DLC ASIA

DLC ASIA LIMITED
衍匯亞洲有限公司*

(incorporated in the Cayman Islands with limited liability)

Stock code : 8210

ANNUAL REPORT

2023

* For identification purpose only

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. LAU Ming Yeung, Lambert *(Chairman)*
Mr. CHOI Man Ho *(Chief Executive Officer)*
Mr. NG Yu Fai
Mr. SHIU Kam Man

Independent Non-executive Directors

Mr. VOON David Hian-fook
Mr. OR Kevin
Mr. WU Ping Lam Michael David

AUDIT COMMITTEE

Mr. OR Kevin *(Chairman)*
Mr. VOON David Hian-fook
Mr. WU Ping Lam Michael David

REMUNERATION COMMITTEE

Mr. VOON David Hian-fook *(Chairman)*
Mr. WU Ping Lam Michael David
Mr. LAU Ming Yeung, Lambert

NOMINATION COMMITTEE

Mr. WU Ping Lam Michael David *(Chairman)*
Mr. VOON David Hian-fook
Mr. LAU Ming Yeung, Lambert

COMPANY SECRETARY

Ms. SO Ka Man, *FCG, HKFCG*

COMPLIANCE OFFICER

Mr. CHOI Man Ho

AUTHORIZED REPRESENTATIVES

(for the purpose of the GEM Listing Rules)

Mr. LAU Ming Yeung, Lambert
Mr. CHOI Man Ho

LEGAL ADVISER

Michael Li & Co.

AUDITOR

SHINEWING (HK) CPA Limited

REGISTERED OFFICE

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PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 2601–3, Tai Tung Building
8 Fleming Road, Wanchai
Hong Kong

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road, Hong Kong

PRINCIPAL BANK

The Hongkong and Shanghai Banking
Corporation Limited

STOCK CODE

8210.HK

WEBSITE

www.derivaasia.com

Chairman's Statement

On behalf of the Board, I hereby present the Shareholders the annual report of the Company for the FY2023.

Our Group's revenue for the FY2023 amounted to approximately HK$56.9 million (FY2022: HK$39.7 million), representing a year-on-year increase of 43.3%, and profit after taxation amounted to of HK$3.9 million (FY2022: loss of HK$8.8 million).

Over the past year, we have made significant progress in a number of key areas. We have continued to focus on controlling our costs while upgrading the necessary technology, enabling us to offer our clients services that meet their evolving needs. We have also expanded our presence in the key markets and we were honored to be awarded as the Top Interdealer Broker in Equities Derivatives by the Stock Exchange in March 2023.

Looking ahead, we remain optimistic about the future of our company. As the COVID-19 pandemic tapered off and we are starting to see cross-border activities resume, we believe the market turnover in derivatives will see a healthy growth in 2024. The Board believes we would be able to leverage our existing platform and resources to further expand our product suites and footprints in major markets. We will continue to work with our clients, shareholders and business partners for sustainable development of the Group and continue to monitor our strategic business directions and operations with a view to maximising returns for our Shareholders.

As an enterprise based in Hong Kong, the Company is committed to becoming a leading inter-dealer broker in the region. We shall strive to strike a balance between stability and innovation to sustain high-quality service for our clients and returns for our Shareholders.

On behalf of the Board
Lau Ming Yeung, Lambert
Chairman

Hong Kong, 9 June 2023

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

The Group is an interdealer broker in Hong Kong providing derivatives brokerage services to Professional Investors (as defined under the SFO) through its wholly-owned subsidiary, De Riva, which is a licensed corporation under the SFO and a HKFE Exchange Participant. De Riva is licensed by the Securities and Futures Commission of Hong Kong (the "**SFC**") to carry out type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities in Hong Kong for Professional Investors without providing any margin financing services. Under the licensing condition, De Riva can only provide services to Professional Investors.

The principal business of the Group is derivatives brokerage, which involves matching and/or executing and settling derivatives trade orders for the customers. When the customers place a trade order, it usually involves a combination of futures and options and other derivatives products, which are typically viewed as a single product by the customers in the derivatives market. During the period under review, the Group derived all of its revenue from commission income for derivatives brokerage services provided to the customers.

For the FY2023, the trade orders involved listed derivatives products which were either executed on the Hong Kong Exchanges and Clearing Limited (the "**HKEx**") or Singapore Exchange (the "**SGX**") or Eurex Exchange (the "**EUREX**"), and non-listed derivatives products which were all executed over-the-counter ("**OTC**"). The Group has, through De Riva, entered into arrangements with a number of execution brokers to provide derivative services for SGX listed derivatives as De Riva does not have the relevant trading rights. Hence, De Riva acted as an agent to arrange for and match up trade orders without providing any execution, settlement or clearing services, and trading parties are directly responsible for all risks involved in the OTC transactions.

For the FY2023, the revenue was approximately HK$56.9 million, representing an increase of approximately 43.3% when compared with the revenue of approximately HK$39.7 million of FY2022.

FINANCIAL REVIEW

Revenue

The revenue increased from approximately HK$39.7 million for the FY2022 to approximately HK$56.9 million for the FY2023, representing an increase of approximately 43.3%. The increase was mainly due to the increase in trade volume.

The following table sets forth the revenue breakdown for the FY2023, together with the comparative results for the FY2022:

	For the year ended 31 March			
	2023		2022	
	(Audited)		(Audited)	
	HK$'000	**%**	HK$'000	%
HKEx	**51,445**	**90.3**	34,838	87.8
SGX	**511**	**0.9**	596	1.5
EUREX	**19**	**0.1**	84	0.2
OTC	**4,966**	**8.7**	4,186	10.5
TOTAL	**56,941**	**100.0**	39,704	100.0

Other income

The other income increased from HK$Nil for FY2022 to approximately HK$692 thousand for FY2023, representing an increase of approximately 100%. The increase was mainly due to the government subsidy of HK$504 thousand for COVID-19 received by the Company in FY2023.

Staff Costs

Staff costs comprise salaries, provident fund contribution and other allowance. The staff costs increased from approximately HK$28.8 million for FY2022 to approximately HK$36.5 million for FY2023, representing an increase of approximately 26.7%. The increase was mainly attributed to the increase in bonus which was in line with the increase in revenue of the Group.

Depreciation

The depreciation of property and equipment and right-of-use assets decreased from approximately HK$2.6 million for FY2022 to HK$126 thousand for FY2023, representing a decrease of 95.2%. The decrease was mainly due to the full impairment of property and equipment and right-of-use assets in FY2022.

Other operating expenses

The other operating expenses consist of clearing expenses, information system services expenses, error expenses, insurance expenses, repair and maintenance expenses, legal and professional fee etc. The other operating expenses increased from approximately HK$13.8 million for FY2022 to approximately HK$17.2 million for FY2023, representing an increase of approximately 24.6%. The increase was mainly due to the increase in clearing expenses, error expenses and exchange fee etc.

The clearing expenses for FY2023 was approximately HK$5.3 million representing an increase of HK$2.0 million or 60.6% over approximately HK$3.3 million for FY2022. The increase in clearing expenses was in line with the increase in revenue of the Group.

The error expenses for FY2023 was approximately HK$1.4 million, representing an increase of HK$745 thousand or 113.7% over approximately HK$655 thousand for FY2022. The increase in error expenses was in line with the increase in revenue of the Group.

The exchange fee for FY2023 was approximately HK$375 thousand, representing an increase of HK$216 thousand or 135.8% over approximately HK$159 thousand for FY2022. The increase in exchange fee was in line with the increase in revenue of the Group.

Income tax credit

Income tax credit for FY2023 was approximately HK$172 thousand, while the income tax credit for FY2022 was approximately HK$178 thousand due to utilisation of tax loss in previous year and provision of deferred tax asset in FY2023.

Profit/(loss) for the year

The Group recorded a profit of approximately HK$3.9 million for FY2023 (FY2022: loss HK$8.8 million). The change from loss to profit was mainly due to the increase in revenue, decrease in depreciation, after netting off the increase in staff cost and increase in other operating expenses during FY2023 as discussed above.

LIQUIDITY AND FINANCIAL RESOURCES

	As at 31 March 2023 (Audited) HK$'000	As at 31 March 2022 (Audited) HK$'000
Current Assets	**89,504**	82,429
Current Liabilities	**8,823**	3,632
Current Ratio (times) (Note i)	**10.1**	22.7
Gearing Ratio (times) (Note ii)	**N/A**	N/A
Debt to equity ratio (Note iii)	**Net cash**	Net cash

Notes:

(i) The calculation of current ratio is based on current assets divided by current liabilities.

(ii) The calculation of gearing ratio is based on the total loans and borrowings divided by total equity.

(iii) Debt to equity ratio is calculated by dividing net debt (total loans and borrowings net of cash and cash equivalent) by total equity and expressed in percentage.

The Group recorded a current ratio of approximately 10.1 times as at 31 March 2023 (as at 31 March 2022: 22.7 times), reflecting the financial competence of the Group.

As at 31 March 2023, the Group's cash and bank balances amounted to approximately HK$54.6 million (as at 31 March 2022: HK$53.2 million). The Group has sufficient resources to satisfy its working capital and sustain its business.

As at 31 March 2023, overall interest bearing liabilities of the Group are nil (as at 31 March 2022: Nil), therefore the gearing ratio was not applicable to the Group. The Company does not have any long term liabilities.

The Group recorded net cash positions as at 31 March 2023 and 31 March 2022 respectively and therefore debt to equity ratio analysis was not applicable.

ERROR EXPENSES AND FACILITATION EXPENSES

The Group's error expenses and facilitation expenses for the new error report filings are as follows:

	Error Expenses HK$'000 (Unaudited)	Facilitation Expenses/ (Gain) HK$'000 (Unaudited)
April 2022	–	63
May 2022	–	99
June 2022	–	68
July 2022	–	33
August 2022	–	142
September 2022	–	66
October 2022	–	72
November 2022	–	113
December 2022	–	91
January 2023	337	59
February 2023	–	117
March 2023	–	150

The error trades are generally resulted from unintentional human errors and the daily business operations are closely monitored by the management team.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the FY2023. To manage liquidity risk, the Group monitors the liquidity position daily to ensure that the liquidity structure of the Group's assets, liabilities and other commitment can meet the funding and SFC regulatory requirement.

CAPITAL STRUCTURE

The authorised share capital of the Company is HK$50 million divided into 5,000,000,000 ordinary shares of the Company (the "**Shares**") of HK$0.01 each.

As at the date of this report, the Company's issued share capital was HK$8 million divided into 800,000,000 ordinary Shares of HK$0.01 each. During the FY2023, there was no movement of the issued capital of the Company.

CAPITAL COMMITMENT

As at 31 March 2023, the Group did not have any capital commitment (31 March 2022: HK$Nil) in respect of the acquisitions of property and equipment contracted for but not provided in the Consolidated Financial Statements.

SIGNIFICANT INVESTMENT

As at 31 March 2023, the Group had no significant investment with a value of 5% or more of the Group's total assets.

EVENT AFTER THE REPORTING DATE

There was no significant event relevant to the business or financial performance of the Group that has come to the attention of the Directors after the FY2023 and up to the date of this report.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 March 2023, the Group did not have any future plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the FY2023, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

CONTINGENT LIABILITIES

As at 31 March 2023 and 31 March 2022, the Group did not have any material contingent liabilities.

EXPOSURE TO EXCHANGE RATE FLUCTUATIONS

The Group's revenue generating operations are mainly transacted in HK$ and US$. The Directors consider the impact of foreign exchange exposure to the Group to be minimal.

PLEDGE OF ASSETS

As at 31 March 2023 and 31 March 2022, the Group did not pledge any of its assets.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2023, the Group had 26 staff (as at 31 March 2022: 26) in total. The Group's remuneration policy is based on the duties, responsibilities, experiences, skills, time commitment and performance of the relevant director or member of senior management of the Group and are made with reference to those paid by comparable companies. The employees are remunerated with monthly salaries and discretionary bonuses based on individual performance, market performance, the Group's profit as a whole and comparable market levels. Apart from salary payments, other staff benefits include provident fund contributions, medical insurance coverage, other allowances and benefits.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Lau Ming Yeung Lambert ("Mr. Lau"), aged 44, joined the Group as a managing director of De Riva in June 2017 and was appointed as a Director on 1 November 2017. He was re-designated as an executive Director on 30 July 2018 and appointed as the Chairman of the Board on 4 December 2017. He is also a member of the Nomination Committee and the Remuneration Committee. Mr. Lau is responsible for overseeing the overall strategic development and operations, business development, financial performance, risk management and compliance matters of the Group and is responsible for formulating and implementing strategic plans and assigning responsibilities to the senior management of De Riva.

After graduating from Columbia University in the City of New York in the USA with a degree of Bachelor of Science in Operations Research in 2000, Mr. Lau obtained a degree of Master of Science in Financial Engineering in 2001. Mr. Lau has accumulated more than fifteen years of experience in derivatives trading. From July 2001 to February 2016, he worked at Goldman Sachs (Asia) L.L.C. (or its affiliates) ("**Goldman Sachs**"), with his last held position being managing director of the Securities Division. He was primarily responsible for managing businesses across single stock flow derivatives, warrants, convertibles and corporate derivatives, serving on various risks, technology and operational committees within the group and being responsible for risk management and large size pricings for the business.

Mr. Lau is currently licensed by the SFC to act as a Responsible Officer to carry out type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities and has been acting as a Responsible Officer of De Riva since 1 November 2017. In 2001, he passed Series 3 (National Commodity Futures Examination), Series 7 (General Securities Representative Examination) and Series 63 (Uniform Securities Agent State Law Examination), which are qualifying exams administered by The Financial Industry Regulatory Authority, Inc. ("**FINRA**") in the USA.

Mr. Lau was also an authorised trader of Goldman Sachs and did place and execute trade orders of derivatives through De Riva when he was working in Goldman Sachs.

Mr. Lau is the brother of Mr. Lau Ming Hong, Henry, the sole shareholder of Santo Global Investments Limited, one of the substantial Shareholders.

Mr. Choi Man Ho ("Mr. Choi"), aged 47, joined the Group as a derivatives broker of De Riva in March 2013 and was appointed as a Director on 1 November 2017. He was re-designated as an executive Director on 30 July 2018 and appointed as the chief executive officer of the Group on 4 December 2017. Mr. Choi is responsible for (i) overseeing and monitoring the daily operations, financial performance, risk management and internal control of the Group; and (ii) handling compliance matters of the Group. He is also responsible for managing and overseeing the operation of the broking team for delta one products of De Riva.

Mr. Choi completed his secondary education in Ireland in 1993. He has since then accumulated more than ten years of experience in derivatives trading. From December 2005 to January 2008, he worked as an equity derivatives broker of MF Global Hong Kong Limited, and was responsible to act as an interdealer broker of Hong Kong OTC equity derivatives products (indices & single stock). From January 2008 to February 2013, he worked as an equity derivatives broker (Asia Pacific excluding Japan) of BGC Securities (Hong Kong) LLC, and was responsible to act as a broker dealer of Asia Pacific ex Japan OTC equity derivative delta one products.

Mr. Choi is currently licensed by the SFC to act as a Responsible Officer to carry out type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities and has been acting as a Responsible Officer of De Riva since 6 August 2018.

Biographical Details of Directors and Senior Management

Mr. Ng Yu Fai ("Mr. Ng"), aged 47, joined the Group as an index derivatives senior broker of De Riva in July 2013 and was appointed as a Director on 1 November 2017. He was re-designated as an executive Director on 30 July 2018. Mr. Ng is the desk manager of the index listed derivatives team and is primarily responsible for managing and overseeing the operation of the broking team for listed Hong Kong derivatives products. He is also responsible for managing client accounts with major investment banks, developing new client accounts across Asia and Europe and overseeing the risk management of De Riva.

Mr. Ng completed his secondary education in Hong Kong in 1992 and has accumulated more than fifteen years of experience in derivatives and securities trading.

From August 2005 to January 2008, he worked as a vice president (equity derivatives Asia) of MF Global Hong Kong Limited, where he was responsible for acting as a broker dealer of Hong Kong listed derivatives.

From February 2008 to April 2013, he worked as a manager (equity derivatives Asia) of BGC Securities (Hong Kong) LLC, and was responsible for acting as a broker dealer of Hong Kong listed derivatives and a key relationship officer.

Mr. Ng is currently licensed by the SFC to act as a Licensed Representative to carry out type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities and has been acting as a Licensed Representative of De Riva since 22 July 2013.

Mr. Ng is the director and sole shareholder of Dense Jungle Limited, a substantial Shareholder.

Mr. Shiu Kam Man ("Mr. Shiu"), aged 47, was appointed as an executive Director on 1 June 2020. He was graduated from the Queen's University in Canada with a Bachelor of Commerce degree and subsequently obtained a Master of Science in Finance degree in the City University of Hong Kong. He has over 18 years of experience in derivatives trading. He joined De Riva Asia Limited, a wholly-owned subsidiary of the Company, as a licensed broker since April 2020. Prior to joining the Group, he was an executive director and head of equity derivatives Hong Kong in BGC Partners.

Mr. Shiu is currently licensed by SFC to act as a Licensed Representative to carry out type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities and has been acting as a Licensed Representative of De Riva since 1 April 2020.

Mr. Shiu has been one of the directors of Pacific Asset Limited, the owner of Oasis Green Ventures Limited, the controlling Shareholder, since January 2021.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Voon David Hian-fook ("Mr. Voon"), aged 57, was appointed as an independent non-executive Director on 30 July 2018. He is also the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee. Mr. Voon is primarily responsible for providing independent advice on the Group's strategy, policy, performance, accountability, resources and standard of conduct.

After graduating from University of California, Berkeley in the USA with a degree of Bachelor of Arts with a major in Economics in 1988, Mr. Voon obtained a Juris Doctor degree from Harvard University in 1991. Mr. Voon joined Shearman & Sterling LLP after graduating from Harvard University and thereafter he joined Goldman Sachs in 1993. Throughout Mr. Voon's career in Goldman Sachs, Mr. Voon had engaged in various roles including Head of Asia ex-Japan Equity Derivatives Sales and Trading Department, Head of Fixed Income, Currency & Commodities and Equities Structured Products and Head of Asia Private Wealth Management Department and was a member of Goldman Sachs Asia Management Committee.

