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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 2025

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 2025 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 2025

| | <i>Notes</i> | 2025 HK\$'000 | 2024 HK\$'000 |
|---|--------------|--------------------------------|------------------|
| Revenue | 4 | 189,660 | 202,353 |
| Cost of sales/services | 6 | (50,745) | (71,896) |
| Gross profit | | 138,915 | 130,457 |
| Other gains/(losses), net | 5 | 196,111 | 99,343 |
| Selling expenses | 6 | (1,362) | (1,298) |
| General and administrative expenses | 6 | (175,643) | (111,053) |
| Expected credit loss (“ ECL ”) of receivables, net | 6 | 6,343 | (8,363) |
| Share of profit of an associate | | – | 8,492 |
| Operating profit | | 164,364 | 117,578 |
| Finance income | 8 | 2,932 | 3,254 |
| Finance costs | 8 | (29,992) | (15,995) |
| Finance costs, net | | (27,060) | (12,741) |

| | | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|--------------|-------------------------|-------------------------|
| | <i>Notes</i> | | |
| Profit before income tax | | 137,304 | 104,837 |
| Income tax expenses | 9 | <u>(208)</u> | <u>(4,934)</u> |
| Profit for the year | | 137,096 | 99,903 |
| Other comprehensive expense, including reclassification adjustments | | | |
| <i>Items that will be reclassified subsequently to profit or loss</i> | | | |
| Exchange differences on translation of foreign operations | | 167 | (131) |
| Fair value loss on debt instruments measured at fair value through other comprehensive income | | <u>(393)</u> | <u>—</u> |
| Other comprehensive expense for the year, including reclassification adjustments | | <u>(226)</u> | <u>(131)</u> |
| Total comprehensive income for the year | | <u>136,870</u> | <u>99,772</u> |
| Profit for the year attributable to: | | | |
| Owners of the Company | | 136,812 | 99,903 |
| Non-controlling interest | | <u>284</u> | <u>—</u> |
| | | <u>137,096</u> | <u>99,903</u> |
| Total comprehensive income attributable to: | | | |
| Owners of the Company | | 136,586 | 99,772 |
| Non-controlling interest | | <u>284</u> | <u>—</u> |
| | | <u>136,870</u> | <u>99,772</u> |
| Earnings per share attributable to owners of the Company | | | |
| <i>(expressed in HK cents per share)</i> | | | (Restated) |
| – Basic | 11.1 | 9.28 | 6.99 |
| – Diluted | 11.2 | <u>9.22</u> | <u>6.94</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

| | Notes | 2025 HK\$'000 | 2024 HK\$'000 |
|---|-------|------------------|------------------|
| ASSETS AND LIABILITIES | | | |
| Non-current assets | | | |
| Property, plant and equipment | 12 | 7,380 | 2,546 |
| Right-of-use assets | | 34,579 | 446 |
| Investment property | | 11,960 | – |
| Intangible assets | | 86,379 | 96,046 |
| Goodwill | | 226,430 | 226,430 |
| Deferred tax assets | | 701 | 321 |
| Deposits and prepayments | 13 | 1,739 | – |
| Financial assets at fair value through profit or loss | | 203,063 | 152,653 |
| Debt instruments at fair value through other comprehensive income | | 2,720 | – |
| Investment in an associate | | 97,734 | – |
| | | <u>672,685</u> | <u>478,442</u> |
| Current assets | | | |
| Trade and other receivables | 13 | 288,741 | 267,970 |
| Promissory note receivables | | 75,478 | – |
| Loan and interest receivables | 14 | 162,940 | 132,068 |
| Bank balances – trust | | 58,381 | 158,110 |
| Cash and cash equivalents | | 31,700 | 39,842 |
| | | <u>617,240</u> | <u>597,990</u> |
| Current liabilities | | | |
| Trade and other payables | 18 | 111,917 | 226,068 |
| Promissory notes payables | | 32,770 | 36,163 |
| Bank and other borrowings | | 50,573 | 51,000 |
| Bonds payable | | 38,000 | 20,000 |
| Lease liabilities | | 10,326 | 468 |
| Income tax payable | | 8,629 | 8,655 |
| | | <u>252,215</u> | <u>342,354</u> |
| Net current assets | | <u>365,025</u> | <u>255,636</u> |
| Total assets less current liabilities | | <u>1,037,710</u> | <u>734,078</u> |

| | | 2025 | 2024 |
|--|-------|-----------------------|-----------------------|
| | Notes | HK\$'000 | HK\$'000 |
| Non-current liabilities | | | |
| Promissory note payables | | – | 135,388 |
| Bonds payable | | 46,000 | 64,000 |
| Lease liabilities | | 26,916 | – |
| Deferred tax liabilities | | 12,131 | 13,725 |
| Other borrowings | | 4,870 | – |
| | | <u>89,917</u> | <u>213,113</u> |
| Net assets | | <u>947,793</u> | <u>520,965</u> |
| EQUITY | | | |
| Share capital | 15 | 15,494 | 14,539 |
| Other reserves | | 505,730 | 217,184 |
| Retained earnings | | 396,412 | 289,242 |
| | | <u>917,636</u> | <u>520,965</u> |
| Equity attributable to owners of the Company | | 917,636 | 520,965 |
| Non-controlling interests | | 30,157 | – |
| | | <u>947,793</u> | <u>520,965</u> |
| Total equity | | <u>947,793</u> | <u>520,965</u> |

NOTES

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 2025 were approved for issue by the board of Directors on 25 June 2025.

2. BASIS OF PREPARATION

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

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 amendments to HKFRS Accounting Standards 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**”) and investment property 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 AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are effective for annual periods beginning on 1 April 2024

In the current year, the Group has applied for the first time the following amendments to HKFRS Accounting Standards 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 2024:

| | |
|-------------------------------------|---|
| Amendments to HKFRS 16 | Lease liability in a Sale and Leaseback |
| Amendments to HKAS 1 | Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) |
| Amendments to HKAS 1 | Non-current liabilities with Covenants |
| Amendments to HKAS 7 and HKFRS 7 | Supplier Finance Arrangements |

The adoption of the amendments to HKFRS Accounting Standards 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 HKFRS Accounting Standards

At the date of authorisation of these consolidated financial statements, certain new and amendments to HKFRS Accounting Standards have been published but are not yet effective, and have not been adopted early by the Group.

| | |
|--|---|
| Amendments to HKFRS 9 and HKFRS 7 | Amendments to the Classification and Measurement of Financial Instruments ³ |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹ |
| Amendments to HKAS Accounting Standards | Annual Improvements to HKFRS Accounting Standards – Volume 11 ³ |
| Amendments to HKAS 21 HKFRS 18 | Lack of Exchangeability ² |
| Amendments to HKFRS 9 and HKFRS 7 | Presentation and Disclosure in Financial Statements ⁴ |
| | Contracts Referencing Nature-dependent Electricity ³ |

¹ Effective for annual periods beginning on or after a date to be determined.

