德林控股
DL HOLDINGS

DL HOLDINGS GROUP LIMITED
德林控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1709

2024/2025
Annual Report

CONTENTS

CORPORATE INFORMATION

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COMPANY'S WEBSITE
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EXECUTIVE DIRECTORS
Mr. Chen Ningdi *(Chairman and Chief executive officer)*
Mr. Lang Joseph Shie Jay
Mr. Ai Kuiyu
Ms. He Zhiying

NON-EXECUTIVE DIRECTORS
Mr. Chan Kwan
Mr. Chan Kwun Wah Derek
Mr. Wang Yiding

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. Li Xiaoxiao

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)
Mr. Li Xiaoxiao

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS
Conyers Trust Company (Cayman) Limited
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P.O. Box 2681
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STOCK CODE
1709

CHAIRMAN'S STATEMENT

Dear Shareholders,

Over the past year, uncertainties such as global trade frictions and geopolitical conflicts continued, resulting in a mixed landscape of recovery and volatility in Hong Kong's capital market. Amid this complex environment, DL Holdings Group Limited (the "**Company**" or "**DL**", together with its subsidiaries, the "**Group**") has leveraged its clear strategic focus and strong execution capabilities to accurately grasp market opportunities, achieving a notable upswing in performance against the trend. During the year ended 31 March 2025 (the "**Reporting Period**"), the Group recorded revenue of approximately HK$189.7 million and a significant increase in net profit to approximately HK$137.1 million, representing a year-on-year growth of net profit of approximately 37.2%. This achievement stands as a testament to DL's deep commitment to customer value and its ongoing pursuit of innovation and breakthroughs.

The Group achieved diversified expansion and delivered fruitful results during the Reporting Period. On one hand, the Group's U.S. real estate project, One Carmel, made significant progress; on the other hand, the Group proactively advanced its layout in blockchain and digital asset businesses. Progress in these key areas has effectively enhanced the Group's overall strength and growth potential, opening broader avenues for long-term value creation for shareholders.

I. CORE STRATEGY: DEVELOPING A THREE-COMMUNITY ECOSYSTEMS WITH SHARED VALUE

The Group firmly believes that the core of financial services lies in connection and empowerment. Based on this belief, the Group has continuously developed and advanced three differentiated client-centric community systems, creating a strong synergistic effect across the ecosystem:

1. DL Family Office: A boutique community with deep belonging

Since pioneering its family office business in 2011, the Group has cultivated this field for 15 years with dedication and precision. The core of its service is not merely the pursuit of high returns, but the creation of a boutique community with deep belonging – a trusted sanctuary for its clients. Together with 60 elite family clients, the Group has weathered challenges, grown side by side, and shared the richness of life, forging emotional bonds and strong mutual trust that go far beyond traditional financial management. Currently, DL Family Office manages assets totalling US$2.5 billion, and our clients' long-term loyalty stands as the highest recognition of our "boutique community" philosophy.

2. DLS: A closely connected, interactive community

To better meet the financial needs of family office and high-net-worth clients, the Group expanded into the securities business (through its subsidiary, DL Securities (HK) Limited ("**DLS**"). DLS focuses on providing professional services in corporate financing and trade execution, and has gradually extended its expertise to serve professional investors whose asset scale has not met the threshold of family office. After 15 years of steady development, DLS has successfully served over 1,000 clients and manages nearly US$1 billion in assets. We believe the key to success lies in building an interactive community with close client connections, earning trust and long-term support through efficient and professional engagement.

3. Neuralfin Technology: An inclusive and shared AI financial community

In 2022, the Group keenly embraced the wave of Artificial Intelligence ("**AI**") technology, aiming to extend its professional capabilities to serve a broader population through AI – truly realizing the vision of "benefiting all people and fostering shared prosperity." With this aspiration, the Group collaborated with strategies partners and leveraged AI to build a larger inclusive financial community: Neuralfin Technology. This marks the most significant upgrade following DL Family Office and DLS.

In the Neuralfin Technology community, licensed financial professionals can create their own virtual avatars to share their expertise with a broader audience and generate income through smart contracts. Here, Neuralfin Technology's professional advisors leverage top-tier family office insights to craft highly customized wealth management solutions for clients. Here, clients can also create their own digital personas, and avatars will continuously learn, enhance practical skills, and support clients' growth. Here, through AI technology, clients benefit from significantly lower investment thresholds.