From September 1991 to November 1993, he was an associate (corporate finance department) of Shearman & Sterling LLP, and was responsible for providing legal services to clients in connection with equity initial public offerings and private placement of debt securities.

From 2001 to 2004, he was a managing director at Goldman Sachs and from 2004 to 2011, he was a partner of Goldman Sachs. As a partner, he was responsible for heading the Asia Private Wealth Management Department.

Since April 2013 and March 2013, he has been a vice chairman of the Manhasset Bay Group, Inc. and TransAsia Private Capital Limited respectively, and is responsible for acting as strategic advisor on business issues.

Since August 2015, he has been the chairman and a director of Oski Capital Partners Limited, where he is the co-founder and key decision-maker of the company.

Since January 2022, he has been a member of the Board of Directors of LabyRx Immuno-Oncology Limited, where he is a major shareholder and key decision-maker of the company.

Mr. Voon was admitted as a member of the American Bar Association in 1991. He was licensed by the SFC to act as a Responsible Officer to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 9 (asset management) regulated activities. He passed the Series 3 (National Commodity Futures Examination) and Series 7 (General Securities Representative Examination) in 1993, and Series 9 (General Securities Sales Supervisor – Options Module Examination) and Series 10 (General Securities Sales Supervisor – General Module Examination) in 2013, which are qualifying exams administered by the FINRA in the USA.

Mr. Voon was appointed as an independent non-executive director of RPC Holdings Limited, an exempted company incorporated in the Cayman Islands which is the sole shareholder of Rockpool Capital limited, a private company incorporated in Hong Kong that operates as a licensed entity regulated by the SFC to carry on a business in Type 1, Type 4 and Type 9 activities in Hong Kong.

Mr. Or Kevin ("Mr. Or"), aged 51, was appointed as an independent non-executive Director on 30 July 2018. He is also the chairman of the Audit Committee. Mr. Or is primarily responsible for providing independent advice on the Group's strategy, policy, performance, accountability, resources and standard of conduct.

In 1994, Mr. Or graduated from Royal Melbourne Institute of Technology now known as RMIT University in Australia with a degree of Bachelor of Business. He began his career at PricewaterhouseCoopers Limited in 1996 and has since accumulated more than twenty years of experience in the audit field.

From November 1996 to December 2016, he worked at PricewaterhouseCoopers Limited (with his last held position as senior manager), where he is responsible for provision of assurance services and advising small- and medium-sized enterprises, entrepreneurs and companies seeking listing in Hong Kong. Since December 2016, he has been an associate director of Linkers CPA Limited, and is responsible for heading the Assurance and Learning & Development Divisions of the firm.

Mr. Or was admitted as a certified practising accountant of the Australian Society of Certified Practising Accountants in 1997 and a member of Hong Kong Society of Accountants in 1998.

Mr. Or has also been appointed as an independent non-executive director of Kato (Hong Kong) Holdings Limited (stock code: 2189, a company listed on the Main Board of the Stock Exchange on 13 June 2019) on 20 May 2019.

Biographical Details of Directors and Senior Management

Mr. Wu Ping Lam Michael David, aged 41, was appointed as an independent non-executive Director on 30 July 2018. He is also the chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee. He is primarily responsible for providing independent advice on the Group's strategy, policy, performance, accountability, resources and standard of conduct.

After graduating from Cornell University in the City of New York in the USA with a degree of Bachelor of Arts and Sciences with a major in Economics and Psychology in 2004, he obtained a degree of Masters of Engineering in 2005 also from Cornell University.

From July 2005 to February 2014, he was an executive director (equity division) of Goldman Sachs, where he was responsible for providing liquidity on option market to hedge funds and domestics institutions through market making activities and managing and hedging proprietary risks of the company using OTC and listed option markets. Since April 2013, he has been the chief executive officer of Veritas Wine Trading Limited, and is responsible for formulating and implementing strategic plans of the company and overseeing the overall operations, business development and financial performance of the company.

He passed the Series 7 (General Securities Representative Examination) and Series 63 (Uniform Securities Agent State Law Examination) in 2005 and Series 3 (National Commodity Futures Examination) in 2011, which are qualifying exams administered by the FINRA in the USA.

SENIOR MANAGEMENT

Mr. Lau Ming Yeung Lambert, aged 44, is the Chairman of the Board and an executive Director. His biographical details are set out above under the section headed "Biographical Details of Directors and Senior Management – Executive Directors" in this annual report.

Mr. Choi Man Ho, aged 47, is an executive Director and the chief executive officer of the Group. His biographical details are set out above under the section headed "Biographical Details of Directors and Senior Management – Executive Directors" in this annual report.

Mr. Lee Tik Man Dick ("Mr. Lee"), aged 48, joined the Group as a derivatives broker of De Riva in March 2013 and a director of De Riva. He was appointed as a Director on 1 November 2017 and re-designated as an executive Director on 30 July 2018. He resigned as an executive Director and director of De Riva on 1 June 2020 and remained as the co-head of single stocks derivatives team. Mr. Lee is primarily responsible for overseeing the single stocks operation of De Riva.

Mr. Lee was graduated from University of Western Ontario in Canada with a degree of Bachelor of Arts with a major in Economics in 1999. He has over 15 years of experience in derivatives trading. He was a market operator (open outcry department) in Hong Kong Futures Exchange Limited. Besides, he was a sales manager (international market) of Fimat Hong Kong Limited (also known as Newedge Broker Limited) and a sales manager (Asia equity derivatives) of MF Global Hong Kong Limited respectively. Prior to joining the Group, he was a manager (equity derivatives Asia) of BGC Securities (Hong Kong) LLC.

Mr. Lee is currently licensed by the SFC to act as a Responsible Officer to carry out type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities and has been acting as a Responsible Officer of De Riva since 18 June 2013.

Mr. Fung Wai Yip Patrick ("Mr. Fung"), aged 49, joined the Group as a derivatives broker of De Riva in March 2013 and is also a director of De Riva. He was appointed as a Director on 1 November 2017 and re-designated as an executive Director on 30 July 2018. He resigned as an executive Director and director of De Riva on 1 June 2020 and remained as the co-head of single stocks derivatives team. Mr. Fung is primarily responsible for overseeing the single stock operation for De Riva.

Mr. Fung was graduated from Hawaii Pacific University in the USA with a degree of Bachelor of Science in Business Administration with a major in Computer Information Systems and Finance in 1998. He has accumulated more than 10 years of experience in derivatives trading. He was an assistant officer (derivatives markets development & operations) of Hong Kong Exchanges and Clearing Limited and he was a settlement assistant (equity derivatives operations department) of BNP Paribas. Besides, he was a trade support (equity operations/middle office) of Credit Suisse First Boston and was a senior officer (derivatives market department) of Hong Kong Exchanges and Clearing Limited. Moreover, he was a derivatives sales trader of CLSA Futures Limited and MF Global Hong Kong Limited respectively. Prior to joining the Group, he was a manager of BGC Securities (Hong Kong) LLC.

Mr. Fung is currently licensed by the SFC to act as a Responsible Officer to carry out type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities and has been acting as a Responsible Officer of De Riva since 29 April 2014.

Mr. Ng Yu Fai, aged 47, is an executive Director. His biographical details are set out above under the section headed "Biographical Details of Directors and Senior Management – Executive Directors" in this annual report.

Mr. Shiu Kam Man, aged 47, is an executive Director. His biographical details are set out above under the section headed "Biographical Details of Directors and Senior Management – Executive Directors" in this annual report.

Ms. Yui Ka Lee ("Ms. Yui"), aged 39, joined the Group in August 2013. As the chief financial officer, Ms. Yui is responsible for the review of the Group's finance and accounting functions, as well as the administrative function. She has over ten years of experience in the accounting field. Prior to joining the Group, Ms. Yui had worked as an accountant in Hutchison Telecommunications (Hong Kong) Limited from April 2013 to July 2013. From December 2012 to March 2013, Ms. Yui worked in Pinestone Capital Group Limited with her last position as senior accountant. She worked in Rifa Securities Limited (formerly known as Daily Growth Securities Limited) with her last position as senior accountant between April 2012 and December 2012. From March 2010 to March 2012, Ms. Yui worked as an accountant in Vision Investment Management (Asia) Limited. She worked in BDO Limited with her last position as senior associate from February 2008 to March 2010. From June 2006 to February 2008, Ms. Yui worked in FTW CPA (Practising) Limited as a trainee accountant. Ms. Yui was admitted as a member of the Hong Kong Institute of Certified Public Accountants in February 2010. Ms. Yui graduated with a degree of Bachelor of Arts with a major in accountancy and a minor in corporate finance from the Hong Kong Polytechnic University in December 2006.

COMPLIANCE OFFICER

Mr. Choi Man Ho is the compliance officer of the Company. For details of his biography, please refer to the paragraph in the section headed "Biographical Details of Directors and Senior Management – Executive Directors" in this annual report.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company recognises the importance of good corporate governance in maintaining its corporate transparency and accountability. The Board sets appropriate policies and implements corporate governance practices appropriate to the conduct and growth of the Group's business.

The Company has applied the principles as set out in the CG Code during the FY2023.

The Board considers that during FY2023, the Company has complied with all the code provisions set out in the CG Code. Key corporate governance principles and practices of the Company are summarised below.

A THE BOARD

A1. Responsibilities and Delegation

The Board is the highest decision-making and managing body of the Company which is responsible for the leadership, control and management of the Company, establishing and delivering the Company's strategies and objectives, including formulating long-term corporate strategy and setting business development plans, supervising and monitoring performance of the management, and overseeing the Group's business, strategic decisions and performances in the attainment of the objectives of ensuring effective functioning and growth of the Group and enhancing value to investors. All the Directors carry out their duties in good faith, take decisions objectively and act in the interests of the Company and its Shareholders at all times.

The Board has power to make its decision on all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters.

All Directors have timely access to all relevant information as well as the advice and services of the Company Secretary and senior management, with a view to ensuring compliance with Board procedures and all applicable laws and regulations. Any Director may request for independent professional advice in appropriate circumstances at the Company's expense, upon reasonable request made to the Board.

The senior management is delegated the authority and responsibilities by the Board for the day-to-day management and operation of the Group. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions being entered into by the above-mentioned officers. The Board has the full support of the senior management to discharge its responsibilities.

A2. Board Composition

The composition of the Board during the FY2023 and up to the date of this report is as follows:

Executive Directors

Mr. Lau Ming Yeung, Lambert	*(Chairman of the Board, member of both the Remuneration Committee and the Nomination Committee)*
Mr. Choi Man Ho	*(Chief Executive Officer)*
Mr. Ng Yu Fai	
Mr. Shiu Kam Man	

Independent Non-executive Directors

Mr. Voon David Hian-fook	*(Chairman of the Remuneration Committee and member of both the Audit Committee and the Nomination Committee)*
Mr. Or Kevin	*(Chairman of the Audit Committee)*
Mr. Wu Ping Lam Michael David	*(Chairman of the Nomination Committee and member of both the Audit Committee and the Remuneration Committee)*

Throughout the FY2023, the Board has met the requirements of the GEM Listing Rules 5.05 and 5.05A of having a minimum of three independent non-executive Directors (representing at least one-third of the Board) with at least one of them possessing appropriate professional qualifications and accounting and related financial management expertise.

The members of the Board have skills and experience appropriate for the business requirements and objectives of the Group. Executive Directors are responsible for the business and functional division of the Group in accordance with their expertise. The independent non-executive Directors bring different business and financial expertise, experiences and independent judgement to the Board and they are invited to serve on the Board committees of the Company. Through participation in Board meetings, and taking the lead in managing issues involving potential conflicts of interests, the independent non-executive Directors have made contributions to the effective direction of the Company and provided adequate checks and balances to safeguard the interests of both the Group and the Shareholders.

The Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of the GEM Listing Rules. The Company considers all independent non-executive Directors to be independent in light of the independence guidelines set out in Rule 5.09 of the GEM Listing Rules.

The Company has adopted the mechanism to ensure independent views and input are available to the Board, with the following key features: (i) the Nomination Committee is established with clear terms of reference to identify suitable candidates, including independent non-executive Directors, for appointment as Directors; (ii) the Nomination Committee will assess annually the independence of all independent non-executive Directors; and (iii) the Directors are entitled to seek, at the Group's expense, independent professional advice reasonably necessary for discharging their duties as Directors. During the FY2023, the Board has reviewed the implementation and effectiveness of the mechanism and considered that the implementation of the mechanism was effective.

The biographical details of the Directors and the relationships between Board members, if any, are set out under the section headed "Biographical Details of Directors and Senior Management" in this annual report.

A3. Chairman and Chief Executive Officer

The Company supports the division of responsibility between the Chairman of the Board and the Chief Executive Officer in order to ensure a balance of power and authority and preserve a balanced judgement of views. Currently, Mr. Lau Ming Yeung, Lambert takes up the role of the Chairman of the Board and is responsible for the management of the Board and ensuring that all major and appropriate issues are discussed by the Board in a timely and constructive manner. Mr. Choi Man Ho is the Chief Executive Officer, who takes care of the day-to-day management of the Group's business and implementing the Group's strategic plans and business objectives.

A4. Appointment and Re-election of Directors

All Directors are appointed for a specific term. Each of the executive Directors is engaged on a service contract for an initial term of 3 years, and shall be automatically renewable for successive terms of one year each commencing from the next day after the expiry of the current term unless or until terminated by either party by giving to the other not less than 3 months' notice in writing. Each of the independent non-executive Directors is appointed for an initial term of 3 years, unless terminated by either party by giving to the other not less than 3 months' notice in writing.

The procedures and process of appointment and removal of Directors are laid down in the Articles. According to the Articles, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each AGM provided that every Director shall be subject to retirement by rotation at least once every three years. The retiring Directors shall be eligible for re-election at the relevant AGM. In addition, any new Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of shareholders after his appointment, and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM. The Director appointed by the Board as aforesaid shall be eligible for re-election at the relevant general meeting.

At the 2023 AGM, Mr. Lau Ming Yeung, Lambert, Mr. Ng Yu Fai and Mr. Or Kevin shall retire pursuant to the Articles provisions stated in the foregoing paragraph. All of the above retiring Directors, being eligible, will offer themselves for re-election at the 2023 AGM. The Board and the Nomination Committee recommended their re-appointment. The circular of the Company, sent together with this report, contains detailed information of these three Directors as required by the GEM Listing Rules.

A5. Training and Continuing Development for Directors

Each newly appointed Director shall receive formal induction on the first occasion of his appointment, so as to ensure that he has appropriate understanding of the business and operations of the Group and that he is fully aware of his responsibilities and obligations under the GEM Listing Rules and relevant regulatory requirements.

The existing Directors are continually updated with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities. Continuing briefings and professional development for Directors are arranged whenever necessary. In addition, reading materials on new or changes to salient laws and regulations applicable to the Group are provided to Directors from time to time for their studying and reference.

The Directors are required to submit to the Company details of the training they received in each financial year for the Company's maintenance of proper training records of the Directors. According to the training records currently maintained by the Company, during the FY2023, the Directors have complied with the code provision C.1.4 of the CG Code on participation in continuous professional training as follows:

	Type of training/education	
	Attending training on regulatory development, directors' duties or other relevant topics	Reading regulatory updates or corporate governance related materials or materials relevant to directors' duties
Mr. Lau Ming Yeung, Lambert	✔	✔
Mr. Choi Man Ho	✔	✔
Mr. Ng Yu Fai	✔	✔
Mr. Shiu Kam Man	✔	✔
Mr. Voon David Hian-fook	✔	✔
Mr. Or Kevin	✔	✔
Mr. Wu Ping Lam Michael David	✔	✔

A6. Directors' Attendance Records at Meetings

Under code provision C.5.1 of the CG Code, the board of directors of any issuer should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals and under code provision C.2.7 of the CG Code, the chairman of the board should at least annually hold meeting with the independent non-executive directors without the other directors present.

During the FY2023, the attendance records of each Director at the Board and Board committee meetings and general meeting of the Company are set out below:

	Attendance/Number of Meetings				
Name of Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting
Executive Directors:					
Mr. Lau Ming Yeung, Lambert	5/5	N/A	4/4	1/1	1/1
Mr. Choi Man Ho	5/5	N/A	N/A	N/A	1/1
Mr. Ng Yu Fai	5/5	N/A	N/A	N/A	1/1
Mr. Shiu Kam Man	5/5	N/A	N/A	N/A	1/1
Independent Non-executive Directors:					
Mr. Voon David Hian-fook	5/5	4/4	4/4	1/1	1/1
Mr. Or Kevin	5/5	4/4	N/A	N/A	1/1
Mr. Wu Ping Lam Michael David	5/5	4/4	4/4	1/1	1/1

Schedules for regular Board meetings are normally agreed with Directors in advance to facilitate their attendance. At least 14 days' notice for all regular Board meetings will be given to all Directors and all Directors are given the opportunity to include items or businesses for discussion in the agenda. For all other Board meetings, reasonable notice will be given. Relevant agenda and accompanying meeting papers will be sent to all Directors in a timely manner and at least three days in advance of every regular Board meeting.

In addition, the Chairman of the Board held one meeting with the independent non-executive Directors without the presence of other Directors during the FY2023.

A7. Directors' Securities Transactions

The Company has adopted the Required Standard of Dealings as its own code of conduct regarding the Directors' dealings in the Company's securities. Specific enquiries have been made to all the Directors and all Directors have confirmed that they have complied with the Required Standard of Dealings throughout the FY2023.

The Company has also established written guidelines on terms no less exacting than the Required Standard of Dealings (the "**Securities Dealing Code**"), governing securities transactions by employees who are likely to possess inside information of the Company and/or its securities. No incident of non-compliance of the Securities Dealing Code by relevant employees was noted by the Company.