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

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

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

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements, even though it will not impact the recognition or measurement of items in the financial statement. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements and will apply it from its mandatory effective date of 1 January 2027 and retrospective application is required.

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 2025 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 – 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, lease liabilities, income tax payable and bank and other borrowings managed directly by the segments with exception of promissory note payables 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:

| | 2025 | 2024 |
|---|------------------------|-----------------|
| | <i>HK\$'000</i> | <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> | 101,431 | 140,574 |
| – Provision of family office services | 53,338 | 16,172 |
| – Sales of apparel products | – | 1,006 |
| – Provision of supply chain management | 5,100 | 3,803 |
| – Provision of enterprise solutions services | 9,187 | 16,342 |
| | <u>169,056</u> | <u>177,897</u> |
| Revenue from other sources | | |
| – Interest income from provision of money lending services | 12,714 | 14,056 |
| – Interest income from provision of margin financing services | 7,890 | 10,400 |
| | <u>20,604</u> | <u>24,456</u> |
| | <u>189,660</u> | <u>202,353</u> |

The segment information provided to the CODM for the reportable segments for the year ended 31 March 2025 is as follows:

| | 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> | Inter- company elimination <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|--|---|---|---|--|--|---|--------------------------|
| Revenue | | | | | | | |
| – From external customers | 109,321 | 53,338 | 12,714 | 5,100 | 9,187 | – | 189,660 |
| – Inter-segment revenue | 1,026 | 4,320 | – | – | – | (5,346) | – |
| Reportable segment revenue | <u>110,347</u> | <u>57,658</u> | <u>12,714</u> | <u>5,100</u> | <u>9,187</u> | <u>(5,346)</u> | <u>189,660</u> |
| Reportable segment profit/(loss) | 25,295 | 12,383 | 12,061 | (1,753) | (18,314) | 1,000 | 30,672 |
| Bank interest income | | | | | | | 1,912 |
| Unallocated other gains, net | | | | | | | |
| – Net fair value gains on financial assets at FVTPL | | | | | | | 26,356 |
| Corporate and other unallocated expenses including depreciation of right-of use assets of HK\$6,590,000 | | | | | | | (66,437) |
| Gain on disposal of subsidiaries | | | | | | | 168,168 |
| Finance costs | | | | | | | <u>(23,367)</u> |
| Profit before income tax | | | | | | | <u>137,304</u> |
| Other information: | | | | | | | |
| Net gains on disposals of financial assets at FVTPL | – | – | – | – | 539 | – | 539 |
| Net fair value losses on financial assets at FVTPL | – | – | – | – | (3,999) | – | (3,999) |
| Bank interest income | 948 | 59 | 9 | – | 4 | – | 1,020 |
| Depreciation of property, plant and equipment | (934) | (308) | (109) | (64) | (65) | – | (1,480) |
| Depreciation of right-of-use assets | – | – | (2,856) | (137) | – | – | (2,993) |
| Reversal of/(Provision for) ECL on | | | | | | | |
| – trade and other receivables | 1,912 | 124 | – | – | (316) | – | 1,720 |
| – loan and interest receivables | – | – | 4,623 | – | – | – | 4,623 |
| Finance costs | (3,153) | – | (3,472) | – | – | – | (6,625) |
| Income tax credit/(expense) | <u>1,599</u> | <u>(1,575)</u> | <u>(340)</u> | <u>7</u> | <u>101</u> | <u>–</u> | <u>(208)</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 | 2,499 | 171 | – | – | – | (2,670) | – |
| 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 | | | | | | | (10,165) |
| 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 credit/(expense) | <u>770</u> | <u>(468)</u> | <u>(1,175)</u> | <u>(254)</u> | <u>(3,807)</u> | <u>–</u> | <u>(4,934)</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 2025 | | | | | | | | |
| Reportable segment assets | 394,049 | 170,490 | 171,905 | 30,477 | 202,334 | 867,765 | (547,095) | 1,289,925 |
| Reportable segment liabilities | (171,303) | (15,772) | (132,918) | (4,465) | (119,188) | (327,889) | 429,403 | (342,132) |
| Additions to non-current assets | <u>2,471</u> | <u>1,318</u> | <u>10,374</u> | <u>140</u> | <u>69</u> | <u>201,284</u> | <u>–</u> | <u>215,656</u> |
| 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> |

Revenue from external customers is analysed by region as follows:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|---------------------------------------|---------------------------------------|
| Revenue from provision of financial services of licensed business (including interest income from provision of margin financing services): | | |
| – Hong Kong | 92,011 | 93,405 |
| – Cayman Islands | 18,281 | 57,569 |
| | 110,292 | 150,974 |
| Revenue from provision of family office services business: | | |
| – Hong Kong | 53,338 | 16,172 |
| Revenue from provision of money lending services: | | |
| – Hong Kong | 12,714 | 14,056 |
| Revenue from sales of apparel products: | | |
| – Europe | – | 1,006 |
| Revenue from provision of supply chain management: | | |
| – Hong Kong | 5,100 | – |
| – Europe | – | 3,803 |
| | 5,100 | 3,803 |
| Revenue from provision of enterprise solutions services: | | |
| – Hong Kong | 5,012 | 12,059 |
| – PRC | 3,204 | 4,283 |
| | 8,216 | 16,342 |
| | 189,660 | 202,353 |

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, investment property and right-of-use assets; and the location of the operations to which they are allocated, in the case of intangible assets and goodwill, and investment in an associate. Specified non-current assets do not include deferred tax assets, and financial instruments for the purpose of geographical information disclosure.

