德林控股
DL HOLDINGS

DL HOLDINGS GROUP LIMITED
德林控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1709

2022/2023
Annual Report

CONTENTS

CORPORATE INFORMATION

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2902, Vertical Square
28 Heung Yip Road
Wong Chuk Hang
Hong Kong

COMPANY'S WEBSITE

https://www.dlglobalholdings.com

EXECUTIVE DIRECTORS

Mr. Chen Ningdi *(Chairman and Chief executive officer)*
Mr. Lang Joseph Shie Jay
Mr. Ai Kuiyu
Ms. He Zhiying *(appointment with effect from 28 April 2023)*

NON-EXECUTIVE DIRECTORS

Ms. Jiang Xinrong *(resigned with effect from 28 April 2023)*
Mr. Chan Kwan *(appointment with effect from 14 October 2022)*
Mr. Chan Kwun Wah Derek

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chang Eric Jackson
Mr. Chen Cheng-Lien
(also known as Chen Cheng-Lang and Chen Stanley)
Mr. Liu Chun

COMPANY SECRETARY

Ms. Chin Ying Ying, CPA

AUTHORISED REPRESENTATIVES

Mr. Chen Ningdi
Ms. Chin Ying Ying

AUDIT COMMITTEE

Mr. Chang Eric Jackson *(Chairman)*
Mr. Chen Cheng-Lien
(also known as Chen Cheng-Lang and Chen Stanley)
Mr. Liu Chun

REMUNERATION COMMITTEE

Mr. Chang Eric Jackson *(Chairman)*
Mr. Chen Ningdi
Mr. Chen Cheng-Lien
(also known as Chen Cheng-Lang and Chen Stanley)

NOMINATION COMMITTEE

Mr. Chen Ningdi *(Chairman)*
Mr. Chang Eric Jackson
Mr. Chen Cheng-Lien
(also known as Chen Cheng-Lang and Chen Stanley)

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
Room 2103B, 21/F, 148 Electric Road
North Point
Hong Kong

PRINCIPAL BANKER

Bank of Communications (Hong Kong) Limited
20 Pedder Street, Central
Hong Kong

AUDITOR

Grant Thornton Hong Kong Limited
11th Floor
Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong

STOCK CODE

1709

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of DL Holdings Group Limited (the "**Company**") and its subsidiaries (collectively as the "**Group**"), I am pleased to present the annual results of the Group for the year ended 31 March 2023 (the "**Reporting Period**").

BUSINESS REVIEW

During the Reporting Period, the Group recorded a revenue of approximately HK$191.1 million, representing a decrease of approximately 38.2% compared to that of the year ended 31 March 2022; and a total comprehensive expense attributable to owners of the Company was approximately HK$49.5 million, as compared to the total comprehensive income attributable to owners of the Company of approximately HK$109.8 million for the year ended 31 March 2022. The decrease was mainly attributable to the decrease in revenue from the Apparel Business (as defined below) of approximately HK$108.1 million and the slight decrease in revenue from the Financial Services Businesses (as defined below) of approximately HK$4.5 million. The change from net gain to net loss was attributable to (i) the decrease in gross profit of approximately HK$70.1 million; (ii) the net losses on disposals of financial assets at FVTPL of approximately HK$37.8 million as compared to the net fair value gains on financial assets at FVTPL of approximately HK$34.8 million recorded for the year ended 31 March 2022; and (iii) the increase in the share-based payment expenses upon granting of share options to eligible participants of approximately HK$15.5 million for the Reporting Period (2022: nil).

During the Reporting Period, the Group continued to expand its core financial services of licensed business. This includes providing financial advisory services, securities research services, securities trading and brokerage services, margin financing services, referral services, investment management and advisory services, insurance brokerage services, and money lending services. During the Reporting Period, the Group acquired 45% interest in DL Family Office (HK) Limited ("**DL Family Office HK**") and 100% interest in DL Emerald Wealth Management Limited (previously known as Emerald Wealth Management Limited) ("**DL Emerald**"), further expanding its financial services business.

During the Reporting Period, the business environment remained challenging, with the global interest rate hikes continuing to have a sustained adverse impact on financial markets. While the licensed financial services business generated lower revenue and segment profit compared to the 2022 fiscal year, it recorded a positive return. Given the positive development and organic growth of the financial services business, as part of our forward-looking strategy, the Group's objective is to become a leading asset management and financial services platform in the Asia-Pacific region, with a focus on family office services. In respect of the apparel business of the Group, the COVID-19 pandemic, global economy uncertainty and international conflict had been imposing pressure to the general prospects of apparel industry and overall trading environment. In face of such pressure, the Group adopted a conservative strategy in the apparel business with the view to lower the risk exposure of the Group amid such turbulent market situation. Nonetheless, the adverse impact on the business environment persisted throughout the Reporting Period and despite the cost control measures taken by the Group and the new clientele developed in the United States, the Group continued to record gross loss position for the Apparel Business in the past three years. Whilst the Group continues to assess its sales strategy for the Apparel Business having taking into account the demand for apparel products globally and the profit margin of the business segment following cost-benefit analysis of the Group, the Group will from time to time reassess the Group's strategy in allocating of its resources between the business units so as to ensure the interests of the Company and its shareholders are preserved.

In the past year, both inflation and interest rates soared, geopolitical divisions intensified, and the global economic recovery remained fragile and turbulent, leading to significantly lowered growth expectations and dealing a severe blow to financial markets. As we enter 2023, although the supply chain crisis, energy crisis, and food crisis have gradually eased, global inflation has started to gradually decline. However, since March, the United States has faced liquidity crises in the banking sector and debt crisis issues, while China has encountered challenges with economic recovery falling short of expectations and subdued consumer demand. These factors have added uncertainty to global economic growth in 2023. 2023 will still be a year full of challenges and crises, but it is also a promising year. We predict that the global economic growth rate will bottom out, and the turning point of the cycle often breeds great opportunities for the wealth management industry. Leveraging our four business segments over the past decade, excellent management and experienced professionals, the Group has accelerated the construction of the middle and back office of the Group by expanding its client base from ultra-high net worth families, which the family office serves, to high net worth families numbering in the millions. The Group aims to rapidly increase its asset management scale, achieve a leap in both quantity and quality, and maximize returns for all shareholders.

CHAIRMAN'S STATEMENT

FUTURE OUTLOOK – STILL WATERS RUN DEEP, READY FOR ACTION

1. Still Waters Run Deep

The Group was established on the scorched earth of the 2008 financial crisis and has now entered the fourteenth year since the crisis. At its inception, the concept of a family office was still relatively unknown and unfamiliar to the general public and even ultra-high net worth families. Over the past decade, family offices have gone from being obscure to sparking a wave of interest, leading to intense competition between the financial centers of Hong Kong and Singapore to establish themselves as family office hubs. More and more talents and capitals have been drawn to the family office field. As one of the pioneering multi-family offices in the Greater China region, the Group has been exploring how to better catering its clients' needs with high-quality one-stop services centered around the family office, particularly in the realm of financial services, accompanying clients throughout the economic cycles.

I have worked in Hong Kong for 21 years and have experienced a total of seven economic cycles, both large and small: three major cycles in 2003, 2008, and the current one, as well as four smaller cycles in 2012, 2015, 2018, and 2020. It goes without saying that the economy is influenced by these cycles, and through years of observation, I have noticed that family offices, as an emerging industry in the Greater China region, are also affected by these cycles. During periods of economic prosperity, the expansion of family office businesses tends to be constrained. However, when the economy or certain industries begin to show signs of decline or even recession, entrepreneurs often recognize the importance of family offices and wealth management in preserving family wealth. As the economy reaches a turning point and the economic outlook becomes uncertain, there is often a surge in the growth of family offices and wealth management businesses.

In 2012, the overall Chinese economy continued to maintain a moderate to high-speed growth, and the Chinese yuan was in an appreciation trend. At that time, it was extremely challenging to advise clients on overseas asset allocation. However, after the stock market crash in 2015, the business of family office experienced rapid growth. This was because, after experiencing a small economic cycle, clients began to realize the importance of global asset allocation.

The clients of family offices are ultra-high net worth families, with the majority being successful entrepreneurs. The wealth accumulation of these entrepreneurs has mostly taken place in the past twenty or even ten years, making it their first experience of a true economic cycle. While they possess profound insights and expertise in their respective industries, fields, and business management, their specialization lies in their own domains. In the field of asset management and investments, their investment philosophies are largely based on the logic formed from their experiences over the past decade. However, relying too heavily on short-term accumulated experiences or track records can lead to confirmation bias. Such a mindset can indeed yield significant returns during times of economic prosperity. For instance, after the onset of the COVID-19 pandemic in 2020, with the global monetary excess and the advent of a capital feast, there was a proliferation of "ten-bagger stocks", stock market gurus and bond kings. However, during economic downturns and bear markets, they are also susceptible to significant losses. The significant corrections in the US tech stocks over the past two years, the collapse of Chinese concept stocks and high-yield Chinese bonds, and the roller-coaster market of cryptocurrencies and Web3 have already caused substantial losses for numerous investors.

In the flow of time, especially during economic cycles, family offices serve as the escorting vessels that safeguard family wealth. With years of experience and a long-standing commitment to aligning with client interests, family offices can make timely judgments and adjust course, whether the journey is filled with clear skies or sudden storms. "Still Waters Run Deep" – this deep-rooted values of long-termism guide our path forward. Cycles may be delayed, but they never fail to arrive. Our continuous efforts revolve around leveraging our expertise and wholeheartedly safeguarding client interests. Regardless of the complex and ever-changing external environment, we calmly assess inflection points in the economic cycle, seize opportunities through repeated cycles, convey the correct wealth perspective to clients, and assist them in navigating through cycles and mitigating risks.

2. Ready for Action

As a public company, we have shouldered greater responsibilities and are accountable to our shareholders. Therefore, I am constantly contemplating how to lead the Group forward from the perspectives of performance and shareholder rewards. The growth of our performance is primarily based on two factors: 1) The continuity and stability of our business model; 2) The growth potential of our business model.

Our existing business model in the financial services segment is based on the family office, with family office services as the core, providing comprehensive wealth planning, wealth succession, and corporate financing services to ultra-high net worth families. These services are all-encompassing and span the entire lifecycle. Over the past decade, the Group has accumulated a client base of family offices and the total assets under management have reached $2.3 billion. This segment of the business is stable but challenging to scale up in a short period, thus lacking strong growth potential. The needs of ultra-high net worth families span across wealth management, family governance, and business operations, and are increasingly diverse. This places significant requirements on family office personnel. When providing family office services, they need to have a long-term presence, deep understanding of clients' needs, and establish a high level of trust. It can be said that the comprehensive and full-cycle nature of family office services requires a high level of professionalism, breadth of expertise, and trust from employees, making it difficult to scale the family office business.

In the past two years, we have been contemplating the growth potential of our business. Currently, China ranks second among all countries in terms of GDP, accounting for approximately 20% of the global economy and 70% of the United States. With the vigorous development of the Chinese economy, China not only has the second-highest number of ultra-high net worth families globally but also ranks fourth in the number of high net worth individuals. There are already 2.06 million households with a net worth of RMB10 million, and the number of "high net worth families", who have more than RMB10 million in investable assets, has reached 1.1 million. The wealth accumulation of these high-net-worth families has largely benefited from the previous economic upturn. A certain portion of their wealth accumulation has also been achieved through real estate investments. However, as the current cycle shifts, with the real estate market downturn, frequent interest rate cuts by banks, and the frequent exposure of irregular financial products, their wealth preservation is facing significant challenges. The demand for wealth management among this segment of the population is enormous. If the Group's family office can extend its core investment management services to this group of high net worth families, its growth potential would be unparalleled.

We have already begun expanding into the wealth management industry. In the past year, we have strengthened our backend infrastructure and developed a standardized investment scheme, DL Flagship Strategy, which encompasses the essence of asset allocation strategies accumulated over the years. The core logic of DL Flagship Strategy has been validated through our service to ultra-high net worth families, providing stable returns based on a prudent investment philosophy. We are now introducing this product to the market to benefit a wider range of customers. We anticipate that this product will create a significant impact as it offers investment products with returns and stability well below the entry threshold of private banks. Furthermore, the entire product is standardized, transparent, and completely aligned with customer interests, allowing customers to monitor it in real-time. Replicating the core asset allocation concept of family offices to a broader wealth population, this new business model is just beginning to unfold this year. In addition to providing brokerage services, we also offer a full range of asset management products, such as global real estate investments. This is important in the context of high interest rates this year. Asset prices tend to be lowest when interest rates are high. Now, with China's weak economic recovery, many assets carry relatively low price. For many funds, whether investing in stocks or bonds, or global asset allocation, real estate is an inevitable important asset class, which has great potential in the future.

CHAIRMAN'S STATEMENT

The new layout of the Group's four major business segments is our future development focus. Although we recorded net losses in the past year, we have unloaded several major burdens: First, the Apparel Business, revenue of which had dropped to approximately HK$22 million and has been gradually decreasing in its contribution to the Group's revenue, resulting in reduced losses. Second, we will no longer engage in direct investments using the assets of the listed company. Instead, we will pursue investments in collaboration with clients through asset management. The investment gains and losses from last year were one-time events and will not recur in the future. Lastly, the Group provided share options and share awards to employees in the past year and incurred some costs. The Group has always regarded the team and employees as the most valuable assets. Some team members have been with the Group for 15 years, and the average tenure of the core team of nearly 10 individuals exceeds 7 years. We believe that the cohesion and synergy cultivated by the team over these many years will also work miracles in the future.

The demand for high-end wealth management in China amounts to RMB268 trillion. The Group is facing a vast wealth management market, which presents a tremendous opportunity that the Company has been patiently waiting for over a decade. Currently, the Group's assets under management are approximately USD3 billion, and the goal of reaching a scale of USD10 billion is not far off. This is due to the Group's steady presence in the family office industry in the past years, instilling confidence in its own products and team. In the coming year, we will continue to strengthen the construction of the backend, including risk control, IT, and customer service, while refining our products to provide high-quality services to a broader range of clients. In the coming fiscal year, our development strategy is as follows:

1. Based on the newly acquired DL Family Office HK, DL Emerald, and consulting businesses, we provide personalized wealth management and succession services for ultra-high net worth families throughout their entire lifecycle. Our goal is to expand the assets under management (AUM)/assets under advisory (AUA) of the Family Office division from USD2.3 billion to USD4 billion by the end of the next fiscal year.

2. DL Securities ("**DLS**") will continue to serve our growing base of key corporate clients and expand its investor base for capital market activities. Currently, DLS manages 25 limited partnership funds and other funds, with a total AUM/AUA of USD935 million. Our objective is to further increase this amount before the end of the next fiscal year.

3. DL Asset Management ("**DLAM**"), in collaboration with DLS, has developed a standardized investment scheme (Flagship Strategies) for all investors on the DL securities trading platform. This enables us to provide standardized global asset allocation and management services to high-net-worth families, professional investors, financial institutions, private enterprises, and external wealth management platforms. With such effort, the investment in DL Family Office HK and services will not be limited to ultra-high net worth families, but can be extended to other range of investors under a more standardized and scalable DL Flagship program. Our goal is to achieve at least 1,000 professional investor accounts before the end of the next fiscal year. DLAM will also develop additional asset management products and offer them to our growing investor base.

4. DL Global Real Estate, established based on our initial investment in the ONE Carmel project, is expected to complete its phase 1 construction by the end of the next fiscal year. We will also start exploring real estate investment opportunities in Hong Kong, Singapore, Japan, and the United States in both equity and credit nature. Our objective is to increase our investment and real estate-related AUM by the end of the next fiscal year.

5. This year, we entered into a strategic cooperation agreement with Soochow Securities (Hong Kong) Financial Holdings Limited, enabling us to collaborate on various business areas, including family office, wealth management, joint ventures, and equity. This includes leveraging domestic and overseas client resources, providing asset allocation strategies and investment products, and acting as a sales agent for various financial products. Together, we aim to promote cross-border investments and wealth management between Mainland China and Hong Kong, the Greater Bay Area, and potentially covering the Asia-Pacific region.

We will always stay hungry, stay focus, stay patience, and stay humble as we navigate the journey of wealth succession for our clients. In this era of uncertainty, we will persist in adhering to the principles of long-termism, remaining resolute in our commitment to accompany our clients through economic cycles. In the upcoming year, we will strive to deliver a report with better performance for all shareholders!

DL Holdings Group Limited
Mr. Chen Ningdi
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 26 June 2023

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

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

Provision of financial services of licensed business

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

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

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

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

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

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

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

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

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

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

Provision of money lending services

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

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

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

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

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

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

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

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

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

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

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

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

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

Provision of enterprise solutions services

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

PROSPECTS

Future outlook

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

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

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

1. Based on the newly acquired DL Family Office HK ("**FO**"), DL Emerald and Advisory businesses, we provide personalized wealth management and succession services throughout the entire life cycle for ultra-high net worth families. Our goal is to expand the current asset under management ("**AUM**")/asset under advisory ("**AUA**") under FO from USD2.3 billion to USD4 billion by the end of next fiscal year (3/2024).

2. DL Securities ("**DLS**") will continue to serve our increasing key corporate clients and expand its investor base for capital market activities. DLS currently manages 25 limited partnership funds and other funds with total AUM/AUA of USD935 million, which we aim to further increase such amount by the end of next fiscal year.

3. DL Asset Management ("**DLAM**") and DLS have developed a standardized investment scheme (Flagship Strategy) for all investors under DL Securities trading platform, where we are able to offer standard global asset allocation and management services to high net worth families, professional investors ("**PI**"), financial institutions, private enterprises, and external wealth management platforms. With such effort, the FO investment and services will not be limited to ultra-high net worth families, but can be extended to other range of investors under a more standardized and scalable DL Flagship program. Our target is to achieve at least 1000 PI client accounts by the end of next fiscal year, DLAM will also develop other asset management products and offer them to our increasing investor pool.

4. DL Global Real Estate has been established based on its initial investment in Carmel project. We expect to complete the phase one construction by the end of next fiscal year. We will also start exploring real estate investment opportunities in Hong Kong, Singapore, Japan and the United States in both equity and credit nature. We aim to increase our investments and real estate related AUM by the end of next fiscal year.

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

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

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

FINANCIAL REVIEW

Revenue

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

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

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

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

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

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

Cost of sales/services

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

MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit and gross profit margins

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

Other (losses)/gains, net

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

Selling expenses

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

General and administrative expenses

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

Finance costs

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

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

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

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

LIQUIDITY AND FINANCIAL RESOURCES

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

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

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

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

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

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

Details of changes in the Company's share capital are set out in note 25 to the consolidated financial statements in this annual report.

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

TREASURY POLICIES

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

MANAGEMENT DISCUSSION AND ANALYSIS

COMMITMENTS

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

CAPITAL STRUCTURE

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

BONUS SHARES

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

SIGNIFICANT INVESTMENTS

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

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

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

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

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

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

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

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

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

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

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

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

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

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

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

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

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

CONTINGENT LIABILITIES

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

FOREIGN EXCHANGE EXPOSURE

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

CHARGE ON GROUP ASSETS

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

EMPLOYEES AND REMUNERATION POLICIES

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

COMPLIANCE WITH LAWS AND REGULATIONS

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

ENVIRONMENTAL POLICY

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

A separate environmental, social and governance report has been published on the same date as this annual report, and is available on the Company's website at www.dlglobalholdings.com and the Stock Exchange's website at www.hkexnews.hk.

RELATIONSHIPS WITH STAKEHOLDERS

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

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

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

DONATIONS

During the Reporting Period, the Group has made a donation of approximately HK$40,000.

SUBSEQUENT EVENTS

On 7 July 2023, the Company (as the potential purchaser) entered into a non-legally binding memorandum of understanding with DL Global Holdings (as the potential vendor) and DL Family Office HK (as the target company) in relation to the possible acquisition of certain percentage of the issued share capital of DL Family Office HK held by DL Global Holdings. For further details, please refer to the Company's announcement on 7 July 2023.

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Chen Ningdi (陳寧迪), aged 44, has been appointed as an executive Director, Chief Executive Officer and Chairman of the Board with effect from 28 February 2020, 27 March 2020 and 10 January 2022 respectively. He is also the director of certain subsidiaries of the Company. He has over 20 years of experience in global financial industry. He founded DL Securities (HK) Limited ("**DL Securities**") and, together with Ms. Jiang Xinrong, DL Family Office (HK) Limited ("**DL Family Office**") in the years of 2011 and 2012. He subsequently became the responsible officer of DL Securities for its Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO from 2012 to 2015, and during the period from 2013 to 2015, he was also the responsible officer of DL Securities for its Type 1 (dealing in securities) regulated activities under the SFO. During the above period, he has been substantially involved in numerous projects in global capital market. Mr. Chen Ningdi was an executive director and founding member of Great China Strategic Capital and Primus Pacific Partners, both of which are private equity firms. Mr. Chen Ningdi previously worked for HSBC Global Investment Banking in Hong Kong, Equity-Linked Capital Markets of HSBC Group in London, HSBC Debt Markets Client Group in Hong Kong. Mr. Chen Ningdi obtained his Bachelor of Arts (Hons) in both Economics and Statistics from the University of Chicago in the year of 2001. Mr. Chen Ningdi is the spouse of Ms. Jiang Xinrong, a former non-executive Director (resigned with effect from 28 April 2023) and honorary chairman of the Board. Mr. Chen Ningdi is a director of DA Wolf and Rapid Raise Investments Limited, companies having interest in the Shares and underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO.

Please refer to the section headed "Report of the Directors – Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" in this annual report for Mr. Chen Ningdi's interest in the shares of the Company (the "**Shares**") as at 31 March 2023 which fall to be disclosed to the Company under Divisions 7 and 8 of Part XV of the SFO.

Mr. Lang Joseph Shie Jay (郎世杰) ("**Mr. Lang**"), aged 36, has been appointed as an executive Director with effect from 10 January 2022. Mr. Lang joined DL Securities in April 2017 and he has become the chief executive officer in February 2020 and the director of DL Securities in August 2020. DL Securities was acquired by the Group in November 2019 and became a subsidiary of the Group. He engages in various debt and equity investments in private and public companies. Prior to joining the Group, he was a non-executive director of Greater China Financial Holdings Limited (Stock Code: 431), the shares of which are listed on the Main Board of the Stock Exchange ("**Greater China**"), from January 2015 to April 2016. He was the founder, director and chief executive officer of Shanghai Yousheng Investment Consulting Co., Limited* (上海佑勝投資諮詢有限公司) and was in charge of its overall business operations and development before it was acquired by Greater China in 2014. He was also the founder, director and chief executive officer of Orient Credit Holdings Limited before it was acquired by Greater China in 2014. He was previously a director of Key Victory Holdings Limited and Oriental Credit Company Limited and the general manager of Shanghai Xinsheng Pawnshop Co., Limited* (上海新盛典當有限公司). He is the co-founder and chief executive officer of Shanghai Han Hao Investment Holdings Ltd since 2009 and co-founded the China-based secondary market hedge fund, the 'Lang Fund'. Mr. Lang graduated from the University of Michigan in 2009.

Please refer to the section headed "Report of the Directors – Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" in this annual report for Mr. Lang's interest in the Shares as at 31 March 2023 which fall to be disclosed to the Company under Divisions 7 and 8 of Part XV of the SFO.

* *For identification purposes only*

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Ai Kuiyu (艾奎宇) ("**Mr. Ai**"), aged 40, has been appointed as an executive Director with effect from 10 January 2022. Mr. Ai is the chief marketing officer of the Company since February 2020 and has extensive experience in international communication journalism and marketing. Mr. Ai is also the director of DL Asset Management Limited, a subsidiary of the Company. Prior to joining the Group, Mr. Ai was an executive director from March 2017 to February 2020 and the chairman of the board of directors from June 2019 to February 2020 of Sino Vision Worldwide Holdings Limited (新維國際控股有限公司), a company listed on GEM of the Stock Exchange (Stock Code: 8086). From 2005 to 2016, he had worked as an anchor, moderator, producer and news reporter at China Central Television (中國中央電視台) in the PRC. He obtained a Bachelor's Degree in Spanish from the Communication University of China in 2005 and a Master of Arts Degree in journalism from the Renmin University of China in 2014. He completed the Risk Management sessions from the Executive Education Programme of Business School of Imperial College in November 2021.

Mr. Ai is also (a) a member of the 8th Council of the Western Returned Scholars Association; (b) a standing director of the Federation of Hong Kong Jiangsu Youth; (c) a guest researcher of the China Institute of Fudan University since May 2016; and (d) a guest lecturer of the Wuhan Institute of Design and Sciences since November 2019.