II. EMBRACING THE DIGITAL FUTURE

Continuous breakthroughs and innovation are deeply embedded in DL's DNA. With keen insight into the transformative power of frontier technologies such as AI and blockchain in the financial sector, DL conducted research and published "Digital Hong Kong Dollar: Building Hong Kong New Finance with Web3.0 (《數碼港元：Web3.0 構建香港新金融》)" in 2023, analysing Hong Kong's advantages from technical, policy, and practical perspectives and planning in advance. In 2022, DL launched its AI-powered digital avatar technology. In 2023, projects such as DL Financial GPT and DL Digital Brain started testing successively. In 2024, DL successfully rolled out its AI-driven fund supermarket platform. In February 2025, DL officially established Neuralfin Technology (NeuralFin). This series of strategic initiatives have not only reflected DL's deep accumulation in Web3.0, but have also laid a solid foundation for its expansion into the blockchain and digital currency sectors.

Based on the profound insight into the future value of digital assets, DL is comprehensively deploying the blockchain ecosystem and building a multi-level digital financial service network. The Group is actively considering collaboration with strategies partners who intend to apply for a stablecoin license and is committed to providing comprehensive digital payment solutions for cross-border transactions. At the same time, DL is developing a virtual asset trading and management platform, and plans to obtain relevant licenses from the Securities and Futures Commission to ensure the compliance and steady development of its business. In order to accelerate the implementation of services, DL has reached in-depth cooperation with ViaBTC Holdings Limited ("**ViaBTC**"), the world's third largest Bitcoin mining pool operator. Since its establishment in 2016, ViaBTC has accumulated rich experience in blockchain technology. The joint venture between the two parties will give full play to the synergy of "AI+blockchain" to achieve complementary advantages between traditional finance and digital assets.

Looking ahead, as global institutions become more accepting of digital currencies and decentralized finance (DeFi), RWA (Real World Asset) is rapidly becoming a key component of corporate and institutional financing and stablecoin financial management strategies. We have a deep insight into the inevitable trend of RWA reshaping the financial landscape and put forward the innovative concept of "digital investment banking". The core connotation of "digital investment banking" lies in using technologies such as blockchain and artificial intelligence to innovate the traditional investment banking business model, focusing on the issuance, trading and management of digital assets and opening up new channels for investors to connect traditional assets with the digital world to create new value. To this end, we entered into a memorandum of understanding for strategic cooperation with Asseto Fintech Limited ("**Asseto**") to jointly explore and develop solutions for the tokenisation of real-world assets (RWA) in the Asian market, and to promote compliant digital asset products and services, including stablecoin scenarios and decentralised finance (DeFi) integrations. Through Asseto's mature blockchain infrastructure and DL Holdings' professional advantages in asset management, securities trading and family office services, this strategic cooperation will enable DL Holdings to swiftly enter the high growth digital asset and RWA sectors, offering DL Holdings' clients a broader range of financial product options. It will also allow DL Holdings to extend its existing services to crypto-native investor clients, generate diversified revenue streams, expand market reach, and enhance shareholder returns.

From Neuralfin Technology's AI financial assistant to ViaBTC and Asseto's blockchain infrastructure, we are building a seamless, next-generation financial services network. In the future, whether it is traditional stocks, funds, Bitcoin, or stablecoins, users will be able to achieve efficient management in the same intelligent ecosystem. Users no longer need to shuttle between different platforms, and face high investment thresholds and cumbersome investment processes. From market analysis to investment decisions, from risk control to wealth management, our goal is to build a truly seamless financial ecosystem for our clients. Here, AI is not a cold algorithm, but an intelligent partner that understands clients; professional services are not a high-ranking privilege, but an everyday experience that is within reach. Neuralfin Technology hopes that everyone with a dream can stand on the shoulders of giants and walk towards their own path to financial freedom.

As the Group celebrates its fifteenth anniversary, we are full of confidence in the future. The three major community ecosystems have built a solid foundation, and the "Digital Investment Bank" has clearly depicted DL's blueprint for a technology-driven future. DL has reached new heights in its fifteen-year journey, with Neuralfin igniting a new era of intelligent finance. We remain steadfast in embracing the digital future, continuously driving innovation and placing our clients at the core of everything we do to create long-term, exceptional value for shareholders as we navigate the powerful wave of the digital economy together.

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

Hong Kong, 25 June 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year ended 31 March 2025 (the "**Reporting Period**"), despite the uncertainties cast on the global economic prospect, the Group continued to focus on the development of its financial services of licensed business, including, financial advisory services; securities research services; securities trading and brokerage services; margin financing services; referral services; investment management and advisory services and insurance brokerage services to customers (the "**Financial Services Businesses**"), and has expanded its family office services business.

