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DL HOLDINGS GROUP LIMITED

德林控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1709)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

The board (the “**Board**”) of directors (the “**Directors**”) of DL Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the audited consolidated results of the Group for the year ended 31 March 2024 together with the comparative audited figures for the preceding financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue	4	202,353	191,116
Cost of sales/services	6	<u>(71,896)</u>	<u>(88,476)</u>
Gross profit		<u>130,457</u>	<u>102,640</u>
Other gains/(losses), net	5	99,343	(37,669)
Selling expenses	6	(1,298)	(1,854)
General and administrative expenses	6	(111,053)	(96,015)
Expected credit loss of receivables, net	6	(8,363)	(1,660)
Share of profit of an associate		<u>8,492</u>	<u>1,197</u>
Operating profit/(loss)		117,578	(33,361)
Finance income	8	3,254	715
Finance costs	8	<u>(15,995)</u>	<u>(11,113)</u>
Finance costs, net		<u>(12,741)</u>	<u>(10,398)</u>

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Profit/(Loss) before income tax		104,837	(43,759)
Income tax expense	9	<u>(4,934)</u>	<u>(5,418)</u>
Profit/(Loss) for the year		99,903	(49,177)
Other comprehensive expense, including reclassification adjustments			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		<u>(131)</u>	<u>(289)</u>
Other comprehensive expense for the year, including reclassification adjustments		<u>(131)</u>	<u>(289)</u>
Total comprehensive income/(expense) attributable to the owners of the Company for the year		<u>99,772</u>	<u>(49,466)</u>
Earnings/(Loss) per share attributable to owners of the Company <i>(expressed in HK cents per share)</i>			
- Basic	<i>11.1</i>	7.17	(3.52)
- Diluted	<i>11.2</i>	<u>7.12</u>	<u>(3.52)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	12	2,546	2,058
Right-of-use assets		446	4,776
Intangible assets		96,046	12,248
Goodwill		226,430	19,397
Deferred tax assets		321	256
Deposits	14	–	140
Financial assets at fair value through profit or loss	13	152,653	133,686
Interest in an associate		–	64,197
		<u>478,442</u>	<u>236,758</u>
Current assets			
Trade and other receivables, prepayments and deposits	14	267,970	146,997
Loan and interest receivables	15	132,068	183,248
Bank balances – trust		158,110	244,179
Cash and cash equivalents		39,842	83,504
		<u>597,990</u>	<u>657,928</u>
Current liabilities			
Trade and other payables	17	226,068	263,328
Promissory notes		36,163	14,856
Bank borrowing	18	51,000	50,000
Bonds payable	19	20,000	64,000
Lease liabilities		468	4,140
Income tax payable		8,655	21,224
		<u>342,354</u>	<u>417,548</u>
Net current assets		<u>255,636</u>	<u>240,380</u>
Total assets less current liabilities		<u>734,078</u>	<u>477,138</u>

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current liabilities			
Promissory notes		135,388	–
Bonds payable	<i>19</i>	64,000	41,000
Lease liabilities		–	390
Deferred tax liability		13,725	–
		<u>213,113</u>	<u>41,390</u>
Net assets		<u>520,965</u>	<u>435,748</u>
Equity			
Share capital	<i>16</i>	14,539	14,539
Other reserves		217,184	228,116
Retained earnings		289,242	193,093
Total equity		<u>520,965</u>	<u>435,748</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

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

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

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

The consolidated financial statements for the year ended 31 March 2024 were approved for issue by the board of Directors on 26 June 2024.

2. BASIS OF PREPARATION

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

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

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

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

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

3. ADOPTION OF NEW AND AMENDED HKFRSs

New and amended HKFRSs that are effective for annual periods beginning on 1 April 2023

In the current year, the Group has applied for the first time the following amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2023:

HKFRS 17	Insurance Contracts and related amendments
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

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

Issued but not yet effective HKFRSs

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 ¹
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ¹
Amendments to HKAS 21	Lack of exchangeability ²

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

² Effective for annual periods beginning on or after 1 January 2025

³ Effective date not yet determined

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

New HKICPA guidance on the accounting implication of the MPF-LSP offsetting mechanism

In June 2022, the Hong Kong SAR Government (the “**Government**”) gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “**Amendment Ordinance**”), which will take effect on 1 May 2025 (the “**Transition Date**”). The Amendment Ordinance abolishes the use of the accrued benefits derived from employers’ mandatory MPF contributions to offset LSP in respect of an employee’s service from the Transition Date (the “**Abolition**”). In addition, the last month’s salary immediately preceding the Transition Date is used to calculate the portion of the LSP in respect of the employment period before the Transition Date.

Prior to 1 April 2023, the Group applied practical expedient in paragraph 93(b) of HKAS 19 (the “**Practical Expedient**”) to account for the offsetable MPF benefits as deemed employee contributions to reduce the current service costs in the period in which the related services were rendered.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” (“**the Guidance**”) that provides guidance for the accounting for the offsetting mechanism and the impact arising from the abolition of the MPF-LSP offsetting mechanism.

By following the Guidance, the Group has changed its accounting policy in connection with its LSP obligations. As a result of the Abolition, these contributions are no longer considered “linked solely to the employee’s service in that period” since the employer’s mandatory MPF contribution after the Transition Date can still be used to offset the pre-transition LSP obligation. Therefore, the Group ceased to apply the Practical Expedient and reattribute the deemed employee contributions to periods of service in the same manner as the gross LSP benefit by applying paragraph 93(a) of HKAS 19. This change in accounting policy upon the cessation in applying the Practical Expedient resulted in a catch-up adjustment in profit or loss in June 2022 for the service cost up to that date and consequential impacts on current service cost, interest expense and remeasurement effects from changes in actuarial assumptions for the rest of the year ended 31 March 2023, with the corresponding adjustment to the carrying amount of the LSP obligations during the year ended 31 March 2023. The change in accounting policy has no impact on the consolidated financial statements of the Group as the carrying amounts of LSP obligations of HK\$494,000 and HK\$596,000 as at 31 March 2023 and 2024, respectively, are not significant.

4. REVENUE AND SEGMENT INFORMATION

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

The Group has identified the following reportable segments for the years ended 31 March 2023 and 2024:

- Financial services of licensed business – provision of financial advisory services; securities research services; securities trading and brokerage services; margin financing services; referral services; and investment management, advisory services and insurance brokerage services;
- Family office services business – During the year ended 31 March 2024, the Group acquired DL Family Office (HK) Limited (“**DL Family Office HK**”), 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;
- Sales of apparel products – sales of apparel products with the provision of supply chain management total solutions to customers; and
- Enterprise solutions services – provision of global identity planning and wealth inheritance consultancy services, and other business consultancy services.

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

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

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

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

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

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
– Provision of financial services of licensed business (<i>note</i>)	140,574	123,399
– Provision of family office services	16,172	–
– Sales of apparel products	1,006	21,616
– Provision of supply chain management	3,803	711
– Provision of enterprise solutions services	16,342	15,280
	<u>177,897</u>	<u>161,006</u>
Revenue from other sources		
– Interest income from provision of money lending services	14,056	16,656
– Interest income from provision of margin financing services	10,400	13,454
	<u>24,456</u>	<u>30,110</u>
	<u>202,353</u>	<u>191,116</u>
Disaggregated by timing of revenue recognition under HKFRS 15		
– Services provided over time	46,019	34,939
– Services provided at a point in time	130,872	104,451
– Goods transferred at a point in time	1,006	21,616
	<u>177,897</u>	<u>161,006</u>
Revenue from other sources		
– Interest income from provision of money lending services	14,056	16,656
– Interest income from provision of margin financing services	10,400	13,454
	<u>24,456</u>	<u>30,110</u>
	<u>202,353</u>	<u>191,116</u>

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

Note:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from provision of financial services of licensed business		
Service fee income from financial advisory services and investment management services	123,404	110,091
Commission and brokerage arising on securities dealing	2,852	5,822
Commission and brokerage from insurance brokerage services	14,318	7,486
	<u>140,574</u>	<u>123,399</u>

The segment information provided to the CODM for the reportable segments for the year ended 31 March 2024 is as follows:

	Financial services of licensed business HK\$'000	Family office services business HK\$'000	Money lending services HK\$'000	Sales of apparel products HK\$'000	Enterprise solutions services HK\$'000	Inter- company elimination HK\$'000	Total HK\$'000
Revenue							
– From external customers	150,974	16,172	14,056	4,809	16,342	–	202,353
– Inter-segment revenue	<u>2,499</u>	<u>171</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(2,670)</u>	<u>–</u>
Reportable segment revenue	<u>153,473</u>	<u>16,343</u>	<u>14,056</u>	<u>4,809</u>	<u>16,342</u>	<u>(2,670)</u>	<u>202,353</u>
Reportable segment profit/(loss)	19,452	(16)	(317)	(5,389)	33,942	(25)	47,647
Bank interest income							6
Unallocated other gains, net							
– Net fair value gains on financial assets at FVTPL							8,118
Corporate and other unallocated expenses including depreciation of right-of use assets of HK\$2,732,000							(17,225)
Remeasurement gain on step acquisition							67,964
Share of profit of an associate							8,492
Finance costs							<u>(10,165)</u>
Profit before income tax							<u>104,837</u>
Other information:							
Net gains on disposals of financial assets at FVTPL	70	–	–	–	–	–	70
Net fair value gains/(losses) on financial assets at FVTPL	(683)	–	–	–	22,463	(25)	21,755
Bank interest income	3,145	74	19	1	9	–	3,248
Depreciation of property, plant and equipment	(671)	(7)	(72)	(68)	(13)	–	(831)
Depreciation of right-of-use assets	–	–	(12)	(1,678)	–	–	(1,690)
(Provision for)/Reversal of ECL on							
– trade and other receivables	(2,072)	(282)	–	–	75	–	(2,279)
– loan and interest receivables	–	–	(6,084)	–	–	–	(6,084)
Share of profit of an associate	–	–	–	–	8,492	–	8,492
Finance costs	(3,657)	–	(2,162)	(11)	–	–	(5,830)
Income tax (expense)/credit	<u>770</u>	<u>(468)</u>	<u>(1,175)</u>	<u>(254)</u>	<u>(3,807)</u>	<u>–</u>	<u>(4,934)</u>

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

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

	Financial services of licensed business <i>HK\$'000</i>	Family office services business <i>HK\$'000</i>	Money lending services <i>HK\$'000</i>	Sales of apparel products <i>HK\$'000</i>	Enterprise solutions services <i>HK\$'000</i>	Unallocated corporate assets/(liabilities) <i>HK\$'000</i>	Inter-company elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 31 March 2024								
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	<u>116</u>	<u>294,066</u>	<u>1,178</u>	<u>59</u>	<u>46</u>	<u>-</u>	<u>-</u>	<u>295,465</u>
As at 31 March 2023								
Reportable segment assets	528,450	-	191,855	43,042	109,546	391,671	(369,878)	894,686
Reportable segment liabilities	310,534	-	159,030	9,642	100,690	163,029	(283,987)	458,938
Additions to non-current assets	<u>207</u>	<u>-</u>	<u>-</u>	<u>1,966</u>	<u>12,847</u>	<u>-</u>	<u>-</u>	<u>15,020</u>

Revenue from external customers is analysed by region as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from provision of financial services of licensed business (including interest income from provision of margin financing services):		
– Hong Kong	93,405	119,383
– Cayman Islands	<u>57,569</u>	<u>17,470</u>
	150,974	136,853
Revenue from provision of family office services business:		
– Hong Kong	<u>16,172</u>	-
Revenue from provision of money lending services:		
– Hong Kong	<u>14,056</u>	16,656
Revenue from sales of apparel products:		
– Europe	1,006	10,152
– America	-	10,610
– Middle East	-	15
– Asia Pacific (including Hong Kong)	<u>-</u>	<u>839</u>
	1,006	21,616
Revenue from provision of supply chain management:		
– Europe	<u>3,803</u>	711
Revenue from provision of enterprise solutions services:		
– Hong Kong	12,059	14,993
– PRC	<u>4,283</u>	<u>287</u>
	16,342	15,280
	<u>202,353</u>	<u>191,116</u>

Geographical information

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

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

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

	Specified non-current assets	
	2024	2023
	HK\$'000	HK\$'000
Hong Kong	325,385	38,422
Singapore	2	5
PRC	<u>81</u>	<u>52</u>
	<u><u>325,468</u></u>	<u><u>38,479</u></u>

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

	2024	2023
	HK\$'000	HK\$'000
Customer A	33,654	N/A*
Customer B	<u>N/A*</u>	<u>31,311</u>

Note: During the year ended 31 March 2024, revenue from customers A and B of the Group's segment of financial services of licensed business amounted HK\$33,654,000 (2023: HK\$31,311,000), which represented approximately 17% (2023: 16%) of the Group's consolidated revenue.

* Revenue from this customer is less than 10% of total revenue of the Group for the years ended 31 March 2023 or 2024.

Liabilities related to contracts with customers

The consideration received in advance as prepayments from customers amounting to nil (2023: HK\$83,000) is for financial advisory service; consideration received in advance as prepayments from customers amounting to HK\$179,000 (2023: HK\$1,194,000) is for investment management service and consideration received in advance as prepayments from customers amounting to nil (2023: HK\$59,000) is for sales of apparel products. The contract liabilities of HK\$179,000 (2023: HK\$1,336,000) are regarded as short term as the respective revenue is expected to be recognised in its normal operating cycle.

The significant decrease of contract liabilities as at 31 March 2024 is mainly due to decrease in advance payments made by customers.

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	<u>1,308</u>	<u>5,222</u>

5. OTHER GAINS/(LOSSES), NET

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Net gains/(losses) on disposals of financial assets at FVTPL	70	(37,750)
Net fair value gains/(losses) on financial assets at FVTPL (<i>note (a)</i>)	29,873	(3,184)
Remeasurement gain on step acquisition (<i>note 20</i>)	67,964	–
Dividend income from financial assets at FVTPL	1,022	12
Losses on early termination of lease	–	(2)
Government grants (<i>note (b)</i>)	236	1,844
Net foreign exchange (losses)/gains	(74)	313
Other interest income	–	922
Others	<u>252</u>	<u>176</u>
	<u>99,343</u>	<u>(37,669)</u>

Notes:

- (a) During the year ended 31 March 2024, net fair value gains on financial assets at FVTPL include a trading gain on day 1 amounted to HK\$22,264,000 (2023: nil), being the difference between the transaction price and the fair value of the financial assets at FVTPL.
- (b) During the year ended 31 March 2024, government grants include grants received from the Inland Revenue Authority of Singapore to support employers to expand local hiring.

During the year ended 31 March 2023, government grant include (i) grants received from Monetary Authority of Singapore (“MAS”) that aims to support digitalisation in smaller financial institutions and fintech firms, (ii) grants received from the Inland Revenue Authority of Singapore to support employers to expand local hiring, and (iii) grants received from the Anti-epidemic Fund under the Employment Support Scheme set up by the Hong Kong Government.

6. EXPENSES BY NATURE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Agency fee	–	75
Advertising expenses	987	28
Amortisation of intangible assets	3,199	–
Auditors' remuneration		
– Audit services	1,550	1,260
– Non-audit services	300	280
Computer expense	6,229	1,510
Consultancy fees	17,130	9,872
Bad debt written off	88	600
Cost of goods sold	–	20,498
Cost of services	67,586	66,287
Depreciation of property, plant and equipment (<i>note 12</i>)	831	930
Depreciation of right-of-use assets	4,422	5,971
Donations	601	40
Entertainment	3,812	4,889
Provision for ECL on trade receivables (<i>note 14</i>)	2,279	1,068
Provision for ECL on loan and interest receivables, net (<i>note 15</i>)	6,084	592
ECL on receivables, net	8,363	1,660
Employee benefit expenses (<i>note 7</i>)	54,707	58,657
Impairment loss on goodwill	–	1,335
Insurance	800	657
Legal and professional fees	10,125	5,080
License expenses	67	51
Marketing fees	1,295	1,451
Motor vehicles expenses	386	348
Postage and courier	92	109
Printing and stationary	258	79
Sales commission	443	1,045
Short-term leases/low-value leases in respect of		
– office	–	64
Travelling expenses	2,790	2,115
Written off of property, plant and equipment (<i>note 12</i>)	24	830
Other expenses	6,525	2,284
Total cost of sales/services, selling expenses, general and administrative expenses and ECL of receivables, net	<u>192,610</u>	<u>188,005</u>

7. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2024	2023
	HK\$'000	HK\$'000
Salaries, bonus and other short-term employee benefits	52,761	40,876
Share options granted to employees and directors	–	15,506
Share award granted to employees and directors	421	1,172
Reversal of provision for unutilised annual leave	(44)	(64)
Pension costs – defined contribution plans (<i>note</i>)	<u>1,569</u>	<u>1,167</u>
	<u>54,707</u>	<u>58,657</u>

Note: As at 31 March 2023 and 2024, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years.