Please refer to the section headed "Report of the Directors – Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" in this annual report for Mr. Ai's interest in the Shares as at 31 March 2023 which fall to be disclosed to the Company under Divisions 7 and 8 of Part XV of the SFO.

Ms. He Zhiying (賀之穎) ("**Ms. He**"), aged 39, has been appointed as an executive Director with effect from 28 April 2023. Ms. He is also the director of DL Emerald Wealth Management Limited, a subsidiary of the Company. Ms. He served at DL Global Holdings Limited ("**DL Global**") from November 2014 to January 2018 with her last position being a director and she joined DL Family China (HK) Limited ("**DL Family Office**") in February 2018. She is currently the chief executive officer of DL Family Office, which provides a total financial solution for high net worth individuals and their families as a multi-family office. Prior to joining DL Global, Ms. He had served in Standard Chartered Bank China for over four years, and her responsibilities included marketing, business planning and private wealth segment development. Ms. He obtained her Bachelor's Degree in Economics (International Economics and Trade) from the Shanghai International Studies University in July 2006. She has also completed a training course in wealth management organised under the aegis of the Ministry of Foreign Affairs, Luxembourg and Consulate General of the Grand Duchy of Luxembourg in Shanghai in August 2013.

As at the date of this annual report, Ms. He beneficially holds 3,544,874 shares of the Company, representing approximately 0.24% of the issued shares of the Company, and 2,500,000 share options of the Company granted under the share option scheme of the Company adopted on 22 September 2015 (details of which are set out in the announcement of the Company dated 24 March 2023).

NON-EXECUTIVE DIRECTORS

Mr. Chan Kwan (陳昆), aged 35, has been appointed as a non-executive Director with effect from 14 October 2022. Mr. Chan Kwan obtained his bachelor's degree in Biomedical Science from the University of Essex in June 2012 and his bachelor's degree of laws from the University of Leicester in July 2015. In addition, he is also a diamond graduate of Gemological Institute of America (美國寶石學院). He is a non-executive director of CAQ Holdings Limited, a company listed on the Australian Securities Exchange Limited (ASX Code: CAQ) since November 2017. He served as the legal and project director of China Cambodia International Special Economic Zone Co. Limited from October 2015 to February 2018. He is the co-founder and chairman of Atlas Capital Asset Management (HK) Limited, a company licensed by the Securities and Futures Commission for Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance, since June 2020. He also served as the executive director of Wan Kei Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 1718), from March 2018 to January 2022.

Please refer to the section headed "Report of the Directors – Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" in this annual report for Mr. Chan Kwan's interest in the Shares as at 31 March 2023 which would fall to be disclosed to the Company under Divisions 7 and 8 of Part XV of the SFO.

Mr. Chan Kwun Wah Derek (陳冠樺) (formerly known as Chan Chi Hung Derek), aged 52, has been appointed as a non-executive Director with effect from 27 March 2020. Mr. Chan Kwun Wah Derek is the managing director of Kingston Corporate Finance Limited. He is principally engaged in leading and planning investment banking and financial consultation services, including sponsorship for initial public offerings, structured finance, merger & acquisitions, asset restructuring and corporate governance advisory services. He has over 20 years of experience from a few renowned securities firms and global financial institutions. He had worked with Kingston Financial Group Limited from 2004 to 2008 and rejoined in January 2014. He holds a Master of Business Administration from the University of Strathclyde in 1999 and a Bachelor's Degree in Business Administration from the University of Regina in 1994. He is a responsible officer of Kingston Securities Limited for its Type 1 (dealing in securities) regulated activities and Kingston Corporate Finance Limited for its Type 6 (advising on corporate finance) regulated activities under the SFO. From October 2020 to June 2021, he served as a non-executive director of Jimu Group Limited (Stock Code: 8187), the issued shares of which are listed on GEM of the Stock Exchange. Since May 2023, he is a non-executive director of GT Steel Construction Group Limited (Stock Code: 8402), the issued shares of which are listed on GEM of the Stock Exchange.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chang Eric Jackson (張世澤) ("**Mr. Chang**"), aged 43, has been appointed as an independent non-executive Director with effect from 25 May 2018. Mr. Chang received his Bachelor of Commerce degree from the University of British Columbia in May 2002. Mr. Chang worked at PricewaterhouseCoopers Ltd. during the period from September 2002 to September 2013 and his last position there was senior manager. During the period from October 2013 to July 2015, Mr. Chang was the chief financial officer of a property development company. Mr. Chang is a member of the Hong Kong Institute of Certified Public Accountants and also a registered member of the American Institute of Certified Public Accountants. Mr. Chang is an independent non-executive director of Transmit Entertainment Limited (Stock Code: 1326) and Datang Group Holdings Limited (Stock Code: 2117), the issued shares of which are listed on the Main Board of the Stock Exchange, since December 2017 and December 2022 respectively. Mr. Chang is an independent non-executive director of Yik Wo International Holdings Limited (Stock Code: 8659), the issued shares of which are listed on GEM of the Stock Exchange, since June 2022. Mr. Chang was an independent non-executive director of Centenary United Holdings Limited (Stock Code: 1959), the issued shares of which are listed on the Main Board of the Stock Exchange, between September 2019 to May 2020. Mr. Chang was appointed as the company secretary of Pa Shun International Holdings Limited (Stock Code: 574), the issued shares of which are listed on the Main Board of the Stock Exchange from May 2019 to August 2019.

Mr. Chen Cheng-Lien (陳政璉) (also known as Chen Cheng-Lang and Chen Stanley), aged 44, has been appointed as an independent non-executive Director with effect from 27 March 2020. Mr. Chen Cheng-Lien has over 10 years' experience in finance and investment field as well as technology industry. Mr. Chen Cheng-Lien is currently the chief executive officer of Cornucopia Innovation Corporation, a subsidiary of Solomon Technology Corporation ("**Solomon**", together with its subsidiaries "**Solomon Group**"), a company listed on Taiwan Stock Exchange (stock code: 2359TW). Mr. Chen Cheng-Lien joined Solomon Group in September 2005 and he was a member of the board of directors of Solomon from July 2008 to January 2013. Mr. Chen Cheng-Lien was also a member of the board of directors of Solomon Goldentek Display Corporation from June 2014 to March 2018. Since December 2009, Mr. Chen Cheng-Lien has been a member of the board of directors of Data International Co. Ltd., a company listed on the Taipei Exchange (stock code: 5432TW). He served as an independent non-executive director of China Shun Ke Long Holdings Limited (Stock Code: 974), a company listed on the Main Board of the Stock Exchange, from October 2018 to July 2020. Mr. Chen Cheng-Lien was also a member of the board of directors of United Test and Assembly Center Ltd. from June 2007 to October 2007. Mr. Chen Cheng-Lien was an analyst of JP Morgan Securities (Asia Pacific) Limited from July 2004 to September 2005 and a research analyst of Prudence International Advisory Limited from July 2003 to May 2004.

Mr. Chen Cheng-Lien obtained a Bachelor of Science in Liberal Arts and Sciences from the University of Illinois at Urbana Champaign, the United States in December 2001, a master's degree in financial engineering from the University of California, Berkeley in May 2003 and Master of Business Administration in May 2008 from Cornell University, the United States. Mr. Chen Cheng-Lien obtained an EMBA degree at China Europe International School in Shanghai, the PRC in August 2019.

Mr. Liu Chun (劉春) ("**Mr. Liu**"), aged 55, has been appointed as an independent non-executive Director with effect from 22 April 2020. He has over 20 years of experience in the media industry. He is currently the senior vice president of Phoenix New Media Ltd, a company listed by way of American depositary shares on the New York Stock Exchange (symbol: FENG) since 2018. He is also an independent director of Vipshop Holdings Limited, a company listed by way of American depositary shares on the New York Stock Exchange (symbol: VIPS) since 2013. He was a director and the chief cultural officer of Zhongnanhong Cultural Group Co., Ltd* (中南紅文化集團股份有限公司), a company listed on the SME board of the Shenzhen Stock Exchange (stock code: 002445) and the president of its subsidiary, Jiangsu Zhongnan Film Co., Ltd.* (江蘇中南影業有限公司) from 2015 to 2018. He was a vice president of Sohu.com Limited, a company listed by way of American depositary shares on the NASDAQ Stock Market (symbol: SOHU) from 2011 to 2013. During his tenure at Phoenix Satellite Television Holdings Ltd between 2000 and 2011, Mr. Liu last served as the executive director of Phoenix Chinese TV. He was an executive producer of China Central Television from 1994 to 2000. Mr. Liu obtained a bachelor's degree from the Anhui Normal University major in Chinese in 1983 and a master's degree from the Communication University of China in 1991. He obtained an EMBA degree at Cheung Kong Graduate School of Business in 2009.

Please refer to the section headed "Report of the Directors – Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" in this annual report for Mr. Liu's interest in the Shares as at 31 March 2023 which would fall to be disclosed to the Company under Divisions 7 and 8 of Part XV of the SFO.

SENIOR MANAGEMENT

The members of senior management are the executive Directors whose biography are set out above.

* *For identification purposes only*

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

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

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

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

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors by the Company, all Directors confirmed that they have complied with the required standard of dealings and the Company's code of conduct concerning securities transactions by the Directors for the year ended 31 March 2023.

BOARD OF DIRECTORS

For the year ended 31 March 2023, the Board consisted of:

Executive Directors	Mr. Chen Ningdi *(Chairman and Chief Executive Officer)* Mr. Lang Joseph Shie Jay Mr. Ai Kuiyu
Non-executive Directors	Ms. Jiang Xinrong* *(Honorary Chairman) (resigned as a non-executive director with effect from 28 April 2023)* Mr. Chan Kwan *(appointed with effect from 14 October 2022)* Mr. Chan Kwun Wah Derek
Independent non-executive Directors	Mr. Chang Eric Jackson Mr. Chen Cheng-Lien (also known as Chen Cheng-Lang and Chen Stanley) Mr. Liu Chun

* Mr. Chen Ningdi is the spouse of Ms. Jiang Xinrong

Note: Ms. He Zhiying was appointed as an executive Director with effect from 28 April 2023.

The Company has received from each of the independent non-executive Directors his annual written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules, and accordingly the Company considers each of them to be independent under Rule 3.13 of the Listing Rules.

Apart from the spousal relationship between Mr. Chen Ningdi (an executive Director, Chief Executive Officer and Chairman of the Board) and Ms. Jiang Xinrong (a former non-executive Director who resigned with effect from 28 April 2023), there is no relationship (including financial, business, family or other material/relevant relationship) among our Directors. All of them are free to exercise their independent judgements.

For the year ended 31 March 2023, a total of 7 Board meetings and 1 general meeting were held. The attendance records of each Director in relation to the Board meetings and general meeting are set out in the table below:

Name of Directors	**Board meeting attended/eligible to attend**	**General meeting attended/eligible to attend**
Mr. Chen Ningdi	7/7	1/1
Mr. Lang Joseph Shie Jay	7/7	1/1
Mr. Ai Kuiyu	7/7	1/1
Ms. Jiang Xinrong *(resigned with effect from 28 April 2023)*	5/7	0/1
Mr. Chan Kwan *(appointed with effect from 14 October 2022)*	2/3	0/0
Mr. Chan Kwun Wah Derek	5/7	1/1
Mr. Chang Eric Jackson	7/7	0/1
Mr. Chen Cheng-Lien (also known as Chen Cheng-Lang and Chen Stanley)	7/7	1/1
Mr. Liu Chun	6/7	0/1

Note: Ms. He Zhiying was appointed as an executive Director with effect from 28 April 2023.

RESPONSIBILITIES OF THE BOARD

The Board is responsible for maintaining leadership and control of the Group and is collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board focuses on formulating the Group's overall strategies; authorising the development plan and budget; monitoring financial and operating performance; reviewing the effectiveness of the internal control system; and setting the Group's values and standards. The day-to-day management, administration and operation of the Group which include implementation of objectives, strategies and plans adopted by the Board, are delegated to the senior management and overseen by the Chief Executive Officer. The delegated functions are reviewed by the Board periodically to ensure that they accommodate the needs of the Group.

For the year ended 31 March 2023, the Company had a minimum of three independent non-executive Directors and at all times met the requirements of the Listing Rules that the number of independent non-executive Directors must represent at least one-third of the Board members and at least one of the independent non-executive Directors has appropriate professional qualifications or accounting or related financial management expertise.

The Company has arranged appropriate insurance coverage on the liabilities of the Directors in respect of any legal actions taken against the Directors arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

CORPORATE GOVERNANCE FUNCTIONS

No corporate governance committee has been established and the Board is responsible for determining the policy of corporate governance of the Group in accordance with the CG Code. The Board is responsible for performing the corporate governance function such as (i) developing and reviewing the Company's policies and practices on corporate governance; (ii) reviewing and monitoring the training and continuous professional development of the Directors and senior management of the Company; (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; (iv) developing, reviewing and monitoring the code of conduct applicable to employees and the Directors, etc; and (v) reviewing the Company's compliance with the CG code and disclosure in this corporate governance report. The Company has formulated internal policies and mechanisms to ensure that the Board has access to independent views and inputs. The Company shall review and assess the relevant policies and mechanisms and its effectiveness on an annual basis or as required.

For the year ended 31 March 2023, regular Board meetings of the Company were held at least four times to review, consider and approve, among others, annual and interim results and to review the business operations, corporate governance and the effectiveness of internal control systems and risk management of the Group. The Board holds meetings from time to time whenever necessary. At least 14 days' notice of regular Board meetings is given to all Directors and they can include matters for discussion in the agenda as they think fit. The agenda accompanying Board papers are sent to all Directors at least three days before the date of every Board meeting in order to allow sufficient time for the Directors to review the documents.

Draft minutes of every Board meeting are circulated to all Directors for their perusal and comments prior to confirmation of the minutes. The company secretary of the Company is responsible for keeping the minutes of all meetings of the Board and the Company's committees.

Every Board member has full access to the advice and services of the company secretary of the Company with a view to ensuring that all required procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The articles of association of the Company (the "**Articles**") provide that subject to the manner of retirement by rotation of Directors as from time to time prescribed by the Listing Rules, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation and that every Director shall be subject to retirement by rotation at least once every three years.

Non-executive Directors and independent non-executive Directors are appointed for a specific term subject to retirement by rotation and re-election in accordance with the Articles. The term of appointment of the non-executive Directors and the independent non-executive Directors are set out in the section headed "Report of the Directors – Directors' Service Contracts/Appointment Letters" in this annual report. Each independent non-executive Director is required to inform the Company as soon as practicable if there is any change that may affect his independence and must provide an annual confirmation of his independence to the Company.

PROFESSIONAL DEVELOPMENT

To assist Directors' continuing professional development, the Company recommends Directors to attend relevant seminars to develop and refresh their knowledge and skills. As of 31 March 2023, all the then existing Directors, namely Mr. Chen Ningdi, Mr. Lang Joseph Shie Jay, Mr. Ai Kuiyu, Ms. Jiang Xinrong, Mr. Chan Kwan, Mr. Chan Kwun Wah Derek, Mr. Chang Eric Jackson, Mr. Chen Cheng-Lien (also known as Chen Cheng-Lang and Chen Stanley) and Mr. Liu Chun had participated in continuous professional development programmes such as external seminars organised by qualified professional and/or reading materials relevant to the Group's business or to director's duties and responsibilities, to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant.

All Directors also understand the importance of continuous professional development and are committed to participating in any suitable training to develop and refresh their knowledge and skills.

AUDIT COMMITTEE

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

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

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

According to the current terms of reference, the Audit Committee shall meet at least two times for a financial year. Two meetings were held by the Audit Committee for the year ended 31 March 2023 and during the meetings, the Audit Committee reviewed the unaudited interim results as well as the audited annual results of the Group, discussed the audit findings with the external auditor of the Company and raised questions on the unaudited interim results and the audited annual results of the Group. The record of attendance of each member of the Audit Committee is set out below:

Name of members of the Audit Committee	Meeting attended/ eligible to attend
Mr. Chang Eric Jackson *(Chairman)*	2/2
Mr. Chen Cheng-Lien (also known as Chen Cheng-Lang and Chen Stanley)	2/2
Mr. Liu Chun	2/2

The Group's internal control system is reviewed regularly and at least annually by management. With the view of enhancing the Group's risk management and internal control systems, during the year ended 31 March 2023, the Company had appointed an independent consultant as the Group's internal audit function to review the Group's risk management and internal control systems and recommend actions to improve the Group's internal controls.

Having considered the results of the review conducted by the independent consultant, the Audit Committee is of the view that the Group's risk management and internal control systems and internal audit functions were effective and adequate and in compliance with the requirements of code provision D.2.1 of the CG Code for the year ended 31 March 2023 in all material respects.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the "**Remuneration Committee**") was established on 22 September 2015. The terms of reference of the Remuneration Committee (revised on 1 January 2023) are available at the websites of the Stock Exchange and the Company. The model under code provision E.1.2(c)(ii) of the CG Code have been adopted.

For the year ended 31 March 2023, it consisted of members, namely Mr. Chang Eric Jackson (chairman of the Remuneration Committee) and Mr. Chen Cheng-Lien (also known as Chen Cheng-Lang and Chen Stanley), all being independent non-executive Directors; and Mr. Chen Ningdi being an executive Director.

The primary duties of the Remuneration Committee are to make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group; review management's remuneration proposals with reference to the Board's corporate goals and objectives; assess performance of executive Directors and approve the terms of their service contracts; review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules; and ensure none of the Directors determine their own remuneration.

Three meetings were held by the Remuneration Committee for the year ended 31 March 2023. In the meetings, the Remuneration Committee has performed its duties to determine and make recommendations to the Board on the terms of service contracts of newly appointed Director during the year ended 31 March 2023, as well as performance review and remuneration package of Directors and senior management, and to consider the grants of share options and share awards to eligible participants. During the year ended 31 March 2023, the Remuneration Committee made recommendations to the Board on the remuneration packages of Directors and senior management. The remuneration of individual Director and senior management is determined with reference to his/her experience, duties and responsibilities undertaken with the Company as well as the prevailing market conditions. The record of attendance of each member of the Remuneration Committee is set out below:

Name of members of the Remuneration Committee	**Meeting attended/ eligible to attend**
Mr. Chang Eric Jackson *(Chairman)*	3/3
Mr. Chen Ningdi	3/3
Mr. Chen Cheng-Lien (also known as Chen Cheng-Lang and Chen Stanley)	3/3

Details of emoluments of the Directors of the Group for the year ended 31 March 2023 are set out in note 9 to the consolidated financial statements in this annual report.

NOMINATION COMMITTEE

The nomination committee of the Company (the "**Nomination Committee**") was established on 22 September 2015. The terms of reference of the Nomination Committee are available at the websites of the Stock Exchange and the Company.

For the year ended 31 March 2023, it consisted of members, namely Mr. Chen Ningdi (chairman of the Nomination Committee), being an executive Director; Mr. Chang Eric Jackson and Mr. Chen Cheng-Lien (also known as Chen Cheng-Lang and Chen Stanley), being the independent non-executive Directors.

The primary duties of the Nomination Committee are to review the structure, size and diversity of the Board at least annually; identify individuals suitably qualified to become Board members; assess the independence of independent non-executive Directors; and make recommendations to the Board on matters relating to the appointment and/or re-appointment of Directors.

Two meetings were held by the Nomination Committee for the year ended 31 March 2023. In the meetings, the Nomination Committee has performed its duties to review the structure, size, composition and diversity of the Board, make recommendations to the Board on the appointment and re-appointment of Directors and assess the independence of the independent non-executive Directors. The record of attendance of each member of the Nomination Committee is set out below:

Name of members of the Nomination Committee	Meeting attended/ eligible to attend
Mr. Chen Ningdi *(Chairman)*	2/2
Mr. Chang Eric Jackson	2/2
Mr. Chen Cheng-Lien (also known as Chen Cheng-Lang and Chen Stanley)	2/2

Nomination policy

The Company adopted a nomination policy in compliance with the CG Code with effect from 1 January 2019, which establishes written guidelines for the Nomination Committee to identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorships with reference to the formulated criteria. The Board is ultimately responsible for selection and appointment of new Directors.

The Board, through the delegation of its authority to the Nomination Committee, has used its best efforts to ensure that Directors appointed to the Board possess the relevant background, experience and knowledge in business, finance and management skills critical to the Group's business to enable the Board to make sound and well considered decisions. Collectively, members of the Board have competencies in areas which are relevant and valuable to the Group.

Nomination Process

The Nomination Committee shall assess whether any vacancy on the Board has been created or is expected on a regular basis or as required.

The Nomination Committee utilises various methods for identifying director candidates, including recommendations from Board members, management, and professional search firms. All director candidates, including incumbents and candidates nominated by the Shareholders, are evaluated by the Nomination Committee based upon the director's background, qualifications, skills and experience through review of resume, personal interview and performance of background checks. The Nomination Committee retains the discretion to establish the relative weighting of such criteria, which may vary based on the composition, skill sets, age, gender and experiences of the collective Board rather than on the individual candidate for the purpose of diversity perspectives appropriate to the requirement of the Group's business.

Selection Criteria

The Nomination Committee will take into account whether a candidate has the qualifications, skills, experience and gender diversity that add to and complement the range of background, skills and experience of existing Directors taking also into account the personal integrity and professional ethics, proven achievement and competence in their field of expertise and the ability to exercise sound business judgement of the director candidates. Candidates will be considered if they possess skills that are complementary to those of the existing Board, the ability to assist and support management and make significant contributions to the Company's success and such other factors as the Nomination Committee may deem are in the best interests of the Company and its Shareholders.

The Company shall review and reassess the nomination policy and its effectiveness on a regular basis or as required.

Board Diversity Policy

The Board has adopted a policy of diversity of the Board (the "**Diversity Policy**"). Accordingly, selection of Board members should be based on a range of aspects, including without limitation, gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The Nomination Committee will adhere to the Diversity Policy to ensure that there is at least one female Director in the Board and is committed to further enhancing gender diversity as and when suitable candidates are identified, such that a robust pipeline of female successors to the Board can be established in the near future.

The Nomination Committee considers the existing size and composition of the Board satisfies the requirements set out in the Diversity Policy and are adequately diverse for effective decision-making, taking into account the nature and scope of the Group's operations. The composition of the Board is reviewed on an annual basis by the Nomination Committee. Throughout the year ended 31 March 2023, the Board comprised of both male and female Directors with various educational background and professional experience.

The Board under the assistance of the Nomination Committee shall review and reassess the Diversity Policy on an annual basis to ensure its implementation and continued effectiveness.

Diversity in Workforce

The Company recognises the importance of diversity in workforce throughout the Group as a matter of corporate governance. The Group is committed to ensuring that recruitment at all levels, including the Board, adheres to range of selection criteria in order to consider a pool of talented individuals.

The Group will continue to take gender diversity into consideration during recruitment. The Group will continue to take opportunities to increase the proportion of female workforce over time as and when suitable candidates are identified. As at 31 March 2023, the Group had 66 full-time employees and 1 part-time employee (including senior management) with an overall gender ratio between male and female at approximately 56.7% and 43.3%, respectively. The Nomination Committee considers that the existing workforce composition has achieved gender diversity, and endeavours to discuss and agree on measurable objectives and plans for achieving diversity, periodically and when necessary.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and in compliance with the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of the consolidated financial statements of the Group that are free from material misstatement, whether due to fraud or error. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern. The responsibility of the external auditor is to form an independent opinion, based on their audit, on the Group's consolidated financial statements prepared by the Directors and to report its opinion to the Shareholders. A statement by the auditor about their reporting responsibility is set out in the independent auditor's report in this annual report.

Risk Management and Internal Control

The Group emphasises the importance of a sound internal control system which is also indispensable for mitigating the Group's key risk exposures. The Group's system of internal control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operational systems and fulfillment of the business objectives. The risk management and internal control systems are reviewed on an ongoing basis by the Board in order to make it practical and effective in providing reasonable assurance in relation to protection of material assets and Shareholders' interests.

The Group has adopted a three-tier risk management approach to identify, assess and manage different types of risks. As the first line of defence, business units are responsible for identifying, assessing and monitoring risk associated with each business transaction based on rules, models and systems developed by the management. The management, as the second line of defence, establishes rules and models based on the acceptable risk tolerance level as determined by the Board, develops new system for monitoring and controlling identified risks and provides technical support to business units and oversees their portfolio management. It ensures that risks are within acceptable range as determined by the Board and that the first line of defence is effective. As the final line of defense, the independent consultant, as an internal audit function, assists the Audit Committee to review the first and second lines of defence.