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

Provision of financial services of licensed business

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

The financial advisory services provided by the Group include advising clients on corporate finance. During the Reporting Period, the Group provided financial advisory services to its clients from different industry sectors, including communications, industrial, consumer, technology and financial sectors, including, but not limited to companies listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

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

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

The margin financing business includes provision of stock-secured financing for retail, corporate and high-net-worth clients who need financing to purchase securities. As at 31 March 2025, the loan receivables from margin financing services amounted to approximately HK$55.9 million (31 March 2024: HK$82.2 million).

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

The investment management services include managing the investment portfolio and asset allocation of offshore funds. In the year 2021, the Group acquired a licensed entity in the Cayman Islands and a licensed entity in Singapore and commenced the provision of investment management services in the Cayman Islands and Singapore. The investment advisory services include providing securities advisory services to clients. During the Reporting Period, the service fees charged by the Group for managing the assets under investment management and financial advisory services amounted to approximately HK$69 million (FY2024: HK$123.4 million).

The insurance brokerage service includes sourcing insurance policies for clients and advocating on clients' behalf to liaise with insurance companies. In 2022, the Group acquired DL Emerald Wealth Management Limited, a licensed insurance intermediary, and commenced the provision of insurance brokerage services to high-net-worth individuals. During the Reporting Period, the services fee charged by the Group for provision of insurance brokerage services amounted to approximately HK$28 million (FY2024: HK$14.3 million).

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

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

Provision of family office services business

The family office services include provision of family office services, investment advisory, assets management services and referral services provided to ultra-high net worth families. During FY2024, the Group acquired the remaining 55% interest in DL Family Office HK and commenced the provision of family office services business.

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

Provision of money lending services

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

During the Reporting Period, the segment revenue for provision of money lending services was approximately HK$12.7 million (FY2024: HK$14.1 million) and segment profit was approximately HK$12.1 million (FY2024: segment loss of HK$0.3 million). The increase in segment profit was mainly attributable to the reversal of the provision for expected credit loss ("**ECL**") allowance on loan and interest receivables of approximately HK$4.6 million during the Reporting Period (FY2024: provision for ECL allowance of HK$6.1 million).

As at 31 March 2025, the Group granted loans to 33 (31 March 2024: 26) customers, which are mainly individual customers in seek of funding for investment and general working capital purpose. As at 31 March 2025, the Group had a customer concentration risk as 5.8% (31 March 2024: 12%) and 27.9% (31 March 2024: 41.6%) of total loans to customers (net of allowance) were made up by the Company's largest loan customer's and the five largest loans customers' outstanding balances respectively. As at 31 March 2025, all loan and interest receivables based on the maturity date, are within one year.

As at 31 March 2025, loan receivables of the Group bore interest from 8.0% – 15.0% (31 March 2024: 8.0% – 15.0%) per annum and repayable in fixed terms agreed with customers. As at 31 March 2025, interest receivables bore interest from 8.0% – 20.0% (31 March 2024: 8.0% – 36.0%) per annum for default interest and repayable in fixed terms agreed with customers.

MANAGEMENT DISCUSSION AND ANALYSIS

As required under Hong Kong Financial Reporting Standard 9 Financial Instruments, the Group performed impairment assessment under ECL model on loan and interest receivables as at 31 March 2025. Key inputs used for measuring the ECL are the probability of default, the magnitude of the loss if there is default and the exposure of the Group at default.

During the Reporting Period, reversal of provision of HK$4.6 million (FY2024: provision of HK$6.1 million) was recognized in respect of the ECL for the loan and provision of interests receivables. The reversal of the provision for ECL was mainly due to the decrease in ECL. For the Reporting Period, the reversal of the provisions for ECL on loan and interest receivables of HK$4.6 million (FY2024: provision of HK$6.1 million) were recognized in the Company's consolidated statement of profit or loss and other comprehensive income.

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

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

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

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

As at 31 March 2025, the total outstanding loan receivables was approximately HK$148.7 million (31 March 2024: HK$129.6 million) which was granted to 33 (31 March 2024: 26) borrowers, of which approximately 68.5% (31 March 2024: 61.5%) of the borrowers are individuals and 31.5% (31 March 2024: 38.5%) of the borrowers are corporate borrowers from various sectors including, but not limited to, media, investment, finance, consulting, etc. Loan receivables from the five largest borrowers amounted to approximately HK$41.5 million (31 March 2024: HK$54.3 million) or 27.9% (31 March 2024: 41.9%) of the total outstanding loan receivables as at 31 March 2025. The weighted maturity profile is approximately 5.2 months (31 March 2024: 3.78 months). As at 31 March 2025, the loan receivables bore interest from 8.0% to 15.0% (31 March 2024: 8.0% to 15.0%) per annum and repayable in fixed terms agreed between the parties. The secured loans, representing approximately 4% (31 March 2024: 5.8%) of the total outstanding loan receivables, were secured by interests in a limited partnership fund and senior note issued by a listed company in Hong Kong.

