89%
	Beneficial owner	203,333 (Note 3)	0.01%
DL Family Office Global Limited	Interest of controlled corporation	226,124,966 (Note 3)	14.89%
Rapid Raise Investments Limited ("Rapid Raise")	Beneficial owner	226,124,966 (Note 3)	14.89%
Mr. Li Ren ("Mr. Li")	Beneficial owner	120,873,533 (Note 4)	7.96%

Notes:

1. Based on the total number of issued Shares as at 30 September 2024.
2. Please refer to note 2 to the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares, and Debentures" in this report for details. By virtue of the SFO, Ms. Jiang, being the spouse of Mr. Chen, was deemed to be interested in all Shares held by Mr. Chen.
3. Please refer to note 3 to the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares, and Debentures" in this report for details.
4. These 120,873,533 Shares represented the Shares beneficially owned by Mr. Li.

OTHER INFORMATION

Save as disclosed above, as at 30 September 2024, no person, other than a Director or chief executive of the Company, whose interests are set out in the section “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares, and Debentures” above, had registered an interest or short position in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO.

CORPORATE GOVERNANCE PRACTICES

The Company’s corporate governance practices are based on principles and code provisions as set out in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the “CG Code”). 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 Reporting Period, Mr. Chen Ningdi performed his duties as both the Chairman and Chief Executive Officer. 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 who meet 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 and Chief Executive Officer is beneficial to the business prospects of the Group.

Save as disclosed above, the Company was in compliance with all code provisions set out in the CG Code during the Reporting Period.

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 as set out in Appendix C3 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 Reporting Period.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: nil).

OTHER INFORMATION

SHARE OPTION SCHEME

A share option scheme was adopted and approved by the then Shareholders on 22 September 2015 (as amended from time to time) (the “Share Option Scheme”). 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 Reporting Period, the Company did not grant any share options under the Share Option Scheme. As at 30 September 2024, the Company had 26,600,000 share options (31 March 2024: 26,600,000 share options) outstanding under the Share Option Scheme.

Details of movements in the share options under the Share Option Scheme during the Reporting Period are as follows:

Category and name of grantee	Date of grant	Outstanding as at 1 April 2024	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Outstanding as at 30 September 2024	Exercise price per Share	Closing price per Share prior to the grant of share options	Weighted average closing price of Share before date of exercise of options	Exercise period
Directors											
Mr. Lang Joseph Shie Jay (Note 1)	24 March 2023	4,500,000	-	-	-	-	4,500,000	HK\$2.70	HK\$2.69	N/A	24 March 2024 to 23 March 2026
Ms. He (Note 2)	24 March 2023	2,500,000	-	-	-	-	2,500,000	HK\$2.70	HK\$2.69	N/A	24 March 2024 to 23 March 2026
Employee(s) of the Group	24 March 2023	19,600,000	-	-	-	-	19,600,000	HK\$2.70	HK\$2.69	N/A	24 March 2024 to 23 March 2026
Total		26,600,000	-	-	-	-	26,600,000				

OTHER INFORMATION

Notes:

1. Mr. Lang is an executive Director.
2. Ms. He is an executive Director.

No share options were granted or exercised or cancelled or lapsed during the Reporting Period.

SHARE AWARD SCHEME

A share award scheme was adopted by the Company on 8 September 2020 (as amended from time to time) (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, 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 Reporting Period, the Company granted 350,000 shares under the Share Award Scheme. As at 30 September 2024, the Company had 64,804,400 shares held under the Share Award Scheme (31 March 2024: 64,799,916).

On 2 September 2024, the Share Award Scheme has been terminated having considered (i) the Company historically granted far more share options under the Share Option Scheme than share awards under the Share Award Scheme and (ii) the costs for administrating the Share Option Scheme were lower than the costs for administrating the Share Award Scheme; and (iii) the cash flow requirement to maintain the Share Award Scheme is more onerous than that compared to the Share Option Scheme.

OTHER INFORMATION

Upon termination of the Share Award Scheme, no further award shares may be granted thereunder, while the award shares already granted before the termination shall remain valid and continue to be held by the trustee and become vested according to the conditions of the awards and in accordance with the Share Award Scheme. As at 30 September 2024, the Company had 200,000 outstanding unvested share awards granted under the Share Award Scheme.

On 15 October 2024, the 66,100,488 Shares remaining in the trust fund originally held by the trustee under the Share Award Scheme were transferred to the Company, and being held as treasury shares of the Company.

For further details, please refer to the announcement and next day disclosure return of the Company dated 2 September 2024 and 15 October 2024 respectively.