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

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

| | Specified non-current assets | |
|-----------|-------------------------------------|-----------------|
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| Hong Kong | 452,420 | 325,385 |
| Singapore | – | 2 |
| Japan | 11,960 | – |
| PRC | 82 | 81 |
| | 464,462 | 325,468 |

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

| | 2025 | 2024 |
|------------|-----------------|-----------------|
| | HK\$'000 | HK\$'000 |
| Customer A | N/A* | 33,654 |
| Customer B | 20,507 | N/A* |

Note: During the year ended 31 March 2025, revenue from customers A and B of the Group's segment of financial services of licensed business amounted HK\$20,507,000 (2024: HK\$33,654,000), which represented approximately 11% (2024: 17%) 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 2025 or 2024.

5. OTHER GAINS/(LOSSES), NET

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Net gains on disposals of financial assets at FVTPL | 539 | 70 |
| Net fair value gains on financial assets at FVTPL (<i>note (a)</i>) | 22,357 | 29,873 |
| Remeasurement gain on step acquisition | – | 67,964 |
| Gain on disposal of subsidiaries | 168,168 | – |
| Dividend income from financial assets at FVTPL | 1,281 | 1,022 |
| Government grants (<i>note (b)</i>) | 22 | 236 |
| Net foreign exchange gains/(losses) | 89 | (74) |
| Income from financial guarantee issued | 1,741 | – |
| Fair value gain on investment property | 1,151 | – |
| Others | 763 | 252 |
| | 196,111 | 99,343 |

Notes:

- (a) During the year ended 31 March 2025, net fair value gain on financial assets at FVTPL include a trading loss on day 1 amounted to HK\$22,537,000 (2024: HK\$22,263,000), being the difference between the transaction price and the fair value of the financial assets at FVTPL.
- (b) During the years ended 31 March 2025 and 2024, government grants include grants received from the Inland Revenue Authority of Singapore and the government of The People's Republic of China to support employers to expand local hiring.

6. EXPENSES BY NATURE

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Amortisation of intangible assets | 9,667 | 3,199 |
| Auditors' remuneration | | |
| – Audit services | 1,150 | 1,550 |
| – Non-audit services | 196 | 300 |
| Computer expense | 6,732 | 6,229 |
| Consultancy fees | 16,954 | 17,130 |
| Cost of services | 50,745 | 67,586 |
| Depreciation of property, plant and equipment | 1,480 | 831 |
| Depreciation of right-of-use assets | 9,583 | 4,422 |
| Donations | 394 | 601 |
| Entertainment | 5,098 | 3,812 |
| (Reversal)/provision for ECL on trade receivables, net | (1,720) | 2,279 |
| (Reversal)/provision for ECL on loan and interest receivables, net | (4,623) | 6,084 |
| ECL on receivables, net | (6,343) | 8,363 |
| Employee benefit expenses (<i>note 7</i>) | 71,195 | 54,707 |
| Legal and professional fees | 10,225 | 10,125 |
| Written off of property, plant and equipment | 2 | 24 |
| Equity-settled share-based payment | 23,340 | – |

7. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Salaries, bonus and other short-term employee benefits | 67,852 | 52,761 |
| Share award granted to employees and directors | 1,058 | 421 |
| Provision for/(reversal of) unutilised annual leave | 6 | (44) |
| Pension costs – defined contribution plans (<i>note</i>) | <u>2,279</u> | <u>1,569</u> |
| | <u>71,195</u> | <u>54,707</u> |

Note: As at 31 March 2025 and 2024, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years.

8. FINANCE COSTS, NET

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Finance income | | |
| Bank interest income | 1,095 | 3,254 |
| Loan interest income from a related company | <u>1,837</u> | <u>–</u> |
| | 2,932 | 3,254 |
| Finance costs | | |
| Interest expenses on bank borrowing | (3,153) | (3,657) |
| Interest expenses on lease liabilities | (2,188) | (52) |
| Interest expenses on bonds payable | (6,000) | (7,378) |
| Interest expenses on promissory note payables | <u>(18,651)</u> | <u>(4,908)</u> |
| | <u>(29,992)</u> | <u>(15,995)</u> |
| Finance costs, net | <u>(27,060)</u> | <u>(12,741)</u> |

9. INCOME TAX EXPENSE

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

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--------------------------------|-------------------------|-------------------------|
| Current income tax | | |
| – Hong Kong | 2,838 | 6,583 |
| – Overprovision in prior years | <u>(656)</u> | <u>(1,055)</u> |
| | 2,182 | 5,528 |
| Deferred tax | | |
| – Hong Kong | <u>(1,974)</u> | <u>(594)</u> |
| Total | <u><u>208</u></u> | <u><u>4,934</u></u> |

Hong Kong

The provision for Hong Kong Profits Tax for year ended 31 March 2025 is calculated at 16.5% (2024: 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% (2024: 8.25%), and the profits above HK\$2,000,000 are taxed at 16.5% (2024: 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

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Proposed 2024 final dividend for the year of HK1.98 cents per ordinary share | <u>–</u> | <u>30,063</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 has approved at the annual general meeting of the Company held on 13 September 2024.

No dividend was proposed for ordinary shareholders of the Company during the year ended 31 March 2025, nor has any dividend been proposed since the end of the reporting period.

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

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Final dividend in respect of the previous financial year, of HK1.98 cents (2024: HK1.03 cents) per share | <u>30,063</u> | <u>14,976</u> |

The final dividend in respect of the year ended 31 March 2024 of HK1.98 cents (2024: in respect of the year ended 31 March 2023 of HK1.03 cents) per share, amounting to a total dividend of HK\$30,063,000 (2024: HK\$14,976,000) was paid out during the year ended 31 March 2025.

11. EARNINGS PER SHARE

11.1 Basic

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

| | 2025 | 2024 |
|--|------------------|------------------|
| Profit attributable to owners of the Company (HK\$'000) | 136,812 | 99,903 |
| Weighted average number of ordinary shares for the purpose of calculating basic earnings per share ('000) (restated for the year ended 31 March 2024) | <u>1,473,673</u> | <u>1,429,327</u> |
| Basic earnings per share (HK cents per share) (restated for the year ended 31 March 2024) | <u>9.28</u> | <u>6.99</u> |

The calculation of the basic earnings per share amount is based on profit attributable to owners of the Company and the weighted average number of ordinary shares in issue for years ended 31 March 2025 and 2024 as adjusted to exclude the shares held under the Share Award Scheme and has been adjusted to reflect the impact of the bonus element of shares issued and bonus issue of shares in April and October 2024, respectively. The comparative figures have been restated accordingly.