AGEING ANALYSIS OF THE OUTSTANDING LOANS

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

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

	As at 31 March 2025 HK$'000	As at 31 March 2024 HK$'000
Within 1 month	**9,000**	–
1 to 6 months	**43,200**	5,500
7 to 9 months	**65,881**	–
10 to 12 months	**30,590**	124,059
Total	**148,671**	129,559

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

	As at 31 March 2025 HK$'000	As at 31 March 2024 HK$'000
Not due yet	**148,671**	128,359
Overdue	**–**	1,200
Total	**148,671**	129,559

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

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

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

During the Reporting Period, the segment revenue for the Apparel Business increased to approximately HK$5.1 million (FY2024: HK$4.8 million), representing an increase of 6.3%. Segment loss for the Reporting Period decreased to approximately HK$1.8 million (FY2024: HK$5.4 million). The Apparel Business continued to suffer from challenges in the global business environment, fierce competition, and international trade conflicts.

Provision of enterprise solutions services

The enterprise solutions services include provision of global identity planning and wealth inheritance consultancy services, and other business consultancy services provided to high net worth clients. During the Reporting Period, the enterprise solutions services business contributed segment revenue of approximately HK$9.2 million (FY2024: HK$16.3 million) and segment loss of approximately HK$18.3 million (FY2024: segment gain of HK$33.9 million). The decrease in the segment revenue and the change from segment profit to segment loss was attributable to the decrease in the demand for global identity planning and wealth inheritance consultancy services, and other business consultancy services provided to high-net-worth clients and the net fair value losses on financial assets at FVTPL of approximately HK$4.0 million (FY2024: net fair value gains of HK$22.5 million).

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

Future outlook

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

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

On the other hand, in respect of the Financial Services Businesses, the Group continued to focus on the development in the business segment and it was a major contributing factor to the revenue recorded by the Group. The Group aims to be a prominent asset management and financial services platform, with a core focus on family office in the Asia-Pacific region. Our developing strategy for the coming fiscal year is as below:

1. Based on the wealth management platform operated by DL Family Office HK, DL Emerald Wealth Management Limited and DL Advisory Services Limited, we will continue to provide personalized wealth management and succession services throughout the entire life cycle for ultra-high net worth families.

2. DL Securities (HK) Limited ("**DLS**") will continue to serve our increasing key corporate clients and expand its investor base for capital market activities.

3. DL Digital Family Office (HK) Limited ("**DLDFO**") and DLS have developed a standardized investment scheme (Flagship Strategy) for all investors under DL Securities trading platform, where we are able to offer standard global asset allocation and management services to high net worth families, professional investors ("**PI**"), financial institutions, private enterprises, and external wealth management platforms. With such effort, the FO investment and services will not be limited to ultra-high net worth families, but can be extended to other range of investors under a more standardized and scalable DL Flagship program. DLDFO will also develop other asset management products and offer them to our increasing investor pool.

4. The business of DL Global Capital ("**DLGC**") includes, but not limited to ONE Carmel, ONE Plus Property Management, and private equity and credit funds. DLGC provides clients with private investment opportunities through debt and equity instruments.

   ONE Carmel is a luxury real estate project of 891 acres with 73 world-class houses and global community services located in the breathtaking Carmel Valley, California. After years of hard work, the first phase of the project is expected to be completed in 2026.

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

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

6. DL New Economy Research Institute (the "**Institute**") is established to promote the institutionalization, programming, systematization, and professionalism of internal research, providing recommendations and valuable reference for the overall investment direction of the Group. Internally, the Institute will provide reports, consultation and services based on the needs of research from different departments. Externally, the Institute will launch extensive inter-industry cooperation to expand the influence of the think-tank and provide services such as macroeconomic trends and specialized industry analysis for the family office customers of the Group.

   The Group will provide research results of the wealth management industry both internally and externally in the form of a think-tank to provide advice and suggestions for the government and the development of the industry. The Institute will fully leverage on the market and information advantages of Hong Kong as an international financial center as well as the business platform of the Group, actively put into practice the Group's philosophy of "Delivering Legacy", employ competent think-tanks and talent teams, and strengthen the application and promotion of the brand name of "DL Research", to solidly promote and enhance the Group's research capability and customer service level.

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

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

8. During FY2024, the Group acquired the remaining 55% interest in DL Family Office HK, a licensed entity to carry out type 4 and type 9 regulated activities by the Securities and Futures Commission, to further expand its investment management services in Hong Kong. The Group will continue to expand the family office business in the future.