The Group is committed to the identification, evaluation and management of risks associated with its business activities through ongoing assessment by keeping a risk register to consider the likelihood and impact of each identified risk. The Group has also established procedures and internal controls for the handling and dissemination of inside information, whereby business units shall report to the Chief Executive Officer or Company Secretary of any potential inside information. The Chief Executive Officer or Company Secretary shall follow the Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission (the "**SFC**") in considering whether any disclosure is required and shall seek legal advice where necessary. The Group has implemented an effective control system which includes a defined management structure with limits of authority, a sound management system and periodic review of the Group's performance by the Audit Committee and the Board.

For the year ended 31 March 2023, both the management of the Company and the independent consultant have reviewed the risk management and internal control systems of the Group and have provided written reports to the Audit Committee. The Board, as assisted by the Audit Committee, has conducted annual review of the effectiveness of the Group's risk management and internal control systems for the year ended 31 March 2023, covering the material financial, operational and compliance controls, and considers the Group's risk management and internal control systems to be effective and adequate.

The Audit Committee has reviewed the adequacy of resources, qualifications and experience, training and budget and effectiveness of the accounting, internal audit and financial reporting functions for the year ended 31 March 2023.

AUDITOR'S REMUNERATION

For the year ended 31 March 2023, the fees paid/payable to the Company's auditor is set out as follows:

Services rendered	**Fee paid/payable** (HK$'000)
Audit services	1,890
	1,890

For the year ended 31 March 2023, no non-audit services was provided by the Company's auditor.

COMPANY SECRETARY

Ms. Chin Ying Ying has been appointed as company secretary of the Company (the "**Company Secretary**") with effect from 27 March 2020. For the year ended 31 March 2023, the Company Secretary undertook not less than 15 hours of professional training to update the skills and knowledge.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting ("**EGM**").

RIGHT TO CONVENE EXTRAORDINARY GENERAL MEETING

Any one or more member(s) holding at the date of the 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 sent to the Company's principal place of business in Hong Kong as set out in the manner below, to require an EGM 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.

The written requisition must state the purposes of the meeting, signed by the requisitionist(s) and deposit it to the Board or the Company Secretary at the Company's principal place of business at Unit 2902, Vertical Square, 28 Heung Yip Road, Wong Chuk Hang, Hong Kong, and such may consist of several documents in like form, each signed by one or more requisitionist(s).

The request will be verified with the Company's branch share registrar in Hong Kong and upon their confirmation that the request is proper and in order, the Company Secretary will ask the Board to convene an EGM by serving sufficient notice in accordance with the statutory requirements to all the registered members. On the contrary, if the request has been verified not in order, the Shareholders will be advised of this outcome and accordingly, an EGM will not be convened as requested. If within 21 days from the date of the deposit of the requisition the Board fails to proceed to convene such meeting, the requisitionist(s) may convene a meeting 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 by the Company to the requisitionist(s).

The notice period to be given to all the registered members for consideration of the proposal raised by the requisitionist(s) concerned at the EGM is at least 14 clear day's notice in writing (and not less than 10 clear business days).

RIGHT TO SEND ENQUIRIES TO THE BOARD

Shareholders have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong or by e-mail to ir@dl-gh.com.

PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

Pursuant to article 85 of the Articles, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his/her intention to propose such person for election and also a notice signed by the person to be proposed of his/her willingness to be elected shall have been lodged at the head office or the registration office of the Company provided that the minimum length of the period, during which such notice(s) are given, shall be at least 7 days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting. The written notice must state that person's biographical details as required by Rule 13.51(2) of the Listing Rules.

PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

To put forward proposals at a general meeting of the Company, a Shareholder should lodge a written notice of his/her/its proposal (the "**Proposal**") with his/her/its detailed contact information via email at the email address of the Company at ir@dl-gh.com. The identity of the Shareholder will be verified with the Company's branch share registrar in Hong Kong and upon their confirmation that the request is made by a Shareholder and such request is proper and in order, the Board will determine in its sole discretion whether the Proposal may be included in the agenda for the general meeting to be set out in the notice of meeting.

The notice period to be given to all the Shareholders for consideration of the Proposal raised by the Shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:

1. notice of not less than 21 clear days and not less than 20 clear business days in writing if the Proposal requires approval in an annual general meeting;

2. notice of not less than 14 clear days and not less than 10 clear business days in writing if the Proposal requires approval in an EGM.

INVESTOR RELATIONS

The Company considers that having active communications with its Shareholders, investors and other stakeholders is important and this will enhance transparency and clarity in public disclosures by the Company. The Company has established a range of communication channels between itself and its Shareholders, investors and other stakeholders. These include the annual general meeting, the annual and interim reports, notices, announcements, circulars, memorandum and articles of association on the Company's website at https://www.dlglobalholdings.com.

The Company reviewed the implementation and effectiveness of the Shareholders' Communication Policy for the year ended 31 March 2023, and considered that the Shareholders' Communication Policy remained effective and was properly implemented given the multiple channels of communication in place.

For the year ended 31 March 2023, there had been no significant change in the Company's constitutional documents.

POLICY ON PAYMENT OF DIVIDENDS

The Company adopted a policy on payment of dividends (the "**Dividend Policy**") in compliance with code provision F.1.1 of the CG Code with effect from 1 January 2019, which establishes an appropriate procedure on declaring and recommending the dividend payment of the Company.

The Company will declare and/or recommend the payment of dividends to Shareholders after considering the Company's ability to pay dividends, which will depend upon, among other things, its actual and expected financial results, cash flow, general business conditions and strategies, current and future operations, statutory, contractual and regulatory restrictions and so on. The Board has complete discretion on whether to pay a dividend, subject to Shareholders' approval, where applicable. Even if the Board decides to recommend and pay dividends, the form, frequency and amount will depend upon the operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors of and affecting the Group. The Board may also consider declaring special dividends from time to time, in addition to the interim and/or final dividends.

The Company shall review and reassess the Dividend Policy and its effectiveness on a regular basis or as required.

REPORT OF THE DIRECTORS

The Directors hereby present their report and the audited consolidated financial statements of the Group for the year ended 31 March 2023.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is principally engaged in (i) provision of financial services of licensed businesses including financial advisory services; securities research services; securities trading and brokerage services; margin financing services; referral services; investment management and advisory services and insurance brokerage services; (ii) provision of money lending services to customers; (iii) sales of apparel products with the provision of supply chain management total solutions to customers; and (iv) provision of enterprise solutions services. The major activities of its principal subsidiaries are set out in note 32 to the consolidated financial statements of the Group.

RESULTS AND APPROPRIATIONS

The Group's results for the year ended 31 March 2023 are set out in the Group's consolidated statement of profit or loss and other comprehensive income on page 52 of this annual report.

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

BUSINESS REVIEW

A discussion and analysis of the Group's performance during the year ended 31 March 2023, the key factors affecting its results and financial position, and the information on the compliance with laws and regulations that have a significant impact on the Company, environmental policy and performance and relationships with stakeholders that have a significant impact on the Company are set out in the section headed "Management Discussion and Analysis" of this annual report. Furthermore, a fair review of, and an indication of likely future development in the Group's business are set out in the section headed "Chairman's Statement" of this annual report. Save as disclosed in this annual report, since the end of the year ended 31 March 2023, no significant event affecting the Group has occurred.

The Group's business is subject to a variety of financial risks: market risk (including foreign exchange risk, cash flow interest rate risk and price risk), credit risk and liquidity risk; and the risks related to extreme changes in weather conditions and seasonality trends. Besides, it greatly relies on the Group's management team to operate and also the sales representatives for introduction of new customers and business opportunities to the Group.

FINANCIAL HIGHLIGHTS

Financial highlights of the Group are set out on page 144 of this annual report.

SHARE CAPITAL

Details of the movements in the Company's share capital during the year ended 31 March 2023 are set out in note 25 to the consolidated financial statements of the Group.

PRE-EMPTIVE RIGHTS

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

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

Save as disclosed in the section headed "Report of the Directors – Share Award Scheme" of this annual report, the Company and its subsidiaries did not purchase, sell or redeem any of its Shares listed on the Stock Exchange for the year ended 31 March 2023.

EQUITY LINKED AGREEMENT

Save as disclosed in the sections headed "Report of the Directors – Share Option Scheme" in this annual report, no equity-linked agreement was entered into by the Group, or subsisted, during the year ended 31 March 2023.

RESERVES

Details of the movements in the reserves of the Company and the Group during the year ended 31 March 2023 are set out in note 38 to the consolidated financial statements of the Group and in the consolidated statement of changes in equity on page 54 of this annual report respectively.

DISTRIBUTABLE RESERVES

For the year ended 31 March 2023, the Company's reserves available for distribution, calculated in accordance with the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately HK$212.7 million. Such amount represented other reserves after setting off accumulated losses of the Company, which may be distributable provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2023, the Group's largest and five largest customers represented approximately 16.4% and 32.8% of the Group's total revenue respectively, and the Group's largest and five largest suppliers represented approximately 10.3% and 38.0% of the Group's total cost of sales respectively.

None of the Directors nor any of their close associates (as defined in the Listing Rules) nor any Shareholders (which, to the knowledge of the Directors, owns more than 5% of the issued Shares) had any beneficial interest in the Group's five largest customers and/or five largest suppliers during the year ended 31 March 2023.

DIRECTORS

During the year ended 31 March 2023 and up to the date of this annual report, the Directors were as the followings:

Executive Directors

Mr. Chen Ningdi *(Chairman and Chief Executive Officer)*
Mr. Lang Joseph Shie Jay
Mr. Ai Kuiyu
Ms. He Zhiying *(appointed with effect from 28 April 2023)*

Non-executive Directors

Ms. Jiang Xinrong *(Honorary Chairman)*
(resigned as non-executive Director with effect from 28 April 2023)
Mr. Chan Kwan *(appointed with effect from 14 October 2022)*
Mr. Chan Kwun Wah Derek

Independent non-executive Directors

Mr. Chang Eric Jackson
Mr. Chen Cheng-Lien (also known as Chen Cheng-Lang and Chen Stanley)
Mr. Liu Chun

According to article 84(1) of the Articles, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting of the Company, provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Any Director who retires under this article shall then be eligible for re-election as Director. Mr. Chen Ningdi, Mr. Chang Eric Jackson and Mr. Chen Cheng-Lien will retire as Directors and, being eligible, offer themselves for re-election as Directors at the AGM.

According to article 83(3) of the Articles, any Director appointed by the Board to fill a casual vacancy shall hold office only until the next following general meeting of the Company and any Director appointed by the Board as an addition to the existing Board shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election at such meeting. Ms. He Zhiying (who was appointed by the Board as an executive Director with effect from 28 April 2023) and Mr. Chan Kwan (who was appointed by the Board as a non-executive Director with effect from 14 October 2022) will retire as Directors and, being eligible, offer themselves for re-election as Directors at the AGM.

BIOGRAPHIES OF DIRECTORS

The biographical details of the Directors are disclosed in the section headed "Biographical Details of Directors and Senior Management" of this annual report.

DIRECTORS' SERVICE CONTRACTS/APPOINTMENT LETTERS

As at the date of this annual report, each of the executive Directors has entered into a service contract with the Company. The term of service agreement of Mr. Chen Ningdi, an executive Director, is for an initial term of three years commencing from 28 February 2020 and continues thereafter until terminated in accordance with the terms of the contract, and is subject to retirement by rotation and other related provisions as stipulated in the Articles. The term of service agreement of Mr. Lang Joseph Shie Jay, an executive Director, is for an initial term of three years commencing from 10 January 2022 and is subject to retirement by rotation and other related provisions as stipulated in the Articles. The term of service agreement of Mr. Ai Kuiyu, an executive Director, is for an initial term of three years commencing from 10 January 2022 and is subject to retirement by rotation and other related provisions as stipulated in the Articles. The term of service agreement of Ms. He Zhiying, an executive Director, is for an initial term of three years commencing from 28 April 2023 and is subject to retirement by rotation and other related provisions as stipulated in the Articles.

Mr. Chan Kwan, being a non-executive Director, entered into a letter of appointment with the Company for an initial term of three years commencing from 14 October 2022 and is subject to retirement by rotation and other related provisions as stipulated in the Articles. Mr. Chan Kwun Wah Derek, being a non-executive Director with effect from 27 March 2020, entered into a letter of appointment with the Company for a term of one year commencing from 27 March 2023 and is subject to retirement by rotation and other related provisions as stipulated in the Articles.

Mr. Chang Eric Jackson, being an independent non-executive Director with effect from 25 May 2018, entered into a letter of appointment with the Company for an initial term of three years commencing from 25 May 2021 and is subject to retirement by rotation and other related provisions as stipulated in the Articles. Mr. Chen Cheng-Lien, being an independent non-executive Director with effect from 27 March 2020, entered into a letter of appointment with the Company for a term of one year commencing from 27 March 2023 and is subject to retirement by rotation and other related provisions as stipulated in the Articles. Mr. Liu Chun, being an independent non-executive Director with effect from 22 April 2020, entered into a letter of appointment with the Company for a term of one year commencing from 22 April 2023 and is subject to retirement by rotation and other related provisions as stipulated in the Articles.

No Director being proposed for re-election at the AGM has a service contract with the Company or any of its subsidiaries, which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive Directors to be independent.

MANAGEMENT CONTRACTS

No contract, other than a contract of service with any Director or any person under the full-time employment of the Company, concerning the management and administration of the whole or any substantial part of the business of the Company, was entered into or existed for the year ended 31 March 2023.

EMOLUMENT POLICY

The Remuneration Committee is set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices. The remunerations of the Directors are determined by reference to the economic situation, the market condition, the responsibilities and duties assumed by each Director as well as their individual performance.

The Company adopted a share option scheme (the "**Share Option Scheme**") and would consider to grant share options as incentive to any eligible personnel of the Group from time to time as appropriate. Please refer to the section headed "Report of the Directors – Share Option Scheme" of this annual report for further details of the Share Option Scheme.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The remuneration of the Directors and senior management of the Group by band and the respective number of persons for the year ended 31 March 2023 are set out below:

Remuneration bands	Number of persons
HK$0 to HK$1,000,000	5
HK$1,000,001 to HK$1,500,000	0
HK$1,500,000 to HK$2,000,000	3
HK$2,000,001 to HK$3,500,000	0
HK$3,500,001 to HK$4,000,000	1

Further details of Directors' and the five highest paid employees's remuneration are set out in note 9 and note 10 to the consolidated financial statements.

ARRANGEMENTS FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

At any time during and at the end of the year ended 31 March 2023, neither the Company nor any of its subsidiaries was a party to any arrangements which enabled the Directors to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate.

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

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 its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director(s)	Capacity/nature of interest	Number of Shares	Approximate percentage of interest in the Company (Note 1)
Ms. Jiang Xinrong ("**Ms. Jiang**")	Interest of spouse	553,599,800 (Note 2)	38.08%
	Interest of controlled corporation	226,124,966 (Note 3)	15.55%
	Beneficial owner	203,333 (Note 3)	0.01%
Mr. Chen Ningdi ("**Mr. Chen**")	Interest of controlled corporation	535,808,134 (Note 2)	36.85%
	Interest of spouse	226,328,299 (Note 3)	15.57%
	Beneficial owner	17,791,666 (Note 2)	1.22%
Mr. Chan Kwan	Beneficial owner	40,666,666 (Note 4)	2.80%
Mr. Ai Kuiyu ("**Mr. Ai**")	Beneficial owner	13,608,133 (Note 5)	0.93%
	Interest of spouse	559,166 (Note 5)	0.04%
Mr. Lang Joseph Shie Jay ("**Mr. Lang**")	Beneficial owner	4,500,000 (Note 6)	0.31%
	Interest of spouse	1,427,400 (Note 6)	0.10%
Mr. Liu Chun	Beneficial owner	3,000,000 (Note 7)	0.21%

Notes:

1. Based on the total number of issued Shares as at 31 March 2023 .

2. DA Wolf Investments I Limited ("**DA Wolf**") directly owned 535,808,134 Shares, representing approximately 36.85% of all issued Shares as at 31 March 2023. Mr. Chen being the sole shareholder of DA Wolf was deemed to be interested in the total of 535,808,134 Shares held by DA Wolf. Mr. Chen also held 17,791,666 Shares as beneficial owner. By virtue of the SFO, Ms. Jiang, being the spouse of Mr. Chen, was deemed to be interested in all Shares held by Mr. Chen.

3. Rapid Raise Investments Limited ("**Rapid Raise**"), a company wholly owned by DL Global Holdings Limited ("**DL Global**") as at 31 March 2023, of which approximately 30% of the issued share capital was held by Mr. Chen and approximately 36.6% of the issued share capital was held by Ms. Jiang, directly held 226,124,966 Shares, representing approximately 15.55% of all issued Shares as at 31 March 2023. Accordingly, Ms. Jiang was deemed to be interested in the 226,124,966 Shares held by Rapid Raise. Ms. Jiang also held 203,333 Shares as beneficial owner. By virtue of the SFO, Mr. Chen, being the spouse of Ms. Jiang, was deemed to be interested in all Shares held by Ms. Jiang.

4. These 40,666,666 Shares represented the Shares beneficially owned by Mr. Chan Kwan.

5. These 13,608,133 Shares represented 6,108,133 Shares held by Mr. Ai and 7,500,000 share options granted to Mr. Ai pursuant to the Share Option Scheme. These 559,166 Shares represented the Shares held by the spouse of Mr. Ai. By virtue of the SFO, Mr. Ai was deemed to be interested in those Shares.

6. These 4,500,000 Shares represented 4,500,000 share options granted to Mr. Lang pursuant to the Share Option Scheme. These 1,427,400 Shares represented the Shares held by the spouse of Mr. Lang. By virtue of the SFO, Mr. Lang was deemed to be interested in those Shares.

7. These 3,000,000 Shares represented the share options granted to Mr. Liu Chun pursuant to the Share Option Scheme.

Save as disclosed above, as at 31 March 2023, none of the Directors and chief executive of the Company had any interests and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 March 2023, the interests or short positions of the persons (other than a Director or chief executive of the Company) in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO or which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO were as follows:

Name	**Capacity/nature of interest**	**Number of Shares interested in or deemed to be interested**	**Approximate percentage of interest in the Company** (Note 1)
DA Wolf	Beneficial owner	535,808,134 (Note 2)	36.85%
DL Global	Interest of controlled corporation	226,124,966 (Note 3)	15.55%
Rapid Raise	Beneficial owner	226,124,966 (Note 3)	15.55%
Mr. Li Ren	Beneficial owner	120,873,533 (Note 4)	8.31%

Notes:

1. Based on the total number of issued Shares as at 31 March 2023.

2. Please refer to note 2 to the section headed "Report of the Directors – Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares, and Debentures" in this annual report for details.

3. Please refer to note 3 to the section headed "Report of the Directors – Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares, and Debentures" in this annual report for details.

4. These 120,873,533 Shares represented the Shares beneficially owned by Mr. Li Ren.

Save as disclosed above, as at 31 March 2023, no person, other than a Director or chief executive of the Company, whose interests are set out in the section "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares, and Debentures" above, had registered an interest or short position in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO or which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO.

SHARE OPTION SCHEME

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

During the year ended 31 March 2023, the Company granted 26,600,000 share options to Director and employees of the Group under the Share Option Scheme. The total number of Shares that may be issued in respect of share options granted during the year ended 31 March 2023 divided by the weighted average number of Shares in issue during the year is approximately 1.90%. As at 31 March 2023, the Company had 56,100,000 (31 March 2022: 29,500,000) share options outstanding under the Share Option Scheme.

Pursuant to the resolution passed by the Shareholders in the annual general meeting of the Company held on 9 September 2021, the limit of the Share Option Scheme was refreshed as at the date of meeting and accordingly, the Company is allowed under the "refreshed limit" to grant options carrying the rights to subscribe for up to a total of 143,012,100 Shares, representing 10% of the issued Shares as at the date of such annual general meeting. As at 31 March 2023 and the date of this annual report, the number of Shares available for future issue under the scheme mandate of the Share Option Scheme is 116,412,100 (31 March 2022: 143,012,100), representing approximately 8.01% of the issued share capital of the Company as at the date of this annual report.

Unless approved by the Shareholders in the manner set out in the Share Option Scheme, the total number of Shares issued and to be issued upon exercise of the options granted to each grantee (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue. Where any further grant of options to an Eligible Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by Shareholders in general meeting with such Eligible Participant and his close associates abstaining from voting (or his associates if the Eligible Participant is a connected person).

An offer of share options shall be made to an Eligible Participant in writing in such form as the Directors may from time to time determine and shall remain open for acceptance by the Eligible Participant concerned for a period of 21 days from the date upon which it is made provided that no such offer shall be open for acceptance after the 10th anniversary of the adoption date of the Share Option Scheme or the termination of the same.

An offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the offer duly signed by the Eligible Participant, together with a non-refundable remittance in favour of the Company of HK$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the offer (which shall not be later than 21 days from, and inclusive of, the date of offer).

At the time of grant of the share options, the Company may specify any minimum period(s) for which an option must be held before it can be exercised. An option may be exercised at any time during the period to be determined and identified by the Board to each grantee at the time of making an offer for the grant of an option, but in any event no later than 10 years from the date of grant but subject to the early termination of the Share Option Scheme. There is no performance target which must be achieved before an option can be exercised under the terms and conditions of the Share Option Scheme unless the Directors otherwise determined and stated in the offer letter for the grant of options.

The subscription price for Shares under the Share Option Scheme shall be determined at the discretion of the Directors but in any event will not be less than the highest of (a) the closing price of the Shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the offer date of the particular option, which must be a business day; (b) the average of the closing prices of the 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.

The Share Option Scheme shall be valid and effective commencing from the adoption date of the Share Option Scheme until the close of business of the Company on the date which falls ten years from the date of the adoption of the Share Option Scheme.

Details of movements in the share options under the Share Option Scheme during the year ended 31 March 2023 are as follows:

Category and name of grantee	Date of grant	Outstanding as at 1 April 2022	Granted during the year (Note 3)	Exercised during the year	Cancelled during the year	Lapsed during the year	Outstanding as at 31 March 2023	Exercise price per Share	Closing price per Share prior to the grant of share options	Weighted average closing price of Share before date of exercise of options	Exercise period
Directors											
Mr. Lang (Note 1)	24 March 2023	–	4,500,000	–	–	–	4,500,000	HK$2.70	HK$2.69	N/A	24 March 2024 to 23 March 2026
Mr. Liu Chun (Note 2)	17 August 2020	3,000,000	–	–	–	–	3,000,000	HK$1.00	HK$0.88	N/A	17 August 2020 to 16 August 2023
Employee(s) of the Group	17 August 2020	1,500,000	–	–	–	–	1,500,000	HK$1.00	HK$0.88	N/A	17 August 2020 to 16 August 2023
	19 November 2020	23,500,000	–	–	–	–	23,500,000	HK$2.50	HK$2.30	N/A	19 November 2020 to 18 November 2023
	24 March 2023	–	22,100,000	–	–	–	22,100,000	HK$2.70	HK$2.69	N/A	24 March 2024 to 23 March 2026
Other participant(s) (Note 4)	17 August 2020	1,500,000	–	–	–	–	1,500,000	HK$1.00	HK$0.88	N/A	17 August 2020 to 16 August 2023
Total		29,500,000	26,600,000	–	–	–	56,100,000				

Notes:

1. Mr. Lang is an executive Director.

2. Mr. Liu Chun is an independent non-executive Director.

3. The share options granted during the year ended 31 March 2023 shall vest upon first anniversary from the date of grant. There is no performance target nor clawback mechanism attached to such share options. Having considered that (i) the grantees are either Director and/or employees of the Group who contribute directly to the operational performance and business development of the Group; the grant of options will give the grantees opportunity to share the results of the Group and be incentivised to work towards sustainable growth of the Group and shareholder value creation; (ii) the grant of options is a recognition for the past contributions of the grantees and such rewards could increase their loyalty to the Group; and (iii) the options are subject to the terms of the Share Option Scheme which provides for circumstances which the options shall lapse in the event that the grantees cease to be employees of the Group (unless the Directors may determine otherwise in which event the grantee may exercise the option in whole or in part in accordance within a period of three months following the date of such cessation or termination of employment) or commit a breach of the Share Option Scheme, the Remuneration Committee and the Board are of the view that without additional performance target and clawback mechanism, the grant of the options could align the interests of the grantees with incentive to the grantees to work towards successes of the Group, and reinforce their commitment to the Group, which is in line with the purpose of the Share Option Scheme.