In case when the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its Directors and relevant employees in advance.

A8. Corporate Governance Functions

The Board as a whole is responsible for performing the corporate governance functions set out in the code provision A.2.1 of the CG Code. The Board has reviewed and monitored the Company's corporate governance policies and practices, the training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the required standard of dealings and the Employees Written Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

B. BOARD COMMITTEES

The Board has established four Board committees, namely, the Executive Committee, the Remuneration Committee, the Nomination Committee and the Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference which are available on the Stock Exchange's website and the Company's website. All the Board committees should report to the Board on their decisions or recommendations made.

All Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

B1. Executive Committee

The Executive Committee comprises all the executive Directors with the Chairman of the Board, Mr. Lau Ming Yeung, Lambert, acting as the chairman. The Executive Committee operates as a general management committee under the direct authority of the Board to increase the efficiency for the business decisions. It monitors the execution of the Company's strategic plans and operations of all business units of the Group and discusses and makes decisions on matters relating to the management and day-to-day operations of the Company.

B2. Audit Committee

The Company has met the GEM Listing Rules requirements regarding the composition of the Audit Committee throughout the FY2023. The Audit Committee comprises a total of 3 members, being the 3 independent non-executive Directors, namely Mr. Or Kevin (chairman of the Audit Committee), Mr. Voon David Hian-fook and Mr. Wu Ping Lam Michael David. Mr. Or Kevin possesses the appropriate professional qualification, and accounting and financial management expertise as required under Rule 5.05(2) of the GEM Listing Rules. None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The main duties of the Audit Committee are reviewing and monitoring the integrity of the financial information and reports of the Group, and considering any significant or unusual items raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors before submission to the Board; reviewing the relationship with and the terms of appointment of the external auditor and making relevant recommendation to the Board; and reviewing the Company's financial reporting system, risk management and internal control systems.

The Audit Committee has held four meetings during the FY2023 (the attendance records of each Committee member are set out in section A6 above) and performed the following major works:

- Reviewed the Group's consolidated financial statements, results announcements and reports for the year ended 31 March 2022, for the three months ended 30 June 2022, for the six months ended 30 September 2022 and for the nine months ended 31 December 2022;

- Reviewed and discussed the related accounting principles and practices adopted by the Group, the relevant audit findings, the report on the Company's risk management and internal control review;

- Reviewed the compliance of the Deed of Non-Competition by the Company's controlling shareholders;

- Made recommendation of the re-appointment of the external auditor; and

- Reviewed the arrangements for employees of the Company to raise concerns about possible improprieties.

The external auditor has attended two of the above meetings and discussed with the Audit Committee members on the interim and annual results.

Besides, there is no disagreement between the Board and the Audit Committee regarding the appointment of external auditor.

B3. Nomination Committee

The Nomination Committee comprises a total of 3 members, namely Mr. Wu Ping Lam Michael David (chairman of the Nomination Committee), Mr. Lau Ming Yeung, Lambert and Mr. Voon David Hian-fook. Throughout the FY2023, the Company has met the GEM Listing Rules requirements of having a majority of the Nomination Committee members being independent non-executive Directors, and having the Nomination Committee chaired by an independent non-executive Director.

The principal responsibilities of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience required) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; identify and nominate appropriate candidates to fill casual vacancies of Directors for the Board's approval; assess the independence of independent non-executive Directors; and review succession planning for the chairman of the Board, the chief executive officer as well as the senior management of the Company, taking into account the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future, together with the Board, as appropriate.

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. To comply with Rule 17.104 of the GEM Listing Rules, a Board Diversity Policy has been adopted by the Company, pursuant to which the Nomination Committee is responsible for monitoring the implementation of the Board Diversity Policy and assessing the Board composition under diversified perspectives (including but not limited to gender, age, cultural and educational background, or professional experience). The Nomination Committee shall report its findings and make recommendations to the Board, if any. Such policy and objectives will be reviewed from time to time to ensure their effectiveness in determining the optimum composition of the Board.

The Company also aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered. The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

As of the date of this annual report, 1 of 7 of the Company's senior management is female. Regarding the gender ratio in the workforce, as of 31 March 2023, the male to female ratio of the general workforce of the Group is 1.7 times. Under the Board Diversity Policy, the Company aims to appoint at least one female director. The Board is committed to improving the diversity of the Board and will achieve the above objectives by 31 December 2024. Besides, the Group will continue to take opportunities to increase the proportion of female board members and workforce over time as and when suitable candidates are identified. Further details on the gender ratio of the Group's workforce together with relevant data can be found in the Environmental, Social and Governance Report of the Company.

The Board and the Nomination Committee have reviewed the Board Diversity Policy and considered it to be effective for the FY2023.

In making recommendations for appointment and re-appointment of Directors, the Nomination Committee may consider certain factors such as the diversity on the Board, the competency, business, technical, or specialised skills and experience of Board member/potential Board member, and the ability, time, commitment and willingness of a new Board member to serve and an existing Board member to continue service.

For the nomination process of new Director, the Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new Director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable). The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable. For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. Where appropriate, the Nomination Committee and/or the Board should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.

The Company has also adopted the Director Nomination Policy. Such policy, devising the criteria and process of selection and performance evaluation, provides guidance to the Board on nomination and appointment of Directors. The Board believes that the defined selection process is good for corporate governance in ensuring the Board continuity and appropriate leadership at Board level, enhanced and better Board effectiveness and diversity as well as compliance with the applicable rules and regulations.

During the FY2023, the Nomination Committee has held one meeting (the attendance records of each Committee member are set out in section A6 above), in which the Nomination Committee members (i) reviewed the structure, size and composition of the Board to ensure that it has a balance of skills, knowledge and experience appropriate to the Group's corporate strategy; (ii) assessed the independence of all the independent non-executive Directors; and (iii) recommended the re-election of the Directors at the 2022 AGM.

B4. Remuneration Committee

The Remuneration Committee comprises a total of 3 members, namely Mr. Voon David Hian-fook (chairman of the Remuneration Committee), Mr. Lau Ming Yeung, Lambert and Mr. Wu Ping Lam Michael David. Throughout the FY2023, the Company has met the GEM Listing Rules requirements of having the majority of the Remuneration Committee members being independent non-executive Directors, as well as having the Remuneration Committee chaired by an independent non-executive Director.

The principal responsibilities of the Remuneration Committee, as set out in its terms of reference which have been revised in January 2023, include making recommendations to the Board on the Company's remuneration policy and structure, assessing performance of executive Directors, approving the terms of executive Directors' service contracts and the remuneration packages of Directors and members of senior management (i.e. the model described in the code provision E.1.2(c)(ii) of the CG Code is adopted) and reviewing and approving matters relating to the share schemes under Chapter 23 of the GEM Listing Rules. The Remuneration Committee is also responsible for establishing a formal and transparent procedure for developing such remuneration policy and structure to ensure that no Director or any of his associates will participate in deciding his own remuneration, which remuneration will be determined by the Board with reference to the performance of the individual, salaries paid by comparable companies, responsibilities and employment conditions of the Group.

During the FY2023, the Remuneration Committee has held four meetings (the attendance records of each Committee member are set out in section A6 above), in which (i) the existing remuneration policy and structure of the Company and the remuneration packages of Directors and senior management of the Company were reviewed and relevant recommendations were made to the Board; and (ii) the performance bonus for Directors, senior management and the general staff of the Company were determined.

Pursuant to code provision E.1.5 of the CG Code, the annual remuneration of the members of the senior management (including the executive Directors) by band for the FY2023 is set out below:

Remuneration band (HK$)	Number of individual(s)
0–1,000,000	2
1,000,001–2,000,000	–
2,000,001–3,000,000	1
3,000,001–4,000,000	1
4,000,001–5,000,000	1
5,000,001–6,000,000	–
6,000,001–7,000,000	2

Details of the remuneration of each Director for the FY2023 are set out in note 13 to the Consolidated Financial Statements.

C. DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors have acknowledged their responsibilities for preparing the financial statements of the Company for the FY2023.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the GEM Listing Rules and other regulatory requirements. The management has provided such explanation and information to the Board as necessary to enable the Board to make an informed assessment of the financial information and position of the Group put forward to the Board for approval.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

D. RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems. The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems and makes relevant recommendations. The Board reviews the effectiveness of the risk management and internal control systems as well as the internal audit function of the Company for each financial year on an annual basis through the Audit Committee.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including project management, finance, human resources and information technology. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each department.

All departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. The management, in coordination with department heads, assess the likelihood of risk occurrence, provide treatment plans, and monitor the risk management progress. The Company has engaged an external professional firm for providing the internal audit function and performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The internal audit function examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee.

The management has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the FY2023. Significant internal control deficiencies, if identified, are reported to the Audit Committee and the Board on a timely basis to ensure that prompt remediation and subsequent actions are taken to improve the situations. During the FY2023, no significant control failings or weaknesses have been identified.

Based on the reports submitted by the management and the various management controls put in place, the Board, with the support of the Audit Committee, reviewed the risk management and internal control systems (including the financial, operational and compliance controls) of the Group for the FY2023, and considered that such systems are effective and adequate. Such review of the risk management and internal control systems is conducted annually. The annual review also covered the processes for financial reporting, GEM Listing Rules compliance and internal audit function and staff qualifications, experiences and relevant resources. There has been no change to the nature and extent of the significant risks and the Company's ability to respond to changes in its business and the external environment since the last annual review.

The Company has developed a policy for handling and dissemination of inside information. The policy provides a general guide to the directors and employees of the Group in handling confidential information and monitoring information disclosure.

E. COMPANY SECRETARY

Ms. So Ka Man ("**Ms. So**") of Tricor Services Limited ("**Tricor**"), an external service provider, acts as the Company Secretary. The primary contact person at the Company with Ms. So and Tricor is Ms. Yui Ka Lee, the Chief Financial Officer of the Company.

Ms. So and Tricor are responsible for providing advice to the Board on corporate governance matters. Ms. So has confirmed that she has taken no less than 15 hours of relevant professional training during the FY2023.

F. EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company about their reporting responsibilities on the Company's financial statements for the FY2023 is set out in the section headed "Independent Auditor's Report" in this annual report.

The fees paid/payable to SHINEWING (HK) CPA Limited, the Company's auditor, in respect of audit service and non-audit services for the FY2023 are analyzed below:

Type of services provided by the external auditor	Fees paid/ payable HK$
Audit service – audit fee for the FY2023	490,000
Non-audit services –	
– Agreed-upon procedure on first quarterly results for the three months ended 30 June 2022	18,000
– Review of interim results for the six months ended 30 September 2022	140,000
– Agreed-upon procedure on third quarterly results for the nine months ended 31 December 2022	18,000
– Preparation of Environmental, Social and Governance Report*	66,000
– Tax representative services*	24,000
TOTAL:	756,000

* Performed by SHINEWING (HK) CPA Limited's affiliated firms.

G. COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company believes that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognises the importance of transparent and timely disclosure of corporate information, which enables shareholders and investors to make the best investment decision.

The Company has in place a Shareholders' Communication Policy to ensure that Shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness. During the FY2023, the Company has reviewed through discussions amongst Board members during board meetings and results of communication activities with the shareholders, and considered that the Shareholders' Communication Policy was effectively implemented with the below measures in place.

The Company also strives to provide quality information to Shareholders regarding its latest developments whilst ensuring that relevant information is equally and simultaneously provided and accessible to all interested parties. The Company maintains a website at http://www.derivaasia.com as a communication platform with Shareholders and investors, where information and updates on the Company's business developments and operations and other information are available for public access. Shareholders and investors may also send written enquiries or requests to the Company via the following channels:

Address: Units 2601–3, Tai Tung Building, 8 Fleming Road, Wanchai, Hong Kong

Email: admin@dlcasia.com

Tel: (852) 2811 8281

Enquiries and requests will be dealt with by the Company in an informative and timely manner.

Besides, Shareholders' meetings provide an opportunity for communication between the Board and the Shareholders. Board members and senior staff will be available to answer questions raised by the Shareholders at general meetings of the Company. In addition, the Company will invite representatives of the auditor to attend its AGM to answer Shareholders' questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

H. SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, separate resolutions are proposed at Shareholders' meetings on each substantial issue, including the election of individual Directors, for Shareholders' consideration and voting. All resolutions put forward at Shareholders' meetings will be voted by poll pursuant to the GEM Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange after each Shareholders' meeting.

Pursuant to the Articles, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

There is no provision allowing Shareholders to move new resolutions at general meetings under the Cayman Islands Companies Act or the Articles. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

For the avoidance of doubt, Shareholder(s) must provide their full names, contact details and identification, in the originally signed written requisition, notice or statement (as the case may be), in order to give effect thereto. Information of Shareholder(s) may be disclosed as required by law.

With respect to the Shareholders' right in proposing persons for election as Directors, please refer to the procedures available on the website of the Company.

I. CONSTITUTIONAL DOCUMENTS

During the FY2023, the Company has amended its constitutional documents. Details of the amendments are set out in the circular of the Company dated 21 June 2022. An up-to-date version of the memorandum and articles of association of the Company is available on the websites of the Stock Exchange and the Company.

J. DEED OF NON-COMPETITION

In respect of the compliance of the provisions of the Deed of Non-competition by the controlling Shareholders, please refer to the section headed "Deed of Non-competition" in the Directors' Report of this annual report.

Environmental, Social and Governance Report

1. ABOUT THE REPORT

The Environmental, Social and Governance ("**ESG**") Report published by DLC Asia Limited (the "**Company**") provides an overview on the policies and performance of the Company and its subsidiaries (collectively the "**Group**" or "**we**") for the period between 1 April 2022 and 31 March 2023 (the "**Year**") in achieving sustainable development and fulfilling its corporate social responsibilities.

Scope of the Report

The ESG Report covers the Group's performance in terms of environmental management and social responsibility for the Year. The environmental key performance indicators ("**KPIs**") as disclosed in the ESG Report are based on the performance of the principal office of the Group in Hong Kong. For details of corporate governance, please refer to the Corporate Governance Report on pages 14 to 25 of this Annual Report.

Reporting Standard

The ESG Report is prepared in accordance with the "Environmental, Social and Governance Reporting Guide" set out in Appendix 20 to the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**").

Reporting Principles

In preparing this report, we meet the three reporting principles stipulated in the Guide — "materiality", "quantitative" and "consistency".

Materiality:

This report follows the Guidelines to carry out materiality assessment work. Our working procedures include: (i) identifying relevant ESG issues, (ii) assessing the materiality of the issues, and (iii) reviewing and confirming the assessment process and results by the Board.

We report ESG matters based on the materiality assessment results. For details on materiality assessment work, please refer to the subsection "Materiality Analysis" below.

Quantitative:

This report follows the Guidelines and refers to applicable quantitative standards and conventions, and adopts quantitative methods to measure and disclose applicable key performance indicators. The measurement standards, methods, assumptions and/or calculation tools of the key performance indicators in this report, as well as the sources of the conversion factors used have been explained in the corresponding places (if applicable), and the relevant environmental objectives are disclosed in the "Environment Protection" section.

Consistency:

The preparation method of this year's Environmental, Social and Governance Report is consistent with that of previous years, and any changes that may affect meaningful comparison with previous reports have been explained in the corresponding positions.

Information and Feedback

Your opinions on the Group's ESG performance are highly valued. Should you have any advice or suggestions, please contact the Company through the following email address: admin@dlcasia.com.

2. BOARD STATEMENT

The Group believes that a sound robust ESG framework is the cornerstone for an optimum ESG performance and well-rounded sustainable development. The Board of Directors (the "**Board**") is directly responsible for the oversight of the Group's ESG-related issues, including setting up, assessing and reviewing ESG-related goals and strategies, evaluating ESG-related risks, monitoring ESG performance and reviewing stakeholder engagement, in order to better monitor and manage the Group's ESG policies, measures, and work. The Board also reviews the annual ESG report to ensure it meets the Board's requirements and the Group's strategies.

The Board recognises the importance of prioritising ESG issues of the Group, therefore has engaged the services of an independent consulting firm to conduct a materiality assessment on ESG issues. Internal stakeholder surveys have been conducted while industry-specific issues have been considered with reference to materiality maps and professional advice. The Board has taken part in the engagement process and given constructive opinions in determining the material ESG issues. The Board is aware of the findings and will continue to evaluate the engagement channels and exercise in order to ensure effective communication between the Group and stakeholders.

In order to motivate the Group in pursuing better ESG performance, the Board has set various ESG goals and targets on ESG performance and will review the overall ESG performance of the Group annually.

3. MATERIALITY ASSESSMENT

The Group believes that acquiring the opinions of stakeholders will allow us a better understanding on our performance in environmental and social development. Therefore, we actively communicate with our key stakeholders through a variety of channels, including meetings, announcements, company websites, and emails, in order to better understand their concerns and expectations regarding ESG issues, which can help the Group in developing and implementing short-term and long-term sustainability strategies.

The following table sets out our key stakeholders, their requirements and expectations for the Group, and the corresponding response and communication channels.

Stakeholders	Requirements and Expectations	Response and Communication Channels
Government and Regulators	• Compliance with national policies, laws and regulation • Support for local economic growth • Drive local employment • Pay taxes in full and on time • Ensure production safety	• Information reporting regularly • Meet the regulators regularly • Dedicated reports • Examination and inspections
Shareholders	• Returns • Compliance operation • Raise in company value • Transparency in information and effective communication	• Shareholders conferences • Announcements • Email, telephone communication and company website • Dedicated reports • Site visits
Customers	• Performance of contracts • Operation with integrity	• Calling for feedback
Environment	• Compliant emission • Energy saving and emission reduction	• ESG reporting
Employees	• Protection of rights • Occupational health • Remunerations and benefits • Career development • Humanity cares	• Employee communication meetings • House journal and intranet • Employee mailbox • Training and workshop • Employee activities
Community and the Public	• Information Transparency	• Company website • Announcements

Since this ESG report is relevant and valid in relation to the Group's environmental and social performance, the Group has conducted a materiality assessment to identify ESG issues that are material to the business of the Group and its stakeholders. The assessment is based on stakeholder surveys, materiality maps provided by well-known external institutions [Note 1], as well as professional opinions from the independent consulting firm. The material ESG issues as identified are shown as follows:

Labour Practices	
Employment Compliance	Remuneration and Benefits
Diversity and Equal Opportunity	Occupational Health and Safety
Operation Practices	
Operational Compliance	Customer Privacy Protection
Anti-corruption	Intellectual Property Protection

Note:

1. The materiality maps referenced in the materiality assessment include the ESG Industry Materiality Map and the SASB Materiality Map produced respectively by MSCI and the Sustainability Accounting Standard Board (SASB).