11.2 Diluted

| | 2025 | 2024 |
|--|------------------|-----------|
| Profit attributable to owners of the Company (<i>HK\$'000</i>) | 136,812 | 99,903 |
| Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (<i>'000</i>) (restated for the year ended 31 March 2024) | 1,473,673 | 1,429,327 |
| Effect of dilutive potential ordinary shares | | |
| – Share options (<i>'000</i>) (restated for the year ended 31 March 2024) | 10,011 | 10,418 |
| – Share award (<i>'000</i>) (restated for the year ended 31 March 2024) | 91 | 78 |
| Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share (<i>'000</i>) (restated for the year ended 31 March 2024) | 1,483,775 | 1,439,823 |
| Diluted earnings per share (<i>HK cents per share</i>) (restated for the year ended 31 March 2024) | 9.22 | 6.94 |

Note: The calculation of diluted earnings per share are based on the profit attributable to owners of the Company and the weighted average number of ordinary shares in issue during the year and excluded the shares held under the Share Award Scheme, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued on the deemed exercise of all dilutive potential ordinary shares with into ordinary shares and the restricted shares under the Shares Award Scheme.

12. PROPERTY, PLANT AND EQUIPMENT

The carrying amount of the property, plant and equipment increased during the year was mainly due to the addition to leasehold improvements.

Depreciation expenses of approximately HK\$1,480,000 (2024: HK\$831,000) have been charged to the general and administrative expenses for the year ended 31 March 2025.

13. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Gross trade receivables – margin receivables (<i>note (a)</i>) | 55,900 | 82,241 |
| Gross trade receivables – cash clients | 40 | – |
| Gross trade receivables – financial advisory services | 21,601 | 8,842 |
| Gross trade receivables – family office services | 27,640 | 28,941 |
| Gross trade receivables – sales of apparel products and provision of supply chain management total solutions | – | 900 |
| Gross trade receivables – investment management services | 15,763 | 43,966 |
| Gross trade receivables – enterprise solutions services | 2,184 | 5,712 |
| | 123,128 | 170,602 |
| Less: Provision for expected credit loss | (898) | (2,642) |
| Trade receivables, net of provision | 122,230 | 167,960 |
| Clearing house receivables (<i>note (b)</i>) | 21,136 | 57,911 |
| Consideration receivables | 68,250 | – |
| Prepayments | 1,851 | 1,024 |
| Rental deposits | 1,773 | 550 |
| Amount due from an investee company (<i>note (c)</i>) | – | 373 |
| Amounts due from associate parties (<i>note (c)</i>) | 2,998 | – |
| Amounts due from related parties (<i>note (c)</i>) | 32,902 | 38,238 |
| Other receivables and deposits | 39,340 | 1,914 |
| Total trade and other receivables, prepayments and deposits | 290,480 | 267,970 |
| Less: Non-current portion | | |
| Long-term portion of deposits | (1,739) | – |
| | 288,741 | 267,970 |

Notes:

- (a) Margin receivables are secured by the client's pledged securities with undiscounted market value of approximately HK\$407,060,000 as at 31 March 2025 (2024: HK\$505,788,000) 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\$72,601,000 (2024: HK\$106,137,000) of the collateral from margin clients to secure the Group's loan facility related to bank and other borrowings during the year ended 31 March 2025.
- (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 2025, the amounts due from an associate, an investee company and related parties amounting to HK\$2,998,000 (2024: HK\$nil), HK\$nil (2024: HK\$373,000) and HK\$32,902,000 (2024: HK\$38,238,000), 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 ranging from 5-90 days (2024: 5-90 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 2025, the aging analysis of trade receivables, net ECL allowance of HK\$898,000 (2024: HK\$2,642,000), (except margin receivables) based on invoice date (or date of revenue recognition if earlier) is as follows:

| | 2025 HK\$'000 | 2024 <i>HK\$'000</i> |
|---------------|--------------------------------|-------------------------|
| 1 to 30 days | 26,808 | 35,524 |
| 31 to 60 days | 1,369 | 520 |
| 61 to 90 days | 1,057 | 439 |
| Over 90 days | 37,056 | 49,236 |
| | 66,290 | 85,719 |

14. 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.

| | 2025 HK\$'000 | 2024 <i>HK\$'000</i> |
|---|--------------------------------|-------------------------|
| Loan receivables | 148,671 | 129,559 |
| Less: Provision for ECL on loan receivables | (3,186) | (7,630) |
| Loan receivables, net of provision | 145,485 | 121,929 |
| Interest receivables | 18,010 | 10,873 |
| Less: Provision for ECL on interest receivables | (555) | (734) |
| Interest receivables, net of provision | 17,455 | 10,139 |
| | 162,940 | 132,068 |

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

| | 2025 HK\$'000 | 2024 HK\$'000 |
|-------------------------------|--------------------------------|------------------|
| Loan receivables | | |
| Neither past due nor impaired | | |
| – Secured | 19,160 | 7,067 |
| – Unsecured | 126,325 | 114,862 |
| | 145,485 | 121,929 |
| Interest receivables | | |
| Neither past due nor impaired | | |
| – Secured | 3,725 | 893 |
| – Unsecured | 13,730 | 9,246 |
| | 17,455 | 10,139 |
| | 162,940 | 132,068 |

Loan with gross carrying amount of (i) HK\$1,200,000 (2024: HK\$1,200,000) is secured by the shares of certain companies incorporated in BVI; (ii) HK\$4,750,000 (2024: HK\$4,750,000) is secured by certain loans and interest receivables of the customer; and (iii) HK\$13,210,000 (2024: 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 and an interest bearing senior note amounting to US\$342,000.

Loan receivables bear interest from 8.0% – 15.0% (2024: 8.0% – 15.0%) per annum and repayable in fixed terms agreed with customers. Interest receivables bear interest from 8.0% – 20.0% (2024: 8.0% – 36.0%) per annum for default interest and repayable in fixed terms agreed with customers.

As at 31 March 2025 and 2024, all loan and interest receivables based on the maturity date, are within one year.

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.