4. Such options were grant to Ms. Pan Youzhen, a consultant, who has over 20 years' working experience in banking and financial services industry in the PRC and extended knowledge of cross-border investments. Granting the options to her provided incentive for her commitment to develop the Group's financial services business and align her interest with the Company and its Shareholders.

Save as disclosed above, no share options were granted or exercised or cancelled or lapsed during the year ended 31 March 2023.

SHARE AWARD SCHEME

A share award scheme was adopted by the Company on 8 September 2020 (the "**Share Award Scheme**"). The Share Award Scheme is (i) to recognise the contributions by the participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group. The Share Award Scheme shall be subject to administration of the Board and DL Securities (HK) Limited, the trustee in accordance with the rules of the Share Award Scheme and the trust deed in relation thereto. The trustee shall not exercise the voting rights in respect of any Shares held by it under the trust (including but not limited to the awarded shares, any bonus Shares and scrip Shares derived therefrom). The eligible participants of the Share Award Scheme include any employee (including without limitation any executive director) of any member of the Group, any non-executive director or proposed non-executive director (including independent non-executive director) of any member of the Group or any entity in which any member of the Group holds any equity interest (the "**Invested Entity**"), any supplier of goods or services to any member of the Group or any Invested Entity, any customer of the Group or any Invested Entity, any person or entity that provides or will provide research, development, consultancy, advisory services or other technological support to the Group or any Invested Entity, any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued or proposed to be issued by any member of the Group or any Invested Entity, any other group or class of participants from time to time determined by the Directors as having contributed or may contribute by way of joint venture, business alliances, consultancy, advisory services or other business arrangements to the development and growth of the Group and any person or entity, who, at the sole determination of the Directors, has contributed to the Group.

The Board shall not make any further award of awarded shares which will result in the nominal value of the Shares awarded by the Board under the Share Award Scheme exceeding 10% of the issued share capital of the Company from time to time, being up to a total of 145,395,635 Shares as at the date of this annual report. As at 31 March 2023 and the date of this annual report, pursuant to rules of the Share Award Scheme, the number of Shares available for grant under the scheme mandate is 144,770,635 (31 March 2022: 142,810,000), representing approximately 9.96% of the issued share capital as at the date of this annual report. The maximum number of shares which may be awarded to a selected participant under the Share Award Scheme shall not exceed 1%. of the issued share capital of the Company from time to time in any 12-month period.

The awarded shares made pursuant to the Share Award Scheme shall be personal to the selected participant to whom it is made and shall not be assignable and no selected participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the unvested awarded shares.

The Board may from time to time give instructions to the trustee to purchase Shares on the Stock Exchange, specifying the maximum amount of funds to be used and the range of prices at which such Shares are to be purchased. The Board shall not make any grant of awarded shares or give instructions to the trustee to acquire Shares when dealings in the Shares are prohibited under any code or securities dealing restrictions adopted by the Company or requirement of the Listing Rules; or where such grant or instruction would breach any applicable laws from time to time.

The Share Award Scheme does not specify a minimum vesting period. The Board may, at its discretion, determine the vesting conditions or periods for the share award to be vested. No payment by the selected participant is required for acceptance of the share award granted under the Share Award Scheme.

The relevant awarded shares shall not vest in the relevant selected participants in the following circumstances: (i) where such person is an employee and has committed any act of fraud or dishonesty or serious misconduct; or (ii) where such person is not an employee and such person has breached any term of any contract entered into between such person and the Group; or (iii) where such person has been declared or adjudged to be bankrupt by a competent court; or (iv) where such person has been convicted of any criminal offence or any offence under SFO. In respect of a selected participant who died or retired by agreement on or before the vesting date, all the awarded shares of the relevant selected participant shall be deemed to be vested on the day immediately prior to his death or to his retirement.

Unless otherwise terminated, the Share Award Scheme should be valid and effective for a period of ten years commencing from its adoption on 8 September 2020.

Details of the rules of the Share Award Scheme are set out in the Company's announcements on 8 September 2020 and 15 September 2020.

Details of movements in the awarded shares under the Share Award Scheme during the year ended 31 March 2023 are as follows:

			Number of awarded shares								
Category	Date of grant	Vesting period	Unvested awarded shares as at 1 April 2022	Granted during the year	Vested during the year	Cancelled during the year	Lapsed during the year	Unvested awarded shares as at 31 March 2023	Purchase price	Closing price per Share immediately before the date of grant during the year	Fair value of awards per Share at the date of grant during the year (Note 4)
Directors											
Ms. Jiang (Note 1)	27 June 2022	Nil	–	200,000	200,000	–	–	–	–	HK$2.71	HK$2.72
Mr. Ai (Note 2)	20 December 2022	Nil	–	15,000	15,000	–	–	–	–	HK$2.72	HK$2.78
Ms. He Zhiying (Note 3)	20 December 2022	Nil	–	50,000	50,000	–	–	–	–	HK$2.72	HK$2.78
Employee(s) of the Group	20 December 2022	Nil	–	158,000	158,000	–	–	–	–	HK$2.72	HK$2.78
Total			–	423,000	423,000	–	–	–			

Notes:

1. Ms. Jiang was a former non-executive Director who resigned with effect from 28 April 2023.

2. Mr. Ai is an executive Director.

3. Ms. He Zhiying was appointed as an executive Director with effect from 28 April 2023.

4. The fair value of the awarded shares was calculated based on the market price of the Shares at the respective grant date. The Group has adopted the accounting standard in accordance with HKFRS 2 — Share-based Payment and for the details of accounting policy applied, please refer to note 2 to the consolidated financial statements contained in this annual report.

5. There are no performance targets attached to the awards granted during the Reporting Period.

6. The weighted average closing price per Share immediately before the dates on which the awards were vested during the Reporting Period was HK$2.72 per Share.

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

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Details of the transactions during the year between the Group and connected persons (as defined in the Listing Rules) in which the Director has beneficial interest are set out in the section headed "Report of the Directors – Connected Transactions" of this annual report.

Save as disclosed above, no Director or any entity connected with any Director had a material interest, whether directly or indirectly, in any transactions, arrangement or contract of significance in relation to the business of the Group, to which the Company or any of its subsidiaries or its parent companies or subsidiaries of its parent companies was a party, which subsisted during or at the end of the year ended 31 March 2023.

CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDER

Save as disclosed in the section headed "Report of the Directors – Connected Transactions" of this annual report, no contracts of significance in relation to the Group's business between the Company or any of its subsidiaries and a controlling shareholder or any of its subsidiaries, nor contract of significance in relation to the Group's business for provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries, subsisted during or at the end of the year ended 31 March 2023.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

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

NON-COMPETITION UNDERTAKING

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

PERMITTED INDEMNITY PROVISION

Under the Articles, and subject to the applicable laws and regulations, the Directors and officers of the Group shall be indemnified out of the assets and profits of the Company from or against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices. During the year ended 31 March 2023 and up to the date of this annual report, such indemnity provision was in force. The Company has taken out and maintained appropriate insurance cover in respect of potential legal actions against the Directors.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group during the year ended 31 March 2023 are set out in note 36 to the consolidated financial statements in this annual report. Each of these related party transactions constituted a connected transaction or continuing connected transaction as defined under Chapter 14A of the Listing Rules for the year ended 31 March 2023. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules for the year ended 31 March 2023 other than those connected transactions which are fully exempted under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

On 23 May 2022, (i) DL Asset Management Limited ("**DL Asset Management**") (as the purchaser) and DL Global Holdings Limited ("**DL Global Holdings**") (as the vendor) entered into an acquisition agreement, pursuant to which, DL Asset Management will acquire and DL Global Holdings will sell 8,195,441 shares (representing approximately 45.0% of the total issued share capital) of DL Family Office (HK) Limited ("**DL Family Office HK**") at a consideration of HK$63,000,000; and (ii) DL Asset Management (as the purchaser) and DL Family Office Limited ("**DL Family Office BVI**") being a direct wholly-owned subsidiary of DL Global Holdings, (as the vendor) entered into an acquisition agreement, pursuant to which, DL Asset Management will acquire and DL Family Office BVI will sell 1,750,000 shares (representing the entire issued share capital) of Emerald Wealth Management Limited ("**Emerald Wealth**") at a consideration of HK$15,500,000.

The acquisitions of DL Family Office (HK) Limited and Emerald Wealth Management Limited (the "**Acquisitions**") are conducted for the following purposes: (i) the acquisition of Emerald Wealth would allow the Group to enter into the insurance brokerage business, which would be complimentary to the existing financial services provided by the Group and is an important step for the Group to develop into a full-service integrated financial services provider. In addition to the diversification of the Group's business, the Board is of the view that the acquisition of Emerald Wealth can offer the Group an opportunity to immediately tap into the success of an on-going business and enable the Group to acquire its readily available resources; and (ii) the Board considers that the acquisition of DL Family Office HK could broaden the income sources of the Group with potential dividend income distributed from DL Family Office HK. In future, the Board will look for potential collaboration opportunities with DL Family Office HK with the aim to mutually benefit the Group as well as DL Family Office HK.

DL Global Holdings is owned as to 36.6% and 30% by Ms. Jiang and Mr. Chen Ningdi, the Chairman, executive Director and Chief Executive Officer and DL Family Office BVI is a direct wholly owned subsidiary of DL Global Holdings. Therefore, both DL Global Holdings and DL Family Office BVI are connected persons of the Company, and the Acquisitions constituted connected transactions of the Company as defined under Chapter 14A of the Listing Rules and are subject to the reporting and announcement requirements, but exempt from the circular and independent shareholders' approval under Chapter 14A of the Listing Rules. The Acquisitions of Emerald Wealth and DL Family Office HK have been completed in October 2022 and January 2023 respectively.

For details of the Acquisitions, please refer to the Company's announcements on 23 May 2022, 26 May 2022, 18 October 2022 and 17 January 2023.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of this annual report, at least 25% of the issued Shares were held by the public (i.e. the prescribed public float applicable to the Company under the Listing Rules) at all times for the year ended 31 March 2023 and thereafter up to the date of this annual report.

TAX RELIEF

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holdings of the Shares.

AUDITOR

PricewaterhouseCoopers resigned as the auditor of the Company and Grant Thornton Hong Kong Limited ("**Grant Thornton**") was appointed as the auditor of the Company on 14 February 2020 to fill the causal vacancy following the resignation of PricewaterhouseCoopers. Save as disclosed, there has been no change in the auditor in any of the preceding three years.

The consolidated financial statements for the year ended 31 March 2023 have been audited by Grant Thornton. Grant Thornton will retire, and being eligible, offer themselves for re-appointment at the AGM. A resolution for their reappointment as auditor of the Company will be proposed at the AGM.

By Order of the Board
Mr. Chen Ningdi
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 26 June 2023

INDEPENDENT AUDITOR'S REPORT

Grant Thornton
致同

To the members of DL Holdings Group Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of DL Holdings Group Limited (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages 52 to 143, 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, the consolidated statement of changes in equity and the 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 ("**HKICPA**") and have been properly prepared in compliance with 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 Auditor's 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 Matter	How the matter was addressed in our audit
Impairment assessment of receivables	
Refer to notes 2.9, 4.2, 22, 23 and 39.4 to the consolidated financial statements	
As at 31 March 2023, the Group has trade and other receivables of HK$144,832,000 and loan and interest receivables of HK$183,248,000, net of expected credit loss ("**ECL**") allowance of HK$1,734,000 and HK$2,280,000 respectively. The ECL assessment of trade and other receivables and loan and interest receivables involved significant management's judgement and use of estimates to ascertain the recoverability of trade and other receivables. ECL allowance for trade receivables, except for margin receivables, are based on management's estimate of the lifetime ECL to be incurred, which is estimated by taking into account the historical credit loss experience, existing market conditions as well as forward-looking estimates, all of which involve a significant degree of management judgement.	Our audit procedures to assess the impairment assessment of receivables included: • reviewing the Group's procedures on credit policy given to customers; • checking the correctness of the aging analysis by customer on a sample basis; • evaluating the external valuer's competence, capabilities and objectivity; • obtaining an understanding from the valuer about the valuation methodology and key assumptions used in the valuation of ECL allowance for loans and interests receivables; • assessing the reasonableness of management's ECL allowance estimates by examining the information used by management to form such judgements, including testing the accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information and examining the actual losses recorded during the current financial year and assessing whether there was an indication of management bias when recognising ECL allowance;

Key Audit Matter	How the matter was addressed in our audit
Impairment assessment of receivables *(Continued)* *Refer to notes 2.9, 4.2, 22, 23 and 39.4 to the consolidated financial statements (Continued)* The Group assesses ECL allowance for margin receivables, other receivables and loan and interest receivables based on an estimate of the recoverability of these receivables. Assessing the ECL of trade receivables of margin receivables, other receivables and loan and interest receivables requires the management's judgement and uses of estimates in determining the probability of default occurring by considering the aging of receivables, historical loss experience and forward-looking information. We have identified the ECL assessment of trade and other receivables and loan and interest receivables as a key audit matter because of the assessment involves significant management's judgement and use of estimates.	• reviewing the Group's credit policies on protection of the Group against the identified risks including the requirements to obtain collateral from borrowers, robust ongoing credit assessment of borrowers and monitoring exposures against internal risk limits; • limiting concentrations of exposure by type of asset, counterparties, credit rating, geographic location etc.; • if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors; • on a sample basis, testing the values of collaterals including pledged securities and properties of margin receivables accounts and mortgage loans respectively; and • on a sample basis, reviewing and questioning credit profiles and reports of selected customers.

Key Audit Matter	How the matter was addressed in our audit
Assessment of control over structured entities	
Refer to notes 2.3 and 4.1 to the consolidated financial statements	
The Group acquires or retains an ownership interest in, or act as an investment manager of, structured entities. The Group determines whether or not to consolidate these structured entities based on the assessment of whether the Group has control over the structured entities by taking into consideration of power arising from rights, exposure of variable returns and the linkage between power and returns. The assessment of the Group's control over structured entities involves significant judgement on factors, such as the purpose and design of structured entities, its ability to direct the relevant activities, direct and indirect beneficial interests and returns, remuneration and performance fee. Due to the significance of the structured entities and the complexity of judgement exercised by the management, we identified the control assessment of structured entities as a key audit matter.	Our audit procedures to assess control over structured entities included: • reviewing the legal structures and reading the relevant constituent documents of these structured entities to assess the power held by the Group in making key operating and financing decisions and its exposure for variable returns from these structured entities; • evaluating the risk and reward structure of the structured entities including any return guarantee, commission basis and distribution of returns and assessing the management's judgement as to exposure and right to variable returns from the Group's involvement; • evaluating the power held by other parties which allow the removal of the Group as the general partner or investment manager and assessing whether the rights held by other parties are substantive; and • identifying if substantive rights held by any other parties in the structured entities, in combination with the Group's decision-making power and its level of exposure to the variable returns, constituted control by the Group over these structured entities on a case by case basis.

Key Audit Matter	How the matter was addressed in our audit
Fair value of measurement of Level 3 financial instruments *Refer to notes 2.8, 4.2, 20, 39.7 to the consolidated financial statements* As at 31 March 2023, the Group's financial assets at fair value through profit or loss categorised as Level 3 amounting to approximately HK$107,125,000. Due to the significance of the judgement and estimates made by the management and the subjectivity in determination of Level 3 fair value given the lack of availability of market-based data and the significant unobservable inputs, we identified the fair value measurements of Level 3 financial instruments as a key audit matter.	Our audit procedures to assess the fair value measurement of Level 3 financial instruments included: • evaluating whether the valuation methodologies, inputs and assumptions adopted by management were appropriate; • evaluating the rationale of management's judgement on the significant unobservable inputs; • testing the evidence supporting the unobservable inputs used in the Level 3 fair value measurements; • evaluating the competence, capabilities and objectivity of the valuer engaged by the Group by assessing its qualifications, relevant experience and relationship with the Group; • assessing the reasonableness of significant unobservable inputs used in the valuation with the assistance from our valuation expert by comparing them to publicly available information of similar properties; and • evaluating the adequacy of the Level 3 fair value measurement disclosures in the consolidated financial statements.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information in the 2022/2023 annual report of the Company but does not include 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.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors 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 Hong Kong Companies Ordinance, and for such internal control as the directors 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 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors assisted by the Audit Committee are 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. We report our opinion solely to you, as a body, in accordance with our agreed terms of engagements 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 judgement 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.

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

(Continued)

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

- conclude on the appropriateness of the 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.

- 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, actions taken to eliminate threats or safeguards applied.

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.

Grant Thornton Hong Kong Limited
Certified Public Accountants
11th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong SAR

26 June 2023

Ng Ka Kong
Practising Certificate No.: P06919

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	5	**191,116**	309,065
Cost of sales/services	7	**(88,476)**	(136,345)
Gross profit		**102,640**	172,720
Other (losses)/gains, net	6	**(37,669)**	38,630
Selling expenses	7	**(1,854)**	(3,455)
General and administrative expenses	7	**(96,015)**	(78,532)
Expected credit loss of receivables, net	7	**(1,660)**	(20)
Share of profit of an associate	21	**1,197**	–
Operating (loss)/profit		**(33,361)**	129,343
Finance income	12	**715**	93
Finance costs	12	**(11,113)**	(8,900)
Finance costs, net		**(10,398)**	(8,807)
(Loss)/Profit before income tax		**(43,759)**	120,536
Income tax expense	13	**(5,418)**	(10,761)
(Loss)/Profit for the year		**(49,177)**	109,775
Other comprehensive (expense)/income, including reclassification adjustments			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(289)**	13
Other comprehensive (expense)/income for the year, including reclassification adjustments		**(289)**	13
Total comprehensive (expense)/income attributable to the owners of the Company for the year		**(49,466)**	109,788
(Loss)/Earnings per share attributable to owners of the Company (expressed in HK cents per share)			
– Basic	15.1	**(3.52)**	7.80 (restated)
– Diluted	15.2	**(3.52)**	7.77 (restated)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	Notes	2023 HK$'000	2022 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	16	**2,058**	3,398
Right-of-use assets	17	**4,776**	9,349
Intangible assets	18	**12,248**	12,248
Goodwill	18	**19,397**	7,921
Deferred tax assets	19	**256**	294
Deposits	22	**140**	1,377
Financial assets at fair value through profit or loss	20	**133,686**	200,451
Interest in an associate	21	**64,197**	–
		236,758	235,038
Current assets			
Trade and other receivables, prepayments and deposits	22	**146,997**	227,531
Loan and interest receivables	23	**183,248**	166,633
Bank balances – trust	24	**244,179**	130,942
Cash and cash equivalents	24	**83,504**	154,636
		657,928	679,742
Current liabilities			
Trade and other payables	27	**263,328**	160,281
Promissory notes	28	**14,856**	25,000
Bank borrowing	29	**50,000**	80,000
Bonds payable	30	**64,000**	13,000
Lease liabilities	31	**4,140**	6,453
Income tax payable		**21,224**	20,075
		417,548	304,809
Net current assets		**240,380**	374,933
Total assets less current liabilities		**477,138**	609,971
Non-current liabilities			
Trade and other payables	27	**–**	250
Bonds payable	30	**41,000**	80,000
Lease liabilities	31	**390**	3,560
		41,390	83,810
Net assets		**435,748**	526,161
Equity			
Share capital	25	**14,539**	14,301
Other reserves		**228,116**	250,319
Retained earnings		**193,093**	261,541
Total equity		**435,748**	526,161

Chen Ningdi
Director

Ai Kuiyu
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023

		Other reserves						
	Share capital HK$'000	Share premium* HK$'000 (note 26)	Share options reserve* HK$'000 (note 26)	Share held for share award scheme* HK$'000 (note 26)	Translation reserve* HK$'000 (note 26)	Capital reserve* HK$'000 (note 26)	Retained earnings HK$'000	Total equity HK$'000
Balance as at 1 April 2021	13,966	263,464	24,796	(17,255)	–	10	215,576	500,557
Profit for the year	–	–	–	–	–	–	109,775	109,775
Other comprehensive income for the year	–	–	–	–	13	–	–	13
Profit and total comprehensive income for the year	–	–	–	–	13	–	109,775	109,788
Acquisition of shares under Share Award Scheme (note (a))	–	–	–	(98,778)	–	–	–	(98,778)
Shares granted under Share Award Scheme (note (a))	–	282	–	373	–	–	–	655
Issuance of shares under Share Option Scheme (note 25(a))	335	90,988	(13,574)	–	–	–	–	77,749
Dividend paid (note 14)	–	–	–	–	–	–	(63,810)	(63,810)
Transactions with owners	335	91,270	(13,574)	(98,405)	–	–	(63,810)	(84,184)
Balance as at 31 March 2022 and 1 April 2022	**14,301**	**354,734**	**11,222**	**(115,660)**	**13**	**10**	**261,541**	**526,161**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(49,177)**	**(49,177)**
Other comprehensive expense for the year	**–**	**–**	**–**	**–**	**(289)**	**–**	**–**	**(289)**
Loss and total comprehensive expense for the year	**–**	**–**	**–**	**–**	**(289)**	**–**	**(49,177)**	**(49,466)**
Share based payment	**–**	**–**	**15,506**	**–**	**–**	**–**	**–**	**15,506**
Acquisition of shares under Share Award Scheme (note (a))	**–**	**–**	**–**	**(38,354)**	**–**	**–**	**–**	**(38,354)**
Shares granted under Share Award Scheme (note (a))	**–**	**189**	**–**	**983**	**–**	**–**	**–**	**1,172**
Issue of shares upon bonus issue (note 25 (b))	**238**	**(238)**	**–**	**–**	**–**	**–**	**–**	**–**
Dividend paid (note 14)	**–**	**–**	**–**	**–**	**–**	**–**	**(19,271)**	**(19,271)**
Transactions with owners	**238**	**(49)**	**15,506**	**(37,371)**	**–**	**–**	**(19,271)**	**(40,947)**
Balance as at 31 March 2023	**14,539**	**354,685**	**26,728**	**(153,031)**	**(276)**	**10**	**193,093**	**435,748**

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

Note:

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2023

	Notes	2023 HK$'000	2022 HK$'000
Cash flows from operating activities			
Cash generated from operations	34(a)	**198,837**	108,038
Income tax (paid)/refund		**(4,231)**	110
Net cash generated from operating activities		**194,606**	108,148
Cash flows from investing activities			
Acquisitions of subsidiaries, net of cash acquired/(paid)	37	**(13,587)**	(1,454)
Addition of financial assets at fair value through profit or loss		**(23,413)**	–
Acquisition of an associate		**(63,000)**	–
Dividend received		**12**	9
Interest income received		**715**	93
Increase in amount due from an investee company		**(373)**	–
(Increase)/Decrease in amount due from a related party		**(16)**	1,351
Purchases of property, plant and equipment		**(420)**	(2,184)
Proceeds from disposals of financial assets at fair value through profit or loss		**50,036**	17,983
Net cash (used in)/generated from investing activities		**(50,046)**	15,798
Cash flows from financing activities			
Acquisition of shares under Share Award Scheme		**(38,354)**	(98,778)
Capital element of lease rentals paid	34(b)	**(6,883)**	(6,697)
Dividend paid		**(19,271)**	(63,810)
Increase/(Decrease) in amounts due to related parties	34(b)	**138**	(7,466)
Proceeds from short-term bank borrowing	34(b)	**–**	80,000
Repayment of short-term bank borrowing	34(b)	**(30,000)**	–
Interest paid	34(b)	**(10,901)**	(8,634)
Interest element of lease rentals paid	34(b)	**(176)**	(266)
Proceeds from issuance of bonds payable	34(b)	**25,000**	87,000
Repayment of bonds payable	34(b)	**(13,000)**	–
Proceeds from issuance of promissory notes	34(b)	**14,820**	41,650
Repayment of promissory notes	34(b)	**(25,000)**	(39,026)
Net proceed from issuance of share upon exercise of share options		**–**	77,749
Shares granted under the Share Award Scheme		**1,172**	655
Net cash (used in)/generated from financing activities		**(102,455)**	62,377
Net increase in cash and cash equivalents		**42,105**	186,323
Cash and cash equivalents at beginning of year		**285,578**	99,255
Cash and cash equivalents at end of year	24	**327,683**	285,578

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

1. GENERAL INFORMATION

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

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

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

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March each year, except for subsidiaries which financial year made up to 31 December each year.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power over the entity, only substantive rights relating to the entity (held by the Group and others) are considered.