4. ENVIRONMENTAL PROTECTION

The Group, as a responsible corporation, spares no effort in improving environmental quality and reducing its impact on the environment. We abide by all applicable local environmental related laws and regulations, such as the *Air Pollution Control Ordinance* and *Waste Disposal Ordinance*. Despite the fact that our business does not engage in activities that have significant adverse impacts on the environment and natural resources, the Group places a high priority on implementing different policies which regulate waste management, and water, energy and resource usage in the course of our business operations.

Emission Management

As a financial service provider, the Group does not involved in any manufacturing process and does not own any vehicles. Therefore, no air or water pollutant was emitted from our business operations during the Year.

The Group's office operation generates greenhouse gases through indirect emissions from purchased electricity and methane gas generation at landfill due to disposal of paper waste. During the year, the Group did not generate any direct greenhouse gas emissions. Notwithstanding the minimal greenhouse gas emissions of the Group, we have set a long-term target for reducing greenhouse gas emissions through enhancing awareness on carbon emission control among employees. The greenhouse gas emission data of the Group during the Year are as follows:

Greenhouse Gas Emission[1]	**FY2023**	FY2022
Total emission of greenhouse gas (tons CO_2e)	**48**	46
Scope 1: Direct emissions (tons CO_2e)	**0**	0
Scope 2: Energy indirect emissions (tons CO_2e)[2]	**47**	45
Scope 3: Other indirect emissions (tons CO_2e)[3]	**1**	1
Emission of greenhouse gas per employee (tons CO_2e/employee)	**1.83**	1.77

Notes:

1. The Group's greenhouse gas inventory includes carbon dioxide and methane. For the ease of reading and understanding, the GHG emissions data is presented in carbon dioxide equivalent (CO_2e).The calculation of greenhouse gas emissions is based on the Appendix 2 "Reporting Guidance on Environmental KPIs" issued by Stock Exchange.

2. The conversion factor used for calculating greenhouse gas emission of purchased electricity for FY2022 and FY2023 are based on the "Sustainability Report 2020" and "Sustainability Report 2021" respectively provided by the Hong Kong Electric Company Limited and China Light and Power Company Limited.

3. The conversion factor used for calculating greenhouse gas emission of paper waste follows that from Appendix 2 "Reporting Guidance on Environmental KPIs" issued by Stock Exchange.

Another source of emission for the Group is the generation of solid waste. Wastepaper and other rubbish from day-to-day office operation constitutes the Group's non-hazardous waste, while hazardous waste includes waste batteries. All non-hazardous wastes are collected by the property management department of the commercial building and are handled in an environmentally acceptable manner. For hazardous waste, batteries are disposed of in designated recycling bin. The Group understands the burden on local landfills and therefore sets a waste target for minimising waste generation to maximise resources utilisation. The Group has advocated the concepts of reusing and recycling in workplace in order to achieve the waste target. The data of waste generation of the Group during the Year are as follows:

Waste	**FY2023**	FY2022
Hazardous waste produced (g)	**348**	348
Hazardous waste produced per employee (g/employee)	**13.38**	13.38
Non-hazardous waste produced (kg)[1]	**1,103**	1,107
Non-hazardous waste produced per employee (kg/employee)	**42.41**	42.58

Note:

1. Emissions data relating to non-hazardous waste is based on the daily estimated volume of office garbage and the volume to weight conversion factor. The volume to weight conversion factor provided by the United States Environmental Protection Agency is adopted.

Use of Resources

Apart from monitoring and managing greenhouse gas emission and waste production, the Group is also committed to decreasing energy and water usage, as well as the use of office equipment. The Group's energy consumption is mostly originated from purchased electricity, while its water consumption primarily comes from toilet usage. The Group has developed a reduction target for energy consumption. The Group aims to enhance energy efficiency in offices via implementing awareness-raising measures to cultivate energy saving habits of employees and promote green office. The data of water consumption is not available for disclosure as the water supply and discharge is managed by the property management department of the commercial building. Since the Group does not have access to the actual data of water consumption, which is minimal for our business operation, it is not practicable for the Group to set a water reduction target. There has been no issue in sourcing water that is fit for purpose for the Year. Besides, due to our business nature, the Group did not generate or use any packaging materials during the Year. The data of resource usage of the Group during the Year are as follows:

Use of Resources	**FY2023**	FY2022
Total energy consumption (MWh)	**66**	63
Energy consumption per employee (MWh/employee)	**2.53**	2.42

Green Operation

The Group's operations have minimal environmental impact due to the nature of its business; however, the Group believes that protecting the natural environment is critical for sustainable development and the Group is committed to promoting green office strategies to maintain an environmentally friendly operation. The Group has implemented a range of resource saving measures in the workplace to regulate and limit the usage of electricity, water, and other resources, as shown below:

Energy Consumption Reduction:

- Ensure all lightings, air-conditioners, and other electrical appliances, such as computers and printers, are switched off when not in use
- Separate the office area into different light zones, maximising the use of natural light and installed dimmers for adjusting light intensity
- Use air conditioners with Grade I Energy Efficient Label
- Set at a lower temperature limit of 25.5°C for the air conditioning systems
- Avoid installing air-conditioners with direct sunlight exposure
- Allow employees to dress casually under hot weather and on Fridays
- Adopt Central Control and Monitoring System (CCMS) or Building Management System (BMS)
- Purchase ICT appliances with Energy Efficiency Label

Water Conservation:

- Inform the property management department of the commercial building to fix dripping taps immediately once discovered
- Carry out regular leakage tests on concealed piping and check for overflowing tanks
- Reduce water pressure to the lowest practical level
- Remind employees to turn off the faucet tightly

Effective Use of Resources:

- Reuse envelopes, folders, and file cards
- Recycle waste paper, plastics, coffee capsules and waste batteries
- Collaborate with electronic company to recycle old computers and other electronic waste
- Reduce the use of disposable and non-recyclable products
- Replace the use of paper with the use of electronic files
- Evaluate the usage of material to avoid overstock
- Place a notice beside the printer to remind employees to use double-sided photocopying or use re-use paper

Green Office:

- Use electronic systems to conduct administrative processes and disseminate information wherever possible
- Consolidate multiple servers into one single server with higher capacity to reduce energy consumption and spacing need
- Encourage duplex copying and setting printing quota for users
- Adopt electronic systems to substitute paper-based office administration systems (OA System)
- Avoid unnecessary outbound business travels and encourage the use of telephone or video conferencing
- Choose direct flights for unavoidable business trips
- Conduct monthly electricity audits to monitor power consumption and make appropriate measures for improvement

Combat Climate Change

The Group recognises that climate change has become the global issue of greatest concerns, thereby aiming to curb carbon emissions and increase our climate resilience. The Group believes being climate-resilient is of utmost importance to our business. Extreme weather conditions caused by climate change could lead to potential traffic congestion, flooding and landslides which would affect the accessibility of the office and most importantly threaten the safety of our employees. Accordingly, the Group has developed policies regarding special work arrangements. Under the special work arrangements, the Group shall release its employees in a timely manner so as to protect their safety. Safety warnings will be issued to notify employees and on-site workers about the special work and safety arrangements under unusual weather conditions. In addition, emergency evacuation plan is implemented for extreme weather events due to climate change. Execute recovery plans and actions are implemented after extreme weather events. The Group shall keep reviewing the local policies and regulatory updates and stakeholders' concerns to identify and mitigate climate-related risks.

5. EMPLOYMENT AND LABOUR PRACTICES

Employees are recognised as the Group's most valuable assets since our competitive advantages stem from our experienced senior management with a strong customer base. The Group values employee's rights and interests and complies with all applicable local labour-related laws and regulations, including but not limited to the *Employment Ordinance, Minimum Wage Ordinance*, and *Employment of Children Regulations*. To establish a strong team and improve our business, we invest in our employees and provide them with career prospects.

Employment

As an equal opportunity employer, the Group provides fair and open recruitment, promotion, and training based on the employee's competency, experience, skills, and academic, professional and technical qualifications, regardless of age, gender, marital status, nationality and religion. During the recruiting process, we require employees to provide identification documents for verification in order to guarantee that no child labour is being recruited. In addition, internal policy is implemented to emphasise strict prohibition of engaging child labour and forced labour. When a violation is discovered, the Group will conduct a thorough investigation and dismiss all relevant employees immediately. Clear job descriptions, duties, place of work, hours of work, remuneration and welfare entitlements are stated in the employment contract before the commencement of employment to prevent any forced labour. In the event of resignation, the human resource department will conduct an interview to obtain information about the reasons for the resignation as well as the feedback that may be beneficial in improving the Group's operations. The data of employment of the Group during the Year are as follows:

Indicators	FY2023	FY2022
Number of employees[1]	**26**	26
By gender		
Female	**8**	8
Male	**18**	18
By employment type		
Full-time	**26**	25
Part-time	**0**	1
By age group		
< 30 years old	**2**	4
30–50 years old	**18**	18
> 50 years old	**6**	4

Indicators	FY2023	FY2022
Turnover rate (%)[1]	**15**	27
By gender		
Female	**38**	25
Male	**6**	28
By age group		
< 30 years old	**100**	50
30–50 years old	**11**	28
> 50 years old	**0**	0

Note:

1. All employees are based in Hong Kong.

Training and Development

The Group believes that the career growth and development of employees determines our future prospect. As a reaction to today's changing business environment, the Group strives to deliver training and development programmes in a variety of areas, such as regulation compliance, latest derivatives market development, and equity index futures and options to foster a culture of continuous learning within the Group. Internal training and external training are the two types of training. Internal training involves on-the-job training, while external training takes the form of external courses and seminars in order to consolidate their knowledge in discharging duties. For each regulated activity, the Group requires all licensed representatives and responsible officers to complete a minimum of 5 hours and 6 hours of continuing professional training per calendar year respectively. Also, employees might also receive an education allowance and tuition reimbursement to help them to advance their careers. Data of employee training of the Group during the Year are as follows:

Indicators	FY2023	FY2022
Average training hours per employee (hr) and percentage of employee trained (%)		
By gender		
Female	**4(38)**	4(38)
Male	**6(56)**	6(61)
By employee category		
Senior management	**6(57)**	6(62)
Middle management	**10(100)**	8(80)
Other employees	**2(22)**	1(25)

As a mean of providing incentives for continuous performance improvement and retaining talent, the Group has a well-established appraisal system for our employees. Competitive remuneration packages are offered to employees according to external and internal salary benchmark. All employees are evaluated annually by department heads, and staff promotions and salary increments are based on factors such as product knowledge level, problem solving skills and quality of work. Employee promotion opportunities are constantly maximised by the Group by giving priority to internal promotion over external hiring.

Welfare and Benefits

In order to create a pleasant and supportive working environment, the Group provides a wide range of welfare and benefits to its employee. We adopt the work schedule of 8 working hours per day and 5 working days per week. All employees are entitled to public holidays, as well as annual leave, sick leave, maternity leave, marriage leave, jury service leave and compensation leave. We also aim to offer competitive remuneration to our employee fairly by taking into account market pay levels, wage trends and supply and demand in the labour market. Other benefits of employees include discretionary bonuses, transportation and medical allowance, share award scheme and contributions under the Mandatory Provident Fund Scheme.

Health and Safety

The Group attaches great importance on employee's health and well-being. We strictly follow applicable local health and safety related laws and regulations, such as the *Occupational Safety* and *Health Ordinance*, and make every effort to offer a healthy and safe working environment to our employees.

Internal regulations regarding occupational health and safety, such as maintaining a pleasant and organised workplace, keeping adequate first aid facilities, and arranging rescue, fire and evacuation drills annually, are in place to ensure that all employees are safe from injuries or risks to their health. We also demand our employees to participate in relevant trainings in order to identify and mitigate potential hazards to which they may be exposed. In the event that any injuries or illnesses are reported, the Group will undertake a prompt investigation under internal guidelines, and to file a response to avoid recurrence. Safety procedures are established for recognised dangerous work and personnel are trained regarding the hazards they may be exposed to at work and how to protect themselves. Necessary protective equipment is provided for employees. We adopt further risks identification and management work, in addition to the risks listed in relevant laws and regulations. We also conduct daily safety inspections as part of the job duties for designated employees to further guarantee a safe working environment. We will keep employees informed about safety inspections, injury and illness statistics, as well as other safety-related issues. In the past three years, no work-related fatalities or lost days due to work injuries were reported.

6. OPERATION PRACTICES

As the Group is principally engaged in providing financial services, our performance is highly dependent on market reputation and customers' satisfaction. We adhere to a high standard of business ethics and strive to provide excellent service quality to our customers.

Information Security and Intellectual Property Rights

We recognise that protecting customer privacy is important to the financial service industry. The Group strictly abides by the *Personal Data (Privacy) Ordinance*, and takes great care to protect the privacy of our customer's personal information. We only collect personal data from customers when it is necessary, and we use the information in a responsible and non-discriminatory manner. We advise employees on issues related to the handling of customer information and provide employees with privacy training in order to enhance their privacy awareness. Our employees are obligated to maintain the confidentiality of information obtained through business connections and are prohibited from disclosing such information to third parties without prior authorization from management or customers. Furthermore, each employee is assigned a personal computer password that is monitored by the IT department, and external storage is not permitted to avoid data leakage.

To ensure information security, an operation manual was set to secure the safety of database, implement ongoing monitoring and testing of privacy risks, and ensure internet safety and security. The Group regularly monitors and upgrades the information technology infrastructure as a means of securing customer's personal data. Access controls are practiced so that access to the system is required to be authorised by senior management. The computer system and information processing facilities are protected by firewalls and anti-virus software to detect and prevent any potential threats by computer viruses or other malicious software.

To prevent infringement of intellectual property rights, the Group carefully adheres to the applicable laws and regulations such as the *Copyright Ordinance*. All the software in use is legal and accompanied by license agreements. Moreover, employees are required to apply for software installation and upgrade. If the request is valid, IT department shall install or upgrade the system using the administrative right.

Anti-corruption

The Group strictly complies with relevant local anti-corruption related laws and regulations, including the *Prevention of Bribery Ordinance* and *Anti-Money Laundering and Counter-Terrorist Financing Ordinance*, and takes a zero-tolerance approach towards corruption, bribery, extortion, fraud and money laundering. We have set up control procedures to verify the identities of our customers, closely monitor their activities and identify any unusual transactions. We will send reports to the Joint Financial Intelligence Unit for additional investigation, if any suspect transactions or sources of money are discovered.

Our employees adhere to the Code of Conduct to guarantee that the Group operates the business at a high integrity standard. To combat bribery, there is a protocol in place regarding the offering and receiving of gifts and hospitality pursuant to the anti-bribery and corruption policy of the Company. No employee is permitted to abuse the authority or power for any personal gain. Moreover, to avoid conflict of interests, transactions of employees' accounts are required to be reported and regularly monitored by responsible officers who do not have any benefit or interest in the transactions. Also, employees must report all gifts that they receive from Business Associates to the responsible officer. The Group has implemented a whistle-blowing policy which requires employees to report any suspicious cases of corruption. Employees who breach the anti-corruption policy of the Group will face disciplinary actions. During the Year, the Group also organised an anti-money laundering training for all licensing staff, including directors, to raise their awareness of financial crime risks and anti-money laundering practices. The training equipped them with knowledge to identify anti-money laundering risks in the daily business operations, and prevent money laundering from taking place.

During the Year, the Group was not aware of any breach of laws and regulations in relation to bribery, corruption, extortion, fraud and money laundering.

Product and Service Quality

The Group has exerted itself to provide professional service and create satisfying customer experiences. As regulated by the Securities and Futures Ordinance, we have obtained all necessarily required licenses, permits, certificates and participantship, and the majority of our employees are properly licensed as Responsible Officers or Licensed Representatives to carry out the relevant regulated activities.

Our services are dependent on our ability to accurately execute and monitor a large number of transactions, which involve complicated operational procedures. Therefore, we have put in place an internal system for quality management of our trading system, from on boarding a new customer to completing a service agreement. Our settlement department, for example, is dedicated to ensuring that all trade orders are properly documented and processed. We value customers' feedback on our products and services, which is beneficial for our improvement.

During the Year, the Group did not receive any major complaints about its products and services. Due to the nature of our operation, the Group does not deal with selling or shipping products and accordingly did not have any products subject to recalls for safety and health reasons or recall procedures in respect thereof.

Supply Chain Management

Due to the nature of our operation, the Group does not have any major suppliers. Our suppliers are mainly involved in delivering office equipment, such as stationery, paper and toners. We have established a supplier evaluation system, which evaluates different aspects of the supplier, including timeliness of product provision, quality of product, pricing, as well as cooperativeness and responsiveness of staff. When selecting suppliers, we also access the supplier's environmental, health and safety record. During procurement, we also endeavour to select environmentally friendly products and services. For instance, we prefer eco-friendly products which are energy-efficient, with less packaging, or made of recyclable materials such as refillable pens and recycled paper. During procurement, we give priority to products with energy efficiency labels or indications. We also encourage the staff to pay attention to the expiry date of products and use products purchased earlier to avoid unnecessary wastage. Only qualified suppliers who meet our standards shall be included in our qualified supplier list.