Details of movements in the awarded shares under the Share Award Scheme during the Reporting Period are as follows:

Category	Date of grant	Vesting period	Number of awarded shares						Unvested awarded shares as at 30 September 2024	Purchase price	Closing price per Share immediately before the date of grant during the period	Fair value of awards per Share at the date of grant during the period (Note 1)
			Unvested awarded shares as at 1 April 2024	Granted during the period (Note 2)	Vested during the period	Cancelled during the period	Lapsed during the period	Unvested awarded shares as at 30 September 2024				
Director												
Ms. He (Note 3)	24 April 2024	Nil	-	10,000	(10,000)	-	-	-	-	HK\$4.52	HK\$4.431	
Employee(s) of the Group												
	29 September 2023	29 September 2023 to 29 September 2024	354,484	-	-	-	(354,484)	-	-	HK\$3.50	HK\$3.50	
	17 April 2024	17 April 2024 to 17 April 2025	-	200,000	-	-	-	200,000	-	HK\$4.52	HK\$4.147	
	24 April 2024	Nil	-	140,000	(140,000)	-	-	-	-	HK\$4.23	HK\$4.431	
Total			354,484	350,000	(150,000)	-	(354,484)	200,000				

OTHER INFORMATION

Notes:

1. The fair value of the awarded shares was calculated based on the market price of the Shares at the respective grant date. The Group has adopted the accounting standard in accordance with HKFRS 2 – Share-based Payment.
2. There are no performance targets attached to the awards granted during the Reporting Period.
3. Ms. He is an executive Director.

As at 30 September 2024 and up to the date of this report, the number of Shares available for future issue under all scheme mandates (including the Share Option Scheme) is 116,062,100 (31 March 2024: 116,057,616), representing approximately 7.83% of the issued share capital of the Company as at the date of this report. The number of Shares that may be issued in respect of options and awards granted under all scheme mandates (including the Share Option Scheme and Share Award Scheme) during the Reporting Period divided by the weighted average number of Shares in issue (excluding treasury shares) for the Reporting Period is approximately 1.81%.

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

During the Reporting Period, the Company and its subsidiaries did not purchase, sell or redeem any of its Shares (including sale of treasury shares) listed on the Stock Exchange.

ISSUE OF SECURITIES AND USE OF PROCEEDS

On 21 March 2024 (after trading hours), the Company (as issuer) entered into a placing agreement with DL Securities (HK) Limited (an indirect wholly-owned subsidiary of the Company) and Soochow Securities International Brokerage Limited (an independent third party) (collectively, referred to as the "Placing Agents"), pursuant to which, the Placing Agents conditionally agreed to place as the Company's placing agents on a best effort basis the placing Shares of up to an aggregate of 100,000,000 new Shares to not less than six places at the placing price of HK\$3.50 per placing Share.

On 9 April 2024, the Company has successfully placed a total of 64,370,000 placing Shares under the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 11 September 2023. The net proceeds (after deducting the placing commission, professional fees and all other related expenses which may be borne by the Company) from the placing were approximately HK\$223.7 million.

In order to better utilise the financial resources of the Company and to capture favourable investment opportunities, the Board has reviewed and resolved on 17 July 2024 to reallocate part of the unutilised net proceeds of approximately HK\$5 million from the placing for the DLJP subscription.

For further details, please refer to the announcements of the Company dated 21 March 2024, 9 April 2024 and 17 July 2024.

OTHER INFORMATION

As at 30 September 2024, the net proceeds had been fully applied according to the intentions previously disclosed as follows:

	Original allocation of the net proceeds	Utilised amount of the net proceeds as at 17 July 2024	Unutilised net proceeds as at 17 July 2024	Revised allocation of the unutilised net proceeds as at 17 July 2024	Utilised net proceeds during the period from 17 July 2024 to 30 September 2024	Unutilised net proceeds as at 30 September 2024	Expected date of full utilisation of the unutilised net proceeds
	HK\$'million	HK\$'million	HK\$'million	HK\$'million	HK\$'million	HK\$'million	
(i) Repayment of debt	130.00	130.00	–	–	–	–	NA
(ii) Indirect investment in DL Tower	35.00	35.00	–	–	–	–	NA
(iii) Investment in funds including but not limited to multi-strategy funds and limited partnership funds in Hong Kong	15.00	15.00	–	–	–	–	NA
(iv) Investment in our ONE Carmel premier residential project located in United States	15.00	15.00	–	–	–	–	NA
(v) Investment, research and development of our AI family office system (DL-GPT)	10.00	5.00	5.00	–	–	–	NA
(vi) Investment in IT facilities and upgrading the IT system	5.00	3.32	1.68	1.68	1.68	–	NA
(vii) Replenishing the working capital of the Group	13.70	13.70	–	–	–	–	NA
(viii) Investment in Japan through the DLJP subscription	–	–	–	5.0	5.0	–	NA
	223.70	217.02	6.68	6.68	6.68	–	

CHANGE IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors subsequent to the date of the annual report of the Company for the year ended 31 March 2024 are set out below:

Directors

Details of changes

Mr. Chan Kwun Wah Derek

Resigned as a non-executive director of Plateau Treasures Limited (formerly known as GT Steel Construction Group Limited), whose shares are listed on GEM of the Stock Exchange (stock code: 8402), with effect from August 2024

Mr. Chang Eric Jackson

Resigned as an independent non-executive director of Datang Group Holdings Limited, whose shares were listed on the main board of Stock Exchange (previous stock code: 2117) and delisted in October 2024, with effect from September 2024

OTHER INFORMATION

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 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.

For the Reporting Period, the Audit Committee consisted of three 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 unaudited condensed consolidated financial statements of the Company for the Reporting Period have been reviewed by the Audit Committee. BDO Limited, the Group’s auditor, has carried out a review of the Group’s unaudited condensed consolidated financial statements for the Reporting Period, which is prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

By order of the Board
DL Holdings Group Limited
Chen Ningdi

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 27 November 2024