15. SHARE CAPITAL

| | Number of ordinary shares | Nominal value of ordinary shares HK\$'000 |
|---|---------------------------------|---|
| Authorised share capital | | |
| As at 1 April 2023, 31 March 2024 and 31 March 2025 | <u>10,000,000,000</u> | <u>100,000</u> |
| Issued and fully paid | | |
| As at 1 April 2023, 31 March 2024 and 31 March 2025 | <u>1,453,956,350</u> | <u>14,539</u> |
| Issue of shares upon placement (<i>note (a)</i>) | 64,370,000 | 644 |
| Issue of shares upon bonus issue (<i>note (b)</i>) | 30,366,527 | 304 |
| Issue of shares under share option scheme (<i>note (c)</i>) | <u>700,000</u> | <u>7</u> |
| As at 31 March 2025 | <u>1,549,392,877</u> | <u>15,494</u> |

Notes:

- (a) On 21 March 2024, the Company entered into a placing agreement with placing agents pursuant to which the Company had conditionally agreed to place, through the placing agents on a best effort basis, up to 100,000,000 new shares of the Company at a placing price of HK\$3.50 per placing share to not less than six placees. The placing shares would be allotted and issued pursuant to the general mandate approved by the shareholders of the Company at the annual general meeting of the Company held on 11 September 2023. On 9 April 2024, the Company completed the placing of new shares totalling 64,370,000 under the general mandate at HK\$3.50 per share for a total consideration of approximately HK\$225,295,000. The net proceeds, after considering the share issuance expense of HK\$99,000, amounting to approximately HK\$225,196,000 of which HK\$644,000 was credited to the share capital account and approximately HK\$224,552,000 was credited to share premium account.
- (b) On 13 September 2024, the Company approved bonus issue of shares on the basis of one new share for every 50 existing ordinary shares held by the members on 25 September 2024. A total of 30,366,527 shares were issued on 10 October 2024.
- (c) On 9 January 2025, 7 February 2025 and 19 March 2025, 700,000 shares were issued at the subscription price at HK\$2.70 to respective option holders to the exercise of their options under the Share Option Scheme of the Company.

16. TRADE AND OTHER PAYABLES

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Trade payables (<i>note (a)</i>) | 17,045 | 1,292 |
| Trade payables to securities brokerage clients (<i>note (b)</i>) | 71,317 | 207,677 |
| Contract liabilities (<i>note (e)</i>) | 447 | 179 |
| Accrued employee benefits expenses | 2,871 | 1,760 |
| Other payables (<i>note (c)</i>) | 16,292 | 15,160 |
| Amounts due to related parties (<i>note (d)</i>) | 3,945 | — |
| | <u>111,917</u> | <u>226,068</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 (2024: 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:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---------------|-------------------------|-------------------------|
| 1 to 30 days | 15,687 | 899 |
| 61 to 90 days | 374 | — |
| Over 90 days | 984 | 393 |
| | <u>17,045</u> | <u>1,292</u> |

(b) Trade payables to securities brokerage clients

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|--------------------------------|------------------|
| Trade payables from the business of dealing in securities: | | |
| – Trade payables – margin clients | 28,813 | 88,792 |
| – Trade payables – cash clients | 42,504 | 118,885 |
| | 71,317 | 207,677 |

(c) It mainly represents 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 2025, no contract liabilities that is expected to be settled after more than one year (2024: nil).

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.

17. EVENTS AFTER THE REPORTING PERIOD

On 31 March 2025, the board resolved to propose the termination of the Share Option Scheme and the adoption of the 2025 Share Incentive Scheme and have been approved by the shareholders at the extraordinary general meeting held on 19 June 2025.

According to the terms of the Share Option Scheme, the Company may by ordinary resolution in general meeting at any time resolve to terminate the Share Option Scheme and in such event, no further options may be offered but the provision of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted prior to its termination or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options granted under the Share Option Scheme prior to such termination shall continue to be valid and exercisable in accordance with the rules of the Share Option Scheme.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year ended 31 March 2025 (the “**Reporting Period**”), despite the uncertainties cast on the global economic prospect, the Group continued to focus on the development of 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 (the “**Financial Services Businesses**”), and has expanded its family office services business.

During the Reporting Period, the Group recorded a decrease in revenue by approximately 6.3% from approximately HK\$202.4 million for the year ended 31 March 2024 (the “**FY2024**”) to approximately HK\$189.7 million for the year ended 31 March 2025. The Group recorded an increase in gross profit of approximately 6.4% (the “**FY2025**”) to approximately HK\$138.9 million in FY2025 (FY2024: HK\$130.5 million). The Group recorded an increase in total comprehensive income attributable to the owners of the Company by approximately 36.9% to approximately HK\$136.6 million in FY2025 (FY2024: HK\$99.8 million).

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 2025, the loan receivables from margin financing services amounted to approximately HK\$55.9 million (31 March 2024: HK\$82.2 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. 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 and financial advisory services amounted to approximately HK\$69 million (FY2024: HK\$123.4 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\$28 million (FY2024: HK\$14.3 million).

During the Reporting Period, the segment revenue for provision of financial services of licensed business was approximately HK\$109.3 million (FY2024: HK\$151.0 million) and segment profit was approximately HK\$25.3 million (FY2024: HK\$19.5 million).

The decrease in segment revenue was mainly attributable to the decrease in services fee income from 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 relatively 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 FY2024, 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 was approximately HK\$53.3 million (FY2024: HK\$16.2 million) and segment profit was approximately HK\$12.4 million (FY2024: segment loss of HK\$16,000). The segment revenue was mainly contributed by DL Family Office HK. The segment profit was mainly attributable to the increase in segment revenue for the provision of family office services.

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\$12.7 million (FY2024: HK\$14.1 million) and segment profit was approximately HK\$12.1 million (FY2024: segment loss of HK\$0.3 million). The increase in segment profit was mainly attributable to the reversal of the provision for expected credit loss (“ECL”) allowance on loan and interest receivables of approximately HK\$4.6 million during the Reporting Period (FY2024: provision for ECL allowance of HK\$6.1 million).

As at 31 March 2025, the Group granted loans to 33 (31 March 2024: 26) customers, which are mainly individual customers in seek of funding for investment and general working capital purpose. As at 31 March 2025, the Group had a customer concentration risk as 5.9% (31 March 2024: 12%) and 28.2% (31 March 2024: 41.6%) 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 2025, all loan and interest receivables based on the maturity date, are within one year.