7. COMMUNITY INVESTMENT

The Group is devoted to helping the community and create positive impacts to society. Although community investment has not been identified as a material issue for the Group in the materiality assessment, the Group always focuses on contributing to the minority in need and supports the surrounding environment. We actively encourage our employees to engage in various charitable events and volunteer activities so as to make indirect contribution and promote a loving environment in our community. We shall continue to contribute to the community in order to ensure the sustainable growth of our society in the future.

Directors' Report

The Directors present the annual report with the audited Consolidated Financial Statements of the Group for the FY2023.

CORPORATE REORGANISATION AND LISTING

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 1 November 2017 under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Pursuant to the corporate reorganisation (the "**Reorganisation**") of the structure of the Group in preparation of the Listing, the Company became an investment holding company holding the entire shareholding interest in De Riva, the key operating subsidiary, indirectly through the intermediary company, DLS Capital Limited on 3 August 2018. Further details of the Reorganisation are set out in the section headed "History, Reorganisation and Corporate Structure" in the Prospectus. The Shares were listed on GEM on 27 August 2018.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is principally engaged in providing derivatives brokerage services to Professional Investors as an interdealer broker. Details of the principal activities of its subsidiaries are set out in the note 1 to the Consolidated Financial Statements. There were no significant changes in the nature of the Group's principal activities during the FY2023.

BUSINESS REVIEW

A review of the Group's business during the FY2023, which includes a discussion of the principal risks and uncertainties faced by the Group, an analysis of the Group's performance using financial key performance indicators, particulars of important events affecting the Group during the FY2023, and an indication of likely future developments in the Group's business, could be found in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" in this annual report. A discussion on the Company's relationships with its key stakeholders is included in the sections headed "Management Discussion and Analysis", "Corporate Governance Report" and "Environmental, Social and Governance Report" in this annual report. In addition, a description of the environmental policies and performance of the Company is set out in the section headed "Environmental, Social and Governance Report" in this annual report. These discussions form part of this directors' report.

COMPLIANCE WITH LAWS AND REGULATIONS

For the FY2023, the Company is in compliance with the relevant laws and regulations that have a significant impact on the Company.

RESULTS AND DIVIDEND

The consolidated results of the Group for the FY2023 are set out on pages 49 to 95 of this report.

The Board has resolved not to recommend payment of any final dividend for the FY2023 (FY2022: nil).

DIVIDEND POLICY

The Company has adopted a dividend policy (the "**Dividend Policy**") which sets out the principles and guidelines in relation to the declaration, payment or distribution of its net profits as dividends to the Shareholders. In recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value. The Company does not have any pre-determined dividend payout ratio. The Board has the discretion to declare and distribute dividends to the Shareholders, subject to the Articles and all applicable laws and regulations and certain factors including without limitation to:

- financial results;

- cash flow situation;
- business conditions and strategies;
- future operations and earnings;
- capital requirements and expenditure plans; and
- interests of Shareholders.

Depending on the financial conditions of the Company and the Group and the conditions and factors as set out above, dividends may be proposed and/or declared by the Board for a financial year or period. The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate. Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Articles. The Board will review the Dividend Policy as appropriate from time to time.

AGM AND CLOSURE OF THE REGISTER OF MEMBERS

The Company's 2023 AGM will be held on Friday, 8 September 2023. In order to determine Shareholders' entitlement to attend and vote at the 2023 AGM, the register of members of the Company will be closed from Tuesday, 5 September 2023 to Friday, 8 September 2023 (both days inclusive). In order to be entitled to attend and vote at the 2023 AGM, unregistered holders of Shares should ensure that all the share transfer documents together with the relevant share certificates are lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. (Hong Kong time) on Monday, 4 September 2023.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 96.

PROPERTY AND EQUIPMENT

Details of the movements in property and equipment of the Group during the FY2023 are set out in note 17 to the Consolidated Financial Statements.

BORROWINGS

As at 31 March 2023 and 31 March 2022, the Group was in net cash position with no bank borrowings.

SHARE CAPITAL

Details of movements in the share capital of the Group during the FY2023 are set out in note 25 to the Consolidated Financial Statements.

EQUITY-LINKED AGREEMENTS

During the FY2023, other than the Share Option Scheme as set out in the section headed "Share Option Scheme", the Share Award Scheme as set out in the section headed "Share Award Scheme" and note 27 to the Consolidated Financial Statements, the Company has not entered into any equity-linked agreement.

RESERVES

Details of movements in the reserves of the Company and the Group during the FY2023 are set out in note 30 to the Consolidated Financial Statements and the Consolidated Statement of Changes in Equity on page 51 respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2023 and 31 March 2022, the Company did not have any reserve available for distribution.

DIRECTORS

The Directors during the FY2023 and up to the date of this annual report were as follows:

Executive Directors	Independent Non-executive Directors
Mr. Lau Ming Yeung, Lambert *(Chairman)*	Mr. Voon David Hian-fook
Mr. Choi Man Ho *(Chief Executive Officer)*	Mr. Wu Ping Lam Michael David
Mr. Ng Yu Fai	Mr. Or Kevin
Mr. Shiu Kam Man	

In accordance with the Articles, Mr. Lau Ming Yeung, Lambert, Mr. Ng Yu Fai and Mr. Or Kevin will retire at the 2023 AGM and all of them, being eligible, will offer themselves for re-election at the 2023 AGM.

DIRECTORS' AND SENIOR MANAGEMENT BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out in the section headed "Biographical Details of Directors and Senior Management".

DIRECTORS' SERVICES CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three years renewable automatically for successive terms of one year each commencing from the day next after the expiry, unless terminated by not less than three months' notice in writing. The termination provision and provision on retirement by rotation of Directors are set out in the Articles.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for an initial term of three years, provided that either party may terminate such appointment at any time by giving at least three months' notice in writing.

Save as disclosed above, none of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

DONATIONS

During the FY2023, the Group did not make any charitable donations (FY2022: nil).

PENSION SCHEME

Details of the pension scheme of the Company are set out in note 26 to the Consolidated Financial Statements.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) for the benefit of the Directors is currently in force and was in force throughout the FY2023.

MAJOR CUSTOMERS AND SUPPLIERS

The Group does not have any major supplier due to our business nature. Our suppliers are mainly involved in delivering office equipment. Revenue attributable to the Group's largest and top five largest customers accounted for approximately 12.8% and 40.3% of the total turnover for the FY2023 respectively. To the best knowledge of the Directors, none of the Directors, their close associates (as defined in the GEM Listing Rules), nor any shareholders (which to the knowledge of the Directors owned more than 5% of the Company's issued share capital), had any beneficial interest in any of the Group's top five largest customers during the FY2023.

DIRECTORS' INTERESTS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director is or was materially interested, either directly or indirectly, subsisted during or at the end of the FY2023.

COMPETING AND CONFLICT OF INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling Shareholders nor any of their respective close associates (as defined in the GEM Listing Rules) that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the FY2023.

None of the Directors, the controlling Shareholders or substantial Shareholders or any of their respective close associates has engaged in or has interest in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, (as defined in the GEM Listing Rules) or has any other conflict of interests with the Group during the FY2023.

DEED OF NON-COMPETITION

As disclosed in the Prospectus, each of Oasis Green Ventures Limited, Pacific Asset Limited and Mr. Yu Kwok Tung (together as the "**Controlling Shareholders**") had entered into a deed of non-competition dated 30 July 2018 (the "**Deed of Non-competition**") in favor of the Company (for itself and as trustee for the benefit of each of the members of our Group from time to time) that with effect from the Listing Date and during the term of the Deed of Non-competition (the "**Restricted Period**"), among other matters, he/it shall not, and shall procure that their respective close associates (other than any member of our Group) not to, whether on his/its own account or in conjunction with or on behalf of any person, firm or company, whether directly or indirectly, (i) engage in, participate or hold any right or interest in or render any services to or otherwise be involved in any business (whether as owner, director, operator, licensor, licensee, partner, shareholder, joint venturer, employee, consultant or otherwise) in competition with or likely to be in competition with the existing business carried on by our Group (including but not limited to providing derivatives brokerage services to Professional Investors in Hong Kong and any other country or jurisdiction to which our Group provides such services and/or in which any member of our Group carries on business mentioned above from time to time (the "**Restricted Business**")); and (ii) take any action which constitutes an interference with or a disruption of the Restricted Business including, but not limited to, solicitation of our Group's customers, service providers or personnel of any member of our Group.

In order to ensure each of the Controlling Shareholders has complied with the Deed of Non-competition, the following actions have been taken:

(1) the Company has enquired with each of the Controlling Shareholders, from time to time, on whether he/it or any of his/its associates has engaged in any Restricted Business or is given any business opportunity relating to the Restricted Business;

(2) the Company has required each of the Controlling Shareholders to give confirmation to the Company on an annual basis as to whether he/it and his/its associates have complied with the Deed of Non-competition;

(3) each of the Controlling Shareholders has provided to the Company such written confirmation in respect of the compliance with the Deed of Non-competition by him/it and his/its associates for the FY2023; and

(4) the independent non-executive Directors have reviewed the status of compliance by the Controlling Shareholders with the undertakings in the Deed of Non-competition during the FY2023 and confirmed that, so far as they can ascertain, each of the Controlling Shareholders has complied with the Deed of Non-competition.

The Company is not aware of any other matters regarding the compliance of the Deed of Non-competition that are required to be brought to the attention of the Shareholders, and there has not been any change in terms of the Deed of Non-competition for the FY2023.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group during the FY2023 are set out in note 28 to the Consolidated Financial Statements. None of the related party transactions constituted a connected transaction or continuing connected transaction subject to independent Shareholder's approval, annual review and all disclosure requirements in Chapter 20 of the GEM Listing Rules.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the FY2023.

MANAGEMENT CONTRACT

No contracts, other than the Directors' service agreements and appointment letters, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the FY2023.

SHARE OPTION SCHEME

The Company conditionally adopted the Share Option Scheme on 30 July 2018. The purpose of the Share Option Scheme is to enable the Company to grant share options to the 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. Subject to any early termination as may be determined by the Board, the Share Option Scheme shall be valid and effective for a term of ten (10) years commencing on the date of adoption. The remaining life of the Share Option Scheme is approximately 5 years.

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme is 80,000,000 Shares, representing 10% of the total issued share capital of the Company as at the date of this annual report.

No share option has been granted by the Company under the Share Option Scheme since its adoption. The number of options available for grant under the scheme mandate of the Share Option Scheme at the beginning and the end of the FY2023 are for 80,000,000 shares, representing 10% of total issued shares of the Company as at the date of this report. For further details of the Share Option Scheme, please refer to the notes to the Consolidated Financial Statements.

SHARE AWARD SCHEME

The Company adopted the Share Award Scheme on 4 April 2019. The purpose of the Share Award Scheme is to recognise and reward the contribution of eligible participants to the growth and development of the Group, to give incentives to eligible participants in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of five (5) years commencing on the date of adoption. The remaining life of the Share Award Scheme is approximately 10 months.

The Share Award Scheme shall be subject to administration of the Board and the trustee in accordance with the rules of the Share Award Scheme and the trust deed entered into with the trustee. Given that the Share Award Scheme does not involve the grant of options over any new Shares, it does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 23 of the GEM Listing Rules. No shareholders' approval was required for the adoption of the Share Award Scheme.

Since the adoption of the Share Award Scheme, a total of 88,000,000 awarded shares have been granted by the Company pursuant to the terms of the Share Award Scheme, subject to the vesting conditions (if any). During the FY2023, 8,400,000 awarded shares awarded to Mr. Choi Man Ho were vested and the closing price of the shares immediately before the date on which such awarded shares were vested (i.e. 6 April 2022) was HK$0.047. Pursuant to the Share Award Scheme, there is no amount payable on application or acceptance of the awarded shares and no purchase price of the awarded shares. As at 31 March 2023, all awarded shares have vested in the relevant grantees. No awarded shares have been granted/cancelled/lapsed under the Share Award Scheme during the FY2023. For details about the movement of awarded shares, please refer to the notes to the Consolidated Financial Statement.

The number of shares available for issue under the Share Award Scheme is 120,000,000 Shares, representing 15% of the total issued share capital of the Company as at the date of this annual report.

The number of awards available for grant under the scheme mandate of the Share Award Scheme at the beginning and the end of the FY2023 are for 120,000,000 Shares, representing 15% of the total issued shares of the Company as at the date of this report. There is no restriction on the maximum number of Shares to be granted under the Share Award Scheme to each eligible participant.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2023, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

Long position in ordinary Shares

Name of Director	Capacity/nature of interest	Number of Shares involved	Approximate percentage+ of shareholding in the Company
Mr. Ng Yu Fai	Interest of controlled corporation	54,000,000 *(Note 1)*	6.75%
	Beneficial interest	14,000,000	1.75%
		68,000,000	8.50%
Mr. Choi Man Ho	Interest of controlled corporation	36,000,000 *(Note 2)*	4.50%
	Beneficial interest	16,800,000	2.10%
		52,800,000	6.60%
Mr. Shiu Kam Man	Beneficial interest	39,200,000	4.90%
Mr. Lau Ming Yeung, Lambert	Interest of controlled corporation	32,000,000 *(Note 3)*	4.00%

Notes:

1. These Shares are held by Dense Jungle Limited, which is wholly owned by Mr. Ng Yu Fai. By virtue of the SFO, Mr. Ng Yu Fai is deemed to be interested in these Shares held by Dense Jungle Limited.

2. These Shares are held by Beyond Delta Limited, which is wholly owned by Mr. Choi Man Ho. By virtue of the SFO, Mr. Choi Man Ho is deemed to be interested in these Shares held by Beyond Delta Limited.

3. These Shares are held by Ocean Lead Holdings Limited, which is wholly owned by Mr. Lau Ming Yeung, Lambert. By virtue of the SFO, Mr. Lau Ming Yeung, Lambert is deemed to be interested in these Shares held by Ocean Lead Holdings Limited.

\+ The percentage represents the number of ordinary Shares involved divided by the number of issued Shares of the Company as at 31 March 2023.

Save as disclosed above, as at 31 March 2023, neither the Directors nor the chief executive of the Company had any interests and/or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 31 March 2023, the following corporations or persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long position in ordinary Shares

Name of Shareholder	Capacity/nature of interest	Number of Shares involved	Approximate percentage+ of shareholding in the Company
Oasis Green Ventures Limited	Beneficial owner	278,000,000 *(Note 1)*	34.75%
Pacific Asset Limited	Interest of controlled corporation	278,000,000 *(Note 1)*	34.75%
Mr. Yu Kwok Tung	Interest of controlled corporations	278,000,000 *(Note 1)*	34.75%
	Interest of spouse	16,000,000 *(Note 2)*	2.00%
		294,000,000	36.75%
Ms. Yip Shui Chi Rowena	Interest of spouse	278,000,000 *(Notes 1, 3)*	34.75%
	Beneficial owner	16,000,000	2.00%
		294,000,000	36.75%
Jolly Ocean Global Limited	Beneficial owner	96,000,000 *(Note 4)*	12.00%
Santo Global Investments Limited	Interest of controlled corporation	96,000,000 *(Note 4)*	12.00%
Mr. Lau Ming Hong Henry	Interest of controlled corporations	96,000,000 *(Note 4)*	12.00%
Ms. Lo Ying	Interest of spouse	96,000,000 *(Note 4)*	12.00%
Dense Jungle Limited	Beneficial owner	54,000,000 *(Note 5)*	6.75%
Ms. Mak Sui Yu	Interest of spouse	52,800,000 *(Note 6)*	6.60%

Notes:

1. These Shares are held by Oasis Green Ventures Limited, a company wholly owned by Pacific Asset Limited, which is in turn wholly owned by Mr. Yu Kwok Tung. By virtue of the SFO, Mr. Yu Kwok Tung and Pacific Asset Limited are deemed to be interested in these Shares held by Oasis Green Ventures Limited.

2. These Shares are held by Ms. Yip Shui Chi Rowena, the spouse of Mr. Yu Kwok Tung. By virtue of the SFO, Mr. Yu Kwok Tung is taken to be interested in the same number of Shares in which Ms. Yip Shui Chi Rowena is interested.

3. Ms. Yip Shui Chi Rowena is the spouse of Mr. Yu Kwok Tung. By virtue of the SFO, Ms. Yip Shui Chi Rowena is taken to be interested in the same number of Shares in which Mr. Yu Kwok Tung is interested.

4. These Shares are held by Jolly Ocean Global Limited, a company wholly owned by Santo Global Investments Limited, which is in turn wholly owned by Mr. Lau Ming Hong Henry. By virtue of the SFO, Mr. Lau Ming Hong Henry and Santo Global Investments Limited are deemed to be interested in these Shares held by Jolly Ocean Global Limited. Ms. Lo Ying is the spouse of Mr. Lau Ming Hong Henry. By virtue of the SFO, Ms. Lo Ying is taken to be interested in the same number of Shares in which Mr. Lau Ming Hong Henry is interested.

5. These interests are also disclosed as the interest of Mr. Ng Yu Fai in the paragraph headed "Directors' and chief executive's interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporation".

6. Ms. Mak Sui Yu is the spouse of Mr. Choi Man Ho. By virtue of the SFO, Ms. Mak Sui Yu is taken to be interested in the same number of Shares in which Mr. Choi Man Ho is interested.

\+ The percentage represents the number of ordinary Shares involved divided by the number of issued Shares as at 31 March 2023.

Save as disclosed above, as at 31 March 2023, other than the Directors and the chief executive of the Company whose interests are set out in the paragraph headed "Directors' and chief executive's interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporation" above, no person had interest or short position in the Shares or underlying Shares which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the best knowledge of the Directors, there is sufficient public float as required under the GEM Listing Rules (i.e. at least 25% of the Shares in issue are held by the public) as at the date of this report.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles or the laws of Cayman Islands which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

AUDIT COMMITTEE

The Audit Committee currently consists of three members, namely Mr. Or Kevin, Mr. Voon David Hian-fook and Mr. Wu Ping Lam Michael David, all being independent non-executive Directors. The primary duties of the Audit Committee are to review the Company's financial information and reporting process, risk management and internal control systems, relationship with external auditors and arrangements for employees of the Group to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company. The chairman of the Audit Committee is Mr. Or Kevin, who holds the appropriate professional qualifications. None of the members of the Audit Committee are former partners of the Company's existing external auditors.