8. FINANCE COSTS, NET

	2024	2023
	HK\$'000	HK\$'000
Finance income		
Bank interest income	3,254	715
Finance costs		
Interest expenses on bank borrowing	(3,657)	(3,575)
Interest expenses on lease liabilities	(52)	(176)
Interest expenses on bonds payable	(7,378)	(6,811)
Interest expenses on promissory notes	<u>(4,908)</u>	<u>(551)</u>
	<u>(15,995)</u>	<u>(11,113)</u>
Finance costs, net	<u>(12,741)</u>	<u>(10,398)</u>

9. INCOME TAX EXPENSE

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current income tax		
– Hong Kong	6,583	5,384
– PRC	–	(4)
– Overprovision in prior years	<u>(1,055)</u>	<u>–</u>
	5,528	5,380
Deferred tax		
– Hong Kong	<u>(594)</u>	<u>38</u>
Total	<u><u>4,934</u></u>	<u><u>5,418</u></u>

Hong Kong

The provision for Hong Kong Profits Tax for year ended 31 March 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying entities are taxed at 8.25% (2023: 8.25%), and the profits above HK\$2,000,000 are taxed at 16.5% (2023: 16.5%).

Cayman Islands and British Virgin Islands (“BVI”)

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

Singapore

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

PRC

For the subsidiaries of the Group in the PRC, under the 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 million, 25% of the profit will be taxed at 20% and profits within the range of RMB1 million to RMB3 million, 50% of the profit will be taxed at 20%.

10. DIVIDENDS

(a) Dividends attributable to the year

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Proposed 2024 final dividend for the year of HK1.98 cents per ordinary share (2023: HK1.03 cents per share)	<u>30,063</u>	<u>14,976</u>

The proposed final dividend in respect of the year ended 31 March 2024 of HK1.98 cents per share, amounting to a total dividend of approximately HK\$30,063,000 was resolved by the Board to propose on 26 June 2024, which is subject to approval at the annual general meeting of the Company to be held on 13 September 2024.

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Final dividend in respect of the previous financial year, of HK1.03 cents (2023: HK1.40 cents) per share	<u>14,976</u>	<u>19,271</u>

The final dividend in respect of the year ended 31 March 2023 of HK1.03 cents (2023: in respect of the year ended 31 March 2022 of HK1.40 cents) per share, amounting to a total dividend of HK\$14,976,000 (2023: HK\$19,271,000) was paid out during the year ended 31 March 2024.

11. EARNINGS/(LOSS) PER SHARE

11.1 Basic

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

	2024	2023
Profit/(Loss) attributable to owners of the Company (<i>HK\$'000</i>)	99,903	(49,177)
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	<u>1,392,787,478</u>	<u>1,396,462,154</u>
Basic earnings/(loss) per share (<i>HK cents per share</i>)	<u>7.17</u>	<u>(3.52)</u>

11.2 Diluted

	2024	2023
Profit/(Loss) attributable to owners of the Company (<i>HK\$'000</i>)	99,903	(49,177)
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	1,392,787,478	1,396,462,154
Effect of dilutive potential ordinary shares		
– Share options	<u>10,418,514</u>	<u>–</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings/(loss) per share	<u>1,403,205,992</u>	<u>1,396,462,154</u>
Diluted earnings/(loss) per share (<i>HK cents per share</i>)	<u>7.12</u>	<u>(3.52)</u>

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

The calculation of the basic earnings/(loss) per share amount is based on profit/(loss) for the year attributable to owners of the Company of HK\$99,903,000 (2023: HK\$49,177,000) and the weighted average number of ordinary shares of 1,392,787,478 (2023: 1,396,462,154) in issue during the year as adjusted to exclude the shares held under the Share Award Scheme.

As the Group incurred losses for the year ended 31 March 2023, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be antidilution. Accordingly, diluted loss per share for the year ended 31 March 2023 was the same as the basic loss per share.

12. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements <i>HK\$'000</i>	Office equipment <i>HK\$'000</i>	Computer equipment <i>HK\$'000</i>	Fitting and furniture <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 March 2023						
Opening net carrying amount	2,156	576	71	595	–	3,398
Additions	177	44	129	70	–	420
Depreciation	(476)	(228)	(62)	(164)	–	(930)
Written off	(830)	–	–	–	–	(830)
Closing net carrying amount	<u>1,027</u>	<u>392</u>	<u>138</u>	<u>501</u>	<u>–</u>	<u>2,058</u>
As at 31 March 2023 and 1 April 2023						
Cost	4,168	1,218	1,179	1,046	1,030	8,641
Accumulated depreciation	(3,141)	(826)	(1,041)	(545)	(1,030)	(6,583)
Net carrying amount	<u>1,027</u>	<u>392</u>	<u>138</u>	<u>501</u>	<u>–</u>	<u>2,058</u>
Year ended 31 March 2024						
Opening net carrying amount	1,027	392	138	501	–	2,058
Additions	19	97	4	102	1,085	1,307
Additions through business combinations (<i>note 20</i>)	–	–	36	–	–	36
Written off	–	–	(24)	–	–	(24)
Depreciation	(319)	(225)	(59)	(156)	(72)	(831)
Closing net carrying amount	<u>727</u>	<u>264</u>	<u>95</u>	<u>447</u>	<u>1,013</u>	<u>2,546</u>
As at 31 March 2024						
Cost	4,187	1,315	1,042	1,148	2,115	9,807
Accumulated depreciation	(3,460)	(1,051)	(947)	(701)	(1,102)	(7,261)
Net carrying amount	<u>727</u>	<u>264</u>	<u>95</u>	<u>447</u>	<u>1,013</u>	<u>2,546</u>

Depreciation expenses of approximately HK\$831,000 (2023: HK\$930,000) have been charged to the general and administrative expenses for the year ended 31 March 2024.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
Non-current portion			
Listed securities			
Equity securities – Hong Kong		31,596	24,125
Non-listed securities			
Investment funds	<i>(i)</i>	5,814	2,436
Equity investment – outside Hong Kong	<i>(ii)</i>	<u>115,243</u>	<u>107,125</u>
		<u>152,653</u>	<u>133,686</u>

Notes:

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

14. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Gross trade receivables – margin receivables (<i>note (a)</i>)	82,241	102,938
Gross trade receivables – financial advisory services	8,842	18,569
Gross trade receivables – family office services	28,941	–
Gross trade receivables – sales of apparel products and provision of supply chain management total solutions	900	3,174
Gross trade receivables – investment management services	43,966	7,262
Gross trade receivables – enterprise solutions services	<u>5,712</u>	<u>4,109</u>
	170,602	136,052
Less: Provision for expected credit loss	<u>(2,642)</u>	<u>(1,734)</u>
Trade receivables, net of provision	167,960	134,318
Clearing house receivables (<i>note (b)</i>)	59,157	5,673
Prepayments	1,024	2,287
Payment in advance to suppliers	–	18
Rental deposits	550	1,517
Amount due from an associate (<i>note (c)</i>)	–	952
Amount due from an investee company (<i>note (c)</i>)	373	373
Amounts due from related parties (<i>note (c)</i>)	38,238	30
Other receivables and deposits	<u>668</u>	<u>1,969</u>
Total trade and other receivables, prepayments and deposits	267,970	147,137
Less: Non-current portion		
Long-term portion of deposits	<u>–</u>	<u>(140)</u>
	<u>267,970</u>	<u>146,997</u>

Notes:

- (a) Margin receivables are secured by the client's pledged securities with undiscounted market value of approximately HK\$488,256,000 as at 31 March 2024 (2023: HK\$599,236,000) which can be sold at the Group's discretion to settle any margin call requirements imposed by their respective securities transactions. Trade receivables from margin clients are repayable on demand and bear interest at commercial rates. The Group repledged approximately HK\$106,137,000 of the collateral from margin clients to secure the Group's loan facility related to bank borrowing during the year ended 31 March 2024 (2023: HK\$129,570,000).