As at 31 March 2025, loan receivables of the Group bore interest from 8.0% – 15.0% (31 March 2024: 8.0% – 15.0%) per annum and repayable in fixed terms agreed with customers. As at 31 March 2025, interest receivables bore interest from 8.0% – 20.0% (31 March 2024: 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 2025. 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, reversal of provision of HK\$4.6 million (FY2024: provision of HK\$6.1 million) was recognized in respect of the ECL for the loan and provision of interests receivables. The reversal of the provision for ECL was mainly due to the decrease in ECL. For the Reporting Period, the reversal of the provisions for ECL on loan and interest receivables of HK\$4.6 million (FY2024: provision of HK\$6.1 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.

OUTSTANDING LOAN RECEIVABLES AS AT 31 MARCH 2025 AND THE MAJOR TERMS OF THE LOANS

As at 31 March 2025, the total outstanding loan receivables was approximately HK\$148.7 million (31 March 2024: HK\$129.6 million) which was granted to 33 (31 March 2024: 26) borrowers, of which approximately 68.5% (31 March 2024: 61.5%) of the borrowers are individuals and 31.5% (31 March 2024: 38.5%) of the borrowers are corporate borrowers from various sectors including, but not limited to, media, investment, finance, consulting, etc. Loan receivables from the five largest borrowers amounted to approximately HK\$45.5 million (31 March 2024: HK\$54.3 million) or 30.6% (31 March 2024: 41.9%) of the total outstanding loan receivables as at 31 March 2025. The weighted maturity profile is approximately 5.2 months (31 March 2024: 3.78 months). As at 31 March 2025, the loan receivables bore interest from 8.0% to 15.0% (31 March 2024: 8.0% to 15.0%) per annum and repayable in fixed terms agreed between the parties. The secured loans, representing approximately 4% (31 March 2024: 5.8%) of the total outstanding loan receivables, were secured by interests in a limited partnership fund and senior note issued by a listed company in Hong Kong.

AGEING ANALYSIS OF THE OUTSTANDING LOANS

As at 31 March 2025, the weighted ageing of the outstanding loan receivables based on initial loan commencement date as set out in the relevant contracts was approximately 6.6 months (31 March 2024: 8.22 months).

The ageing analysis of loan receivables based on initial loan commencement date as set out in the relevant contracts is as follows:

| | As at 31 March 2025 <i>HK\$'000</i> | As at 31 March 2024 <i>HK\$'000</i> |
|-----------------|--|--|
| Within 1 month | 9,000 | — |
| 1 to 6 months | 43,200 | 5,500 |
| 7 to 9 months | 65,881 | — |
| 10 to 12 months | 30,590 | 124,059 |
| Total | <u>148,671</u> | <u>129,559</u> |

The ageing analysis of loan receivables based on the maturity dates as set out in the relevant contracts is as follows:

| | As at 31 March 2025 <i>HK\$'000</i> | As at 31 March 2024 <i>HK\$'000</i> |
|-------------|--|--|
| Not due yet | 148,671 | 128,359 |
| Overdue | — | 1,200 |
| Total | <u>148,671</u> | <u>129,559</u> |

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 increased to approximately HK\$5.1 million (FY2024: HK\$4.8 million), representing an increase of 6.3%. Segment loss for the Reporting Period decreased to approximately HK\$1.8 million (FY2024: HK\$5.4 million). 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\$9.2 million (FY2024: HK\$16.3 million) and segment loss of approximately HK\$18.3 million (FY2024: segment gain of HK\$33.9 million). The decrease in the segment revenue and the change from segment profit to segment loss was attributable to the decrease 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 losses on financial assets at FVTPL of approximately HK\$4.0 million (FY2024: net fair value gains of HK\$22.5 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 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 focus on the development in the business segment and it was a major contributing factor to the revenue recorded by the Group. 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 2026.

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.

8. During FY2024, 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 Group will continue to expand the family office business in the future.

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\$189.7 million (FY2024: HK\$202.4 million), representing a decrease of 6.3%. The decrease in revenue was mainly attributable to the decrease in revenue from provision of financial services of licensed business (including interest income from provision of margin financing services) and enterprise solutions services, and partially offset by the increase in revenue from family office services 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 decreased to approximately HK\$109.3 million (FY2024: HK\$151.0 million). The decrease was mainly attributable to the decrease 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 family office services business increased to approximately HK\$53.3 million (FY2024: HK\$16.2 million), representing a significant increase of approximately 229.0%. The segment revenue was mainly contributed by DL Family Office HK. The significant increase was mainly due to the increase in services fees income from the provision of family office services and the segment revenue in FY2024 represented the revenue contributed by DL Family Office HK after the completion of the acquisition of the remaining 55% interest in DL Family Office HK in November 2023.

During the Reporting Period, the segment revenue of the money lending services decreased to approximately HK\$12.7 million (FY2024: HK\$14.1 million), which represents a decrease of 9.9%.

During the Reporting Period, the segment revenue for the Apparel Business increased to approximately HK\$5.1 million (FY2024: HK\$4.8 million), representing an increase of 6.3%. Segment loss for the Reporting Period decreased to approximately HK\$1.8 million (FY2024: HK\$5.4 million). 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 decreased to approximately HK\$9.2 million (FY2024: HK\$16.3 million) and was attributable to the decrease in service fees generated from consultancy services provided by the Group.

Cost of sales/services

The Group's cost of sales/services primarily consists of cost of services from the Financial Services Businesses and family office services business 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, the cost of services from the family office services business mainly consist of referral fee to business vendors and various service costs 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 HK\$50.7 million (FY2024: HK\$71.9 million), representing a decrease of 21.5% due to the decrease in cost of sales/services incurred for the Financial Services Businesses and family office services business and Apparel Business.

Gross profit and gross profit margins

During the Reporting Period, the gross profit of the Group was approximately HK\$138.9 million (FY2024: HK\$130.5 million), which represents an increase of approximately 6.4%. During the Reporting Period, the Group's gross profit margin increased to approximately 73.2% (FY2024: 64.5%).

Other gains, net

During the Reporting Period, the Group recorded net other gains of approximately HK\$196.1 million (FY2024: net other gains of HK\$99.3 million), mainly attributable to remeasurement gain on disposal of subsidiary of approximately HK\$168.2 million and net fair value gains on financial assets at FVTPL of approximately HK\$22.4 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 increased to HK\$1.4 million (FY2024: HK\$1.3 million).