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group reported revenue of approximately HK$189.7 million (FY2024: HK$202.4 million), representing a decrease of 6.3%. The decrease in revenue was mainly attributable to the decrease in revenue from provision of financial services of licensed business (including interest income from provision of margin financing services) and enterprise solutions services, and partially offset by the increase in revenue from family office services business.

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

During the Reporting Period, the segment revenue of the Financial Services Business decreased to approximately HK$109.3 million (FY2024: HK$151.0 million). The decrease was mainly attributable to the decrease in management and performance fees from the provision of financial advisory services and investment management services.

During the Reporting Period, the segment revenue of the family office services business increased to approximately HK$53.3 million (FY2024: HK$16.2 million), representing a significant increase of approximately 229.0%. The segment revenue was mainly contributed by DL Family Office HK. The significant increase was mainly due to the increase in services fees income from the provision of family office services and the segment revenue in FY2024 represented the revenue contributed by DL Family Office HK after the completion of the acquisition of the remaining 55% interest in DL Family Office HK in November 2023.

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

During the Reporting Period, the segment revenue for the Apparel Business increased to approximately HK$5.1 million (FY2024: HK$4.8 million), representing an increase of 6.3%. Segment loss for the Reporting Period decreased to approximately HK$1.8 million (FY2024: HK$5.4 million). The Apparel Business continued to suffer from challenges in the global business environment, fierce competition, and international trade conflicts.

During the Reporting Period, the segment revenue of enterprise solutions services decreased to approximately HK$9.2 million (FY2024: HK$16.3 million) and was attributable to the decrease in service fees generated from consultancy services provided by the Group.

Cost of sales/services

The Group's cost of sales/services primarily consists of cost of services from the Financial Services Businesses and family office services business and cost of goods sold from the Apparel Business. The cost of services from the Financial Services Businesses mainly consist of sub-referral fee to business vendors and expenses for placement projects, the cost of services from the family office services business mainly consist of referral fee to business vendors and various service costs and the costs of goods sold from the Apparel Business mainly consists of (i) fees charged by third-party manufacturers; and (ii) cost of raw materials occasionally purchased by the Group and passed to third-party manufacturers for their production of salesman samples. During the Reporting Period, the cost of sales/services decreased to HK$50.7 million (FY2024: HK$71.9 million), representing a decrease of 29.5% due to the decrease in cost of sales/services incurred for the Financial Services Businesses and family office services business and Apparel Business.

Gross profit and gross profit margins

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

Other gains, net

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

Selling expenses

Selling expenses are mainly incurred by the Apparel Business and mainly consist of sales commission paid to external sales representatives and staff costs of in-house staff whose roles are mainly focusing on sourcing new customers. During the Reporting Period, selling expenses increased to HK$1.4 million (FY2024: HK$1.3 million).

General and administrative expenses

General and administrative expenses primarily consist of employee benefit expenses, entertainment and travelling expenses, depreciation of property, plant and equipment, legal and professional fees and other miscellaneous general and administrative expenses. During the Reporting Period, general and administrative expenses increased to approximately HK$175.6 million (FY2024: HK$111.1 million), representing an increase of approximately 58.1%. Such increase was mainly due to the increase in staff cost, amortisation of intangible assets, depreciation of right-of-use assets and consultancy fee expenses incurred during the Reporting Period.

Finance costs

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

As at 31 March 2025, the Group had (i) bank borrowing of approximately HK$50.0 million (31 March 2024: HK$51.0 million) with a floating interest rate of 2.3% per annum over the Hong Kong Interbank Offered Rate; (ii) bonds payable of approximately HK$84.0 million (31 March 2024: HK$84.0 million) with fixed coupon rates ranging from 5% to 10% per annum; and (iii) promissory note payables of approximately HK$32.8 million (31 March 2024: HK$171.6 million) with interest rate of 0% to 8% per annum.

Total comprehensive income attributable to owners of the Company

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

LIQUIDITY AND FINANCIAL RESOURCES

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

As at 31 March 2025, the Group had unlisted coupon bonds in issue to independent third-party subscribers with an aggregate principal amount of HK$84.0 million (31 March 2024: HK$84.0 million). The unlisted bonds are denominated in Hong Kong Dollars and unsecured and not guaranteed. The coupon rate and maturity date of the unlisted coupon bonds issued by the Group as at 31 March 2025 are set out as follows:

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

As at 31 March 2024 and 2025, the cash and cash equivalents of the Group were mainly held in United States dollars, Renminbi, Singapore dollars, Euro dollars, Japanese yen and Hong Kong dollars.

Details of changes in the Company's share capital are set out in note 28 to the consolidated financial statements in this annual report.