The Group includes the income and expenses of a subsidiary in the consolidated financial statements from the date it gains control until the date when the Group ceases to control the subsidiary. The financial year of the subsidiary, which is acquired during the year, made up to 31 March each year. For consolidation purpose, the income and expenses from the acquisition date to 31 March 2023 are included in the consolidated financial statements.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

When the Group losses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

In the Company's statement of financial position, investments in subsidiaries are carried at cost less any impairment loss (see note 2.18) unless the subsidiary is held for sale or included in a disposal group. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the end of the reporting period. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Acquisition of subsidiaries

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in profit or loss as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value on the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as bargain purchase gain.

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. Measurement period does not exceed one year from the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not subsequently remeasured at subsequent reporting dates and its subsequent settlement is accounting for within equity. Contingent consideration that is classified as a financial liability is subsequently remeasured at each subsequent reporting dates at fair value with changes in fair value recognised in profit or loss.

Changes in the value of the previously held equity interest recognised in other comprehensive income and accumulated in equity before the acquisition date are reclassified to profit or loss when the Group obtains control over the acquiree.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.4 Associate

An associate is an entity over which the Group has significant influence, which is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

In consolidated financial statements, an investment in an associate is initially recognised at cost and subsequently accounted for using the equity method. Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the Group, plus any costs directly attributable to the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the Group's interest in the associate is carried at cost and adjusted for the post-acquisition changes in the Group's share of the associate's net assets less any identified impairment loss, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The profit or loss for the year includes the Group's share of the post-acquisition, post-tax results of the associate for the year, including any impairment loss on the investment in associate recognised for the year. The Group's other comprehensive income for the year includes its share of the associate's other comprehensive income for the year.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associates. Where unrealised losses on assets sales between the Group and its associate are reversed on equity accounting, the underlying asset is also tested for impairment from the Group's perspective. Where the associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made, where necessary, to conform the associate's accounting policies to those of the Group when the associate's financial statements are used by the Group in applying the equity method.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. For this purpose, the Group's interest in the associate is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

After the application of equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate. At the end of each reporting period, the Group determines whether there is any objective evidence that the investment in associate is impaired. If such indications are identified, the Group calculates the amount of impairment as being the difference between the recoverable amount (i.e. higher of value in use and fair value less costs of disposal) of the associate and its carrying amount. In determining the value in use of the investment, the Group estimates its share of the present value of the estimated future cash flows expected to be generated by the associate, including cash flows arising from the operations of the associate and the proceeds on ultimate disposal of the investment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.4 Associate *(Continued)*

The Group discontinues the use of equity method from the date when it ceases to have significant influence over an associate. If the retained interest in that former associate is a financial asset, the retained interest is measured at fair value, which is regarded as its fair value on initial recognition as a financial asset in accordance with HKFRS 9. The difference between (i) the fair value of any retained interest and any proceeds from disposing of partial interest in the associate; and (ii) the carrying amount of the investment at the date the equity method was discontinued, is recognised in the profit or loss.

2.5 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The functional currency of the Company is Hong Kong dollar ("**HK$**"). The consolidated financial statements are presented in HK$ for convenience purpose which is the Group's presentation currency.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchanges rates prevailing at the dates of the transactions. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the end of the reporting period retranslation of monetary assets and liabilities are recognised in profit or loss.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss and other comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at FVTPL are recognised in profit or loss as part of the fair value gain or loss. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.5 Foreign currency translation *(Continued)*

Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that statement of financial position;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated separately in the transaction reserve in equity.

2.6 Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition cost, manufacturing cost (including any cost directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management). They are subsequently stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Leasehold improvements	Over the lease term of 3 years
Office equipment	5 years
Computer equipment	3 years
Fitting and furniture	5 years
Motor vehicles	5 years

Accounting policy for depreciation of right-of-use assets is set out in 2.12.

Estimates of residual value and useful life are reviewed, and adjusted if appropriate, at the end of each reporting date.

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs, such as repairs and maintenance, are charged to profit or loss during the financial period in which they are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.7 Goodwill

Set out below are the accounting policies on goodwill arising on acquisitions of subsidiaries. Accounting for goodwill arising on acquisition of interest in an associate is set out in note 2.4.

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units ("**CGUs**") and is tested annually for impairment (see note 2.18).

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of gain or loss on disposal.

2.8 Financial instruments

Recognition and derecognition

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets

Classification and initial measurement of financial assets

Except for those trade receivables and loan and interest receivables that do not contain a significant financing component and are measured at the transaction price in accordance with HKFRS 15 "Revenue from Contracts with Customers", all financial assets are initially measured at fair value, in case of a financial asset not at FVTPL, plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the consolidated statement of profit or loss and other comprehensive income.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

– amortised cost; and

– FVTPL

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Financial instruments *(Continued)*

Financial assets *(Continued)*

Classification and initial measurement of financial assets *(Continued)*

The classification is determined by both:

– the entity's business model for managing the financial asset; and

– the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income, except for expected credit loss ("**ECL**") of trade receivables and loan and interest receivables which is presented as a separate line item in profit or loss.

Subsequent measurement of financial assets

Debt investments

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

– they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and

– the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in finance income in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group's bank balances – trust, cash and cash equivalents, trade and other receivables, deposits and loan and interest receivables fall into this category of financial instruments.

Financial assets at FVTPL

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell' are categorised at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other (losses)/gains, net" in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Financial instruments *(Continued)*

Financial liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities include trade and other payables, bank borrowing, promissory notes, bonds payable and leases liabilities.

Financial liabilities (other than lease liabilities) are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities (other than lease liabilities) are measured at amortised cost using the effective interest method except for derivatives which are not designated and effective as hedging instruments and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, change in an instrument's fair value that are reported in profit or loss are included within finance costs.

Accounting policies of lease liabilities are set out in note 2.12.

Bank borrowing, bonds payable and promissory notes

Bank borrowing, bonds payable and promissory notes are recognised initially at fair value, net of transaction costs incurred. Bank borrowing, bonds payable and promissory notes are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the bank borrowing, bonds payable and promissory notes using the effective interest method.

Bank borrowing, bonds payable and promissory notes are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

2.9 Impairment of financial assets

HKFRS 9's impairment requirements use more forward-looking information to recognise ECL – the "ECL model". Instruments within the scope included loans and other debt-type financial assets measured at amortised cost and trade receivables.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.9 Impairment of financial assets *(Continued)*

In applying this forward-looking approach, a distinction is made between:

– financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("**Stage 1**"); and

– financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("**Stage 2**").

"Stage 3" would cover financial assets that have objective evidence of impairment at the reporting date.

"12-month ECL" are recognised for the Stage 1 category while "lifetime ECL" are recognised for the Stage 2 category.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade receivables (excluding margin receivables)

For trade receivables (excluding margin receivables), the Group applies a simplified approach in calculating ECL and recognises a ECL allowance based on lifetime ECL at each reporting date. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure the ECL, trade receivables (excluding margin receivables) have been grouped based on shared credit risk characteristics and the days past due.

Other financial assets measured at amortised cost

The Group measures the ECL allowance for margin receivables, other receivables, amounts due from related parties, deposits, bank balances – trust, cash and cash equivalents and loan and interest receivables equal to 12-month ECL, unless when there has been 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 of risk of default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the reporting date with the risk of default occurring on the financial assets 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.9 Impairment of financial assets *(Continued)*

Other financial assets measured at amortised cost *(Continued)*

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, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

– 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; and

– an actual or expected significant deterioration in the operating results of the debtor.

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 aforegoing, 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 end of each reporting period. A debt instrument is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

For internal credit risk management, the Group considers an event of default occurs when (i) 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 collateral held by the Group) or (ii) the financial assets is 90 days past due.

Detailed analysis of the ECL assessment of trade and other receivables, deposits, loan and interest receivables and other financial assets measured at amortised cost are set out in note 39.4.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows presentation, cash and cash equivalents which are repayable on demand and form an integral part of the Group's cash management.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.11 Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

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.

2.12 Leases

Definition of a lease and the Group as a lessee

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

– the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;

– the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and

– the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

For contracts that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use assets for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.12 Leases *(Continued)*

Definition of a lease and the Group as a lessee *(Continued)*

Measurement and recognition of leases as a lessee *(Continued)*

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in substance fixed payments.

The Group remeasures lease liabilities whenever:

- there are changes in lease term or in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments changes due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

For lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use assets, or profit and loss if the right-of-use assets is already reduced to zero.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 month or less. Short-term leases comprise office rental and car park rental. Low-value assets comprise of office rental.

On the consolidation statement of financial position, right-of-use assets have been presented in separated line item.

Refundable rental deposits paid are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

2.13 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.13 Provisions and contingent liabilities *(Continued)*

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After the initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be recognised in a comparable provision as described above. Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed as per above.

2.14 Share capital

Ordinary shares are classified as equity. Share capital is recognised at the amount of consideration of shares issued, after deducting any transaction costs associated with the issuing of shares (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

2.15 Intangible assets (other than goodwill)

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses. Intangible assets with indefinite useful lives are tested for impairment as described below in note 2.18.

2.16 Revenue recognition and other contract costs

Revenue from contracts with customers

Revenue arises mainly from the provision of financial services of licensed business, money lending services, enterprise solution services, assets management services, insurance brokerage services and sales of apparel products.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer

2. Identifying the performance obligations

3. Determining the transaction price

4. Allocating the transaction price to the performance obligations

5. Recognising revenue when/as performance obligation(s) are satisfied

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.16 Revenue recognition and other contract costs *(Continued)*

Revenue from contracts with customers *(Continued)*

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method.

Further details of the Group's revenue and other income recognition policies are as follows:

Sales of goods

Revenue from trading of garment and accessories for private labels and international brands is recognised when control of the goods has transferred, being at the point the goods are delivered to the customer's premise and the customer has accepted the goods, and there is no unfulfilled obligation that could affect the customers' acceptance of the goods.

Provision of supply chain management

Provision of supply chain management income is recognised at a point in time when the services is completed, according to the nature and terms of the contracts.

Provision of financial advisory services

Provision of one-stop platform with full range of financial advisory services and securities brokerage business which are regulated activities in Hong Kong under the Hong Kong Securities and Futures Ordinance (the "**SFO**") and licensed assets management service business. A subsidiary in the Group is a licensed corporation under SFO for Types 1, 4 and 6 regulated activities. Certain subsidiaries in the Group are licensed corporation with foreign regulation on providing assets management services. Income from the securities brokerage is recognised at a single point in time, i.e. on a trade date when the relevant transactions are executed. Handling and settlement fee income arising from broking services is recognised when the related services are rendered. Income from financial advisory services and assets management services are recognised progressively over time. The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services. Income from referral services and performance fee from investment management services are recognised at a point in time when the services is completed, according to the nature and terms of the contracts. There are no unfulfilled obligation that could affect the customer's acceptance of the services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.16 Revenue recognition and other contract costs *(Continued)*

Provision of insurance brokerage services

Insurance brokerage income is recognised at a point in time when the services is completed, according to the nature and terms of the contracts.

Provision of global identity planning and wealth inheritance consultancy services

Global identity planning and wealth inheritance consultancy services are recognised at a point in time when the services is completed, according to the nature and terms of the contracts.

Provision of global enterprise solutions services

Provision of global enterprise solutions service is recognised at a point in time when the services is completed, according to the nature and terms of the contracts.

Interest income

Interest income generated from money lending business is included in revenue.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in “other (losses)/gains, net” in profit or loss.

Interest income is recognised on a time proportion basis using the effective interest method. For the financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset.

Dividend income

Dividend income is recognised when the right to receive the dividend is established.

Other contract costs

Contract costs are either the costs to fulfil a contract or the incremental costs of obtaining a contract.

Incremental costs of obtaining a contract

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Group recognises such costs (i.e. sales commission) as an asset if it expects to recover these costs. An asset is amortised and charged to the profit or loss on a systematic basis over the period of service contracts that is consistent with the transfer to the customer of the goods or services to which the asset relates.

The Group applies a practical expedient of recognising the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity otherwise would have recognised is one year or less.

2.17 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in profit or loss over the period necessary to match them with the costs that the grants are intended to compensate.

Government grants relating to income is presented in gross under “Other (losses)/gains, net” in the consolidated statement of profit or loss and other comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.18 Impairment of non-financial assets

The following assets are subject to impairment testing:

- Goodwill arising on acquisition of subsidiaries;
- Intangible assets;
- Property, plant and equipment;
- Right-of-use assets; and
- The Company's interests in subsidiaries

Goodwill and other intangible assets with indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, 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 assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a CGU). As a result, some assets are tested individually for impairment and some are tested at CGUs level. Corporate assets are allocated to individual CGUs, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified. Goodwill in particular is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose and not be larger than an operating segment.

Impairment losses recognised for CGUs, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGUs, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.19 Employee benefits

Retirement benefits

The Group joined a Mandatory Provident Fund Scheme ("**MPF Scheme**"), a defined contribution plan, for all employees in Hong Kong. Under the MPF Scheme, the Group makes monthly contribution based on 5% of the employees' basic salaries which is subject to a cap of HK$1,500 for each employee to a privately administered pension insurance plan. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. Forfeited contributions will not be used by the employer to reduce the existing level of contributions. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

In addition, pursuant to the government regulations in the People's Republic of China (the "**PRC**"), the Group is required to contribute an amount to certain retirement benefit schemes based on the wages for the year of those employees in the PRC. The Group has no further payment obligations once the contributions have been paid.

Contribution to these defined contribution plans are charged to the consolidated statement of profit or loss and other comprehensive income as incurred.

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

Bonus plans

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the owner of the Company after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve months after the reporting date are discounted to present value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.20 Share-based payments

(i) Share options

The Group granted share options to its employees, external consultants and a supplier under its Share Option Scheme. The vesting period for the share options granted are ranged between immediate vested to one year according to the Share Option Scheme. The fair value of the share options is recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when the equity instruments granted vest immediately. If vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of equity instruments expected to vest. At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share capital and 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 the share options reserve will be transferred to retained earnings.

The amount to be expensed is determined by reference to the fair value of the share options granted including any market performance conditions, excluding the impact of any service and non-market performance vesting conditions and including the impact of any non-vesting conditions. Information relating to the Share Option Scheme is set out in note 11.

(ii) Share awards

The Group also grants shares of the Company to employees under its share award scheme, under which the awarded shares are purchased from the open market. The cost of share purchased from the open market is recognised in equity as treasury stock. The fair value of the employee services received in exchange for the grant of shares under the scheme is recognised as staff costs in the consolidated statement of profit or loss and other comprehensive income with a corresponding adjustment in shares held for share award scheme under equity.

2.21 Borrowing costs

Borrowing costs are recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which they are incurred.

2.22 Dividend distribution

Dividends or profit distributions proposed in the profit appropriation plan, which will be authorised and declared after the reporting date, are not recognised as a liability at the end of the year but disclosed in the notes to the consolidated financial statements separately.

2.23 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.23 Accounting for income taxes *(Continued)*

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and an associate, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the periods in which the temporary differences are expected to reverse.

The determination of the average tax rates requires an estimation of (i) when the existing temporary differences will reverse and (ii) the amount of future taxable profit in those years. The estimate of future taxable profit includes:

– income or loss excluding reversals of temporary differences; and

– reversals of existing temporary differences.

Current tax assets and current tax liabilities are presented in net if, and only if,

(a) the Group has the legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

   (i) the same taxable entity; or

   (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.24 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines.

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

- Financial services of licensed business – provision of financial advisory services; securities research services; securities trading and brokerage services; margin financing services; referral services; investment management and advisory services; and insurance brokerage services to the customers;

- Money lending services – provision of equity pledge financing services and money lending services to the customers;

- Sales of apparel products – sales of apparel products with the provision of supply chain management total solutions to customers; and

- Enterprise solutions services – provision of global identity planning and wealth inheritance consultancy services, and other business consultancy services.

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

The measurement policies the Group used for reporting segment results under HKFRS 8 "Operating Segments" are the same as those used in its consolidated financial statements prepared under HKFRSs, except that the following items are not included in arriving at the operating results of the operating segment:

- income tax;

- changes in fair value of financial assets at FVTPL (excluding financial assets at FVTPL in reportable and operating segments);

- corporate income and expenses which are not directly attributable to the business activities of any operating segment;

- certain net gains on disposal of financial assets at FVTPL;

- certain bank interest income;

- certain finance costs; and

- certain depreciation of right-of-use assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.24 Segment reporting *(Continued)*

Segment assets include all assets with the exception of certain financial assets at FVTPL, interest in an associate and other corporate assets. In addition, corporate assets which are not directly attributable to the business activities of any reportable segment are not allocated to a segment, which primarily applies to the Group's headquarter.

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

No asymmetrical allocations have been applied to reportable segments.

2.25 Related parties

For the purpose of these consolidated financial statements, a party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group.

(b) the party is an entity and if any of the following conditions applies:

(i) the entity and the Group are members of the same group.

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) the entity and the Group are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. ADOPTION OF NEW AND AMENDED HKFRSs

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

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

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018–2020
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination

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

Issued but not yet effective HKFRSs

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

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

1 Effective for annual periods beginning on or after 1 January 2023
2 Effective for annual periods beginning on or after 1 January 2024
3 Effective date not yet determined

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting judgements

Determination of consolidation scope

All facts and circumstances must be taken into consideration in the assessment of whether the Group, as an investor, controls the investee. The principle of control includes three elements: (i) power over the investee; (ii) exposure, or rights, to variable returns from involvement with the investee; and (iii) the ability to use power over the investee to affect the amount of investors' returns. The Group reassesses whether 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.

For assets management schemes where the Group involves as the investment manager, the Group assesses whether the combination of investments it holds, if any, together with its remuneration creates exposure to variability of returns from the activities of the assets management schemes that is of such significance indicating that the Group is a principal. The assets management schemes shall be consolidated if the Group acts in the role of principal.

The Group managed funds as investment manager and after consideration of the above mentioned factors, the directors assessed that the Group is an agent and do not consolidate these funds. The purpose of managing funds is to generate management fee and performance fee from managing assets on behalf of the funds. Interest held by the Group includes management fee and performance fee charged by providing investment management services to the structured entity. For the year ended 31 March 2023, the management fee and performance fee recognised is amounting to HK$23,208,000 (2022: HK$49,480,000).

4.2 Estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Fair value of financial instruments

Financial instruments at FVTPL are measured at fair value at the reporting date. For part of the above financial instruments, quoted market prices are readily available. However, the determination of fair value for financial assets for which there is no observable market price, requires the use of valuation technique. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments. Details of fair value measurements are disclosed in note 39.7 to the consolidated financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

4.2 Estimation uncertainty *(Continued)*

Fair value of identifiable assets and liabilities acquired through business combinations at the date of acquisition

The Group applies the acquisition method to account for business combinations, which requires the Group to record assets acquired and liabilities assumed at their fair values on the date of acquisition. Significant judgement and estimate are used to determine the completion date and fair value of the assets acquired and liabilities assumed. The valuation involves estimating future cash flows from the acquired business, determining appropriate discount rates, asset lives and other assumptions.

Details of business combinations are disclosed in note 37 to the consolidated financial statements.

Share of net fair value of identifiable assets and liabilities acquired through acquisition of an associate

The Group applies the equity method to account for acquisition of an associate, which requires the Group to share the net fair value of the identified assets and liabilities on the date of acquisition. Significant judgement and estimate are used to determine the completion date and the net fair value of the assets and liabilities. The valuation involves estimating future cash flows from the acquired business, determining appropriate discount rates, asset lives and other assumptions.

Estimation of impairment of trade and other receivables, loan and interest receivables and other financial assets measured at amortised cost within the scope of ECL under HKFRS 9

The Group makes allowances on items subjects to ECL (including trade and other receivables, loan and interest receivables and other financial assets measured at amortised cost) based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period as set out in note 2.9. As at 31 March 2023, the aggregate carrying amounts of trade and other receivables, loan and interest receivables and other financial assets measured at amortised cost amounted to HK$144,832,000 (2022: HK$225,817,000) (net of ECL allowance of HK$1,734,000 (2022: HK$666,000)), HK$183,248,000 (2022: HK$166,633,000) (net of ECL allowance of HK$2,280,000 (2022: HK$1,688,000)) and HK$327,493,000 (2022: HK$284,995,000), respectively.

When the actual future cash flows are different from expected, such difference will impact the carrying amount of trade and other receivables, loan and interest receivables and other financial assets measured at amortised cost within the scope of ECL under HKFRS 9 and credit losses in the periods in which such estimate has been changed.

Valuation of share options granted

The fair value of share options granted was priced using a Binomial option pricing model which requires the management's estimates and assumptions on significant calculation inputs, including the estimated life of share options granted, the volatility of share price and expected dividend yield. Changes in the subjective input assumptions could materially affect the fair value estimate, which would in turn affect the share-based payment expense recognised for the period and its corresponding impact on the share options reserve. Estimates relating to the evaluation of share options are discussed in note 11.

Income tax

The Group is subject to income taxes in jurisdictions in which the Group operates. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made. Details of income tax are set out in note 13.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

4.2 Estimation uncertainty *(Continued)*

Recognition of deferred tax assets

Deferred income tax assets relating to certain temporary differences and tax losses that are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The nature of their actual utilisation may be different.

Impairment of goodwill and intangible assets

The Group tests annually whether goodwill and intangible assets has suffered any impairment in accordance with the accounting policy stated in notes 2.3 and 2.15, respectively. The recoverable amounts of CGUs have been determined based on value-in-use calculations. These calculations require the use of estimates about future cash flows and discount rates. In the process of estimating expected future cash flows management makes assumptions about future revenues and profits. These assumptions relate to future events and circumstances. The actual results may vary and may cause a material adjustment to the carrying amounts of goodwill and intangible assets within the next financial year. Determining the appropriate discount rate involves estimating the appropriate adjustment for market risk and for asset specific risk factors.

As at 31 March 2023, the carrying amounts of goodwill and intangible assets are HK$19,397,000 (2022: HK$7,921,000) and HK$12,248,000 (2022: HK$12,248,000), respectively. Impairment loss on goodwill amounted to HK$1,335,000 (2022: nil) has been recognised during the year ended 31 March 2023.

Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying amount of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the CGU to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

As at 31 March 2023, the carrying amounts of property, plant and equipment and right-of-use assets are HK$2,058,000 (2022: HK$3,398,000) and HK$4,776,000 (2022: HK$9,349,000), respectively. No impairment loss has been recognised during the years ended 31 March 2022 and 2023.

5. REVENUE AND SEGMENT INFORMATION

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

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

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

- Financial services of licensed business – provision of financial advisory services; securities research services; securities trading and brokerage services; margin financing services; referral services and investment management and advisory services. During the year ended 31 March 2023, the Group acquired DL Emerald Wealth Management Limited (formerly known as Emerald Wealth Management Limited) ("**DL Emerald**"), which is engaged in provision of insurance brokerage services;

- Money lending services – provision of equity pledge financing services and money lending services to the customers;

- Sales of apparel products – sales of apparel products with the provision of supply chain management total solutions to customers; and

- Enterprise solutions services – provision of global identity planning and wealth inheritance consultancy services, and other business consultancy services.