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\$175.6 million (FY2024: HK\$111.1 million), representing an increase of approximately 58.1%. Such increase was mainly due to the increase in staff cost, amortisation of intangible assets, depreciation of right-of-use assets and consultancy fee expenses incurred during the Reporting Period.

Finance costs

During the Reporting Period, finance cost increased to approximately HK\$30.0 million (FY2024: HK\$16.0 million) which was mainly attributable to increase in interest expenses on promissory note payables.

As at 31 March 2025, the Group had (i) bank borrowing of approximately HK\$50.0 million (31 March 2024: HK\$51.0 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 2024: HK\$84.0 million) with fixed coupon rates ranging from 5% to 10% per annum; and (iii) promissory note payables of approximately HK\$32.8 million (31 March 2024: HK\$171.6 million) with interest rate of 0% to 8% per annum.

Total comprehensive income attributable to owners of the Company

During the Reporting Period, total comprehensive income attributable to owners of the Company was approximately HK\$136.6 million (FY2024: HK\$99.8 million).

LIQUIDITY AND FINANCIAL RESOURCES

For the years ended 31 March 2024 and 2025, the Group mainly financed its operations with its own working capital, bank borrowing and proceeds from issuance of corporate bonds and promissory note payables. As at 31 March 2025, the Group had net current assets of approximately HK\$365.0 million (31 March 2024: HK\$255.6 million), including cash and cash equivalents of approximately HK\$31.7 million (31 March 2024: HK\$39.8 million). The Group's current ratio was approximately 2.45 as at 31 March 2025 (31 March 2024: 1.75).

As at 31 March 2025, the Group had bank borrowing of HK\$50.0 million (31 March 2024: HK\$51.0 million) at a floating interest rate of 2.3% per annum over the Hong Kong Interbank Offered Rate. The bank borrowing is denominated in Hong Kong Dollars and is repayable within one year and secured by corporate guarantee given by the Company.

As at 31 March 2025, the aggregate carrying values of promissory note issued by the Group amounted to HK\$32.8 million (31 March 2024: HK\$171.6 million), with interest rate of 0% to 8% per annum (2024: 0% to 8% per annum), which are denominated in Hong Kong dollars and United States dollars (31 March 2024: United States dollars) and shall be repayable within two to five years.

As at 31 March 2025, the Group had unlisted coupon bonds in issue to independent third-party subscribers with an aggregate principal amount of HK\$84.0 million (31 March 2024: HK\$84.0 million). The unlisted bonds are denominated in Hong Kong Dollars and unsecured and not guaranteed. The coupon rate and maturity date of the unlisted coupon bonds issued by the Group as at 31 March 2025 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 2024 and 2025, the cash and cash equivalents of the Group were mainly held in United States dollars, Renminbi, Singapore dollars, Euro dollars, Japanese yen and Hong Kong dollars.

Details of changes in the Company's share capital are set out in note 15 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 decreased from approximately 58.9% as at 31 March 2024 to approximately 33.9% as at 31 March 2025.

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 2025, the Group has nil lease commitments for short-term lease (31 March 2024: nil) and nil capital commitments (31 March 2024: HK\$9.3 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 (“**Mr. Chen**”), 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 2025, the fair value of the investment in the Target Company amounted to approximately HK\$139.6 million, which represents approximately 10.4% of the total assets of the Group as at 31 March 2025. 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\$24.4 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 2025, 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

DLJP Subscription

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

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

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

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

Share transfer in DL Digital Family Office

On 31 March 2025, the Company (as vendor) entered into sale and purchase agreements with each of GPTX Tech-Driven LPF, C Capital AI Limited and Shuren Education Limited (as investors), pursuant to which, the Company has conditionally agreed to sell and each of the investors has conditionally agreed to purchase an aggregate of 3,152 shares in DL Digital Family Office, representing approximately 28.0% of the then issued share capital of DL Digital Family Office, for the total consideration of approximately USD9.80 million (i.e. USD3,109 per share of DL Digital Family Office) at an implied valuation of 100% equity interest in DL Digital Family Office of approximately USD35 million which shall be settled by the issue of promissory notes by each of the investors to the Company in the same respective amounts.

On 31 March 2025, the board of directors of DL Digital Family Office has resolved to enter into a trust deed and adopt a share scheme to recognise the past and present contributions and to incentivise the future contributions by senior management and core employees of its group. In connection with the adoption of such share scheme and as initial contribution, the Company has transferred 25% of its issued share capital of DL Digital Family Office to the trustee as initial contribution by shares for such share scheme.

Immediately prior to completion of the above, DL Digital Family Office is a subsidiary of the Company and is owned as to approximately 88.8%, 9.9% and 1.3% by the Company, Qraft Technologies, Inc. and an individual investor, respectively. Upon completion of the above, the Company will hold approximately 35.8% of the then total issued share capital of DL Digital Family Office.

DL Digital Family Office will cease to be a subsidiary of the Company, but will be accounted as an investment in an associate of the Group and will be accounted for and consolidated in the Group's financial results as an associate using equity method.

Immediately prior to completion of the above-mentioned share transfer and contribution to share scheme, DLS is owned as to 70% by a wholly-owned subsidiary of the Company and 30% by DL Digital Family Office. Upon the above-mentioned share transfer, the shareholding interest of the Company in DL Digital Family Office will be reduced from approximately 88.8% to approximately 35.8%. Upon completion of the above, the Group's effective equity interest in DLS will be reduced from approximately 96.6% to approximately 80.7%. Therefore, the above-mentioned share transfer and contribution to share scheme would constitute a disposal of interests in DLS by the Company under the Listing Rules.

For further details, please refer to the announcements of Company dated 31 March 2025 and 12 May 2025.

Save as disclosed above, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during 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 2025. 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 2024 and 2025.

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 2024 and 2025, 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

Immediately prior to and following completion of the DLJP Subscription, DLJP held a property located at Flat 201 on 2nd Floor and a Carpark Garage on Ground Floor, Cosmos Minamiyukigaya (コスモ南雪谷), 684-1-1 and 684-1-3, 4-Chome, Minamiyukigaya, Ota District, Tokyo, Japan (the “**Property**”). Following completion of the DLJP Subscription on 29 November 2024, DLJP has become an indirect non-wholly owned subsidiary of the Company and the Property is part of assets of the Group. To facilitate the then intended purchase of the Property by DLJP, pursuant to a facility letter dated 22 September 2022 (as amended and supplemented by a supplemental facility letter dated 29 November 2024), the Property has been charged as one of the securities to obtain a loan facility in the principal amount of JPY132,300,000 for a tenure of 144 months at the interest rate of 2.8% p.a. over one-month TIBOR (Tokyo Interbank Offered Rate) or over the cost of fund, whichever is higher. For further details, please refer to the announcements of the Company dated 17 July 2024 and 29 November 2024.