Gearing ratio is calculated by dividing total debts (including bank and other borrowing, bonds payable, promissory notes payables and lease liabilities) by total equity as at the end of the reporting period. The Group's gearing ratio decreased from approximately 58.9% as at 31 March 2024 to approximately 33.9% as at 31 March 2025.

TREASURY POLICIES

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

COMMITMENTS

The Group's contractual commitments primarily related to the leases of its office premises and capital injection to a limited partnership fund. As at 31 March 2025, the Group has nil lease commitments for short-term lease (31 March 2024: nil) and nil capital commitments (31 March 2024: HK$9.3 million).

CAPITAL STRUCTURE

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

SIGNIFICANT INVESTMENTS

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

The Target Company is principally engaged in the investment, construction and development of an ultra-luxury real estate project. The construction of the real estate project has been kicked off in the early 2023. Offsite cut and fill grading and road widening is under process. A sales centre was established and launched in May 2023. The investment of the Group in the Target Company is stated at fair value and is recorded as financial assets at fair value through profit or loss. As at 31 March 2025, the fair value of the investment in the Target Company amounted to approximately HK$139.6 million, which represents approximately 10.8% of the total assets of the Group as at 31 March 2025. No dividend was received from this investment by the Group during the Reporting Period. During the Reporting Period, there was a fair value gain of approximately HK$24.4 million arising from this investment.

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

Save as disclosed above, as at 31 March 2025, the Group had no significant investments accounting for more than 5% of the Group's total assets.

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

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

DLJP Subscription

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Prior to completion of the DLJP Subscription, DLJP was directly wholly owned by Mr. Chen, the chairman of the Board, an executive Director, the chief executive officer of the Company and a controlling shareholder of the Company. Mr. Chen is therefore a connected person of the Company and DLJP is an associate of Mr. Chen. As such, DLJP is regarded as a connected person of the Company for the purpose of Chapter 14A of the Listing Rules, and DLJP Subscription as contemplated under the subscription agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

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

Share transfer in DL Digital Family Office

On 31 March 2025, the board of directors of DL Digital Family Office (Cayman) Limited ("**DL Digital Family Office**") has resolved to enter into a trust deed and adopt a share scheme to recognise the past and present contributions and to incentivise the future contributions by senior management and core employees of its group. In connection with the adoption of such share scheme and as initial contribution, the Company has transferred 25% of its issued share capital of DL Digital Family Office to the trustee as initial contribution by shares for such share scheme (the "**ESOP Contribution**"). As the trustee is wholly owned by a director of DL Digital Family Office (HK) Limited, an indirect wholly owned subsidiary of the Company, according to the Listing Rules, the ESOP Platform is a connected person of the Company at the subsidiary level. Accordingly, the ESOP Share Contribution constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

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

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

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

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

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

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments or capital assets as at 31 March 2025. In the event that the Group is engaged in any plan for material investments or capital assets, the Company will make announcement(s) and comply with relevant rules under the Listing Rules as and when appropriate.

CONTINGENT LIABILITIES

The Group did not have material contingent liabilities as at 31 March 2024 and 2025.

FOREIGN EXCHANGE EXPOSURE

The Group's exposure to currency risk is primarily related to Renminbi, United States dollars, Singapore dollars and Euro dollars. As at 31 March 2024 and 2025, foreign exchange risk on financial assets and liabilities denominated in the above-mentioned foreign currencies was insignificant to the Group. The Group currently does not undertake any foreign currency hedging and does not use any financial instrument for hedging purposes.

CHARGE ON GROUP ASSETS

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

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

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2024 and 2025, the Group employed a total of 85 and 104 full-time employees, respectively. The Group's employee benefit expenses mainly include salaries, wages, other staff benefits and contributions to retirement schemes. For the years ended 31 March 2024 and 2025, the Group's total employee benefit expenses (including Directors' emoluments) amounted to approximately HK$54.7 million and HK$71.2 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

PLACING OF NEW SHARES AND USE OF PROCEEDS

On 21 March 2024 (after trading hours), the Company (as issuer) entered into a placing agreement with DL Securities (HK) Limited and Soochow Securities International Brokerage Limited (an independent third party) (collectively, referred to as the "**Placing Agents**"), pursuant to which, the Placing Agents conditionally agreed to place as the Company's placing agents on a best effort basis the placing Shares of up to an aggregate of 100,000,000 new Shares to not less than six Placees at the placing price of HK$3.50 per placing Share. On 9 April 2024, the Company has successfully placed a total of 64,370,000 placing Shares under the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 11 September 2023. The net proceeds (after deducting the placing commission, professional fees and all other related expenses which may be borne by the Company) from the placing were approximately HK$223.7 million. In order to better utilise the financial resources of the Company and to capture favourable investment opportunities, the Board has reviewed and resolved on 17 July 2024 to reallocate part of the unutilised net proceeds of approximately HK$5 million from the placing for the DLJP subscription. For further details, please refer to the announcements of the Company dated 21 March 2024, 9 April 2024 and 17 July 2024.