- (b) Clearing house receivables represent the amount receivable from Hong Kong Securities Clearing Company Limited (“**HKSCC**”) for sell transactions executed by clients but not yet settled in HKSCC pursuant to the T+2 settlement basis. Clearing house receivables are neither past due nor impaired and represent unsettled trades transacted on the last two days prior to the end of each reporting period and solely related to HKSCC for which there is limited risk of default.
- (c) As at 31 March 2024, the amounts due from an associate, an investee company and related parties amounting to nil (2023: HK\$952,000), HK\$373,000 (2023: HK\$373,000) and HK\$38,238,000 (2023: HK\$30,000), respectively, are unsecured, interest-free and repayable on demand.

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

The settlement terms of trade receivables, except for secured margin clients, arising from the business of dealing in securities are two days after trade date. In addition, the settlement terms of Hong Kong Securities Clearing Company Limited are two days after trade date. For the remaining trade receivables, the Group allows an average credit period of 5–90 days (2023: 30–90 days) to its trade customers of other business.

No aging analysis is disclosed for the Group’s margin clients as these margin clients were carried on an open account basis, and only fall due on conditions or on demand by the Group. The directors of the Company consider that an aging analysis does not give additional value in the view of the value of business of margin financing. At 31 March 2024, the aging analysis of trade receivables, net ECL allowance of HK\$2,642,000 (2023: HK\$1,734,000), (except margin receivables) based on invoice date (or date of revenue recognition if earlier) is as follows:

	2024	2023
	<i>HK\$’000</i>	<i>HK\$’000</i>
1 to 30 days	35,524	22,747
31 to 60 days	520	3,920
61 to 90 days	439	825
Over 90 days	49,236	3,888
	<u>85,719</u>	<u>31,380</u>

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

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

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

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Balance as at 1 April	1,734	666
ECL allowance for the year	2,279	1,068
Written off	<u>(1,371)</u>	<u>–</u>
Balance as at 31 March	<u>2,642</u>	<u>1,734</u>

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

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
– Denominated in United States dollars (“ US\$ ”)	3,780	15,550
– Denominated in HK\$	262,008	130,096
– Denominated in Euro dollars (“ Euro ”)	11	–
– Denominated in Renminbi (“ RMB ”)	2,034	1,411
– Denominated in Singapore dollars (“ SG\$ ”)	<u>137</u>	<u>80</u>
	<u>267,970</u>	<u>147,137</u>

15. LOAN AND INTEREST RECEIVABLES

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

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loan receivables	129,559	174,054
Less: Provision for ECL on loan receivables	<u>(7,630)</u>	<u>(2,136)</u>
Loan receivables, net of provision	<u>121,929</u>	<u>171,918</u>
Interest receivables	10,873	11,474
Less: Provision for ECL on interest receivables	<u>(734)</u>	<u>(144)</u>
Interest receivables, net of provision	<u>10,139</u>	<u>11,330</u>
	<u>132,068</u>	<u>183,248</u>

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

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loan receivables		
Neither past due nor impaired		
– Secured	7,067	8,117
– Unsecured	<u>114,862</u>	<u>163,801</u>
	<u>121,929</u>	<u>171,918</u>
Interest receivables		
Neither past due nor impaired		
– Secured	893	863
– Unsecured	<u>9,246</u>	<u>10,467</u>
	<u>10,139</u>	<u>11,330</u>
	<u>132,068</u>	<u>183,248</u>

Loan with gross carrying amount of (i) HK\$1,200,000 (2023: HK\$1,200,000) is secured by the shares of certain companies incorporated in BVI; (ii) HK\$4,750,000 (2023: HK\$5,000,000) is secured by certain loans and interest receivables of the customer; and (iii) HK\$2,000,000 (2023: HK\$2,000,000) is secured by the securities account maintained in the subsidiary of the Group, DL Securities, investment in limited partnership fund of US\$250,000.

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

	2024	2023
	HK\$'000	HK\$'000
– Denominated in HK\$	128,568	179,005
– Denominated in US\$	3,500	4,243
	<u>132,068</u>	<u>183,248</u>

Loan receivables bear interest from 8.0% – 15.0% (2023: 8.0% – 15.0%) per annum and repayable in fixed terms agreed with customers. Interest receivables bear interest from 8.0% – 36.0% (2023: 8.0% – 36.0%) per annum for default interest and repayable in fixed terms agreed with customers.

As at 31 March 2023 and 2024, all loan and interest receivables based on the maturity date, are within one year.

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

	Loan receivables	Interest receivables	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
As at 1 April 2022	159,790	6,843	166,633
New loans originated	178,558	16,623	195,181
Amounts recovered or repaid during the year	(165,914)	(12,060)	(177,974)
Reversal of ECL allowance on loan and interest receivables	1,620	68	1,688
ECL allowance recognised during the year	<u>(2,136)</u>	<u>(144)</u>	<u>(2,280)</u>
As at 31 March 2023 and 1 April 2023	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	1,591	112	1,703
ECL allowance under recognised during the year	<u>(7,085)</u>	<u>(702)</u>	<u>(7,787)</u>
As at 31 March 2024	<u>121,929</u>	<u>10,139</u>	<u>132,068</u>

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

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

16. SHARE CAPITAL

	Number of ordinary shares	Nominal value of ordinary shares <i>HK\$’000</i>
Authorised share capital		
As at 1 April 2022, 31 March 2023 and 31 March 2024	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid		
As at 1 April 2022	1,430,121,000	14,301
Issue of shares upon bonus issue (<i>note (a)</i>)	<u>23,835,350</u>	<u>238</u>
As at 31 March 2023, 1 April 2023 and 31 March 2024	<u>1,453,956,350</u>	<u>14,539</u>

Note:

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

17. TRADE AND OTHER PAYABLES

	2024 <i>HK\$’000</i>	2023 <i>HK\$’000</i>
Trade payables (<i>note (a)</i>)	1,292	8,868
Trade payables to securities brokerage clients (<i>note (b)</i>)	207,677	240,340
Contract liabilities (<i>note (e)</i>)	179	1,336
Provision for reinstatement cost	–	250
Accrued employee benefits expenses	1,760	653
Other payables (<i>note (c)</i>)	15,160	11,743
Amounts due to related parties (<i>note (d)</i>)	<u>–</u>	<u>138</u>
	<u>226,068</u>	<u>263,328</u>

Notes:

(a) **Trade payables**

The carrying amounts of trade and other payables approximated their fair values. The Group was granted by its suppliers with credit periods ranging from 30–90 days (2023: 30–90 days). Based on the invoice dates, the aging analysis of the trade payables (excluding trade payables to securities brokerage clients) were as follows:

	2024 HK\$'000	2023 HK\$'000
1 to 30 days	899	8,032
31 to 60 days	–	439
61 to 90 days	–	222
Over 90 days	393	175
	<u>1,292</u>	<u>8,868</u>

(b) **Trade payables to securities brokerage clients**

	2024 HK\$'000	2023 HK\$'000
Trade payables from the business of dealing in securities:		
– Trade payables – margin clients	88,792	215,728
– Trade payables – cash clients	118,885	24,612
	<u>207,677</u>	<u>240,340</u>

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

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

(e) As at 31 March 2024, no contract liabilities that is expected to be settled after more than one year (2023: HK\$28,000).

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

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

18. BANK BORROWING

	2024	2023
	HK\$'000	HK\$'000
Current bank borrowing	<u>51,000</u>	<u>50,000</u>

As at 31 March 2024, the bank borrowing is repayable within 1 year with the interest rate of 2.3% (2023: 2.3%) per annum over Hong Kong Interbank Offered Rate as determined by the bank for an interest period of 3 months on the first business day of such interest period. The average rate during the year ended 31 March 2024 was 7.05% (2023: 4.35%). The exposure of the bank borrowing to interest rate changes and the contractual repricing dates as at 31 March 2023 and 2024 were within 1 year.

As at 31 March 2023 and 2024, the bank borrowing is secured by corporate guarantee given by the Company.

The Group repledged approximately HK\$106,137,000 of the collateral from margin clients to secure the Group's loan facility related to bank borrowing during the year ended 31 March 2024 (2023: HK\$129,570,000).

The carrying amount of the bank borrowing as at 31 March 2023 and 2024 was denominated in HK\$ and approximated its fair value.