Save as disclosed above, as at 31 March 2025, there were no charges on the Group’s assets (31 March 2024: nil) as securities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2024 and 2025, the Group employed a total of 85 and 104 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 2024 and 2025, the Group’s total employee benefit expenses (including Directors’ emoluments) amounted to approximately HK\$54.7 million and HK\$70.9 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.

2015 SHARE OPTION SCHEME

A share option scheme was adopted and approved by the then Shareholders on 22 September 2015 (the “**2015 Share Option Scheme**”). The purpose of the 2015 Share Option Scheme was 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 2015 Share Option Scheme included 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. On 6 August 2024, the Board passed a resolution to, among other things, amend the terms of the Share Option Scheme to the effect that the Company may satisfy the grants of the share options under the Share Option Scheme using treasury shares of the Company at the Board’s discretion.

During the year ended 31 March 2025, the Company did not grant any share options under the 2015 Share Option Scheme, 700,000 share options were exercised and no share options were lapsed. The bonus issue on the basis of one bonus share for 50 existing Shares completed on 10 October 2024 has led to adjustments to the number of share options. As at 31 March 2025, the Company had 26,432,000 (31 March 2024: 26,600,000) share options outstanding under the 2015 Share Option Scheme.

As disclosed in the announcement of the Company dated 31 March 2025 and the circular of the Company dated 3 June 2025, in view of the amendments to Chapter 17 of the Listing Rules relating to share schemes which came into effect on 1 January 2023, the Company proposed to terminate the 2015 Share Option Scheme and adopt the 2025 Share Incentive Scheme (as defined and detailed below) to replace the 2015 Share Option Scheme for the purpose of, among other things, reflecting the latest changes and requirements under Chapter 17 of the Listing Rules. The proposed termination of the 2015 Share Option Scheme was approved by the shareholders of the Company in the extraordinary general meeting held on 19 June 2025.

2020 SHARE AWARD SCHEME

A share award scheme was adopted by the Company on 8 September 2020 (the “**2020 Share Award Scheme**”). The 2020 Share Award Scheme was (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 2020 Share Award Scheme was subject to administration of the Board and DL Securities (HK) Limited, the trustee in accordance with the rules of the 2020 Share Award Scheme and the trust deed in relation thereto. The eligible participants of the 2020 Share Award Scheme included 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 2025, the Company granted 350,000 shares (2024: 354,484 shares) under the 2020 Share Award Scheme. The 2020 Share Award Scheme was terminated with effect from 2 September 2024 to streamline the equity incentive schemes of the Company. For further details, please refer to the announcement of the Company dated 2 September 2024. Following termination of the 2020 Share Award Scheme, on 15 October 2024, 66,100,488 ungranted Shares that were originally held by the trustee under the 2020 Share Award Scheme were repurchased and held as treasury shares.

2025 SHARE INCENTIVE SCHEME

A share incentive scheme was adopted by the Company on 19 June 2025 (the “**2025 Share Incentive Scheme**”). The 2025 Share Incentive Scheme is (i) to enable the Company to grant awards to eligible participants as incentive or reward for their contribution to the Group; (ii) to provide the Company with a flexible means of remunerating, incentivizing, retaining, rewarding, compensating and/or providing benefits to eligible participants; and (iii) to align the interest of eligible participants with those of the Company and its shareholders by providing such eligible participants with the opportunity to acquire shareholding interests in the Company. The award to be granted under the 2025 Share Incentive Scheme may take the form of a share option or a share award. Eligible participants of the 2025 Share Incentive Scheme include employee participants and related entity participants. For further details, please refer to the announcements of the Company dated 31 March 2025 and 19 June 2025 and the circular of the Company dated 2 June 2025.

2025 RESTRICTED SHARE AWARD SCHEME

A restricted share award scheme was also adopted by the Company on 2 June 2025 (the “**2025 Restricted Share Award Scheme**”). The 2025 Restricted Share Award Scheme is (i) to recognise the contributions by certain participants of the scheme and to provide them with incentives in order to retain them for the continual operation and development of the Group; (ii) to provide the Company with a flexible means of remunerating, incentivising, retaining, rewarding, compensating and/or providing benefits to the participants of the scheme; and (iii) to align the interest of the participants of the scheme with those of the Company and its shareholders by providing such participants with the opportunity to acquire shareholding interests in the Company to attract suitable personnel for further development of the Group. The scheme shall be subject to the administration of the Board and the trustee in accordance with the rules of the scheme and the terms of the trust deed. The 2025 Restricted Share Award Scheme shall only be funded by existing Shares and shall not involve the grant by the Company of new Shares (including any transfer of treasury shares out of treasury) or options over new Shares or similar arrangement for the benefit of the selected participants. For further details, please refer to the announcement of the Company dated 2 June 2025.

PLACING OF NEW SHARES

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.

SUBSEQUENT EVENTS

Since 31 March 2025 and up to the date of this announcement, save as disclosed above, there is no significant event affecting the Group that have occurred.

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

Save as disclosed in the paragraphs headed “2020 Share Award Scheme” and “Placing of New Shares” of this announcement, the Company and its subsidiaries did not purchase, sell or redeem any of its Shares listed on the Stock Exchange for the year ended 31 March 2025.

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 2025, Mr. Chen 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 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 2025.

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 2025.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

For the year ended 31 March 2025 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 2025 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 Directors do not recommend the payment of a final dividend for the year ended 31 March 2025 (FY2024: HK1.98 cents per Share, amounting to HK\$30,063,000 in total).

CLOSURE OF REGISTER OF MEMBERS

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 9 September 2025 to 12 September 2025, 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 8 September 2025.

ANNUAL GENERAL MEETING

The AGM will be held on 12 September 2025 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 2025.

SCOPE OF WORK OF BDO 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 2025 as set out in this preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement and consequently no assurance conclusion has been expressed by BDO Limited on this preliminary announcement.

By order of the Board

DL Holdings Group Limited

Chen Ningdi

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 25 June 2025

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.