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

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

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

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

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

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

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

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

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

Note:

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

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

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

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

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

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

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

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

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

Revenue from external customers is analysed by region as follows:

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

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

Geographical information

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

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

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

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

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

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

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

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

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

Liabilities related to contracts with customers

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

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

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

	2023	2022
	HK$'000	HK$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**5,222**	14,542

6. OTHER (LOSSES)/GAINS, NET

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

Note: During the year ended 31 March 2023

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

During the year ended 31 March 2022

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

7. EXPENSES BY NATURE

	2023 HK$'000	2022 HK$'000
Agency fee	**75**	–
Advertising expenses	**28**	215
Auditors' remuneration		
– Audit services	**1,890**	1,342
Consultancy fees	**9,872**	9,265
Bad debt written off	**600**	315
Cost of goods sold	**20,498**	109,863
Cost of services	**66,287**	24,296
Depreciation of property, plant and equipment (note 16)	**930**	1,134
Depreciation of right-of-use assets (note 17)	**5,971**	6,505
Donations	**40**	230
Entertainment	**4,889**	5,579
Graphic design	**–**	313
Provision for ECL on trade receivables (note 22)	**1,068**	270
Provision for/(Reversal of) ECL on loan and interest receivables, net (note 23)	**592**	(250)
ECL on receivables, net	**1,660**	20
Employee benefit expenses (note 8)	**58,657**	41,797
Impairment loss on goodwill (note 18)	**1,335**	–
Insurance	**657**	655
Legal and professional fees	**4,730**	5,665
License expenses	**51**	48
Marketing fees	**1,451**	359
Motor vehicles expenses	**348**	318
Postage and courier	**109**	343
Printing and stationary	**79**	412
Sales commission	**1,045**	109
Short-term leases/low-value leases in respect of		
– office	**64**	16
Sponsorship fee	**–**	100
Travelling expenses	**2,115**	877
Written off of property, plant and equipment (note 16)	**830**	–
Other expenses	**3,794**	8,576
Total cost of sales/services, selling expenses, general and administrative expenses and ECL of receivables, net	**188,005**	218,352

8. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2023 HK$'000	2022 HK$'000
Salaries, bonus and other short-term employee benefits	**40,876**	40,219
Share options granted to employees and directors (note 11)	**15,506**	–
Share award granted to employees and directors	**1,172**	655
Reversal of provision for unutilised annual leave	**(64)**	(224)
Pension costs – defined contribution plans (note)	**1,167**	1,147
	58,657	41,797

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

9. DIRECTORS', CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's emoluments, disclosed pursuant to the Listing Rules, section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

	Emoluments paid or payable in respect of a person's services as a director, whether of the Company or its subsidiary undertakings				
	Fees HK$'000	**Salaries HK$'000**	**Share-based payments HK$'000**	**Employer's contribution to a retirement benefit scheme HK$'000**	**Total HK$'000**
Year ended 31 March 2023					
Executive directors					
Mr. Chen Ningdi ("**Mr. Chen**") (note (i))	**1,800**	**–**	**–**	**18**	**1,818**
Mr. Lang Joseph Shie Jay ("**Mr. Lang**") (notes (i) and (ii))	**1,200**	**–**	**2,635**	**18**	**3,853**
Mr. Ai Kuiyu ("**Mr. Ai**") (notes (i) and (ii))	**1,800**	**–**	**42**	**18**	**1,860**
Non-executive directors					
Ms. Jiang Xinrong ("**Ms. Jiang**") (notes (i) and (iv))	**960**	**–**	**552**	**18**	**1,530**
Mr. Chan Kwan (note (v))	**100**	**–**	**–**	**–**	**100**
Mr. Chan Kwun Wah Derek	**216**	**–**	**–**	**–**	**216**
Independent non-executive directors					
Mr. Chang Eric Jackson	**180**	**–**	**–**	**–**	**180**
Mr. Chen Cheng-Lien	**180**	**–**	**–**	**–**	**180**
Mr. Liu Chun	**180**	**–**	**–**	**–**	**180**
	6,616	**–**	**3,229**	**72**	**9,917**

9. DIRECTORS', CHIEF EXECUTIVE'S EMOLUMENTS *(Continued)*

	Emoluments paid or payable in respect of a person's services as a director, whether of the Company or its subsidiary undertakings				
	Fees HK$'000	Salaries HK$'000	Share-based payments HK$'000	Employer's contribution to a retirement benefit scheme HK$'000	Total HK$'000
Year ended 31 March 2022					
Executive directors					
Mr. Chen Ningdi ("**Mr. Chen**") (note (i))	1,800	–	–	18	1,818
Mr. Lang Joseph Shie Jay ("**Mr. Lang**") (notes (i) and (ii))	271	–	–	4	275
Mr. Ai Kuiyu ("**Mr. Ai**") (notes (i) and (ii))	407	–	–	4	411
Non-executive directors					
Ms. Jiang Xinrong ("**Ms. Jiang**") (notes (i) and (iv))	1,320	–	–	18	1,338
Mr. Li Ren ("**Mr. Li**") (note (iii))	186	–	–	–	186
Mr. Chan Kwun Wah Derek	216	–	–	–	216
Independent non-executive directors					
Mr. Chang Eric Jackson	135	–	–	–	135
Mr. Chen Cheng-Lien	135	–	–	–	135
Mr. Liu Chun	135	–	–	–	135
	4,605	–	–	44	4,649

Notes:

(i) The remuneration shown above included remuneration received from the Group by the directors in their capacity as employees of the Company or its subsidiaries during the years ended 31 March 2022 and 2023.

(ii) Mr. Lang and Mr. Ai were appointed as executive directors of the Company with effect from 10 January 2022.

(iii) Mr. Li resigned as non-executive director of the Company with effect from 10 January 2022.

(iv) Ms. Jiang is re-designated as a non-executive director of the Company with effect from 10 January 2022. Ms. Jiang resigned as non-executive director of the Company with effect from 28 April 2023.

(v) Mr. Chan Kwan was appointed as non-executive director of the Company with effect from 14 October 2022.

(vi) Mr. He Zhiying was appointed as executive director of the Company with effect from 28 April 2023.

During the year ended 31 March 2023, there were no retirement benefits paid to directors (2022: nil) in respect of the services as a director of the Company and its subsidiaries.

9. DIRECTORS', CHIEF EXECUTIVE'S EMOLUMENTS *(Continued)*

During the year ended 31 March 2023, there was no benefits provided for early termination of the directors' appointment in office (2022: nil).

No consideration was provided to third parties for making available of directors' services during the year ended 31 March 2023 (2022: nil).

No emoluments were paid by the Group to any directors as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 March 2023 (2022: nil).

During the year ended 31 March 2023, there was no arrangement in relation to loans, quasi-loans and other dealings between the Group and the directors, bodies corporate controlled by directors and entities connected with directors (2022: nil).

For significant transactions, arrangements and contracts in relation to Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year, please refer to note 36.

There were no arrangements under which a director waived or agreed to waive any remuneration during the year (2022: nil).

The value of share options granted to directors is measured according to the Group's accounting policy for share-based compensation set out in note 2.20 and 4.2. The details of these benefits in kind including the principal terms and number of options granted are disclosed under the section headed "Report of the Directors – Share Option Scheme" in the 2022/2023 annual report and note 11.

10. FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

The five individuals whose emoluments were the highest in the Group for the year include 3 (2022: 1) directors and executives whose emoluments were reflected in the analysis presented above. The emoluments paid to the remaining 2 (2022: 4) individuals during the years ended 31 March 2022 and 2023 are as follows:

	2023 **HK$'000**	2022 HK$'000
Basic salaries, housing allowances, other allowances and benefits in kind	**3,480**	6,162
Bonus	**500**	500
Pension costs – defined contribution plans	**36**	74
	4,016	6,736

The emoluments of the remaining individual fell within the following bands during the years ended 31 March 2022 and 2023:

	2023	2022
Between HK$1,500,001 and HK$2,000,000	**1**	4
Between HK$2,000,001 and HK$2,500,000	**1**	–

No emoluments were paid by the Group to any such five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 March 2023 (2022: nil).

11. SHARE-BASED PAYMENTS

Share Option Scheme

The Company has a Share Option Scheme which was adopted on 22 September 2015 ("**Share Option Scheme**") whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options to subscribe for shares of the Company by payment of HK$1.00 consideration upon acceptance. The share options granted vest immediately or have a vesting period of one year. The share options have an exercisable period from two to ten years. Each option gives the holder the right to subscribe for one ordinary share in the Company.

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

On 24 March 2023, the Group granted 26,600,000 share options under the Share Option Scheme with a vesting of one year or immediate vested. The share options have an exercise price of HK$2.70 to subscribe for one ordinary share of HK$0.01 each.

Name	Position held/relationship with the Company	Number of shares options granted
Mr. Lang	Executive director	4,500,000
Employees	Not applicable	22,100,000
		26,600,000

The above exercise price is at least the higher of (i) the closing price of HK$2.69 per share as quoted in the Stock Exchange's daily quotation sheet on the grant date; (ii) the average closing price of HK$2.69 per share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the grant date.

On 19 November 2020, the Group granted a total of 53,000,000 share options under the Share Option Scheme with no vesting period. The share options have an exercise price of HK$2.50 to subscribe for one ordinary share of HK$0.01 each.

Name	Position held/relationship with the Company	Number of shares options granted
Employees	Not applicable	53,000,000

The above exercise price is not lower than the highest of (i) the closing price of HK$2.30 per share as quoted in the Stock Exchange's daily quotation sheet on the grant date; (ii) the average closing price of HK$2.148 per share as quoted in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the grant date; and (iii) the nominal value of HK$0.01 per share.

11. SHARE-BASED PAYMENTS *(Continued)*

Share Option Scheme *(Continued)*

On 17 August 2020, the Group granted a total of 54,500,000 share options under the Share Option Scheme with no vesting period. Among the 54,500,000 share options, 41,500,000 of which has an exercise price of HK$0.9 to subscribe for one ordinary share and the remaining 13,000,000 of which has an exercise price of HK$1.00 to subscribe for one ordinary share.

Name	Position held/relationship with the Company	Number of shares options granted
Mr. Chen	Executive director	5,500,000
Mr. Li	The former non-executive director	5,500,000
Mr. Liu	Independent non-executive director	3,000,000
Employees	Not applicable	36,000,000
External consultants	Not applicable	4,500,000
		54,500,000

The above exercise price is not lower than the highest of (i) the closing price of HK$0.88 per share as quoted in the Stock Exchange's daily quotation sheet on the grant date; (ii) the average closing price of HK$0.876 per share as quoted in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the grant date; and (iii) the nominal value of HK$0.01 per share.

As at 31 March 2022 and 2023, details of each share options granted are set out below:

Date of grant	Option type	Exercisable period	Validating period	Exercise price HK$
17 August 2020	2020A	17 August 2020 to 16 August 2023	3 years	0.900
17 August 2020	2020B	17 August 2020 to 16 August 2023	3 years	1.000
19 November 2020	2020C	19 November 2020 to 18 November 2023	3 years	2.500
24 March 2023	2023A	24 March 2024 to 23 March 2026	3 years	2.700

11. SHARE-BASED PAYMENTS *(Continued)*

Share Option Scheme *(Continued)*

Movement in share options

	Option type	Outstanding as at 1 April 2021	Exercised during the year ended 31 March 2022	Outstanding as at 31 March 2022 and 1 April 2022	Granted during the year ended 31 March 2023	Outstanding as at 31 March 2023
Directors						
Mr. Liu	2020B	3,000,000	–	3,000,000	–	3,000,000
Mr. Lang	2023A	–	–	–	4,500,000	4,500,000
Sub-total		3,000,000	–	3,000,000	4,500,000	7,500,000
Employee(s) of the Group	2020B	5,500,000	(4,000,000)	1,500,000	–	1,500,000
	2020C	53,000,000	(29,500,000)	23,500,000	–	23,500,000
	2023A	–	–	–	22,100,000	22,100,000
Sub-total		58,500,000	(33,500,000)	25,000,000	22,100,000	47,100,000
Other participants	2020B	1,500,000	–	1,500,000	–	1,500,000
Sub-total		1,500,000	–	1,500,000	–	1,500,000
Total		63,000,000	(33,500,000)	29,500,000	26,600,000	56,100,000

	As at 1 April 2021	Granted during the year ended 31 March 2022	Exercised during the year ended 31 March 2022	Outstanding as at 31 March 2022 and 1 April 2022	Granted during the year ended 31 March 2023	Exercised during the year ended 31 March 2023	Outstanding as at 31 March 2023
Weighted average exercise price per share option (HK$)	2.262	–	2.321	2.200	2.700	–	2.434
Weighted average remaining contractual life of options outstanding	2.59 years	–	0.18 years	1.58 years	3 years	–	1.72 years
Number of options exercisable	63,000,000	–	33,500,000	29,500,000	26,600,000	–	56,100,000
Weighted average exercise price per share of options exercisable (HK$)	2.262	–	2.321	2,200	2.700	–	2.411

The share options outstanding at 31 March 2023 had exercise prices of HK$1 to HK$2.7 (2022: HK$1 to HK$2.5). During the year ended 31 March 2023, there was no lapse or cancellation of share options (2022: nil).

During the year ended 31 March 2023, no share options were exercised. During the year ended 31 March 2022, the weighted average share price for share options exercised during the year at the date of exercise was HK$2.321.

During the year ended 31 March 2022, no share-based payment expense in relation to share options was granted to the directors.

11. SHARE-BASED PAYMENTS *(Continued)*

Share Option Scheme *(Continued)*

Fair value of share options and assumptions

The Company granted 26,600,000 of option for the year ended 31 March 2023.

The fair values of the share options granted during the year ended 31 March 2023 were derived from Binomial option pricing model by applying the following bases and assumptions:

	For the year ended 31 March 2023 share options granted to	
	Employees	**Director**
Grant date	24/3/2023	24/3/2023
Number of options granted	22,100,000	4,500,000
Option life (note (i))	3 years	3 years
Risk-free rate (note (ii))	2.87%	2.87%
Volatility (note (iii))	29.02%	29.02%
Dividend yield	0.51%	0.51%
Fair value per share option at grant date	HK$0.5824	HK$0.5856
Total fair value for each batch (HK$'000)	12,871	2,635

Notes:

(i) The option life was determined with reference to the terms of the Share Option Scheme and granted date and maturity dates of the options.

(ii) The risk-free rate was determined with reference to the yield of Hong Kong Government Bonds and Treasury Bills as extracted from Bloomberg with a maturity life equal to the time to maturity of the share options at the grant date.

(iii) The volatility of the share options was calculated based on the historical daily stock prices of the Company for 1.75 years.

The fair values of the share options during the year ended 31 March 2023 were arrived at on the basis of a valuation carried out at the grant date by Moore Transaction Services Limited. The fair value of the share options are subject to the limitations of the Binomial option pricing model and a number of assumptions which are subjective and difficult to ascertain. Changes in the subjective input assumptions could materially affect the fair value estimate. The weighted average fair value of share options granted during the year ended 31 March 2023 determined using the Binomial option pricing model were ranged from HK$0.5824 to HK$0.5856 per share option.

The outstanding share options as at 31 March 2023 had a weighted average remaining contractual life of 1.72 years (2022: 1.58 years).

As at 31 March 2023, the Company had 56,100,000 (2022: 29,500,000) share options outstanding under the Share Option Scheme, which represented approximately 3.72% (2022: 2.06%) of the Company's shares in issue at that date. Share options do not confer rights on the holders to dividends or to vote at shareholder's meetings.

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

11. SHARE-BASED PAYMENTS *(Continued)*

Share Award Scheme

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

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

On 20 December 2022, the Group granted a total of 223,000 shares under the Share Award Scheme with no vesting period.

Name	Position held/ relationship with the Company	Number of shares granted
Mr. Ai	Executive director	15,000
Ms. He Zhiying	Executive director (appointed with effect from 28 April 2023)	50,000
Employees	Not applicable	158,000
		223,000

On 27 June 2022, the Group granted a total of 200,000 shares under the Share Award Scheme with no vesting period.

Name	Position held/relationship with the Company	Number of shares granted
Ms. Jiang	Non-executive director	200,000

During the year ended 31 March 2023, the Company has purchased 15,104,400 (2022: 38,415,000) ordinary shares of the Company on the Stock Exchange. The total amount paid to acquire the shares was HK$38,354,000 (2022: HK$98,778,000). During the year ended 31 March 2023, a total of 423,000 (2022: 202,000) shares were granted to the eligible persons pursuant to the Share Award Scheme.

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

12. FINANCE COSTS, NET

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

13. INCOME TAX EXPENSE

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

	2023 HK$'000	2022 HK$'000
Current income tax		
– Hong Kong	**5,384**	10,690
– PRC	**(4)**	53
	5,380	10,743
Deferred tax		
– Hong Kong (note 19)	**38**	18
Total	**5,418**	10,761

Hong Kong

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

Cayman Islands and British Virgin Islands ("BVI")

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

Singapore

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

13. INCOME TAX EXPENSE *(Continued)*

PRC

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

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the tax rate of Hong Kong as follows:

	2023 **HK$'000**	2022 HK$'000
(Loss)/Profit before income tax	**(43,759)**	120,536
Calculated at Hong Kong income tax rate of 16.5% (2022: 16.5%)	**(7,220)**	19,890
Effect of different income tax rates of subsidiaries	**(171)**	(185)
Expenses not deductible for tax purposes	**6,770**	5,445
Income not subject to taxation	**(1,733)**	(15,093)
Temporary differences not recognised	**185**	(31)
Tax losses not recognised	**7,587**	907
Utilisation of previously unrecognised tax loss	**(32)**	(7)
Tax effect of share of profit of an associate	**197**	–
Effect of two-tiered profits tax regime	**(165)**	(165)
Income tax expense	**5,418**	10,761

For the year ended 31 March 2023, the weighted average applicable tax rate was 12.4% (2022: 8.9%) becomes positive because the Group had excessive profits for the year ended 31 March 2023.

The Group did not recognise deferred tax assets of approximately HK$14,469,000 (2022: HK$6,669,000) arising from tax losses of HK$82,714,000 (2022: HK$37,595,000) and deductible temporary difference of approximately HK$3,947,000 (2022: HK$2,826,000).

14. DIVIDENDS

(a) Dividends attributable to the year

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

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

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

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

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

15. (LOSS)/EARNINGS PER SHARE

15.1 Basic

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

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

15. (LOSS)/EARNINGS PER SHARE *(Continued)*

15.2 Diluted

	2023	2022 (Restated)
(Loss)/Profit attributable to owners of the Company (HK$'000)	**(49,177)**	109,775
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	**1,396,462,154**	1,406,917,412
Effect of dilutive potential ordinary shares – Share options	**–**	6,135,178
Weighted average number of ordinary shares for the purpose of calculating diluted (loss)/earnings per share	**1,396,462,154**	1,413,052,590
Diluted (loss)/earnings per share (HK cents per share)	**(3.52)**	7.77

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

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

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

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

16. PROPERTY, PLANT AND EQUIPMENT

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

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

17. RIGHT-OF-USE ASSETS

	2023 **HK$'000**
As at 1 April 2021	9,754
Lease modification	6,224
Written-off	(124)
Depreciation for the year (note 7)	(6,505)
As at 31 March 2022 and 1 April 2022	**9,349**
Addition	**1,649**
Early termination	**(251)**
Depreciation for the year (note 7)	**(5,971)**
As at 31 March 2023	**4,776**

The Group has obtained the right to use office and staff premises through tenancy agreements. The leases typically run on an initial period of one to three years (2022: one to three years).

Depreciation expenses of right-of-use assets approximately HK$5,971,000 (2022: HK$6,505,000) have been charged to the general and administrative expenses for the year ended 31 March 2023. The total additions to right-of-use assets amounting to HK$1,649,000 (2022: due to lease modification amounting to HK$6,224,000) was recognised for the year ended 31 March 2023.

As at 31 March 2022 and 2023, right-of-use assets as follows:

	Carrying amount as at 31 March		**Depreciation for the year ended 31 March**	
	2023 **HK$'000**	2022 HK$'000	**2023** **HK$'000**	2022 HK$'000
Staff quarter	**687**	–	**962**	–
Office premises	**4,089**	9,349	**5,009**	6,505
	4,776	9,349	**5,971**	6,505

18. INTANGIBLE ASSETS AND GOODWILL

		Intangible assets		
	Goodwill	**SFC License Types 1,4 and 6**	**Money Lending License**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
Cost				
As at 1 April 2021	7,658	11,748	500	12,248
Acquisition through business combinations (note 37)	263	–	–	–
As at 31 March 2022 and 1 April 2022	7,921	11,748	500	12,248
Acquisition through business combinations (note 37)	12,811	–	–	–
As at 31 March 2023	**20,732**	**11,748**	**500**	**12,248**
Accumulated amortisation				
As at 1 April 2021, 31 March 2022, 1 April 2022 and 31 March 2023	–	–	–	–
Accumulated impairment				
As at 1 April 2021, 31 March 2022 and 1 April 2022	–	–	–	–
Impairment loss	(1,335)	–	–	–
As at 31 March 2023	**(1,335)**	**–**	**–**	**–**
Net carrying amount				
As at 31 March 2023	**19,397**	**11,748**	**500**	**12,248**
As at 31 March 2022	7,921	11,748	500	12,248

The Group's goodwill mainly arose from business combination in connection with the acquisitions of (i) DL Securities (HK) Limited ("**DL Securities**"); (ii) DA Finance (HK) Limited ("**DA Finance**"); (iii) Four Seasons Investment Management Limited ("**Four Seasons**"); (iv) DL Family Office Pte. Ltd. ("**DL Family Office Singapore**"); (v) DL Advisory Services Limited (formerly known as ONE Advisory Limited) ("**DL Advisory**") and (vi) DL Emerald. For acquisition details of DL Advisory and DL Emerald, please refer to note 37.

18. INTANGIBLE ASSETS AND GOODWILL *(Continued)*

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

	2023	2022
	HK$'000	HK$'000
Financial services of licensed business		
– DL Securities	**274**	274
– Four Seasons	**5,951**	5,951
– DL Emerald	**12,811**	–
	19,036	6,225
Money lending services		
– DA Finance	**98**	98
Enterprise solutions services		
– DL Advisory	**263**	263
– DL Family Office Singapore	**–**	1,335
	263	1,598
	19,397	7,921

The recoverable amount of the CGUs have been determined from value-in-use calculation based on cash flow projections from budgets covering a five-year period. Cash flow beyond the five year period are extrapolated using an estimated weighted average growth rate of 2.5% (2022: 2.5%), 2.5% (2022: 2.5%) and of 2.5% (2022: N/A) respectively.

	2023			2022	
	Financial services of licensed business	**Money lending services**	**Enterprise solutions services**	Financial services of licensed business	Money lending services
Discount rate	**15.60%-20.81%**	**15.60%**	**15.60%**	20.99%	20.99%
Operating profit margin	**15%-54%**	**71%**	**16%**	4%-8%	83%
Growth rate within the five-year period	**1.0%**	**1.0%**	**1.0%**	1.0%	1.0%

The discount rate used is pre-tax and reflect specific risks relating to the provision of financial services of licensed business, money lending business and enterprise solutions services, respectively. The operating margin and growth rate within the five-year period have been estimated based on management expectation and the result of the market research and prediction.

Intangible assets included the Securities and Futures Commission (the "**SFC**") License Types 1 (dealing in securities), 4 (advising on securities) and 6 (advising on corporate finance) and Money Lending License of the subsidiaries. The Group regards these licenses to have an indefinite useful life and are carried at cost less any subsequent accumulated impairment losses.

18. INTANGIBLE ASSETS AND GOODWILL *(Continued)*

In respect of the licenses which were allocated to the CGUs of the SFC licensed business and money lending business acquired during the year ended 31 March 2020, the licenses have no foreseeable limit to the period over which the Group can use to generate net cash flows. The directors consider the licenses as having indefinite useful lives because they are expected to contribute to net cash inflows indefinitely. The licenses will not be amortised until their useful life are determined to be finite.

As the cash generating unit of DL Family Office Singapore has been continuously suffering losses, the related goodwill impairment loss of HK$1,335,000 (2022: nil) has been recognised during the year ended 31 March 2023 and attributed to the Group's enterprise solutions services segment.

19. DEFERRED TAX ASSETS

The analysis of deferred tax assets is as follows:

	2023 **HK$'000**	2022 HK$'000
Deferred income tax assets:		
Recoverable after 12 months	**256**	294

The analysis of deferred tax assets is as follows:

	Decelerated tax depreciation HK$'000
As at 1 April 2021	312
Debited to the consolidated statement of profit or loss and other comprehensive income (note 13)	(18)
As at 31 March 2022 and 1 April 2022	**294**
Debited to the consolidated statement of profit or loss and other comprehensive income (note 13)	**(38)**
As at 31 March 2023	**256**

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

Notes:

(i) The fair value of the unlisted investment funds is based on the net asset value of the investment funds reported to the limited partners by the general partners at the end of the reporting period. The fair value change is recorded in the other (losses)/gains, net in the consolidated statement of profit or loss and other comprehensive income.

(ii) It represents investment in an unlisted company related to the acquisition of 27.06% of the interest in Carmel Reserve LLC as the non-voting class B membership interest during the year ended 31 March 2021. During the year ended 31 March 2023, the interest in Carmel Reserve LLC was diluted to 26.65% (2022: 27.06%) due to issuance of new shares.

The fair value of financial assets at FVTPL are at Level 1, Level 2 and Level 3 of the financial value hierarchy (note 39.7). Information about the Group's exposure to price risk is provided in note 39.5.

21. INTEREST IN AN ASSOCIATE

	2023 **HK$'000**
Cost of investment in an associate	**63,000**
Share of post-acquisition profit and other comprehensive income	**1,197**
	64,197

The following list contains only the particulars of an associate, which is an unlisted corporate entity whose quoted market price is not available, which in the opinion of the directors principally affected the results or net assets of the Group as at 31 March 2023.