19. BONDS PAYABLE

	2024	2023
	HK\$'000	HK\$'000
Bonds carried at fixed coupon rate of 5% per annum (<i>note (a)</i>)	16,000	11,000
Bonds carried at fixed coupon rate of 8% per annum (<i>note (b)</i>)	30,000	74,000
Bonds carried at fixed coupon rate of 10% per annum (<i>note (c)</i>)	<u>38,000</u>	<u>20,000</u>
	84,000	105,000
Less: non-current portion	<u>(64,000)</u>	<u>(41,000)</u>
Current portion	<u>20,000</u>	<u>64,000</u>

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 for which HK\$13,000,000 was fully repaid during the year ended 31 March 2023, respectively, from which HK\$44,000,000 (2023: HK\$13,000,000) was fully repaid during the year ended 31 March 2024.

As at 31 March 2023, HK\$44,000,000 was repayable within 12 months.

- (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.

The Company issued 10% coupon unlisted bonds during the year ended 31 March 2023 with the aggregate principal amount of HK\$20,000,000. The amounts of HK\$20,000,000 was repayable within 12 months from the date of issue, from which it was fully repaid during the year ended 31 March 2024.

As at 31 March 2024, HK\$20,000,000 (2023: HK\$20,000,000) was repayable within 12 months.

20. ACQUISITIONS OF SUBSIDIARIES

Business combinations

Acquiree	Principal activities	Date of acquisition	Proportion of shares acquired	Consideration transferred
For the year ended 31 March 2024				
DL Family Office HK	Provision of family office services business	28 November 2023	55%	HK\$202,641,000
For the year ended 31 March 2023				
DL Emerald Wealth Management Limited (“DL Emerald”)	Provision for insurance brokerage service	18 October 2022	100%	HK\$15,500,000

DL Family Office HK

During the year ended 31 March 2023, the Group has acquired 45% equity interests in DL Family Office HK from DL Global Holdings Limited (“**DL Global Holdings**”) at a cash consideration of HK\$63,000,000. During the year ended 31 March 2024, the Group has further acquired the remaining 55% equity interests in DL Family Office from DL Global Holdings at a consideration of HK\$220,000,000. Upon the completion of the acquisition on 28 November 2023, DL Family Office HK became a fully owned subsidiary of the Group.

The Group accordingly remeasured the fair value of its pre-existing interest in DL Family Office HK at the date of completion and goodwill of approximately HK\$207,033,000. Goodwill arose in the acquisition as the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

The following table summarises the details of the carrying value and fair value of the Group’s pre-existing interest in DL Family Office HK at the acquisition date.

	As at 28 November 2023 HK\$’000
Share of net assets	72,689
Less: Fair value of pre-existing interest	<u>(140,653)</u>
Remeasurement gain on step acquisition	<u><u>(67,964)</u></u>

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

	Recognised values on acquisition HK\$'000
Property, plant and equipment (<i>note 13</i>)	36
Intangible assets other than goodwill	86,997
Trade and other receivables	49,600
Contract assets	4,492
Cash and cash equivalents	10,872
Trade and other payables	(1,482)
Deferred tax liabilities	<u>(14,254)</u>
Net assets acquired	136,261
Goodwill	<u>207,033</u>
	<u>343,294</u>
Total consideration satisfied by:	
Cash consideration	70,000
Promissory note	132,641
Fair value of pre-existing interest	<u>140,653</u>
	<u>343,294</u>
Net cash outflow arising on acquisition of DL Family Office HK	
Cash consideration paid	(70,000)
Cash and cash equivalents acquired	<u>10,872</u>
	<u>(59,128)</u>

Impact of acquisition on the result of the Group

Included in the consolidated profit for the year ended 31 March 2024 is revenue of approximately HK\$13,818,000 and loss of approximately HK\$1,176,000 attributable to the additional business generated by DL Family Office HK.

If the step acquisition had occurred on 1 April 2023, the Group's revenue would have been approximately HK\$239,589,000 and profit before income tax for the year would have been approximately HK\$106,995,000 for the year ended 31 March 2024. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisitions been completed on 1 April 2023, nor is it intended to be a projection of future results.

DL Emerald

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

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

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

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

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

Impact of acquisition on the result of the Group

Included in the consolidated loss for the year ended 31 March 2024 is revenue of approximately HK\$7,486,000 and profit of approximately HK\$1,123,000 attributable to the additional business generated by DL Emerald.

If the acquisition had occurred on 1 April 2022, the Group's revenue would have been approximately HK\$198,602,000 and loss before income tax for the year would have been approximately HK\$42,636,000 for the year ended 31 March 2024. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisitions been completed on 1 April 2022, nor is it intended to be a projection of future results.

21. COMMITMENTS

21.1 Capital commitment

	2024	2023
	HK\$'000	HK\$'000
Contracted but not provided for		
Capital injection to limited partnership fund	<u>9,276</u>	<u>3,276</u>

21.2 Commitment as lessee

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

	2024	2023
	HK\$'000	HK\$'000
Within one year	<u>-</u>	<u>16</u>

As at 31 March 2023, the total future cash outflows for this lease amounting to HK\$16,000 in aggregate which are included in the table above.

22. EVENTS AFTER THE REPORTING PERIOD

- (a) On 21 March 2024, the Company entered into a placing agreement with several placing agents in respect of the placement of an aggregate of 100,000,000 shares at HK\$3.50 per share. The placement was completed on 9 April 2024 and a total of 64,370,000 place shares had been successfully placed. This transaction resulted in an increase of the issued share capital and share premium account of HK\$644,000 and HK\$224,651,000, respectively.
- (b) On 12 April 2024, the Company, as the guarantor, entered into guarantee agreements with five borrowers, which are limited companies incorporated in the BVI and being the investment vehicles wholly-owned by a limited partnership fund managed by a subsidiary of the Group, and Banco Delta Asia S.A., as the lender, in providing guarantees of aggregate maximum amount of HK\$180,000,000 for the borrowers' obligation.
- (c) On 9 May 2024, the Company and Carmel Reserve LLC, an investee of the Group, entered into a loan agreement that the Company agreed to provide an unsecured loan of US\$2,000,000 to Carmel Reserve LLC at an interest rate of 12% p.a. and due in a year.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year ended 31 March 2024 (the “**Reporting Period**”), despite the uncertainties cast on the global economic prospect, the Group continued to expand its financial services of licensed business, including, financial advisory services; securities research services; securities trading and brokerage services; margin financing services; referral services; investment management and advisory services and insurance brokerage services to customers, and money lending services (the “**Financial Services Businesses**”). During the Reporting Period, the Group acquired the remaining 55% interests in DL Family Office (HK) Limited (“**DL Family Office HK**”) to further expand its Financial Services Businesses.

During the Reporting Period, the Group recorded an increase in revenue by approximately 5.9% from approximately HK\$191.1 million for the year ended 31 March 2023 to approximately HK\$202.4 million for the year ended 31 March 2024. The Group recorded an increase in gross profit of approximately 27.1% from approximately HK\$102.6 million for the year ended 31 March 2023 to approximately HK\$130.5 million for the year ended 31 March 2024. The Group recorded a total comprehensive income attributable to the owners of the Company of approximately HK\$99.8 million for the year ended 31 March 2024, as compared to a total comprehensive expense of approximately HK\$49.5 million for the year ended 31 March 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 provided financial advisory services to its clients from different industry sectors, including 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 of our securities trading and brokerage and margin financing services.

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

The margin financing business includes provision of stock-secured financing for retail, corporate and high-net-worth clients who need financing to purchase securities. As at 31 March 2024, the loan receivables from margin financing services amounted to approximately HK\$82.2 million (31 March 2023: approximately HK\$102.9 million).

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, biotechnology and manufacturing sector clients.

The investment management services include managing the investment portfolio and asset allocation of offshore funds. In the year 2021, the Group acquired a licensed entity in the Cayman Islands and a licensed entity in Singapore and commenced the provision of investment management services in the Cayman Islands and Singapore. During the Reporting Period, the Group acquired the remaining 55% interest in DL Family Office HK, a licensed entity to carry out type 4 and type 9 regulated activities by the Securities and Futures Commission, to further expand its investment management services in Hong Kong. The investment advisory services include providing securities advisory services to clients. During the Reporting Period, the service fees charged by the Group for managing the assets under investment management amounted to approximately HK\$58.1 million (for the year ended 31 March 2023: approximately HK\$18.7 million).