The Audit Committee has reviewed the audited Consolidated Financial Statements for the FY2023.

INDEPENDENT AUDITOR

The Consolidated Financial Statements for the FY2023 has been audited by the independent auditor of the Company, SHINEWING (HK) CPA Limited ("**SHINEWING**"), who will retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM. A resolution for the re-appointment of SHINEWING as the independent auditor of the Company will be proposed to the Shareholders at the forthcoming AGM.

There has been no change in the independent auditor of the Company since the incorporation of the Company and up to the date of this report.

On behalf of the Board
Lau Ming Yeung, Lambert
Chairman

Hong Kong, 9 June 2023

Independent Auditor's Report

SHINEWING (HK) CPA Limited
17/F., Chubb Tower, Windsor House,
311 Gloucester Road,
Causeway Bay, Hong Kong

信永中和(香港)會計師事務所有限公司
香港銅鑼灣
告士打道311號
皇室大廈安達人壽大樓17樓

TO THE SHAREHOLDERS OF DLC ASIA LIMITED

(A company incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of DLC Asia Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 49 to 95, which comprise the consolidated statement of financial position as at 31 March 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS (Continued)

Valuation of trade receivables

Refer to Note 20 to the consolidated financial statement and the accounting policies on pages 58 to 61.

The key audit matter	How the matter was addressed in our audit
As at 31 March 2023, the Group had trade receivables of approximately HK$14,840,000, net of accumulated loss allowance of approximately HK$23,000, representing 17% of the Group's total current assets. Loss allowance for trade receivables is estimated based on lifetime expected credit losses ("**ECL**") model, which is estimated by taking into account the credit loss experience and forward looking information including both current and forecast general economic conditions. We have identified valuation of trade receivables as a key audit matter because the impairment assessment of trade receivables involved a significant degree of management estimation and may be subject to management bias.	Our audit procedures were designed to assess the assumptions and judgements of the Group's ECL model on impairment assessment of trade receivables. We have assessed the reasonableness of management's estimates for loss allowance by examining the information used by management to form such judgements, including testing the accuracy of the historical default data and evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward looking information.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

RESPONSIBILITY OF DIRECTORS OF THE COMPANY AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.

- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Wong Chuen Fai.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Wong Chuen Fai
Practising Certificate Number: P05589

Hong Kong
9 June 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2023

	NOTES	**2023 HK$'000**	2022 HK$'000
Revenue	7	**56,941**	39,704
Other income and gains, net	9	**692**	–*
Total revenue and other income and gain		**57,633**	39,704
Depreciation		**(126)**	(2,560)
Staff costs		**(36,528)**	(28,802)
Provision for expected credit losses on trade receivables	20	**(2)**	(4)
Impairment loss recognised in respect of property and equipment	17	**–**	(1,956)
Impairment loss recognised in respect of right-of-use assets	18	**–**	(1,419)
Other operating expenses		**(17,163)**	(13,810)
Finance costs	10	**(74)**	(152)
Profit (loss) before tax	11	**3,740**	(8,999)
Income tax credit	12	**172**	178
Profit (loss) and total comprehensive income (expense) for the year attributable to the owners of the Company		**3,912**	(8,821)
Earnings (loss) per share (HK cents)			
Basic and diluted	16	**0.49**	(1.12)

* The balance represents an amount less than HK$500.

Consolidated Statement of Financial Position

As at 31 March 2023

	NOTES	2023 HK$'000	2022 HK$'000
Non-current assets			
Property and equipment	17	**59**	–
Right-of-use assets	18	**2,766**	–
Intangible assets	19	**1,000**	1,000
Deferred tax assets	24	**172**	–
Deposits	21	**523**	–
		4,520	1,000
Current assets			
Trade receivables	20	**14,840**	8,556
Prepayments, deposits and other receivables	21	**20,040**	20,373
Tax recoverable		**–**	272
Cash and cash equivalents	22	**54,624**	53,228
		89,504	82,429
Current liabilities			
Other payables and accruals	23	**7,412**	2,126
Lease liabilities	18	**1,411**	1,506
		8,823	3,632
Net current assets		**80,681**	78,797
Non-current liability			
Lease liabilities	18	**1,488**	–
Net assets		**83,713**	79,797
Capital and reserves			
Share capital	25	**8,000**	8,000
Reserves		**75,713**	71,797
Total equity		**83,713**	79,797

The consolidated financial statements on pages 49 to 95 were approved and authorised for issue by the Board of Directors on 9 June 2023 and are signed on its behalf by:

Lau Ming Yeung, Lambert
Director

Choi Man Ho
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2023

	Attributable to the owners of the Company							
	Share capital HK$'000	Share premium HK$'000	Shareholder's contribution reserve HK$'000 (Note (a))	Shares held for the share award scheme HK$'000 (Note (a))	Share-based payment reserve HK$'000 (Note (b))	Other reserve HK$'000 (Note (c))	Retained earnings HK$'000	Total HK$'000
As at 1 April 2021	8,000	27,578	19,272	(8,610)	2,349	6,800	32,910	88,299
Equity-settled share-based compensation expenses (Note 27)	–	–	–	–	319	–	–	319
Issue of shares under the share award scheme (Note 27)	–	(4,669)	–	6,770	(2,101)	–	–	–
Loss and total comprehensive expense for the year	–	–	–	–	–	–	(8,821)	(8,821)
As at 31 March 2022	8,000	22,909	19,272	(1,840)	567	6,800	24,089	79,797
Equity-settled share-based compensation expenses (Note 27)	–	–	–	–	4	–	–	4
Issue of shares under the share award scheme (Note 27)	–	(1,269)	–	1,840	(571)	–	–	–
Profit and total comprehensive income for the year	–	–	–	–	–	–	3,912	3,912
As at 31 March 2023	**8,000**	**21,640**	**19,272**	**–**	**–**	**6,800**	**28,001**	**83,713**

Notes:

(a) On 10 April 2019, Oasis Green Ventures Limited ("**Oasis Green**"), the immediate holding company of the Company and a company wholly owned by Mr. Yu Kwok Tung ("**Mr. Yu**"), who was also non-executive director of the Company until 1 June 2020, contributed 88,000,000 shares to the share pool maintained by the trustee under the share award scheme adopted by the Company for the long term development of the Group at nil consideration as incentive to attract and retain eligible participants under the share award scheme. The fair value of the ordinary shares of the Company, determined using the published price available at the date of the transfer, was HK$0.219 per share.

During the year ended 31 March 2023, 8,400,000 shares (2022: 30,916,000 shares) have been vested under the share award scheme.

(b) It represents the grant date fair value of the shares granted to the directors and employees of the Company and its subsidiaries under the share award scheme that has been recognised in accordance with the accounting policy adopted for equity-settled share-based payment transaction.

(c) Other reserve represented the difference between the nominal amount of the share capital of De Riva Asia Limited ("**De Riva**") and the nominal amount of the share capital issued by the Company pursuant to the Reorganisation of the Company.

Consolidated Statement of Cash Flows

For the year ended 31 March 2023

	2023 HK$'000	2022 HK$'000
OPERATING ACTIVITIES		
Profit (loss) before tax	3,740	(8,999)
Adjustments for:		
Depreciation of property and equipment	6	1,013
Depreciation of right-of-use assets	120	1,547
Write-off of property and equipment	–	1
Provision for expected credit losses on trade receivables	2	4
Impairment loss recognised in respect of property and equipment	–	1,956
Impairment loss recognised in respect of right-of-use assets	–	1,419
Interest income	(188)	–*
Interest expense on overdrafts	39	82
Interest expense on lease liabilities	35	70
Equity-settled share-based compensation expense	4	319
Operating cash flows before movements in working capital	3,758	(2,588)
(Increase) decrease in trade receivables	(6,286)	2,154
Increase in prepayments, deposits and other receivables	(190)	(6,823)
Increase (decrease) in other payables and accruals	5,286	(1,206)
Cash generated from (used in) operations	2,568	(8,463)
Hong Kong Profits Tax refunded	272	–
Interest expense on overdrafts	(39)	(82)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	2,801	(8,545)
INVESTING ACTIVITIES		
Purchase of property and equipment	(65)	(123)
Interest income received	188	–*
NET CASH FROM (USED IN) INVESTING ACTIVITIES	123	(123)
FINANCING ACTIVITIES		
Payment of lease liabilities	(1,493)	(1,597)
Interest expense on lease liabilities	(35)	(70)
NET CASH USED IN FINANCING ACTIVITIES	(1,528)	(1,667)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,396	(10,335)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	53,228	63,563
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	54,624	53,228

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Act, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 1 November 2017 and its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 27 August 2018. Its immediate holding company is Oasis Green, a company with limited liability incorporated in the British Virgin Islands. Its ultimate beneficial owner is Mr. Yu.

The addresses of the registered office and the principal place of business of the Company are Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Units 2601–3 Tai Tung Building, 8 Fleming Road, Wanchai, Hong Kong respectively.

The Company is an investment holding company. Its major operating subsidiary, De Riva, was involved in the business of dealing in securities and futures contracts as a futures non-clearing dealer.

The functional currency of the Company and its subsidiaries (hereinafter collectively referred to as the "**Group**") is Hong Kong dollar ("**HK$**"), which is the same as the presentation currency of the consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") which are effective for the Group's financial year beginning on 1 April 2022:

Amendment to HKFRS 3	Reference to the Conceptual Framework
Amendment to Hong Kong Accounting Standard ("**HKAS**") 16	Property, plant and Equipment: Proceeds before Intended Use
Amendment to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendment to HKFRSs	Annual Improvements to HKFRSs 2018–2020 cycle
Amendment to Accounting Guideline 5	Merger Accounting for Common Control Combinations

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

New and amendments to HKFRSs issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17 (including the October 2020 and February 2022 amendments to HKFRS 17)	Insurance Contracts[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to HKFRS 10 and HKAS 28	Sale and Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020), Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]

1 Effective for annual periods beginning on or after 1 January 2023.
2 Effective for annual periods beginning on or after 1 January 2024.
3 Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market at the measurement date under current market condition (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The significant accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns. When the Group has less than a majority of the voting rights of an investee, power over the investee may be obtained through: (i) a contractual arrangement with other vote holders; (ii) rights arising from other contractual arrangements; (iii) the Group's voting rights and potential voting rights; or (iv) a combination of the above, based on all relevant facts and circumstances.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and cease when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income of subsidiaries are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue from contracts with customers

Revenue is recognised to depict the transfer of promised goods and services to customers at an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services to a customer. Specifically, the Group uses a five-step approach to recognise revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligations is transferred to customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

Contract assets and contract liabilities

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9 Financial Instruments. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

The Group recognised revenue from commission income for dealing in securities and futures contracts as a futures non-clearing dealer.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue from contracts with customers (Continued)

Contract assets and contract liabilities (Continued)

Commission income from dealing in securities and futures contracts as a futures non-clearing dealer are recognised at a point in the time when the services for the transactions are completed under the terms of each engagement and the revenue can be measured reliably, since only by that time the Group has a present right to receive payment from the customers for the service performed. The Group allows an average credit period of 30 days to the customers when the dealing in securities and futures contracts as a futures non-clearing dealer are rendered to the customers. The Group has the primary responsibility for providing the services to the customer or for fulfilling the order and being responsible for the acceptability of the services ordered by the customer.

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 Revenue from Contracts with Customers. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("**FVTPL**")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets at amortised cost

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses ("**ECL**"), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income from debt securities are recognised in profit or loss and is included in the "other income and gains, net" (Note 9).

Impairment of financial assets

The Group recognises loss allowance for ECL on investments in debt instruments that are measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL, unless when there has a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for particular debtor, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full without taking into account any collaterals held by the Group.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated futures cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the report date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities (Continued)

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Leasing

Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

At the commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (Continued)

The Group as lessee (Continued)

Lease liabilities (Continued)

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability is remeasured (and with a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using revised discount rate.

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under HKAS 37 Provision, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. They are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of lease.

The Group presents right-of-use assets as a separate line in the consolidated statement of financial position.

The Group applies HKAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment

Property and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Impairment losses on tangible assets and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised as an expense immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items are recognised in profit or loss in the period in which they arise.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit (loss) before tax" as reported in the consolidated statements of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statement and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle current tax liabilities and assets on a net basis.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

Current and deferred tax are recognised in profit or loss.

Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme are recognised as expenses when employees have rendered service entitling them to the contributions.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

In the consolidated statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, as defined above.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to directors, employees, partners and joint-venture partners of the Company or any subsidiary

The fair value of services received determined by reference to the fair value of share options granted at the date of grant is expensed on a straight-line basis over the vesting period and recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share-based payment reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based payment reserve.

When share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to retained earnings.

Share options granted to advisers, consultants, service providers, agents and customers

Share options issued in exchange for goods or services are measured at the fair values of the goods or services received, unless the fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the goods or services received are recognised as expenses on a straight-line basis over the vesting period, with a corresponding increase in equity (share-based payment reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payment transactions (Continued)

Equity-settled share-based payment transactions (Continued)

Awarded shares granted to directors and employees

The fair value of services received determined by reference to the fair value of awarded shares granted at the date of grant is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share-based payment reserve).

At the end of the reporting period, the Group revises its estimates of the number of awarded shares that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based payment reserve.

When awarded shares are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium. When the awarded shares are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in reserve will be transferred to retained earnings.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3 above, the directors of the Company are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Key source of estimation uncertainty

Impairment of intangible assets

The Group assesses whether there are any impairment for an intangible asset at the end of each reporting period. When assessing impairment, the Group considers the recoverable amount which involve significant judgement based on fair value less cost of disposal. As at 31 March 2023, the carrying amount of intangible asset is HK$1,000,000 (2022: HK$1,000,000).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Provision for ECL on trade receivables

The provision for ECL on trade receivables are based on assumptions about ECL. The Group uses judgement in making these assumptions and selecting the inputs to the ECL calculation, bases on the number of days that an individual receivable is outstanding as well as the Group's historical experience and forward-looking information at the end of the reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated statement of profit or loss and other comprehensive income. As at 31 March 2023, the carrying amount of the trade receivables was approximately HK$14,840,000 (2022: HK$8,556,000), net of accumulated losses allowance for ECL trade receivables of approximately HK$23,000 (2022: HK$21,000). More details are given in Note 20.

5. CAPITAL RISK MANAGEMENT

Capital comprises of share capital and reserves stated in the Group's consolidated statement of financial position. The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for the shareholders and benefits for other stakeholders, by pricing commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group manages capital by regularly monitoring its current and expected liquidity requirements. Neither the Group nor subsidiaries, except for De Riva, is subject to externally imposed capital requirements. De Riva is regulated by the Securities and Futures Commission ("**SFC**") and is required to comply with certain minimum capital requirements according to the Securities and Futures Ordinance.

The management monitors De Riva's liquid capital daily and to ensure it meets the minimum liquid capital requirement in accordance with the Securities and Futures (Financial Resources) Rules ("**FRR**") adopted by the SFC. Under the FRR, De Riva must maintain its liquid capital in excess of HK$3,000,000. The required information was filed with SFC on a monthly basis. De Riva was in compliance with the capital requirements imposed by FRR during both years.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

a) Categories of financial instruments

	As at 31 March	
	2023	2022
	HK$'000	HK$'000
Financial assets		
Financial assets at amortised cost	**88,718**	80,712
Financial liabilities		
Financial liabilities at amortised cost	**7,412**	2,126

b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, deposits and other receivables, cash and cash equivalents and other payables and accruals.

Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments included credit risk, interest rate risk, currency risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors those exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's financial assets include trade receivables, deposits and other receivables and cash and cash equivalents.

As at 31 March 2023 and 2022, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management has delegated a team responsible to determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on an individual basis for customer with significant balances and/or collectively by using a provision matrix, estimated based on historical credit loss experience, as well as the general economic conditions of the industry in which the debtors operate. In this regard, the directors consider that the Group's credit risk is significantly reduced.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

b) Financial risk management objectives and policies (Continued)

(i) Credit risk (Continued)

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties.

Included in the Group's trade receivables as at 31 March 2023, approximately HK$3,255,000 (2022: approximately HK$1,571,000), representing 22% (2022: 18%) of the total trade receivables, is due from the Group's largest debtor. The concentration of credit risk is limited due to the customer base being large and unrelated.

For other non-traded related receivables, the Group has assessed whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

All of the balances with bank were deposited in a reputable large commercial bank with high credit rating.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

b) Financial risk management objectives and policies (Continued)

(i) Credit risk (Continued)

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit impaired (refer to as Stage 1)	12-month ECL
Doubtful	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit impaired (refer to as Stage 2)	Lifetime ECL – not credit impaired
Default	Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred (refer to as Stage 3)	Lifetime ECL – credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

The table below details the credit quality of the Group's financial assets, as well as the Group's maximum exposure to credit risk by credit rating grades.

	Notes	Internal credit rating	12-month or lifetime ECL	31 March 2023 Gross carrying amount HK$'000	31 March 2023 Loss allowance HK$'000	31 March 2023 Net carrying amount HK$'000	31 March 2022 Gross carrying amount HK$'000	31 March 2022 Loss allowance HK$'000	31 March 2022 Net carrying amount HK$'000
Trade receivables	20	N/A	Lifetime ECL (simplified)	**14,863**	**(23)**	**14,840**	8,577	(21)	8,556
Deposits and other receivables	21	Performing	12-month ECL	**19,254**	**-**	**19,254**	18,928	–	18,928
Cash and cash equivalents	22	N/A	12-month ECL	**54,624**	**-**	**54,624**	53,228	–	53,228
				88,741	**(23)**	**88,718**	80,733	(21)	80,712

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

b) Financial risk management objectives and policies (Continued)

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to its variable-rate bank balances which carrying interest at prevailing market rates.