Name	**Place of incorporation and kind of legal entity**	**Country of operation**	**Principal activities**	**Number of shares held**	**Equity interest held as at 31 March 2023**
DL Family Office (HK) Ltd ("**DL Family Office HK**")	Hong Kong, limited liability company	Hong Kong	Provision of asset management services and family office operations and services	8,195,441 shares	45%

During the year ended 31 March 2023, the Group has acquired 45% equity interests in DL Family Office HK from DL Global Holdings Limited, a related company connected to certain directors of the Company, at a cash consideration of HK$63,000,000. Pursuant to the sale and purchase agreement and memorandum and article of association of DL Family Office HK, one director is nominated by the Group and the Group is able to exert significant influence over the financial and operating activities of DL Family Office HK. Accordingly, DL Family Office HK is an associate of the Group and its financial result were accounted for in the consolidated financial statements of the Group using the equity method.

21. INTEREST IN AN ASSOCIATE *(Continued)*

Set out below are the summarised financial information of the associate which are accounted for using the equity method:

	2023 HK$'000
Current assets	**50,513**
Non-current assets	**43**
Current liabilities	**(5,909)**
Net assets	**44,647**

	For the period from 17 January 2023 to 31 March 2023 HK$'000
Revenue	**9,228**
Other income	**3**
Total expenses	**(6,046)**
Profit before income tax expense	**3,185**
Income tax expenses	**(526)**
Profit for the year and total comprehensive income for the period	**2,659**

A reconciliation of the above summarised financial information to the carrying amount of the investment in an associate is set out below:

	2023 HK$'000
Total net assets of associates	**44,647**
Proportion of ownership interests held by Group	**45%**
Goodwill	**44,106**
Carrying amount of the interest in an associate in the consolidated statements of financial position	**64,197**

22. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

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

Notes:

(a) Margin receivables are secured by the client's pledged securities with undiscounted market value of approximately HK$599,236,000 as at 31 March 2023 (2022: HK$711,723,000) which can be sold at the Group's discretion to settle any margin call requirements imposed by their respective securities transactions. Trade receivables from margin clients are repayable on demand and bear interest at commercial rates. The Group repledged approximately HK$129,570,000 of the collateral from margin clients to secure the Group's loan facility related to bank borrowing during the year ended 31 March 2023 (2022: HK$209,600,000).

(b) As at 31 March 2023, the amounts due from an associate, an investee company and a related party amounting to HK$952,000 (2022: nil), HK$373,000 (2022: nil) and HK$30,000 (2022: HK$14,000), respectively, are unsecured, interest-free and repayable on demand.

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

22. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS *(Continued)*

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

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

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

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

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

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

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

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

22. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS *(Continued)*

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

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

23. LOAN AND INTEREST RECEIVABLES

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

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

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

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

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

23. LOAN AND INTEREST RECEIVABLES *(Continued)*

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

	2023	2022
	HK$'000	HK$'000
– Denominated in HK$	**179,005**	150,037
– Denominated in US$	**4,243**	16,596
	183,248	166,633

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

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

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

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

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

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

24. CASH AND CASH EQUIVALENTS

	2023 **HK$'000**	2022 HK$'000
Cash at banks (note (b))	**83,314**	154,053
Bank balances – trust (note (a))	**244,179**	130,942
Maximum exposure to credit risk	**327,493**	284,995
Cash on hand	**190**	583
Cash and cash equivalents per the consolidated statement of cash flows	**327,683**	285,578

Notes:

(a) The Group maintains segregated trust accounts with licensed banks to hold client's monies arising from its securities brokerage and margin financing business. The Group has classified the client's monies as bank balances – trust under the current assets of the consolidated statement of financial position and recognised the corresponding trade payables to the respective clients on the ground that it is liable for any loss or misappropriation of client's monies. The Group is restricted to use the client's monies to settle its own obligations and could only use the client's monies in accordance with the Hong Kong Securities and Futures (Client Money) Rules.

(b) Included in cash at banks of the Group is HK$63,000 (2022: HK$1,559,000) of bank balances denominated in RMB with banks in the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulation, the Group is permitted to exchange RMB for foreign currencies through banks that are submitted to conduct foreign exchange business.

The cash and cash equivalents are denominated in the following currencies:

	2023 **HK$'000**	2022 HK$'000
– Denominated in HK$	**299,873**	220,981
– Denominated in US$	**22,896**	60,826
– Denominated in Euro dollars ("**Euro**")	**1,487**	576
– Denominated in RMB	**2,445**	1,817
– Denominated in SG$	**982**	1,378
	327,683	285,578

25. SHARE CAPITAL

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

Notes:

(a) On 8 July 2021, 3,000,000 shares were issued at the subscription price at HK$1 to respective option holders (note 11) to the exercise of their options under the Share Option Scheme of the Company.

On 30 July 2021, 30,500,000 shares were issued at subscription price from HK$1 to HK$2.5 to respective option holders (note 11) to the exercise of their options under the Share Option Scheme of the Company.

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

26. RESERVES

(a) Share premium

Under the Companies Act of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(b) Share options reserve

The share options reserve represents the cumulative charge to the consolidated statement of profit or loss and other comprehensive income for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

(c) Share held for share award scheme

The Share Award Scheme adopted on 8 September 2020 to recognise the contributions by the Group's employees and to provide them with incentives in order to retain them for their continual operation and development of the Group; and to attract suitable personnel for further development of the Group. For details, please refer to note 11.

(d) Capital reserve

The capital reserve represents the difference between the combined capital of group subsidiaries acquired over the nominal value of the share capital of the Company issued in exchange thereof.

(e) Translation reserve

Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

26. RESERVES *(Continued)*

As at 31 March 2023, the Company's reserves available for distribution, calculated in accordance with the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately HK$212,672,000 (2022: HK$296,196,000). Amount represented other reserves after setting off accumulated losses of the Company, which may be distributable provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

27. TRADE AND OTHER PAYABLES

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

Notes:

(a) Trade payables

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

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

27. TRADE AND OTHER PAYABLES *(Continued)*

Notes: *(Continued)*

(b) Trade payables to securities brokerage clients

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

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

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

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

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

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

28. PROMISSORY NOTES

The Group has acquired 27.06% non-voting Class B membership interest in Carmel Reserve LLC. Consideration of US$3,500,000 was settled by issuing promissory note. This promissory note had been repaid during the year ended 31 March 2022.

During the year ended 31 March 2023, the Group had issued one promissory note amounting to HK$14,820,000 to a third party and is unsecured, bears interest rate of 8% per annum and matures in 3 months from the date of issue, on 19 June 2023.

During the year ended 31 March 2022, the Group had issued six promissory notes in aggregate amounting to HK$41,650,000, three of which in aggregate amounting to HK$16,650,000 were unsecured, bore interest rate ranging from 3% per annum to 18% per annum, matured and had been repaid during the years ended 31 March 2022 and 2023.

As at 31 March 2023, the promissory note is unsecured, bears interest rate of 8.0% per annum and matures in 3 months from the date of issue, on 19 June 2023.

As at 31 March 2022, (i) two promissory notes were unsecured, bore interest rate of 3.0% per annum and matured in one year from the dates of issue, on 23 June 2022 and 9 August 2022 respectively; (ii) one promissory note was unsecured, bears interest rate of 9.0% per annum and matured in one year from the date of issue, on 30 August 2022.

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

	2023	2022
	HK$'000	HK$'000
Total minimum payments:		
Due within one year	**15,116**	25,845
Future finance charges on promissory notes	**(260)**	(845)
Present value of promissory notes	**14,856**	25,000

29. BANK BORROWING

	2023 HK$'000	2022 HK$'000
Current bank borrowing	**50,000**	80,000

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

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

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

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

30. BONDS PAYABLE

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

Notes:

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

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

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

(c) The Company issued 10% coupon unlisted bonds during the year ended 31 March 2023 with the aggregate principal amount of HK$20,000,000. The amounts of HK$20,000,000 was repayable within 12 months from the date of issue.

31. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities:

	2023	2022
	HK$'000	HK$'000
Total minimum lease payments:		
Due within one year	**4,190**	6,609
Due in the second to fifth years	**390**	3,601
	4,580	10,210
Future finance charges on lease liabilities	**(50)**	(197)
Present value of lease liabilities	**4,530**	10,013
Present value of minimum lease payments:		
Due within one year	**4,140**	6,453
Due in the second to fifth years	**390**	3,560
	4,530	10,013
Less: Portion due within one year included under current liabilities	**(4,140)**	(6,453)
Portion due after one year included under non-current liabilities	**390**	3,560

The Group has obtained the right to use of office and staff quarter through the tenancy agreements. The leases typically run on an initial period of one to two years (2022: one to three years). The Group makes fixed payments during the contract period.

During the year ended 31 March 2022, the Group entered into a modified contract with a lessor to revise the monthly rental. As the lease modification did not add the right to use one or more underlying assets, it was not accounted for as a separate lease. Accordingly, the Group remeasured the existing the lease liabilities including the lease payments for the revised monthly rental using a revised discount rate.

During the year ended 31 March 2023, the total cash outflows for the leases are HK$7,123,000 (2022: HK$6,979,000). At 31 March 2023, the Group has entered into leases for the items listed as follows:

Types of right-of-use assets	**Financial statements item of right-of-use assets included in**	**Number of leases**	**Range of remaining lease term**	**Particulars**
Staff quarter	Right-of-use assets (2022: Right-of-use assets)	1 (2022: N/A)	1.17 year (2022: N/A)	– Subject to monthly fixed payment
Office premises	Right-of-use assets (2022: Right-of-use assets)	1 (2022: 3)	1.08 year (2022: 0.50 to 2.0 years)	– Subject to monthly fixed payment
Office premises	Not applicable as low-value recognition exemptions under HKFRS 16 applied (2022: Not applicable as low-value recognition exemptions under HKFRS 16 applied)	1 (2022: 1)	0.42 year (2022: 1.75 years)	– 6 months rent-free period (2022: 6 months rent-free period)

The Group considered that no extension option or termination option would be exercised at the lease commencement date.

32. SUBSIDIARIES

Details of the subsidiaries held by the Company as at 31 March 2022 and 2023 are as follows:

Name	Place of incorporation and kind of legal entity	Place of operation	Principal activities	Issued and fully paid share capital	Equity interest held as at 31 March 2023	2022
Directly held						
Best Flight Limited	BVI, limited liability company	BVI	Investment holding	US$1 (2022: US$1)	**100%**	100%
DL Alternative Investments Limited	BVI, limited liability company	BVI	Investment holding	US$100 (2022: US$100)	**100%**	100%
DL Asset Management Limited ("**DL Asset Management**")	BVI, limited liability company	BVI	Investment holding	US$100 (2022: US$100)	**100%**	100%
DL General Partner (HK) Limited	Hong Kong, limited liability company	Hong Kong	Investment management	HK$15,000,000 (2022: HK$15,000,000)	**100%**	100%
DJT Partner Limited	Cayman Islands, limited liability company	Cayman Islands	Investment holding	US$1 (2022: US$1)	**100%**	100%
DL Investment Holdings US, LLC	United States, limited liability company	United States	Investment holding	US$5,000,000 (2022: US$5,000,000)	**100%**	100%
Everlasting Win Limited	BVI, limited liability company	BVI	Provision of financial advisory services	US$1 (2022: US$1)	**100%**	100%
Four Seasons	Cayman Islands, limited liability company	Cayman Islands	Investment management	US$1,000 (2022: US$1,000)	**100%**	100%
Heritage Global Management Limited	BVI, limited liability company	BVI	Investment management	US$100 (2022:US$100)	**100%**	100%
Instant Glad Investments Limited ("**Instant Glad**")	BVI, limited liability company	BVI	Investment holding	US$100 (2022: US $100)	**100%**	100%
Trinity Ally Limited	BVI, limited liability company	BVI	Investment holding	US$1 (2022: US$1)	**100%**	100%
DL Holdings (HK) Limited (note (a))	Hong Kong, limited liability company	Hong Kong	Dormant	HK$10,000 (2022: HK$10,000)	**100%**	100%
Vente Capital Partners Limited (note (a))	BVI, limited liability company	BVI	Asset management	US$100 (2022: US$100)	**100%**	100%

32. SUBSIDIARIES *(Continued)*

Name	Place of incorporation and kind of legal entity	Place of operation	Principal activities	Issued and fully paid share capital	Equity interest held as at 31 March 2023	2022
Indirectly held						
DA Finance	Hong Kong, limited liability company	Hong Kong	Provision of equity pledge financing services and money lending services	HK$10,010,000 (2022: HK$10,010,000)	**100%**	100%
DL Asset Management (HK) Limited (formerly known as DL Capital (HK) Limited)	Hong Kong, limited liability company	Hong Kong	Provision of securities advisory services and asset management	HK$5,000,000 (2022: HK$5,000,000)	**100%**	100%
DL Family	Singapore, limited liability company	Singapore	Investment management	SG$1,244,000 (2022: SG$1,244,000)	**100%**	100%
DL Securities	Hong Kong, limited liability company	Hong Kong	Provision of financial advisory services and securities brokerage business	HK$97,150,000 (2022: HK$97,150,000)	**100%**	100%
DL Advisory (note (b))	Hong Kong, limited liability company	Hong Kong	Provision of global identity planning consultancy services	HK$100 (2022: HK$100)	**100%**	100%
Shanghai Linyu Enterprise Management Co., Ltd. 上海林譽企業管理有限公司*	PRC, limited liability company	PRC	Provision of financial advisory services	RMB3,000,000 (2022: RMB3,000,000)	**100%**	100%
Seazon Pacific Limited	Hong Kong, limited liability company	Hong Kong	Sales of apparel product with the provision of supply chain management total solutions to customers	HK$10,000 (2022: HK$10,000)	**100%**	100%
Sureway ODM Limited	Hong Kong, limited liability company	Hong Kong	Sales of apparel product with the provision of supply chain management total solutions to customers	HK$10,000 (2022: HK$10,000)	**100%**	100%
Topper Alliance Holding Limited	Hong Kong, limited liability company	Hong Kong	Investment holding	HK$10,000 (2022: HK$10,000)	**100%**	100%
Vente Capital Partners GP Limited (HK) (note (a))	Hong Kong, limited liability company	Hong Kong	Dormant	HK$10,000 (2022: HK$10,000)	**100%**	100%
DL Emerald (note (c))	Hong Kong, limited liability company	Hong Kong	Provision of insurance brokerage services	HK$1,750,000 (2022: HK$1,750,000)	**100%**	–

* The English translation of the name of the company established in the PRC is for reference only. The official name of the company is in Chinese.

Notes:

(a) Incorporated during the year ended 31 March 2022.

(b) During the year ended 31 March 2022, the Group acquired DL Advisory from an independent third party. Further details of the acquisition are included in note 37 to the consolidated financial statements.

(c) During the year ended 31 March 2023, the Group acquired DL Emerald from DL Family Office Limited. Further details of the acquisition are included in note 37 to the consolidated financial statements.

33. COMMITMENTS

33.1 Capital commitment

	2023 **HK$'000**	2022 HK$'000
Contracted but not provided for		
Capital injection to limited partnership fund	**3,276**	3,276

33.2 Commitment as lessee

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

	2023 **HK$'000**	2022 HK$'000
Within one year	**16**	64
In the second to fifth years	**–**	16
	16	80

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

34. CASH FLOW INFORMATION

(a) Net cash generated from operations

	Notes	**2023** **HK$'000**	2022 HK$'000
(Loss)/Profit before income tax		**(43,759)**	120,536
Adjustments for:			
– Finance costs	12	**11,113**	8,900
– Finance income	12	**(715)**	(93)
– Share-based payment expense	11	**15,506**	–
– Depreciation of property, plant and equipment	7	**930**	1,134
– Depreciation of right-of-use assets	7	**5,971**	6,505
– Impairment of goodwill	7	**1,335**	–
– Lease written off		**–**	124
– Early termination of lease	6	**2**	–
– Dividend income	6	**(12)**	(9)
– ECL of trade receivables, net	7	**1,068**	270
– Provision for/(Reversal of) ECL of loan and interest receivables, net	7	**592**	(250)
– Written off of property, plant and equipment	7	**830**	–
– Fair value losses/(gains) on financial assets at FVTPL, net	6	**3,184**	(34,834)
– (Losses)/Gains on disposals of financial assets at FVTPL, net	6	**37,750**	(3,073)
– Share profit of an associate	21	**(1,197)**	–
Operating profit before working capital changes		**32,598**	99,210
Changes in working capital:			
– Trade and other receivables, prepayments and deposits		**81,281**	(6,301)
– Loans and interests receivables		**(17,207)**	(73,682)
– Trade and other payables		**102,165**	88,811
Cash generated from operations		**198,837**	108,038

34. CASH FLOW INFORMATION *(Continued)*

(b) Reconciliation of liabilities from financing activities

	Trade and other payables (note 27) HK$'000	Promissory notes (note 28) HK$'000	Bank borrowing (note 29) HK$'000	Bonds payable (note 30) HK$'000	Lease liabilities (note 31) HK$'000	Total HK$'000
Balance as at 1 April 2021	78,936	22,376	–	6,000	10,486	117,798
Cash flows:						
Capital element of lease rentals paid	–	–	–	–	(6,697)	(6,697)
Issuance of promissory notes	–	41,650	–	–	–	41,650
Interest paid	(2,373)	(843)	–	(5,418)	–	(8,634)
Interest element of lease rentals paid	–	–	–	–	(266)	(266)
Proceeds from bank borrowing	–	–	80,000	–	–	80,000
Proceeds from issuance of bonds payable	–	–	–	87,000	–	87,000
Repayment of promissory notes	–	(39,026)	–	–	–	(39,026)
Decrease in amounts due to related parties	(7,466)	–	–	–	–	(7,466)
	(9,839)	1,781	80,000	81,582	(6,963)	146,561
Non-cash:						
Acquisition of subsidiaries (note 37)	8	–	–	–	–	8
Addition in lease liabilities due to lease modification (note 34(c)(iii))	–	–	–	–	6,224	6,224
Interest on promissory notes	–	843	–	–	–	843
Interest arising from bank borrowing	2,373	–	–	–	–	2,373
Interest arising from bonds payable	–	–	–	5,418	–	5,418
Interest arising from lease liabilities	–	–	–	–	266	266
Other changes (note)	88,803	–	–	–	–	88,803
	91,184	843	–	5,418	6,490	103,935
Balance as at 31 March 2022 and 1 April 2022	**160,281**	**25,000**	**80,000**	**93,000**	**10,013**	**368,294**
Cash flows:						
Capital element of lease rentals paid	**–**	**–**	**–**	**–**	**(6,883)**	**(6,883)**
Issuance of promissory notes	**–**	**14,820**	**–**	**–**	**–**	**14,820**
Interest paid	**(3,575)**	**(515)**	**–**	**(6,811)**	**–**	**(10,901)**
Interest element of lease rentals paid	**–**	**–**	**–**	**–**	**(176)**	**(176)**
Repayment of bank borrowing	**–**	**–**	**(30,000)**	**–**	**–**	**(30,000)**
Proceeds from issuance of bonds payable	**–**	**–**	**–**	**25,000**	**–**	**25,000**
Repayment of bonds payable	**–**	**–**	**–**	**(13,000)**	**–**	**(13,000)**
Repayment of promissory notes	**–**	**(25,000)**	**–**	**–**	**–**	**(25,000)**
Increase in amounts due to related parties	**138**	**–**	**–**	**–**	**–**	**138**
	(3,437)	**(10,695)**	**(30,000)**	**5,189**	**(7,059)**	**(46,002)**
Non-cash:						
Addition in lease (note 34(c)(ii))	**–**	**–**	**–**	**–**	**1,649**	**1,649**
Early termination of lease	**–**	**–**	**–**	**–**	**(249)**	**(249)**
Interest on promissory notes	**–**	**551**	**–**	**–**	**–**	**551**
Interest arising from bank borrowing	**3,575**	**–**	**–**	**–**	**–**	**3,575**
Interest arising from bonds payable	**–**	**–**	**–**	**6,811**	**–**	**6,811**
Interest arising from lease liabilities	**–**	**–**	**–**	**–**	**176**	**176**
Other changes (note)	**102,909**	**–**	**–**	**–**	**–**	**102,909**
	106,484	**551**	**–**	**6,811**	**1,576**	**115,422**
Balance as at 31 March 2023	**263,328**	**14,856**	**50,000**	**105,000**	**4,530**	**437,714**

Note: Other changes represented increase in trade and other payables included in operating activities.

34. CASH FLOW INFORMATION *(Continued)*

(c) Non cash transactions

(i) The Group redeemed 8,200 units of unlisted investment fund during the year ended 31 March 2022. As at 31 March 2022, the proceeds from disposals of financial assets at FVTPL amounting to HK$10,043,000 (note 20(c)) was not yet received and recognised as other receivable. The amount was received during the year ended 31 March 2023.

(ii) Additions of right-of-use assets and lease liabilities amounting to HK$1,649,000 (note 17) were recognised during the year ended 31 March 2023.

(iii) Additions of right-of-use assets and lease liabilities due to lease modification amounting to HK$6,224,000 (note 17) were recognised during the year ended 31 March 2022.

35. CONTINGENT LIABILITIES

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

36. RELATED PARTY TRANSACTIONS

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

Save as disclosed elsewhere in these consolidated financial statements, the Group had the following significant transactions with related companies during the years ended 31 March 2022 and 2023.

	2023 **HK$'000**	2022 HK$'000
Management fee income	**1,752**	4,098
Management fee expense	**63**	1,942

Management fee income of HK$1,752,000 (2022: HK$4,098,000) was received from the limited partnership funds, companies controlled by the executive director, during the year ended 31 March 2023.

Management fee expense of HK$63,000 (2022: HK$1,942,000) was paid to DL Family Office HK, an associate of the Group (2022: a company controlled by the executive directors), for its services provided as investment manager of the limited partnership funds during the year ended 31 March 2023.

36. RELATED PARTY TRANSACTIONS *(Continued)*

(b) Balances with related parties

Name of company	**Maximum amount outstanding during the year ended 31 March 2023**	Maximum amount outstanding during the year ended 31 March 2022	**2023**	2022
	HK$'000	HK$'000	**HK$'000**	HK$'000
Amount due from a related party controlled by Mr. Chen Ningdi and Ms. Jiang Xinrong	**30**	1,365	**30**	14
Amounts due to related parties controlled by Mr. Chen Ningdi and Ms. Jiang Xinrong	**138**	–	**138**	–

(c) Key management compensation

Key management includes directors (executive and non-executive), five highest paid individuals as disclosed in note 9 and note 10 and the other senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	2023	2022
	HK$'000	HK$'000
Salaries, bonus and other short-term employee benefits	**11,426**	11,776
Share-based payment expenses	**3,229**	655
Pension costs – defined contribution plans	**144**	144
	14,799	12,575

37. ACQUISITIONS OF SUBSIDIARIES

Business combinations

Acquiree	Principal activities	Date of acquisition	Proportion of shares acquired	Consideration transferred
For the year ended 31 March 2023				
DL Emerald	Provision for insurance brokerage service	18 October 2022	100%	HK$15,500,000
For the year ended 31 March 2022				
DL Advisory	Provision for global identity planning consulting services	9 September 2021	100%	HK$2,000,000

DL Emerald

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

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

Goodwill of approximately HK$12,811,000 (note 18) arose from expected future development of DL Emerald's business and improvement on market coverage.

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

	Recognised values on acquisition HK$'000
Trade and other receivables	**1,268**
Cash and cash equivalents	**1,913**
Trade and other payables	**(492)**
Net liabilities acquired	**2,689**
Goodwill (note 18)	**12,811**
	15,500
Total purchase consideration settled in cash during the year	**15,500**
Net cash outflow arising on acquisition of DL Emerald	
Cash consideration paid	**(15,500)**
Cash and cash equivalents acquired	**1,913**
	(13,587)

37. ACQUISITIONS OF SUBSIDIARIES *(Continued)*

Business combinations *(Continued)*

Impact of acquisition on the result of the Group

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

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

DL Advisory

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

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

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

Goodwill of approximately HK$263,000 (note 18) arose from expected future development of DL Advisory's business and improvement on market coverage.