The insurance brokerage service includes sourcing insurance policies for clients and advocating on clients' behalf to liaise with insurance companies. In 2022, the Group acquired DL Emerald Wealth Management Limited, a licensed insurance intermediary, and commenced the provision of insurance brokerage services to high-net-worth individuals. During the Reporting Period, the services fee charged by the Group for provision of insurance brokerage services amounted to approximately HK\$14.31 million (for the year ended 31 March 2023: approximately HK\$7.5 million).

During the Reporting Period, the segment revenue for provision of financial services of licensed business was approximately HK\$151.0 million (for the year ended 31 March 2023: approximately HK\$136.9 million) and segment profit was approximately HK\$19.5 million (for the year ended 31 March 2023: approximately HK\$22.6 million).

The increase in segment revenue was mainly attributable to the increase in management and performance fees from the provision of financial advisory services and investment management services during the Reporting Period. The decrease in segment profit during the Reporting Period was mainly due to the decrease in segment profit contributed from corporate finance and financial advisory services which have a higher profit margin.

Provision of family office services business

The family office services include provision of family office services, investment advisory, assets management services and referral services provided to ultra-high net worth families. During the Reporting Period, the Group acquired the remaining 55% interest in DL Family Office HK and commenced the provision of family office services business.

During the Reporting Period, the segment revenue for the provision of family office services were approximately HK\$16.2 million (for the year ended 31 March 2023: Nil) and segment loss was approximately HK\$16,000 (for the year ended 31 March 2023: Nil). The segment revenue was mainly contributed by DL Family Office (HK) Limited after completion of the acquisition of the remaining 55% interest. The segment loss was mainly attributable to the amortisation of intangible assets of approximately HK\$3.2 million recognised after the completion of the acquisition.

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\$14.1 million (for the year ended 31 March 2023: approximately HK\$16.7 million) and segment loss was approximately HK\$0.3 million (for the year ended 31 March 2023: segment profit of approximately HK\$12.0 million). The decrease in segment revenue was attributable to a decrease in loan and interest receivables from money lending services, resulting in a decrease in interest received or accrued. The segment loss was attributable to the increase in the provision for expected credit loss (“ECL”) allowance on loan and interest receivables from approximately HK\$2.3 million as at 31 March 2023 to approximately HK\$8.3 million as at 31 March 2024.

During the Reporting Period, the Group granted loans to 26 (31 March 2023: 21) customers, which are mainly individual customers in seek of funding for investment and general working capital purpose. As at 31 March 2024, the Group had a customer concentration risk as 11.8% (31 March 2023: approximately 11.8%) and 38.8% (31 March 2023: approximately 39.3%) of total loans to customers (net of allowance) were made up by the Company's largest loan customer's and the five largest loans customers' outstanding balances respectively. As at 31 March 2024, all loan and interest receivables based on the maturity date, are within one year.

As at 31 March 2024, loan receivables of the Group bore interest from 8.0% – 15.0% (31 March 2023: 8.0% – 15.0%) per annum and repayable in fixed terms agreed with customers. As at 31 March 2024, interest receivables bore interest from 8.0% – 36.0% (31 March 2023: 8.0% – 36.0%) per annum for default interest and repayable in fixed terms agreed with customers.

As required under Hong Kong Financial Reporting Standard 9 Financial Instruments, the Group performed impairment assessment under ECL model on loan and interest receivables as at 31 March 2024. Key inputs used for measuring the ECL are the probability of default, the magnitude of the loss if there is default and the exposure of the Group at default.

During the Reporting Period, provision of approximately HK\$6.1 million (for the year ended 31 March 2023: approximately HK\$2.3 million) was recognized in respect of the ECL for the loan and interests receivables. The increase in the provision for ECL was mainly due to the increase in expected credit losses. For the Reporting Period, provisions for ECL on loan and interest receivables of approximately HK\$6.1 million (for the year ended 31 March 2023: approximately HK\$0.6 million) were recognized in the Company's consolidated statement of profit or loss and other comprehensive income.

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

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

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

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

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

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

During the Reporting Period, the segment revenue for the Apparel Business decreased to approximately HK\$4.8 million from approximately HK\$22.3 million for the year ended 31 March 2023, representing a decrease of approximately 78.5%. Segment loss for the Reporting Period decreased to approximately HK\$5.4 million from approximately HK\$11.9 million for the year ended 31 March 2023. The Apparel Business continued to suffer from challenges in the global business environment, fierce competition, and international trade conflicts.

Provision of enterprise solutions services

The enterprise solutions services include provision of global identity planning and wealth inheritance consultancy services, and other business consultancy services provided to high net worth clients. During the Reporting Period, the enterprise solutions services business contributed segment revenue of approximately HK\$16.3 million (for the year ended 31 March 2023: approximately HK\$15.3 million) and segment profit of approximately HK\$33.9 million (for the year ended 31 March 2023: approximately HK\$2.5 million). The increase in the segment revenue and segment profit was attributable to the increase in the demand for global identity planning and wealth inheritance consultancy services, and other business consultancy services provided to high-net-worth clients and the net fair value gains on financial assets at FVTPL of approximately HK\$22 million.

PROSPECTS

Future outlook

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

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

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

1. Based on the wealth management platform operated by DL Family Office HK, DL Emerald Wealth Management Limited and DL Advisory Services Limited, we will continue to provide personalized wealth management and succession services throughout the entire life cycle for ultra-high net worth families.
2. DL Securities (HK) Limited (“**DLS**”) will continue to serve our increasing key corporate clients and expand its investor base for capital market activities.
3. DL Digital Family Office (HK) Limited (“**DLDFO**”) and DLS have developed a standardized investment scheme (Flagship Strategy) for all investors under DL Securities trading platform, where we are able to offer standard global asset allocation and management services to high net worth families, professional investors (“**PI**”), financial institutions, private enterprises, and external wealth management platforms. With such effort, the FO investment and services will not be limited to ultra-high net worth families, but can be extended to other range of investors under a more standardized and scalable DL Flagship program. DLDFO will also develop other asset management products and offer them to our increasing investor pool.

4. 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.

5. A strategic cooperation agreement has been entered into between the Group and Soochow Securities (Hong Kong) Financial Holdings Limited (“**SCS**”), pursuant to which we will cooperate with SCS in all business fronts and launch all-round cooperation in the aspects of family office, wealth management, joint operation and equity, including docking domestic and overseas client resources, providing asset allocation strategies and investment products, and selling various financial products on behalf of each other, to jointly promote cross-border investment and wealth management between Mainland China and Hong Kong, the Greater Bay Area, and potentially covering the Asia-Pacific region.
6. DL New Economy Research Institute (the “**Institute**”) is established to promote the institutionalization, programming, systematization, 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 specialized 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.

7. DLDFO will be transformed from the form of traditional asset management into a digital family office, DL Digital Family Office (“**DL Digital FO**”). DL Digital FO will be complementary to the existing multifamily office business, with a coverage of professional investors above the entry level (US\$1 million), providing them with basic family office diversified investment services and targeting potential clients in advance, to increase the number of clients and the total amount of assets under management. By combining big data, cloud computing and blockchain technologies, DL Digital FO will gradually help the professional investment grade clients in the asset management category enjoy the family office level investment services and favorable returns through the artificial intelligence investment advisory system.

DL Digital FO will be defined as: a digital wealth manager for professional investors, together with the Group’s multifamily office, securities investment, global real estates, and the newly established institute for new economic research, accelerates on the path of wealth management of rapid informatization development. The establishment of DL Digital FO will become the first new family office service platform to provide true “three-in-one”, namely digital, intelligent, and humanized, services in the Guangdong-Hong Kong-Macao Greater Bay Area. DL Digital FO will fully connect the well-established investment strategies and past performance of DLAM with artificial intelligence and big data, lowering the investment threshold while providing effective risk control, maintaining transparency and agility, and escorting the preservation and enhancement of asset value of the clients.

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

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group reported revenue of approximately HK\$202.4 million, representing an increase of approximately 5.9% from approximately HK\$191.1 million for the year ended 31 March 2023. The increase in revenue was mainly attributable to the increase in revenue generated from the Financial Services Businesses after the acquisition of the remaining 55% interest in DL Family Office HK and increase in management and performance fees from the provision of financial advisory services and investment management services, offset by the decrease in revenue from the Apparel Business.