The Group currently does not have an interest rate hedging policy. However, management monitors interest rate exposure and will consider other necessary action when significant interest rate exposure is anticipated.

The Group's exposure to interest rate risk in relation to variable-rate bank balances is minimal due to the amount involved is not significant, hence, no sensitivity analysis is prepared.

(iii) Currency risk

Currency risk is the risk of loss due to adverse movements in foreign exchange rates relating to financial instruments denominated in foreign currency. During both years, the Group had certain bank balances, trade receivables, deposits, other payables and accruals denominated in the United States dollars ("**USD**"), Japanese Yen ("**JPY**"), Singapore dollars ("**SGD**"), Euro ("**EUR**"), Australian dollars ("**AUD**") and British Pound ("**GBP**").

The Group currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities, mainly including bank balances, trade receivables, deposits and other receivables, other payables and accruals during both years are as follows:

	Assets As at 31 March		**Liabilities As at 31 March**	
	2023	2022	**2023**	2022
	HK$'000	HK$'000	**HK$'000**	HK$'000
USD	**13,516**	13,511	**275**	269
JPY	**1,112**	1,176	**–**	–
SGD	**14**	13	**–**	–
EUR	**187**	165	**28**	35
AUD	**13**	14	**–**	–
GBP	**9**	1	**234**	352

The management considered that the currency between HK$ and USD are subject to a sensitivity rate of 1%. The sensitivity analysis includes only outstanding USD denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in USD rates. For a 1% weakening of HK$ against the USD, as at 31 March 2023, the increase in post-tax profit was approximately HK$111,000 (2022: decrease in post-tax loss HK$111,000).

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

b) Financial risk management objectives and policies (Continued)

(iii) Currency risk (Continued)

The following table details the Group's sensitivity to a 5% change in HK$ against the respective foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in post-tax profit (2022: a decrease in post-tax loss) and increase in equity where HK$ weaken against the respective foreign currencies. For a 5% strengthening of HK$ against the relevant currency, there would be an equal and opposite impact on the post-tax profit (2022: post-tax loss) and equity and the numbers below would be negative.

	Year ended 31 March	
	2023	2022
	HK$'000	HK$'000
2023: Increase (decrease) in post-tax profit (2022: Decrease (increase) in post-tax loss)		
JPY impact	**46**	49
SGD impact	**1**	1
EUR impact	**7**	5
AUD impact	**1**	1
GBP impact	**(9)**	(15)

(iv) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liability. The table has been drawn up based on the undiscounted cash flows of financial liability based on the earliest date on which the Group can be required to pay. The maturity dates for non-derivative financial liability are based on the agreed repayment dates.

The table includes both interest and principal cash flows.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

b) Financial risk management objectives and policies (Continued)

(iv) Liquidity risk (Continued)

Liquidity table

	On demand or within one year HK$'000	More than 1 year but not exceeding 2 years HK$'000	Total undiscounted cash flow HK$'000	Carrying Amount HK$'000
As at 31 March 2023				
Non-derivative financial liability				
Other payables and accruals	7,412	–	7,412	7,412
In addition, the Group's maturity profile of its lease liabilities is as follow:				
Lease liabilities	1,528	1,528	3,056	2,899

	On demand or within one year HK$'000	Total undiscounted cash flow HK$'000	Carrying Amount HK$'000
As at 31 March 2022			
Non-derivative financial liability			
Other payables and accruals	2,126	2,126	2,126
In addition, the Group's maturity profile of its lease liabilities is as follow:			
Lease liabilities	1,528	1,528	1,506

c) Fair value measurements recognised in the consolidated statement of financial position

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their corresponding fair value due to short-term maturities.

7. REVENUE

Revenue represents the amounts received and receivable for services provided in the normal course of business. An analysis of the Group's revenue for both years is as follows:

	Year ended 31 March 2023 HK$'000	2022 HK$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Commission income from dealing in securities and futures contracts as a futures non-clearing broker	**56,941**	39,704

All revenue are recognised at a point in time during the years ended 31 March 2023 and 2022.

8. SEGMENT INFORMATION

HKFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the executive directors of the Company) in order to allocate resources to the segment and to assess its performance.

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performances focuses on provision of services of dealing in securities and futures contracts as a futures non-clearing broker. During both years, the Group focused on provision of brokerage service and all the assets and major revenue are located and derived in Hong Kong. Accordingly, no segment analysis is prepared.

Information about major customers

Revenue from major customers, each of them accounted for 10% or more of the Group's revenue, are set out below:

	Year ended 31 March 2023 HK$'000	2022 HK$'000
Customer A	**7,269**	5,487
Customer B	**N/A***	5,196

* The corresponding revenue did not contribute over 10% of total revenue of the Group for the respective reporting period.

9. OTHER INCOME AND GAINS, NET

	Year ended 31 March	
	2023	2022
	HK$'000	HK$'000
Bank interest income	**188**	–*
Government subsidies (Note)	**504**	–
	692	–*

* The balance represents an amount less than HK$500.

Note:

Government subsidies are cash subsidies granted by The Government of the Hong Kong Special Administrative Region under Anti-Epidemic Fund amounting to approximately HK$504,000 from the Employment Support Scheme which subsidised 50% of the wages paid to each staff, subject to maximum of HK$8,000 for each staff respectively. The Group has complied with all attached conditions during the year ended 31 March 2023 and recognised the amounts in profit or loss in "other income and gains, net". There were no such subsidies during the year ended 31 March 2022.

10. FINANCE COSTS

	Year ended 31 March	
	2023	2022
	HK$'000	HK$'000
Interest expense on:		
Overdrafts	**39**	82
Lease liabilities	**35**	70
	74	152

11. PROFIT (LOSS) BEFORE TAX

	Year ended 31 March	
	2023	2022
	HK$'000	HK$'000
Profit (loss) for the year has been arrived at after charging:		
Directors' emoluments (Note 13)		
Fees	**840**	840
Emoluments	**19,817**	12,919
Contributions to retirement benefits scheme (Note 26)	**72**	72
Equity-settled share-based compensation expense (Note 27)	**4**	313
	20,733	14,144
Other staff costs	**15,556**	14,372
Contributions to retirement benefits scheme (Note 26)	**239**	280
Equity-settled share-based compensation expense (Note 27)	**–**	6
	15,795	14,658
Total staff costs	**36,528**	28,802
Auditor's remuneration	**656**	648
Depreciation of property and equipment	**6**	1,013
Depreciation of right-of-use assets	**120**	1,547
Impairment loss recognised in respect of property and equipment	**–**	1,956
Impairment loss recognised in respect of right-of-use assets	**–**	1,419
Error and facilitation expenses	**1,410**	655

12. INCOME TAX CREDIT

	Year ended 31 March	
	2023	2022
	HK$'000	HK$'000
Hong Kong:		
Under-provision in prior years	**–**	3
Deferred tax (Note 24)	**(172)**	(181)
	(172)	(178)

Under the two-tiered profits tax rates regime, the first HK$2,000,000 of profits of qualifying corporation will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. For the years ended 31 March 2023 and 2022, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

The income tax credit for the years ended 31 March 2023 and 2022 can be reconciled to the profit (loss) before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 March	
	2023	2022
	HK$'000	HK$'000
Profit (loss) before tax	**3,740**	(8,999)
Tax at domestic income tax rate of 16.5%	**617**	(1,485)
Tax effect of expenses not deductible	**9**	561
Tax effect of income not taxable	**(356)**	(275)
Tax effect of tax losses not recognised	**274**	821
Utilisation of tax losses previously not recognised	**(544)**	–
Recognition of deductible temporary difference previously not recognised	**(172)**	–
Tax effect of deductible temporary difference not recognised	**–**	197
Under-provision in respect of prior years	**–**	3
Income tax credit for the year	**(172)**	(178)

13. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to the directors of the Company during the year ended 31 March 2023 was as follows:

	Fees HK$'000	Salaries and other allowances (Note (i)) HK$'000	Discretionary Bonus (Note (ii)) HK$'000	Retirement benefits scheme contributions HK$'000	Equity-settled share-based compensation expense HK$'000	Total HK$'000
Executive directors:						
Mr. Lau Ming Yeung, Lambert (Note (iv))	**120**	**3,858**	**165**	**18**	**–**	**4,161**
Mr. Choi Man Ho (Note (v))	**120**	**1,218**	**1,299**	**18**	**4**	**2,659**
Mr. Ng Yu Fai	**120**	**3,840**	**2,698**	**18**	**–**	**6,676**
Mr. Shiu Kam Man	**120**	**3,840**	**2,899**	**18**	**–**	**6,877**
Independent non-executive directors:						
Mr. Voon David Hian-fook	**120**	**–**	**–**	**–**	**–**	**120**
Mr. Or Kevin	**120**	**–**	**–**	**–**	**–**	**120**
Mr. Wu Ping Lam Michael David	**120**	**–**	**–**	**–**	**–**	**120**
	840	**12,756**	**7,061**	**72**	**4**	**20,733**

The emoluments paid or payable to the directors of the Company during the year ended 31 March 2022 was as follows:

	Fees HK$'000	Salaries and other allowances (Note (i)) HK$'000	Discretionary Bonus (Note (ii)) HK$'000	Retirement benefits scheme contributions HK$'000	Equity-settled share-based compensation expense HK$'000	Total HK$'000
Executive directors:						
Mr. Lau Ming Yeung, Lambert (Note (iv))	120	3,858	40	18	–	4,036
Mr. Choi Man Ho (Note (v))	120	1,218	50	18	291	1,697
Mr. Ng Yu Fai	120	3,840	73	18	8	4,059
Mr. Shiu Kam Man	120	3,840	–	18	14	3,992
Independent non-executive directors:						
Mr. Voon David Hian-fook	120	–	–	–	–	120
Mr. Or Kevin	120	–	–	–	–	120
Mr. Wu Ping Lam Michael David	120	–	–	–	–	120
	840	12,756	163	72	313	14,144

13. DIRECTORS' EMOLUMENTS (Continued)

Notes:

(i) No directors or chief executive waived or agreed to waive any emoluments during both years.

(ii) The discretionary bonus is determined based on the financial results of a subsidiary.

(iii) No emoluments were paid by the Group to the directors or the chief executive of the Company as an inducement to join or upon joining the Group or as compensation for loss of office during both years.

(iv) Mr. Lau Ming Yeung, Lambert is also the Chairman of the Group and his emoluments disclosed above include those for services rendered by him as the chairman.

(v) Mr. Choi Man Ho is also the chief executive of the Group and his emoluments disclosed above include those for services rendered by him as the chief executive.

Aggregate emoluments paid to or receivable by directors in respect of their services as directors, whether of the Company or its subsidiaries undertaking		Aggregate emoluments paid to or receivable by directors in respect of their other services in connection with the management of affairs of the Company or its subsidiaries undertakings		Total	
2023	2022	**2023**	2022	**2023**	2022
HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
840	840	**19,893**	13,304	**20,733**	14,144

14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, four (2022: four) of them were directors of the Company for the year ended 31 March 2023. The emoluments of the individual other than the directors of the Company as follows:

	Year ended 31 March	
	2023	2022
	HK$'000	HK$'000
Salaries, allowances, and other benefits	**1,920**	1,920
Discretionary bonuses	**1,270**	–
Contributions to retirement benefits scheme	**18**	18
	3,208	1,938

14. EMPLOYEES' EMOLUMENTS (Continued)

Their emoluments were within the following bands:

	Year ended 31 March	
	2023	2022
	HK$'000	HK$'000
Nil to HK$1,000,000	**–**	–
HK$1,000,001 to HK$1,500,000	**–**	–
HK$1,500,001 to HK$2,000,000	**–**	1
HK$2,000,001 to HK$2,500,000	**–**	–
HK$2,500,001 to HK$3,000,000	**–**	–
HK$3,000,001 to HK$3,500,000	**1**	–

During the years ended 31 March 2023 and 2022, no emoluments were paid by the Group to the five highest paid individual, including the directors and chief executive of the Company, as an inducement to join or upon joining the Group, or as compensation for loss of office.

15. DIVIDEND

No dividend was paid or proposed subsequent to the end of the reporting period and up to the date of this report (2022: nil).

16. EARNINGS (LOSS) PER SHARE

Basic earnings per share amount are calculated by dividing the profit for the year ended 31 March 2023 attributable to the owners of the Company of approximately HK$3,912,000 by the weighted average number of ordinary shares in issue of 799,884,932 during the year, excluding shares held under the Company's share award scheme.

Diluted earnings per share amount are calculated by dividing the profit for the year ended 31 March 2023 attributable to the owners of the Company of approximately HK$3,912,000 by the weighted average number of ordinary shares for the purpose of dilutive earnings per share of 800,000,000, which was adjusted by the effect of dilutive potential ordinary shares of 8,400,000 from deemed issue of shares under the Company's share award scheme for nil consideration.

Basic and diluted loss per share amount are calculated by dividing the loss for the year ended 31 March 2022 attributable to the owners of the Company of approximately HK$8,821,000 by the weighted average number of ordinary shares in issue of 790,030,411 during the year, excluding shares held under the Company's share award scheme.

The calculation of diluted loss per share does not assume the deemed issue of shares under the share award scheme since it would result in a decrease in loss per share for the year ended 31 March 2022.

17. PROPERTY AND EQUIPMENT

	Computer equipment HK$'000	Furniture and fixtures HK$'000	Leasehold improvements HK$'000	Office equipment HK$'000	Total HK$'000
COST					
At 1 April 2021	3,128	291	1,492	848	5,759
Additions	537	–	–	4	541
Write-off	(4)	–	(4)	(2)	(10)
At 31 March 2022	3,661	291	1,488	850	6,290
Additions	65	–	–	–	65
Write-off	(37)	–	–	–	(37)
At 31 March 2023	3,689	291	1,488	850	6,318
ACCUMULATED DEPRECIATION AND IMPAIRMENT					
At 1 April 2021	1,705	195	885	545	3,330
Charged for the year	529	45	309	130	1,013
Write-off	(4)	–	(3)	(2)	(9)
Impairment	1,431	51	297	177	1,956
At 31 March 2022	3,661	291	1,488	850	6,290
Charged for the year	6	–	–	–	6
Write-off	(37)	–	–	–	(37)
At 31 March 2023	3,630	291	1,488	850	6,259
CARRYING VALUES					
At 31 March 2023	59	–	–	–	59
At 31 March 2022	–	–	–	–	–

Depreciation is recognised so as to write off the cost of property and equipment less their residual value, if any, using the straight-line method over their estimated useful lives and at the rates per annum as follows:

Computer equipment	20%
Furniture and fixtures	20%
Leasehold improvements	Over the shorter of term of lease or 5 years
Office equipment	20%

During the year ended 31 March 2022, an impairment loss of approximately HK$1,956,000 (2023: nil) was recognised in the profit or loss which was allocated to the CGU. Details of the impairment assessment are set out in Note 18.

18. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(i) Right-of-use assets

	As at 31 March	
	2023	2022
	HK$'000	HK$'000
Leased premises	**2,766**	–

The lease term is two years.

Additions to the right-of-use assets and lease liabilities for the year ended 31 March 2023 amounted to approximately HK$2,886,000, due to renewed lease of leased premises (2022: nil).

As at 31 March 2022, carrying amounts of the CGU consisted of property and equipment and right-of-use assets amounting to nil and nil respectively. Management carried out an impairment assessment on the CGU, which was underperformed for the year ended 31 March 2022. The carrying amount of the assets is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. As a result, an impairment loss of property and equipment and right-of-use assets of approximately HK$1,956,000 and approximately HK$1,419,000 respectively was recognised in profit or loss for the year ended 31 March 2022. The estimates of the recoverable amounts were based on value-in-use calculations using discounted cash projection at pre-tax discount rate of 12.50% per annum based on the financial forecasts approved by management covering the remaining tenure of the lease.

No impairment assessment was performed as at 31 March 2023 as there was no indication of impairment.

(ii) Lease liabilities

	As at 31 March	
	2023	2022
	HK$'000	HK$'000
Non-current	**1,488**	–
Current	**1,411**	1,506
	2,899	1,506

18. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

(ii) Lease liabilities (Continued)

	As at 31 March	
	2023	2022
	HK$'000	HK$'000
Amounts payable under lease liabilities		
Within one year	**1,411**	1,506
After one year but within two years	**1,488**	–
Less: Amount due for settlement within 12 months	**(1,411)**	(1,506)
Amount due for settlement after 12 months	**1,488**	–

(iii) Amounts recognised in profit or loss

	Year ended 31 March	
	2023	2022
	HK$'000	HK$'000
Depreciation of right-of-use assets	**120**	1,547
Interest expenses on lease liabilities	**35**	70

(iv) Others

During the year ended 31 March 2023, the total cash outflow for leases including interest paid on lease liabilities and payment of lease liabilities amount to approximately HK$1,528,000 (2022: HK$1,667,000).

19. INTANGIBLE ASSETS

	Total
	HK$'000
Trading Rights	
COST	
At 1 April 2021, 31 March 2022, 1 April 2022 and 31 March 2023	1,000
CARRYING VALUES	
At 31 March 2023 and 2022	1,000

Trading rights in the Hong Kong Exchanges and Clearing Limited with indefinite useful life.

19. INTANGIBLE ASSETS (Continued)

The trading rights held by the Group are considered by the directors of the Company as having indefinite useful lives because they are expected to contribute net cash inflows indefinitely. The trading rights will not be amortised until their useful lives are determined to be finite. Instead, they will be tested for impairment annually and whether there is an indication that they may be impaired.

No impairment loss on intangible assets is recognised during both years.

20. TRADE RECEIVABLES

	2023 **HK$'000**	2022 HK$'000
Trade receivables	**14,863**	8,577
Less: Loss allowance for trade receivables	**(23)**	(21)
	14,840	8,556

The Group's trade receivables arose from business of dealing in securities and the futures contracts during both years.

As at 31 March 2023, the gross amount of trade receivables arising from contracts with customer amounted to approximately HK$14,863,000 (2022: HK$8,577,000).