37. ACQUISITIONS OF SUBSIDIARIES *(Continued)*

Business combinations *(Continued)*

DL Advisory *(Continued)*

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

	Recognised values on acquisition
	HK$'000
Property, plant and equipment (note 16)	40
Trade and other receivables	1,143
Cash and cash equivalents	546
Other payables	(1,953)
Net liabilities acquired	(224)
Assignment of shareholders' loans	1,961
Goodwill (note 18)	263
	2,000
Total purchase consideration settled in cash during the year	2,000
Net cash outflow arising on acquisition of DL Advisory	
Cash consideration paid	(2,000)
Cash and cash equivalents acquired	546
	(1,454)

Impact of acquisition on the result of the Group

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

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

38. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

	Note	2023 HK$'000	2022 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Right-of-use assets		**2,960**	5,692
Investments in subsidiaries		**87,717**	87,717
Deposits		**–**	385
Financial assets at FVTPL		**2,436**	89,431
		93,113	183,225
Current assets			
Amounts due from subsidiaries		**311,840**	241,364
Other receivables, prepayments and deposits		**1,606**	10,498
Cash and cash equivalents		**708**	35,126
		314,154	286,988
Current liabilities			
Other payables		**2,863**	2,561
Bonds payable		**64,000**	13,000
Amounts due to subsidiaries		**69,233**	58,300
Lease liabilities		**2,710**	2,895
		138,806	76,756
Net current assets		**175,348**	210,232
Total assets less current liabilities		**268,461**	393,457
Non-current liabilities			
Bonds payable		**41,000**	80,000
Lease liabilities		**250**	2,960
		41,250	82,960
Net assets		**227,211**	310,497
EQUITY			
Share capital		**14,539**	14,301
Other reserves	(a)	**259,867**	281,781
(Accumulated losses)/Retained earnings	(a)	**(47,195)**	14,415
Total equity		**227,211**	310,497

Chen Ningdi
Director

Ai Kuiyu
Director

38. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY *(Continued)*

(a) Reserve movement of the Company

Other reserves

	Other reserves						
	Share premium* HK$'000	Share options reserve* HK$'000	Share held for share award scheme* HK$'000	Other reserve* HK$'000	Merger reserve* HK$'000	Capital reserve* HK$'000	(Accumulated losses)/ Retained earnings HK$'000
Balance as at 1 April 2021	263,464	24,796	(17,255)	11,840	19,645	–#	(56,906)
Acquisition of shares under Share Award Scheme (note (ii))	–	–	(98,778)	–	–	–	–
Shares granted under Share Award Scheme (note (ii))	282	–	373	–	–	–	–
Issuance of shares under Share Option Scheme (notes (i) & 25(a))	90,988	(13,574)	–	–	–	–	–
Dividend paid (note 14)	–	–	–	–	–	–	(63,810)
Profit and total comprehensive income for the year	–	–	–	–	–	–	135,131
Balance as at 31 March 2022 and 1 April 2022	**354,734**	**11,222**	**(115,660)**	**11,840**	**19,645**	**–#**	**14,415**
Share based payment	**–**	**15,506**	**–**	**–**	**–**	**–**	**–**
Acquisition of shares under Share Award Scheme (note (ii))	**–**	**–**	**(38,354)**	**–**	**–**	**–**	**–**
Shares granted under Share Award Scheme (note (ii))	**189**	**–**	**983**	**–**	**–**	**–**	**–**
Issue of shares upon bonus issue (note 25(b))	**(238)**	**–**	**–**	**–**	**–**	**–**	**–**
Dividend paid (note 14)	**–**	**–**	**–**	**–**	**–**	**–**	**(19,271)**
Loss and total comprehensive expense for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(42,339)**
Balance as at 31 March 2023	**354,685**	**26,728**	**(153,031)**	**11,840**	**19,645**	**–#**	**(47,195)**

Less than HK$1,000

* Other reserve comprises the Company's reserve of HK$259,867,000 (2022: HK$281,781,000)

Notes:

(i) During the year ended 31 March 2022, 33,500,000 shares were issued at subscription price from HK$1.00 to HK$2.50 to respective option holders (note 11) to the exercise of their options under the Share Option Scheme of the Company.

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

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Management regularly manages the financial risks of the Group. Because of the simplicity of the financial structure and the current operations of the Group, no hedging activities are undertaken by management.

39.1 Categories of financial assets and financial liabilities

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and financial liabilities.

	2023 **HK$'000**	2022 HK$'000
Financial assets		
Financial assets at amortised cost:		
– Trade and other receivables, deposits	**144,832**	225,817
– Loan and interest receivables	**183,248**	166,633
– Bank balances – trust	**244,179**	130,942
– Cash and cash equivalents	**83,314**	154,053
	655,573	677,445
Financial assets at FVTPL:		
– Listed equity securities – Hong Kong	**24,125**	314
– Unlisted equity investment – outside Hong Kong	**107,125**	110,705
– Unlisted investment fund	**2,436**	89,432
	133,686	200,451
	789,259	877,896

	2023 **HK$'000**	2022 HK$'000
Financial liabilities		
Financial liabilities at amortised cost:		
– Trade and other payables	**261,089**	152,321
– Promissory notes	**14,856**	25,000
– Bank borrowing	**50,000**	80,000
– Bonds payable	**105,000**	93,000
– Lease liabilities	**4,530**	10,013
	435,475	360,334

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

39.2 Foreign currency risk

Transactions in foreign currencies and the Group's risk management policies

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities, primarily with respect to the US$, RMB, SG$ and Euro. Any changes in the exchange rates of US$, RMB, Euro and SG$ to HK$ will impact the Group's operating results.

As US$ is pegged to HK$, foreign exchange exposure on US$ denominated transactions, assets or liabilities is considered as minimal. The volume of RMB, Euro and SG$ denominated transactions and amounts of RMB, Euro and SG$ denominated assets and liabilities are low, the respective foreign exchange risks are considered as insignificant as at 31 March 2022 and 2023. The Group currently does not undertake any foreign currency hedging as at 31 March 2022 and 2023.

39.3 Interest rate risk

The Group is exposed to the cash flow interest rate risk in relation to variable interest bearing assets. The Group's interest-bearing assets and liabilities are mainly margin receivables, loans and interest receivables, bank deposits, promissory notes, bank borrowing, bonds payable and leases liabilities.

Bank deposits, loans and interest receivables, promissory notes, bonds payable, bank borrowing and lease liabilities

Bank deposits and bank borrowing issued at variable rates expose the Group to cash flow interest-rate risk. Loans and interest receivables, promissory notes, bonds payable and lease liabilities issued at fixed rates expose the Group to fair value interest-rate risk. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, management will consider hedging significant interest rate exposure should the need arise.

As at 31 March 2023, if interest rates on assets and liabilities had been increased/decreased by 100 (2022: 100) basis point with all variables held constant, the Group's post-tax loss for the year would have been HK$418,000 increased/decreased (2022: post-tax profit decreased/increased HK$668,000).

Margin receivables

The Group's interest rate risk arising from trade receivables from margin clients is mainly relating to the fluctuation of Hong Kong prime rate (the "**prime rate**"). The Group's exposure to variable interest rates on trade receivables from margin clients are detailed below.

	2023 **HK$'000**	2022 HK$'000
Assets:		
– Trade receivables from margin clients	**102,938**	151,114

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

39.3 Interest rate risk *(Continued)*

Margin receivables *(Continued)*

The sensitivity analysis below have been determined based on the exposure to variable interest rates at the end of the reporting period. The analysis is prepared assuming the amounts outstanding at the end of the reporting period were outstanding for the whole year. A 100 (2022: 100) basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

As at 31 March 2023, if the interest rate of trade receivable from margin clients had been 100 (2022: 100) basis point higher/lower, the Group's loss for the year would decrease/increase by approximately HK$1,029,000 (2022: Group's profit for the year increase/decreaseHK$1,511,000).

39.4 Credit risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from financial assets including bank balance-trust, cash and cash equivalents held at banks, trade and other receivables, and loan and interest receivables.

The Group's maximum exposure to credit risk on recognised financial assets is limited to the carrying amount at the reporting date as summarised in note 39.1.

The exposures to credit risk are monitored by the management such that any outstanding debtors are reviewed and followed up on an ongoing basis. The Group's policy is to deal only with creditworthy counterparties. The management closely monitors all outstanding debts and reviews the collectability of the receivables periodically.

Bank balance – trust and cash and cash equivalents held at banks

In respect of bank balance-trust and cash deposited at banks, the credit risk is considered to be low as the counterparties are reputable banks. The existing counterparties do not have defaults in the past. Therefore, ECL rate of cash at bank is assessed to be insignificant and no provision was made as of 31 March 2022 and 2023.

Trade receivables (excluding margin receivables)

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9, which permits the use of the lifetime ECL provision for trade receivables (excluding margin receivables). To measure the ECL, trade receivables (excluding margin receivables) have been grouped based on shared credit risk characteristics and the days past due.

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

39.4 Credit risk *(Continued)*

Trade receivables (excluding margin receivables) *(Continued)*

The Group has performed historical analysis and identified the key economic variables that may potentially impact the credit risk and ECL of its receivables on a forward-looking basis. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified payment pattern, creditworthiness, the past collection history of each customer, the probability of insolvency or significant financial difficulties of the counterparty and default or significant delay in payments to be most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

As at 31 March 2023, in respect of trade receivables (excluding margin receivables), the Group is exposed to concentration of credit risk to the extent that HK$21,948,000 (2022: HK$49,095,000) of trade receivables (excluding margin receivables) is attributable to the top 5 customers. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group requires customers to use letters of credit to settle their balances and also enters into credit insurance policy for certain trade receivables with a bank to mitigate the credit risk with a coverage of nil (2022: HK$451,000) out of the total trade receivables balance.

Included in the trade receivables (excluding margin receivables) is the trade receivable from investment management service client amounting to approximately HK$5,310,000 (2022: HK$13,683,000) which constitute the majority of the balance and is the largest outstanding balance from a single customer as at 31 March 2023.

Trade receivables with significant outstanding balances from certain customers with aggregate gross carrying amount of HK$1,371,000 (2022: nil) as at 31 March 2023 are assessed individually. The exposure to credit risk for these balances are assessed with an ECL allowance of HK$1,371,000 (2022: nil) was provided by the Group as at 31 March 2023. The remaining trade receivables with gross carrying amount of HK$31,743,000 (2022: HK$61,377,000) are assessed based on debtors' aging as well as forward-looking estimates at the end of each reporting date.

On that basis, management has assessed that the ECL allowance as at 31 March 2023 and 31 March 2022 for trade receivables (excluding margin receivables). During the year ended 31 March 2023, ECL allowance of HK$1,068,000 (2022: HK$270,000) was recognised.

Trade receivables (excluding margin receivables) are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 180 days past due. ECL on trade receivables (excluding margin receivables) are presented as net ECL within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

39.4 Credit risk *(Continued)*

Margin receivables

For the margin receivables, there is no significant increase in credit risk since initial recognition as the risk of default is low because significant amounts are secured by pledged listed securities and counterparties have no historical default record. The directors expect that the general economic conditions will not be significantly changed for the 12 months after the reporting period. No loss allowance was made against the gross amount of the margin receivables. As at 31 March 2023, the carrying amounts of margin receivables amounted to approximately HK$102,938,000 (2022: HK$151,114,000) and no ECL (2022: nil) is recognised. All balances are categorised in Stage 1 12-month ECL with no movement from/to other stages during the year (2022: same). As at 31 March 2022 and 2023, margin receivables were secured by the customers' securities and cash collateral with undiscounted market value of approximately HK$599,236,000 (2022: HK$711,723,000).

Loan and interest receivables

The Group measures loss allowance under HKFRS 9 ECL model. The measure of ECL is a function of the probability of default ("**PD**"), loss given default ("**LGD**") (i.e., the magnitude of the loss if there is a default) and the exposure at default ("**EAD**"). The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, 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 effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial assets unless the financial assets is credit impaired, in which case interest income is calculated based on amortised cost of the financial assets.

The key inputs used for measuring ECL are PD, LGD, and EAD.

These figures are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect probability-weighted forward-looking information.

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

39.4 Credit risk *(Continued)*

Loan and interest receivables *(Continued)*

Elements of the ECL model that are considered accounting judgements and estimates include:

- The Group's estimation of PD to individual group;
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment;
- Development of ECL model, including the various formulas and the choice of inputs over determination of the period over which the entity is exposed to credit risk based on the behavioural life of the credit exposures, LGD and collateral recovery of the credit exposures;
- Determination of associations between macroeconomic scenarios and, economic inputs, such as delinquency ratios and collateral values, and the effect on PD, EAD and LGD; and
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The Group categorises the credit quality of its loan and interest receivables according to 3 different stages under the ECL model:

- Stage 1: financial assets without significant increase in credit risk since initial recognition where ECL allowance is calculated based on 12-month ECL
- Stage 2: financial assets without significant increase in credit risk since initial recognition where ECL allowance is calculated based on lifetime ECL
- Stage 3: credit impaired assets where ECL allowance is calculated based on lifetime ECL

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.

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

39.4 Credit risk *(Continued)*

Loan and interest receivables *(Continued)*

Significant increase in credit risk *(Continued)*

The Group monitors all financial assets that are subject to impairment requirements to assess 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 ECL allowance based on lifetime rather than 12-month ECL.

The Group collects performance and default information about its credit risk exposures and analyses all data collected using statistical model and estimates the remaining lifetime PD of exposures and how these are expected to change over time. The factors taken into account in this process include macro-economic data. The Group generates a 'base case' scenario of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. The Group then uses these forecasts, which are probability-weighted, to adjust its estimates of PDs.

The Group uses different criteria to determine whether credit risk has increased significantly and the Group presumes that the credit risk on a financial asset 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.

The Group has monitoring procedures in place to make sure that the criteria used to identify significant increases in credit are effective, meaning that significant increase in credit risk is identified before the exposure is defaulted or when the asset becomes 30 days past due. The Group performs periodic back-testing of its ratings to consider whether the drivers of credit risk that led to default were accurately reflected in the rating in a timely manner.

The Group has controls and procedures in place to identify when the credit risk of an asset improves and the definition of significant increase in credit risk is no longer met. When this is the case the asset may move back to Stage 1 from Stage 2, subject to payments being up to date and the ability of the borrower to make future payments on time.

Default and credit-impaired

The Group considers that default has occurred when the instrument 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. In particular, the following qualitative indicators are taken into account in determining the risk of default occurring:

- probable bankruptcy entered by the borrowers; and
- death of the debtor.

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

39.4 Credit risk *(Continued)*

Loan and interest receivables *(Continued)*

Incorporation of forward-looking information

The Group uses forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of ECL.

The Group uses internal and external information to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies.

The Group uses multiple scenarios to model the nonlinear impact of assumptions about macroeconomic factors on ECL. The Group applies probabilities to the forecast scenarios identified.

In applying the forward-looking information and probabilities to the forecast scenario identified for assessing the ECL as at 31 March 2022 and 2023, the Group has taken into account the possible impacts associated with the COVID-19 and the overall change in economic environment.

The credit quality classification of loan receivables and their respective interest receivables using the Group's ECL model is set out in the table below:

	Stage 1 12-month ECL 31 March 2023 HK$'000	Stage 1 12-month ECL 31 March 2022 HK$'000
Loan receivables	**174,054**	161,409
ECL allowance	**(2,136)**	(1,619)
Net loan receivables	**171,918**	159,790
Interest receivables	**11,474**	6,912
ECL allowance	**(144)**	(69)
Net interest receivables	**11,330**	6,843
Total net loan and interest receivables	**183,248**	166,633

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

39.4 Credit risk *(Continued)*

Loan and interest receivables *(Continued)*

Incorporation of forward-looking information *(Continued)*

The movement in the ECL allowance of loan receivables and their respective interest receivables is as follows:

	2023	2022
	HK$'000	HK$'000
As at 1 April	**1,688**	1,938
Reversal of ECL allowance	**(1,688)**	(1,635)
ECL allowance recognised	**2,280**	1,385
As at 31 March	**2,280**	1,688

Sensitivity analysis

The ECL allowance is sensitive to the inputs used in internally developed models, macroeconomic variables in the forward-looking forecasts, economic scenario weighting and other factors considered when applying expert judgement. Changes in these inputs, assumptions and judgements impact the assessment of significant increase in credit risk and the measurement of ECL allowance.

The following table shows the impact on ECL allowance on loan and interest receivables as at 31 March 2022 and 2023 by changing individual input.

Change in input on ECL model	**Impact on ECL allowance on loan and interest receivables**
– Assuming a further 10% weighting added to the probability of the optimistic scenario and a corresponding 10% weighting reduction in the base scenario	– Decrease by HK$228,000 (2022: HK$169,000)
– Assuming a further 10% weighting added to the probability of the pessimistic scenario and a corresponding 10% weighting reduction in the base scenario	– Increase by HK$228,000 (2022: HK$169,000)

Concentration on credit risk

As at 31 March 2023, the Group had a concentration risk as 11.8% (2022: 18.3%) and 43.7% (2022: 59.0%) of total loans to customers (net of allowance) were made up by the Company's largest loan customer's and the five largest loans customers' outstanding balances respectively.

Other financial assets at amortised cost

Other financial assets at amortised cost include other receivables and deposits and amount due from an associate, an investee company and related parties. In order to minimise the credit risk, the management makes periodic collective and individual assessment on their recoverability based on historical settlement records, past experience and available forward-looking information. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In these regards, the credit risk of other receivables and deposits, amounts due from related parties are considered to be low.

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

39.4 Credit risk *(Continued)*

Loan and interest receivables *(Continued)*

Other financial assets at amortised cost *(Continued)*

Besides, the management is of opinion that there is no significant increase in credit risk on these other receivables and deposits, amount due from an associate, an investee company and related parties since initial recognition as the risk of default is low after considering the factors as set out in note 2.9 and, thus, no ECL recognised for these other receivables and deposits, amount due from an associate, an investee company and related parties as at 31 March 2022 and 2023.

39.5 Price risk

The Group is exposed to equity price risk mainly arising from investments held by the Group that are classified in the consolidated statement of financial position as financial assets at FVTPL (note 20).

To manage its price risk arising from investment in equity securities, the Group closely monitors the financial performance of each investee company.

The Group's Level 1 equity investments are publicly traded in the Stock Exchange.

As at 31 March 2023, if the equity securities prices increase/decrease by 5% with all other variables held constant, the Group's loss before taxation will be HK$1,206,000 higher/lower (2022: profit before tax will be HK$16,000 higher/lower) as a result of gains/losses on equity securities classified as financial assets at FVTPL.

39.6 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade and other payables, promissory notes, bank borrowing, bonds payable and lease liabilities and also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets and committed funding to meet its liquidity requirements in its short and longer-term. The directors of the Company are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due in the foreseeable future.

The Group is exposed to liquidity risk in respect of settlement of recognised financial liabilities as summarised in note 39.1, and also in respect of its cash flow management. The Group's policy is to maintain an appropriate level of liquid assets to meet its liquidity requirements in the short and longer term.

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

39.6 Liquidity risk *(Continued)*

The maturity analysis of the Group's financial liabilities is as follows:

	Less than 1 year or repayable on demand HK$'000	1–2 years HK$'000	3–5 years HK$'000	More than 5 years HK$'000	Total undiscounted cash flow HK$'000	Carrying amount HK$'000
As at 31 March 2023						
Trade and other payables	**261,089**	**–**	**–**	**–**	**261,089**	**261,089**
Promissory notes	**15,116**	**–**	**–**	**–**	**15,116**	**14,856**
Bank borrowing	**52,115**	**–**	**–**	**–**	**52,115**	**50,000**
Bonds payable	**69,833**	**2,950**	**42,166**	**5,477**	**120,426**	**105,000**
Lease liabilities	**4,190**	**390**	**–**	**–**	**4,580**	**4,530**
	402,343	**3,340**	**42,166**	**5,477**	**453,326**	**435,475**
As at 31 March 2022						
Trade and other payables	152,321	–	–	–	152,321	152,321
Promissory notes	25,845	–	–	–	25,845	25,000
Bank borrowing	80,992	–	–	–	80,992	80,000
Bonds payable	19,393	49,098	37,903	6,189	112,583	93,000
Lease liabilities	6,609	3,601	–	–	10,210	10,013
	285,160	52,699	37,903	6,189	381,951	360,334

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

39.7 Fair value hierarchy

The table below analyses the Group's financial instruments carried at fair value for the years ended 31 March 2022 and 2023 by level of inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and not using significant unobservable inputs (Level 2).

- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 HK$'000	**Level 2** HK$'000	**Level 3** HK$'000
As at 31 March 2023			
Financial assets at FVTPL			
– Listed equity securities	**24,125**	**–**	**–**
– Unlisted equity investment	**–**	**–**	**107,125**
– Unlisted investment fund	**–**	**2,436**	**–**
As at 31 March 2022			
Financial assets at FVTPL			
– Listed equity securities	314	–	–
– Unlisted equity investment	–	–	110,705
– Unlisted investment fund	–	89,432	–

There were no transfers among levels 1, 2 and 3 during the years ended 31 March 2022 and 2023.

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

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

Level 1 fair value measurements

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

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

Level 2 fair value measurements

As at 31 March 2022 and 2023, the Group's financial assets at FVTPL under level 2 fair value measurements is unlisted investment fund of HK$2,436,000 (2022: HK$89,432,000). Fair value is determined based on the net asset values of the investment funds reported to the limited partners by the general partners at the end of the reporting period.

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

39.7 Fair value hierarchy *(Continued)*

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

Level 3 fair value measurements

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

– Market value of property under development: this is valued as at 31 March 2022 and 2023 by independent and professional qualified valuer based on residual method as follow:

Valuation technique of property under development included in the unlisted equity investment	Significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Residual method (2022: Residual method)	Market price of finished lot, ranging from US$2,100,000 (2022: US$1,440,000) per lot to US$2,395,000 (2022: US$2,725,000) per lot, and adjusted taking into account of time and locations to the underlying assets of the invested company	The higher/lower the market price, the higher/lower the fair value

The reconciliation of the carrying amount of the Group's financial instruments classified within Level 3 fair value measurement is as follows:

Financial assets at FVTPL	**Level 3** HK$'000
As at 1 April 2021	71,204
Fair value gain	39,501
As at 31 March 2022 and 1 April 2022	**110,705**
Fair value loss	**(3,580)**
As at 31 March 2023	**107,125**

There has been no transfer into or out of Level 3 during the years ended 31 March 2023 and 2022.

40. CAPITAL MANAGEMENT

The Group's capital management objectives are to safeguard the Group's ability to continue as a going concern in order to provide adequate returns for shareholders and benefits for other stakeholders, to maintain an optimal capital structure to reduce the cost of capital and to support the Group's stability and growth.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between a higher shareholder's return that might be possible with higher levels of borrowings and the advantages of a higher capital position, and makes adjustments to the capital structure in light of changes in economic conditions. No changes in the objectives, policies or processes for managing capital were made during the reporting period.

For capital management purpose, the directors of the Company regard the total equity presented on the consolidated statement of financial position as capital.

The Group is not subject to any externally imposed capital requirements except for (i) subsidiaries engaged in securities broking services, placing and underwriting services, investment advisory services and asset management services which are regulated entities under the SFC and subject to the respective minimum capital requirements; and (ii) a subsidiary engaged in insurance brokerage services is subject to the Insurance (Financial and Other Requirements for Licensed Insurance Broker Companies) Rules ("**Insurance Rules**") and is required to maintain minimum net asset. The subsidiaries monitor the liquid capital on a daily basis to ensure fulfilment of the minimum and notification level of the liquid capital requirements under the SFO and the minimum net assets under the Insurance Rules.

During the years ended 31 March 2022 and 2023, the subsidiaries, which is subject to minimum capital requirements imposed by the respective regulatory authorities, complied with all minimum capital requirements.

41. COMPARATIVE FIGURES

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

FINANCIAL HIGHLIGHTS

A summary of the results and of the assets, equity and liabilities of the Group for the last five financial years is as follows.

	Year ended 31 March				
RESULTS	**2023**	2022	2021	2020	2019
	HK$000	HK$000	HK$000	HK$000	HK$000
Revenue	**191,116**	309,065	426,551	226,391	186,519
(Loss)/Profit before income tax expense	**(43,759)**	120,536	217,792	(51,861)	18,987
Income tax (expense)/credit	**(5,418)**	(10,761)	(16,994)	452	(305)
(Loss)/Profit for the year	**(49,177)**	109,775	200,798	(51,409)	18,682

	As at 31 March				
ASSETS AND LIABILITIES	**2023**	2022	2021	2020	2019
	HK$000	HK$000	HK$000	HK$000	HK$000
Current assets	**657,928**	679,742	403,375	181,375	119,914
Non-current assets	**236,758**	235,038	224,566	29,739	60,542
Total assets	**894,686**	914,780	627,941	211,114	180,456
Current liabilities	**417,548**	304,809	116,313	45,562	9,384
Non-current liabilities	**41,390**	83,810	11,071	538	250
Total liabilities	**458,938**	388,619	127,384	46,100	9,634
Net assets	**435,748**	526,161	500,557	165,014	170,822
EQUITY					
Equity attributable to owners of the Group	**435,748**	526,161	500,557	165,014	170,822

Note: The summary above does not form part of the audited consolidated financial statements.