As at 31 March 2025, the net proceeds had been fully applied according to the intentions previously disclosed as follows:

		Original allocation of the net proceeds HK$'million	Utilised amount of the net proceeds as at 17 July 2024 HK$'million	Unutilised net proceeds as at 17 July 2024 HK$'million	Revised allocation of the unutilised net proceeds as at 17 July 2024 HK$'million	Utilised net proceeds during the period from 17 July 2024 to 31 March 2025 HK$'million	Unutilised net proceeds as at 31 March 2025 HK$'million	Expected date of full utilisation of the unutilised net proceeds
(i)	Repayment of debt	130.00	130.00	–	–	–	–	N/A
(ii)	Indirect investment in DL Tower	35.00	35.00	–	–	–	–	N/A
(iii)	Investment in funds including but not limited to multi-strategy funds and limited partnership funds in Hong Kong	15.00	15.00	–	–	–	–	N/A
(iv)	Investment in our ONE Carmel premier residential project located in United States	15.00	15.00	–	–	–	–	N/A
(v)	Investment, research and development of our AI family office system (DL-GPT)	10.00	5.00	5.00	–	–	–	N/A
(vi)	Investment in IT facilities and upgrading the IT system	5.00	3.32	1.68	1.68	1.68	–	N/A
(vii)	Replenishing the working capital of the Group	13.70	13.70	–	–	–	–	N/A
(viii)	Investment in Japan through the DLJP subscription	–	–	–	5.0	5.0	–	N/A
		223.70	217.02	6.68	6.68	6.68	–	

DIGITAL FINANCE BUSINESS

Business model and overview

The Group is in a preliminary stage in developing the digital finance business and is actively deploying resources in blockchain, stablecoins, and real-world assets ("RWA") the financial infrastructure of the Web3.0 era. As a fintech enterprise rooted in the Asia-Pacific and oriented toward global capital markets, the Company is promoting the construction of next-generation financial infrastructure through compliant, secure, and forward-looking strategies, aiming to lead the digital capital markets and RWA tokenisation, and to build a unique DL-branded digital finance ecosystem. The main development routes planned are as follows:

Phase 1: Establish a Licensed Virtual Asset Over-The-Counter Trading ("VA OTC") and Prime Brokerage Business

The Group will leverage Hong Kong's increasingly clear virtual asset regulatory framework to actively develop legal and compliant virtual asset trading services for institutional and ultra-high-net-worth (UHNW) clients. It aims to build stable and high-volume trading and settlement infrastructure, which will become a core revenue engine for the Group's future digital finance business.

Phase 2: Build an RWA Tokenisation and Asset Management Platform

The Group plans to utilise its existing client base and technology platforms, especially its ultra-high-net-worth communities and professional investor network, to bring RWAs and other physical assets onto the blockchain, thereby enhancing liquidity and optimising asset management efficiency.

Phase 3: Construct a Compliant Cross-Border Digital Asset Fund Ecosystem

The Group is designing an "International-Hong Kong" hybrid model, combining the regulatory advantages of open markets with demand from global investors, and supported by top-tier quantitative trading teams and fund-of-funds (FoF) resources, to gradually expand its assets under management (AUM) and lead the development of the globalised digital capital market.

Investment policy and objectives

(a) The Group will target that investments are directed toward high-growth areas such as virtual assets and blockchain related projects.

(b) The Group will aim at portfolio diversification across cryptocurrencies and blockchain projects.

(c) The Group will plan to achieve sustainable growth by aligning with global regulatory standards.

(d) The Group will enhance interoperability with traditional financial systems.

(e) The Group will facilitate partnerships with regulated financial institutions.

Risk management and control measures

(a) The Group will perform regular third-party security audits on the transactions related to digital finance business.

(b) The Group will set up a compliance team to monitor the transactions related to digital finance business.

(c) The Group will reserve funds to ensure solvency for the digital finance business.

(d) The Group will closely monitor policy and regulatory developments from the Securities and Futures Commission and the Hong Kong Monetary Authority, including but not limited to security token offerings (STOs) and RWA issuance.

Approval and Oversight Mechanism

(a) The Group will form Digital Finance Business Oversight Committee (comprising senior management, legal, and compliance heads) to oversee and review all major initiatives.

(b) Board-level approval is required for the significant transactions for digital finance business.

(c) The Group will perform KYC/AML procedures for the transactions for digital finance business.