During the Reporting Period, the Financial Services Business remained the major revenue contributor during the Reporting Period.

During the Reporting Period, the segment revenue of the Financial Services Business increased from approximately HK\$136.9 million to approximately HK\$151.0 million. The increase was mainly attributable to the increase in management and performance fees from the provision of financial advisory services and investment management services.

During the Reporting Period, the segment revenue of the money lending services decreased to approximately HK\$14.1 million from approximately HK\$16.7million for the year ended 31 March 2023, which represents a decrease of approximately 15.6%. The decrease was mainly attributable to the decrease in the loans and interest receivables.

During the Reporting Period, the segment revenue for the Apparel Business decreased to approximately HK\$4.8 million from approximately HK\$22.3 million for the year ended 31 March 2023, representing a decrease of approximately 78.5%. Segment loss for the Reporting Period decreased to approximately HK\$5.4 million from approximately HK\$11.9 million for the year ended 31 March 2023. The Apparel Business continued to suffer from challenges in the global business environment, fierce competition, and international trade conflicts.

During the Reporting Period, the segment revenue of enterprise solutions services increased from approximately HK\$15.3 million to approximately HK\$16.3 million and was attributable to the increase in service fees generated from consultancy services provided by the Group.

Cost of sales/services

The Group's cost of sales/services primarily consists of cost of services from the Financial Services Businesses and cost of goods sold from the Apparel Business. The cost of services from the Financial Services Businesses mainly consist of sub-referral fee to business vendors and expenses for placement projects, and the costs of goods sold from the Apparel Business mainly consists of (i) fees charged by third-party manufacturers; and (ii) cost of raw materials occasionally purchased by the Group and passed to third-party manufacturers for their production of salesman samples. During the Reporting Period, the cost of sales/services decreased to approximately HK\$71.9 million from approximately HK\$88.5 million for the year ended 31 March 2023, representing a decrease of approximately 18.7% due to the decrease in cost of sales/services incurred for the financial services and apparel businesses.

Gross profit and gross profit margins

During the Reporting Period, the gross profit of the Group was approximately HK\$130.5 million (for the year ended 31 March 2023: approximately HK\$102.6 million), which represents an increase of approximately 27.1%. During the Reporting Period, the Group's gross profit margin increased to approximately 64.5% (for the year ended 31 March 2023: approximately 53.7%).

Other gains/(losses), net

During the Reporting Period, the Group recorded net other gains of approximately HK\$99.3 million (for the year ended 31 March 2023: net other losses of approximately HK\$37.7 million), mainly attributable to remeasurement gain on step acquisition in relation to the acquisition of the remaining 55% interest in DL Family Office HK of HK\$68.0 million, net fair value gains on financial assets at FVTPL of approximately HK\$23.0 million and net gains on disposals of financial assets at FVTPL of approximately HK\$7.5 million (for the year ended 31 March 2023: net losses on disposals of financial assets at FVTPL due to the sales of listed equities of approximately HK\$37.8 million).

Selling expenses

Selling expenses are mainly incurred by the Apparel Business and mainly consist of sales commission paid to external sales representatives and staff costs of in-house staff whose roles are mainly focusing on sourcing new customers. During the Reporting Period, selling expenses decreased to approximately HK\$1.3 million (for the year ended 31 March 2023: HK\$1.9 million), which was generally in line with the decrease in segment revenue for the Apparel Business.

General and administrative expenses

General and administrative expenses primarily consist of employee benefit expenses, entertainment and travelling expenses, depreciation of property, plant and equipment, legal and professional fees and other miscellaneous general and administrative expenses. During the Reporting Period, general and administrative expenses increased to approximately HK\$111.1 million (for the year ended 31 March 2023: approximately HK\$96.0 million), representing an increase of approximately 15.7%. Such increase was mainly due to the increase in consultancy, legal and professional fees incurred during the Reporting Period.

Finance costs

During the Reporting Period, finance cost increased to approximately HK\$16.0 million (for the year ended 31 March 2023: approximately HK\$11.1 million) which was mainly attributable to the Group's imputed interest of the promissory note issued in November 2023 and the debt financing instruments, including bank borrowing, promissory notes and corporate bonds and the global interest rate hike.

As at 31 March 2024, the Group had (i) bank borrowing of approximately HK\$51.0 million (31 March 2023: HK\$50.0 million) with a floating interest rate of 2.3% per annum over the Hong Kong Interbank Offered Rate; (ii) bonds payable of approximately HK\$84.0 million (31 March 2023: approximately HK\$105.0 million) with fixed coupon rates ranging from 5% to 10% per annum; and (iii) promissory notes of approximately HK\$171.6 million (31 March 2023: HK\$14.9 million) with interest rate of 0% to 8% per annum.

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

During the Reporting Period, total comprehensive income attributable to owners of the Company was approximately HK\$99.8 million (for the year ended 31 March 2023: total comprehensive expense attributable to owners of the Company of approximately HK\$49.5 million).

LIQUIDITY AND FINANCIAL RESOURCES

For the years ended 31 March 2023 and 2024, the Group mainly financed its operations with its own working capital, bank borrowing and proceeds from issuance of corporate bonds and promissory notes. As at 31 March 2024, the Group had net current assets of approximately HK\$255.6 million (31 March 2023: HK\$240.4 million), including cash and cash equivalents of approximately HK\$39.8 million (31 March 2023: HK\$83.5 million). The Group's current ratio was approximately 1.75 as at 31 March 2024 (31 March 2023: approximately 1.58).

As at 31 March 2024, the Group had bank borrowing of approximately HK\$51.0 million (31 March 2023: HK\$50.0 million) at a floating interest rate of 2.3% per annum over the Hong Kong Interbank Offered Rate. The increase in bank borrowing was due to the drawdown of bank borrowing. The bank borrowing is denominated in Hong Kong Dollars and is repayable within one year and secured by corporate guarantee given by the Company.

As at 31 March 2024, the aggregate carrying values of promissory note issued by the Group amounted to approximately HK\$171.6 million (31 March 2023: approximately HK\$14.9 million), with interest rate of 0% to 8% per annum (2023: 8% per annum), which are denominated in Hong Kong dollars and United States dollars (31 March 2023: United States dollars) and shall be repayable within two to five years.

As at 31 March 2024, the Group has unlisted coupon bonds in issue to independent third-party subscribers with an aggregate principal amount of HK\$84.0 million (31 March 2023: HK\$105.0 million). The unlisted bonds are denominated in Hong Kong Dollars and unsecured and not guaranteed. The coupon rate and maturity date of the unlisted coupon bonds issued by the Group as at 31 March 2024 are set out as follows:

Principal amount of the unlisted bonds	Maturity date	Coupon rate
(1) HK\$5 million	Within 48 months from the date of issue	5%
(2) HK\$11 million	Within 84 months from the date of issue	5%
(3) HK\$30 million	Within 60 months from the date of issue	8%
(4) HK\$20 million	Within 12 months from the date of issue	10%
(5) HK\$18 million	Within 24 months from the date of issue	10%

As at 31 March 2023 and 2024, the cash and cash equivalents of the Group were mainly held in United States dollars, Renminbi, Singapore dollars, Euro dollars and Hong Kong dollars.

Details of changes in the Company's share capital are set out in note 17 to this announcement.

Gearing ratio is calculated by dividing total debts (including bank borrowing, bonds payable, promissory notes and lease liabilities) by total equity as at the end of the reporting period. The Group's gearing ratio increased from approximately 40.0% as at 31 March 2023 to approximately 58.9% as at 31 March 2024.

TREASURY POLICIES

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

COMMITMENTS

The Group's contractual commitments primarily related to the leases of its office premises and capital injection to a limited partnership fund. As at 31 March 2024, the Group has nil lease commitments for short-term lease (31 March 2023: approximately HK\$16,000) and the capital commitments of the Group amounted to approximately HK\$9.3 million (31 March 2023: approximately HK\$3.3 million).

CAPITAL STRUCTURE

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

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

The Target Company is principally engaged in the investment, construction and development of an ultra-luxury real estate project. The construction of the real estate project has been kicked off in the early 2023. Offsite cut and fill grading and road widening is under process. A sales centre was established and launched in May 2023. The investment of the Group in the Target Company is stated at fair value and is recorded as financial assets at fair value through profit or loss. As at 31 March 2024, the fair value of the investment in the Target Company amounted to approximately HK\$115.2 million, which represents approximately 10.7% of the total assets of the Group as at 31 March 2024. No dividend was received from this investment by the Group during the Reporting Period. During the Reporting Period, there was a fair value gain of approximately HK\$8.1 million arising from this investment.