The Group allows an average credit period of 30 days to its trade receivables. Before accepting any new customer, the Group will assess the potential customer's credit quality and defines its credit limits. Credit limits are made to customers with a satisfactory trustworthy credit history.

	As at 31 March	
	2023 **HK$'000**	2022 HK$'000
Within 30 days	**7,474**	4,131
31–60 days	**2,409**	1,421
61–90 days	**1,105**	1,657
91–120 days	**599**	681
Over 120 days	**3,276**	687
	14,863	8,577

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

20. TRADE RECEIVABLES (Continued)

The Group recognised lifetime ECL for trade receivables based on individually significant customer or the ageing of customers collectively that are not individually significant as follows:

	31 March 2023			31 March 2022		
	Weighted average expected loss rate %	Gross carrying amount HK$'000	Loss allowance HK$'000	Weighted average expected loss rate %	Gross carrying amount HK$'000	Loss allowance HK$'000
Current (not past due)	0.02	7,474	2	0.02	4,131	–*
Within 30 days	0.05	2,409	1	0.03	1,421	–*
31–60 days	0.14	1,105	2	0.17	1,657	3
61–90 days	0.21	599	1	0.86	681	6
Over 90 days	0.53	3,276	17	1.72	687	12
		14,863	23		8,577	21

* The balance represents an amount less than HK$500.

Movement in the loss allowance:

	2023 HK$'000	2022 HK$'000
Balance at the beginning of the year	21	17
Provision for ECL recognised on trade receivables	2	4
Balance at the end of the year	23	21

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 March	
	2023	2022
	HK$'000	HK$'000
Prepayments	**1,309**	1,445
Other receivables	**49**	4
Deposits		
– Deposits placed in clearing brokers	**18,548**	18,267
– Rental deposits	**523**	523
– Others	**134**	134
	19,205	18,924
	20,563	20,373
Analysed as:		
Non-current	**523**	–
Current	**20,040**	20,373
	20,563	20,373

22. CASH AND CASH EQUIVALENTS

Cash at banks earn interest at prevailing market rates which range from 0.001% to 0.053% per annum (2022: 0.001% to 0.01% per annum) based on daily bank deposit rates during both years.

23. OTHER PAYABLES AND ACCRUALS

	As at 31 March	
	2023	2022
	HK$'000	HK$'000
Other payables	**514**	511
Accruals	**1,569**	1,615
Accrued bonus	**5,329**	–
	7,412	2,126

24. DEFERRED TAXATION

The following is the major deferred tax asset (liability) recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation HK$'000
As at 1 April 2021	(181)
Credited to profit or loss (Note 12)	181
As at 31 March 2022, 1 April 2022 and 31 March 2022	–
Credited to profit or loss (Note 12)	172
As at 31 March 2023	172

At 31 March 2023, the Group had unused tax loss of approximately HK$6,422,000 (2022: HK$8,060,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such tax loss due to the unpredictability of future profit streams of the loss making subsidiaries. All tax losses may be carried forward indefinitely.

At 31 March 2023, deferred tax asset of approximately HK$172,000 has been recognised in relation to deductible temporary differences of approximately of HK$1,045,000.

At 31 March 2022, the Group had deductible temporary differences of approximately HK$1,194,000. No deferred tax asset was recognised in relation to such deductible temporary difference as it was not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

25. SHARE CAPITAL

The Company

	Number of shares	**Share capital** HK$
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 April 2021, 31 March 2022, 1 April 2022 and 31 March 2023	5,000,000,000	50,000,000
Issued and fully paid:		
At 1 April 2021, 31 March 2022, 1 April 2022 and 31 March 2023	800,000,000	8,000,000

26. RETIREMENT BENEFITS SCHEME

The Group operates a MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. Under the MPF Scheme, the Group is required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. Contributions to the scheme vest immediately. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. No forfeited contribution is available for use by the Group to reduce the existing level of contributions for the years ended 31 March 2023 and 2022.

During the year ended 31 March 2023, the total cost charged to profit or loss of approximately HK$311,000 (2022: HK$352,000) represents contributions payable to retirement benefits scheme contributions by the Group.

27. SHARE-BASED PAYMENT TRANSACTIONS

(a) Equity-settled Share Option Scheme of the Company

The Company conditionally adopted the share option scheme on 30 July 2018 (the "**Share Option Scheme**"). The purpose of the Share Option Scheme is to enable the Company to grant options to 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 of directors of the Company (the "**Board**"), has contributed or may contribute to the Group as incentive or reward for their contribution to the Group to subscribe for our Shares thereby linking their interest with that of our Group.

The Share Option Scheme will remain in force for a period of 10 years commencing on 30 July 2018.

The total number of shares in respect of which options may be granted under the Share Option Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue during any 12-month period, without prior approval from the Company's shareholders.

The subscription price per Share shall be determined by the directors and shall not be less than the highest of (a) the closing price of our Shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the offer date of the grant of the particular option, which must be a business day; (b) the average of the closing prices of our Shares as shown in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the offer date of that particular option; and (c) the nominal value of a Share on the offer date of the particular option.

An option may be exercised at any time during the period to be determined and notified by the Board to each grantee at the time of making an offer for the grant of an option, but in any event no later than 10 years from the date of grant but subject to the early termination of the Share Option Scheme. A non-refundable remittance of HK$1 by way of consideration for the grant of options should be made in favour of the Company within such time as may be specified in the offer (which should not be later than 21 days from, and inclusive of, the date of offer).

No share option has been granted under the Share Option Scheme since its adoption. As at 31 March 2023 and 2022, there are no outstanding share options issued under the Share Option Scheme.

27. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(b) Share Award Scheme

The Company adopted the share award scheme on 4 April 2019 (the "**Share Award Scheme**"). The purpose of the Share Award Scheme is to recognise and reward the contribution of any employee, director, officer, consultant or adviser of the member of the Group or any affiliate of the Group ("**Eligible Participants**") to the growth and development of the Group, to give incentives to Eligible Participants in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. The Share Award Scheme shall be valid and effective for a term of 5 years commencing on the adoption date. The Company has appointed Bank of East Asia (Trustees) Limited, an independent third party, for the administration of the Share Award Scheme.

Under the Share Award Scheme, awarded shares are either (i) purchased on the open market; and/or (ii) subscription of new shares; and/or (iii) otherwise allocated from the share pool. The cost of Shares purchased from the open market and/or subscription of new shares is recognised in equity as shares held for the share award scheme.

The Board shall not make any further award of awarded shares which will result in the number of shares awarded by the Board under the Scheme exceeding 15% of the issued share capital of the Company as at the adoption date.

The Company may select any Eligible Participant (other than excluded person) for participation in the Share Award Scheme and determine the number of the awarded shares to be awarded to selected participants ("**Selected Participants**"). The Company is entitled to impose any conditions (including a period of continued service within the Group after the reference date and target revenue of the Group for designated periods), as it deems appropriate with respect to the entitlement of Selected Participants to the awarded shares.

On 10 April 2019, Mr. Yu contributed 88,000,000 shares to the share pool maintained by the trustee under the Share Award Scheme at nil consideration.

Vesting of the awarded shares granted is subject to the fulfillment of vesting conditions (the revenue target of the Group for the years ended 31 March 2022 and 2021) specified in the grant letters and their employment in the Group at the end of respective vesting periods. The actual number of the awarded shares to be vested is subject to the performance of the Group prior to vesting and may be reduced accordingly.

Equity-settled share-based compensation expenses of approximately HK$4,000 and nil (2022: HK$313,000 and HK$6,000) were recognised as directors' emoluments and other staff costs in profit or loss respectively for the year ended 31 March 2023.

27. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(b) Share Award Scheme (Continued)

Details of the terms and conditions of the grant of Share Award Scheme are as follows:

	Number of awarded shares	Fair value as at grant date Per share HK$	Fair value as at grant date Aggregate Amount HK$'000	Vesting conditions
Awarded shares granted to directors on 6 April 2020:				
Mr. Ng Yu Fai				
– Lot 1	7,000,000	0.068	476	Note (ii)
– Lot 2	7,000,000	0.068	476	Note (iv)
Mr. Choi Man Ho				
– Lot 3	3,360,000	0.068	228	Note (iii)
– Lot 4	5,040,000	0.068	343	Note (iv)
– Lot 5	8,400,000	0.068	571	Note (v)
Mr. Shiu Kam Man				
– Lot 6	13,328,000	0.068	906	Note (i)
– Lot 7	12,936,000	0.068	880	Note (iii)
– Lot 8	12,936,000	0.068	880	Note (iv)
Awarded shares granted to employee on 6 April 2020:				
– Lot 9	6,120,000	0.068	416	Note (i)
– Lot 10	5,940,000	0.068	404	Note (iii)
– Lot 11	5,940,000	0.068	404	Note (iv)
	88,000,000		5,984	

Notes:

(i) The awarded share granted have been vested to Selected Participants in three months after the grant date.

(ii) The awarded share granted have been vested to the Selected Participant unconditionally on the grant date.

(iii) The awarded share granted have been vested to Selected Participants in six months after the grant date subject to certain desk revenue for the period ended 30 September 2020 exceeding HK$6,000,000.

(iv) The awarded share granted have been vested to the Selected Participant in twelve months after the grant date subject to certain desk revenue for the year ended 31 March 2021 exceeding HK$12,000,000.

(v) The awarded share granted have been vested to the Selected Participant in twenty-four months after the grant date subject to the audited revenue of the Group for the year ended 31 March 2022 exceeding HK$60,000,000.

(vi) No awarded share has been granted/cancelled/lapsed under the Share Award Scheme for the year ended 31 March 2023.

27. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(b) Share Award Scheme (Continued)

The movement of the grant of shares under the Share Award Scheme during the year is as follows:

	Number of awarded shares 2023	2022
Outstanding as at 1 April	**8,400,000**	39,316,000
Vested during the year	**(8,400,000)**	(30,916,000)
Outstanding as at 31 March	**–**	8,400,000

28. RELATED PARTY TRANSACTIONS

Compensation to key management personnel

The key management personnel are the directors of the Company. Details of the remuneration paid to the directors are set out in note 13.

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITY

The table below details changes in the Group's liabilities arising from financing activity, including both cash and non-cash changes. Liabilities arising from financing activity are those for which cash flows were, or future cash flows will be, classified in the consolidated statement of cash flows as cash flows from financing activity.

			Non-cash changes		
	1 April 2022 HK$'000	**Financing cash flow HK$'000**	**Renewed lease arrangement HK$'000**	**Finance cost incurred HK$'000**	**31 March 2023 HK$'000**
Lease liabilities	**1,506**	**(1,528)**	**2,886**	**35**	**2,899**

			Non-cash change	
	1 April 2021 HK$'000	Financing cash flow HK$'000	Finance cost incurred HK$'000	31 March 2022 HK$'000
Lease liabilities	3,103	(1,667)	70	1,506

Major Non-cash Transaction

During the year ended 31 March 2023, the Group entered into new arrangements in respect of office premises. Right-of-use assets and lease liabilities of approximately HK$2,886,000 were recognised at the commencement of the leases.

30. COMPANY LEVEL STATEMENT OF FINANCIAL POSITION

	NOTES	2023 HK$'000	2022 HK$'000
Non-current asset			
Investment in subsidiaries	(a)	**43,188**	43,188
Current assets			
Prepayments and deposits		**277**	270
Bank balances		**25,044**	25,000
		25,321	25,270
Current liabilities			
Other payables and accruals		**747**	673
Amount due to a subsidiary		**3,435**	1,860
		4,182	2,533
Net current assets		**21,139**	22,737
Net assets		**64,327**	65,925
Equity and reserve			
Share capital		**8,000**	8,000
Reserves	(b)	**56,327**	57,925
Total equity		**64,327**	65,925

(a) Investment in subsidiaries

	2023 HK$'000	2022 HK$'000
Unlisted shares, at cost	**43,188**	43,188

As at 31 March 2023 and 2022, the Company has interest in the following subsidiaries:

Name of subsidiary	Country of incorporation/ principal place of business	Class of shares held	Paid up issued ordinary share capital/ registered capital	Proportion of nominal value of issued capital held by the Company 2023 Directly	2023 Indirectly	2022 Directly	2022 Indirectly	Principal activities
DLS Capital Limited ("**DLS Capital**")	British Virgin Islands	Ordinary	USD10,000/USD50,000 (2022: USD10,000/ USD50,000)	**100%**	**-**	100%	–	Investment holdings
De Riva	Hong Kong	Ordinary	HK$6,800,000/ HK$6,800,000 (2022: HK$6,800,000/ HK$6,800,000)	**-**	**100%**	–	100%	Provision of services of dealing in securities and futures contracts as a futures non-clearing broker

The above subsidiaries are both private companies incorporated with limited liability.

30. COMPANY LEVEL STATEMENT OF FINANCIAL POSITION (Continued)

(b) Reserve of the Company

	Share premium HK$'000	Other reserve HK$'000 (Note)	Shareholder's contribution reserve HK$'000	Shares held for the share award scheme HK$'000	Share-based payment reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2021	27,578	43,189	19,272	(8,610)	2,349	(24,381)	59,397
Equity-settled share-based compensation expenses	–	–	–	–	319	–	319
Issue of shares under the share award scheme	(4,669)	–	–	6,770	(2,101)	–	–
Loss and total comprehensive expense for the year	–	–	–	–	–	(1,791)	(1,791)
At 31 March 2022 and 1 April 2022	22,909	43,189	19,272	(1,840)	567	(26,172)	57,925
Equity-settled share-based compensation expenses	–	–	–	–	4	–	4
Issue of shares under the share award scheme	(1,269)	–	–	1,840	(571)	–	–
Loss and total comprehensive expense for the year	–	–	–	–	–	(1,602)	(1,602)
At 31 March 2023	**21,640**	**43,189**	**19,272**	**-**	**-**	**(27,774)**	**56,327**

Note: Other reserve represents the difference between the net asset value of the DLS Capital and the nominal value of the shares issued by the Company pursuant to the Reorganisation.

Five-Year Financial Summary

	For the year ended 31 March				
	2023	2022	2021	2020	2019
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**56,941**	39,704	53,994	54,460	65,148
Profit/(loss) before income tax	**3,740**	(8,999)	(3,633)	(294)	1,301
Listing expenses	**–**	–	–	–	(5,039)
Profit/(loss) and total comprehensive income/(expense) for the year attributable to the owners of the Company	**3,912**	(8,821)	(3,545)	(457)	165
Profit/(loss) and total comprehensive income/(expense) for the year attributable to the owners of the Company (adjusted listing expenses)	**3,912**	(8,821)	(3,545)	(457)	5,204

	For the year ended 31 March				
	2023	2022	2021	2020	2019
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Non-current assets	**4,520**	1,000	7,336	6,207	5,807
Current assets	**89,504**	82,429	87,579	88,245	86,047
Current liabilities	**8,823**	3,632	4,929	7,959	4,777
Net current assets	**80,681**	78,797	82,650	80,286	81,270
Non-current liabilities	**1,488**	–	1,687	309	436
Net assets	**83,713**	79,797	88,299	86,184	86,641

Glossary

In this annual report, unless the context otherwise requires, the following expressions shall have the following meanings:

"AGM"	annual general meeting of the Company
"Articles"	the articles of association of our Company conditionally adopted on 30 July 2018 to take effect on the Listing Date, as amended, supplemented or otherwise modified from time to time
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"CG Code"	the Corporate Governance Code as contained in Appendix 15 to the GEM Listing Rules
"China" or "PRC"	the People's Republic of China, which for the purpose of this annual report and for geographical reference only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Clearing Participant"	a HKFE Exchange Participant entitled by HKFE Clearing Corporation Limited to record, register and clear contracts entered into by itself for its own account and on behalf of its clients
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company"	DLC Asia Limited
"Company Secretary"	the secretary of the Company
"Consolidated Financial Statements"	consolidated financial statements of the Company
"De Riva"	De Riva Asia Limited, a company incorporated in Hong Kong with limited liability on 27 July 2009 and an indirect wholly-owned subsidiary of the Company upon completion of the Reorganisation. De Riva is licensed by the SFC to carry out type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities under the SFO in Hong Kong, and is the principal operating subsidiary of the Company
"Director(s)"	the director(s) of the Company
"Executive Committee"	the executive committee of the Company
"FY2022"	the year ended 31 March 2022
"FY2023"	the year ended 31 March 2023
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (as amended from time to time)
"Group"	the Company and its subsidiaries from time to time

Glossary

"HKFE Exchange Participant(s)"	a licensed corporation to carry on type 2 (dealing in futures contracts) regulated activity under the SFO who, in accordance with the rules of the Futures Exchange, may trade on or through the Futures Exchange and whose name is entered in a list, register or roll kept by the Futures Exchange as a person who may trade on or through the Futures Exchange
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Licensed Representative(s)"	an individual who is granted a licence under section 120(1) or 121(1) of the SFO to carry on one or more regulated activities for a licensed corporation to which he/she is accredited
"Listing"	the listing and the commencement of dealings of the Shares on GEM
"Listing Date"	27 August 2018, on which the Shares are listed and from which dealings therein are permitted to take place on GEM of the Stock Exchange
"Nomination Committee"	the nomination committee of the Company
"Professional Investor(s)"	corporates or individuals as ascribed in Part I of Schedule I of SFO
"Prospectus"	the prospectus of the Company dated 14 August 2018
"Remuneration Committee"	the remuneration committee of the Company
"Required Standard of Dealings"	the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules
"Responsible Officer(s)"	a Licensed Representative who is also approved as a responsible officer under Section 126 of the SFO to supervise one or more regulated activities of the licensed corporation to which he/she is accredited
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) of nominal value of HK$0.01 each in the issued share capital of the Company
"Share Award Scheme"	the share award scheme adopted by the Company on 4 April 2019
"Share Option Scheme"	the share option scheme conditionally adopted by the Company on 30 July 2018
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"USA" or "US"	United States of America
"US$"	United States dollars, the lawful currency of the USA
"%"	per cent