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

Save as disclosed above, as at 31 March 2024, the Group had no significant investments accounting for more than 5% of the Group’s total assets.

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

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 17 January 2023, the acquisition of approximately 45.0% of the total issued share capital of DL Family Office HK was completed and the investment in the DL Family Office HK was accounted for in the financial statements of the Group as investment in an associate using the equity method of accounting. On 14 September 2023, DL Asset Management Limited (“**DL Asset Management**”), a wholly-owned subsidiary of the Company (as the purchaser) and DL Global Holdings Limited (“**DL Global Holdings**”) (as the vendor) entered into a sale and purchase agreement, pursuant to which, DL Asset Management has conditionally agreed to acquire, and DL Global Holdings has conditionally agreed to sell 10,016,651 shares of DL Family Office HK (representing approximately 55.0% of the entire equity interest of DL Family Office HK) at a consideration of HK\$220.0 million (the “**Acquisition**”).

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

The Acquisition of DL Family Office HK was completed on 28 November 2023. Upon completion, DL Family Office HK has become an indirectly wholly-owned subsidiary of the Company and its financial results has been consolidated into the Group’s consolidated financial statements.

For further details, please refer to the announcement of Company dated 14 September 2023, the circular of the Company dated 25 October 2023 and the announcement of the Company dated 28 November 2023.

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments or capital assets as at 31 March 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 31 March 2023 and 2024.

FOREIGN EXCHANGE EXPOSURE

The Group's exposure to currency risk is primarily related to Renminbi, United States dollars, Singapore dollars and Euro dollars. As at 31 March 2023 and 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.

CHARGE ON GROUP ASSETS

As at 31 March 2024, the Group did not pledge any of its assets (31 March 2023: nil) as securities for any facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2023 and 2024, the Group employed a total of 66 and 85 full-time employees, respectively. The Group's employee benefit expenses mainly include salaries, wages, other staff benefits and contributions to retirement schemes. For the years ended 31 March 2023 and 2024, the Group's total employee benefit expenses (including Directors' emoluments) amounted to approximately HK\$58.7 million and HK\$54.7 million, respectively. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. In addition to a basic salary, year-end bonuses would be discretionarily offered to employees in accordance with their performance. The Group has also adopted a share option scheme and a share award scheme in which the employees of the Group are a category of eligible participants as incentive or reward for their contribution to the Group. The Group also provides appropriate staff training and development, so as enhance the Group's sustainable development.

SHARE OPTION SCHEME

The share option scheme was adopted and approved by the then Shareholders on 22 September 2015 (the "**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 year ended 31 March 2024, the Company did not grant any share options under the Share Option Scheme and 29,500,000 share options were lapsed. As at 31 March 2024, the Company had 26,600,000 (31 March 2023: 56,100,000) share options outstanding under the Share Option Scheme.

SHARE AWARD SCHEME

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

During the year ended 31 March 2024, the Company granted 354,484 shares (2023: 423,000 shares) under the Share Award Scheme. As at 31 March 2024, the Company had 64,799,916 Shares held under the Share Award Scheme (31 March 2023: 65,154,400 Shares). During the year ended 31 March 2024, the trustee of the Share Award Scheme, being a subsidiary of the Company, did not purchase any shares.

SUBSEQUENT EVENTS

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

On 12 April 2024 (after trading hours), the Company, as guarantor, entered into guarantee agreements with five borrowers, which are limited companies incorporated in the BVI and being the investment vehicles wholly-owned by a limited partnership fund managed by a subsidiary of the Group, and Banco Delta Asia S.A., as lender, in providing guarantees of an aggregate maximum amount of HK\$180,000,000 for the borrowers' obligations. For further details, please refer to the announcements of the Company dated 12 April 2024 and 2 May 2024.

On 9 May 2024 (after trading hours), the Company and Carmel Reserve LLC, an investee of the Group, entered into a loan agreement, pursuant to which the Company agreed to provide an unsecured loan of US\$2,000,000 to Carmel Reserve LLC at an interest rate of 12% per annum and due in a year. For further details, please refer to the announcement of the Company dated 9 May 2024.

Since 31 March 2024 and up to the date of this announcement, save as disclosed above, there is no significant event affecting the Group that have occurred.

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

The Company and its subsidiaries did not purchase, sell or redeem any of its Shares listed on the Stock Exchange for the year ended 31 March 2024.

CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on principles and code provisions as set out in the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules. The Board and the management of the Company are committed to maintaining and achieving a high standard of corporate governance practices with an emphasis on a quality Board, an effective accountability system and a healthy corporate culture in order to safeguard the interests of the Shareholders and enhance the business growth of the Group.

Provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the year ended 31 March 2024, Mr. Chen Ningdi performed his duties as both the chairman of the Board and chief executive officer of the Company. However, the Board is of the view that this structure will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high caliber individuals and meets regularly to discuss issues affecting the operations of the Company. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Group to make and implement decisions efficiently, and thus is in the best interest of the Group. The Board has full confidence in Mr. Chen Ningdi and believes that his appointment to the posts of chairman of the Board and chief executive officer of the Company is beneficial to the business prospects of the Group. The Board will continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

Save as disclosed above, the Company was in compliance with all code provisions set out in the CG Code for the year ended 31 March 2024.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 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 year ended 31 March 2024.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

For the year ended 31 March 2024 and up to the date of this announcement, none of the Directors or any of their respective close associates, engaged in any business that competes or is likely to compete, either directly or indirectly, with the business of the Group, or had any other conflict of interest with the Group.

COMPLIANCE WITH LAWS AND REGULATIONS

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

ENVIRONMENTAL POLICY

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

RELATIONSHIPS WITH STAKEHOLDERS

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

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

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

RESULTS AND APPROPRIATIONS

The Group's results for the year ended 31 March 2024 are set out in the Group's consolidated statement of profit or loss and other comprehensive income on pages 1–2 of this announcement.

The Board recommends the payment of a final dividend of HK1.98 cents per Share in the form of cash in respect of the Reporting Period, amounting to a total dividend of approximately HK\$30,063,000 to Shareholders whose names appear on the register of members of the Company on 25 September 2024 (record date). Subject to approval of the Shareholders at the annual general meeting of the Company to be held on 13 September 2024 (the "AGM"), it is expected that the final dividend will be paid to the eligible Shareholders on or around 9 October 2024. This proposed dividend is not reflected as a dividend payable in the consolidated financial statements, but reflected as an appropriation of retained earnings for the year ended 31 March 2024.

CLOSURE OF REGISTER OF MEMBERS

- (a) For the purpose of determining the Shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from 10 September 2024 to 13 September 2024, both days inclusive. In order to qualify for attending and voting at the AGM, all transfer documents should be lodged for registration with the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, not later than 4:30 p.m. on 9 September 2024.
- (b) For the purpose of determining the Shareholders who qualify for the final dividend, the register of members of the Company will be closed from 23 September 2024 to 25 September 2024, both days inclusive. In order to qualify for the final dividend, all transfer documents should be lodged for registration with the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, not later than 4:30 p.m. on 20 September 2024.

ANNUAL GENERAL MEETING

The AGM will be held on 13 September 2024 and the notice of the AGM will be published and despatched in the manner as required by the Listing Rules and the Company's memorandum and articles of association in due course.

AUDIT COMMITTEE

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

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

As at the date of this announcement, the Audit Committee consisted of members, namely Mr. Chang Eric Jackson (chairman of the Audit Committee), Mr. Chen Cheng-Lien (also known as Chen Cheng-Lang and Chen Stanley) and Mr. Liu Chun, all being independent non-executive Directors. No member of the Audit Committee is a member of the former or existing independent auditor of the Company. The Audit Committee has reviewed this announcement, including the audited consolidated results of the Group for the year ended 31 March 2024.

SCOPE OF WORK OF GRANT THORNTON HONG KONG LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 March 2024 as set out in this announcement have been agreed by the Group’s auditor, Grant Thornton Hong Kong Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Grant Thornton Hong Kong Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Grant Thornton Hong Kong Limited on this announcement.

By order of the Board
DL Holdings Group Limited
Chen Ningdi
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 26 June 2024

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