Management expertise

The Company acknowledges its limited direct operational experience in digital finance business, it possesses a strong foundation in traditional financial services which strategically positions it to participate in this emerging field.

To address its experience gap and ensure robust execution, the Company intends to form strategic collaborations or partnerships with leading industry players whom with relevant expertise and experience to engage in and facilitate the development of the digital finance business. The collaborations or partnerships will give the Company access to deep technical, compliance, and strategic insight to effectively design and implement the digital finance business.

SUBSEQUENT EVENTS

Since 31 March 2025 and up to the date of this annual report, save as disclosed in this annual report, there is no significant event affecting the Group that has occurred.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Chen Ningdi (陳寧迪), aged 46, 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 2025 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 38, 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 2025 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 42, 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 formerly 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 2025 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 41, 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 Holdings**") 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 Holdings, 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.

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 Ms. He's interest in the Shares as at 31 March 2025 which fall to be disclosed to the Company under Divisions 7 and 8 of Part XV of the SFO.

NON-EXECUTIVE DIRECTORS

Mr. Chan Kwan (陳昆), aged 37, 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 has been 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.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

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 2025 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 54, 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. From May 2023 to August 2024, he was a non-executive director of Plateau Treasures Limited (Stock Code: 8402), the issued shares of which are listed on GEM of the Stock Exchange.

Mr. Wang Yiding (王軼丁) ("**Mr. Wang**"), aged 42, was appointed as a non-executive Director with effect from 21 November 2023. Mr. Wang has over 17 years of experience in the finance industry across public and private markets. He was representative at Goldman Sachs (Asia) L.L.C. from April 2010 to March 2012. He served at CSOP Asset Management Limited, a company licensed by the Securities and Futures Commission for Type 1 (dealing with securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO, from April 2012 to August 2016, with his last position being a deputy chief marketing officer. He served as a managing director at CMB International Asset Management Limited from June 2017 to January 2022. He is currently a partner at Tiger Jade Capital, a private equity fund focused on global healthcare industry and the senior corporate strategy advisor at Suzhou Tiantongweishi Electronic Technology Co., Ltd., a China-based startup that specializes in developing vision systems for autonomous vehicles. Mr. Wang obtained a bachelor's degree in economics from Tsinghua University in July 2006.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chang Eric Jackson (張世澤) ("**Mr. Chang**"), aged 45, 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), the issued shares of which are listed on the Main Board of the Stock Exchange, and Yik Wo International Holdings Limited (Stock Code: 8659), the issued shares of which are listed on GEM of the Stock Exchange, since December 2017 and June 2022 respectively. Mr. Chang was an independent non-executive director of Datang Group Holdings Limited (Stock Code: 2117), the issued shares of which are listed on the Main Board of the Stock Exchange, from December 2022 to September 2024.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Chen Cheng-Lien (陳政璉) (also known as Chen Cheng-Lang and Chen Stanley), aged 46, 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 57, 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 Limited, 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 2025 which would fall to be disclosed to the Company under Divisions 7 and 8 of Part XV of the SFO.

Mr. Li Xiaoxiao (李曉霄) ("**Mr. Li**"), aged 36, was appointed as an independent non-executive Director with effect from 21 November 2023. Mr. Li obtained his bachelor's degree in accounting from the University of Southern California in August 2010. Mr. Li is a certified public accountant in the State of New York. Mr. Li has years of experience in the financial services industry. He served at China Cinda (HK) Holdings Company Limited from July 2016 to November 2020 with his last position being an executive director. He served as a managing director at a private equity fund licensed by the Securities and Futures Commission for Type 1 (dealing with securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO, from November 2020 to November 2023. He is the founding partner of Pilot Capital Holdings Limited since October 2023.

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. Li's interest in the Shares as at 31 March 2025 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 PRACTICES

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

Provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the year ended 31 March 2025, Mr. Chen 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-calibre 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 2025.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. Having made specific enquiry of all Directors by the Company, all Directors confirmed that they have complied with the required standard of dealings and the Company's code of conduct concerning securities transactions by the Directors for the year ended 31 March 2025.

BOARD OF DIRECTORS

For the year ended 31 March 2025, the Board consisted of:

Executive Directors	Mr. Chen Ningdi *(Chairman and Chief Executive Officer)* Mr. Lang Joseph Shie Jay Mr. Ai Kuiyu Ms. He Zhiying
Non-executive Directors	Mr. Chan Kwan Mr. Chan Kwun Wah Derek Mr. Wang Yiding
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. Li Xiaoxiao

An updated list of the Directors and their roles and functions is published on the websites of the Stock Exchange and of the Company.

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.

The Directors confirmed that there is no relationship (including financial, business, family or other material/relevant relationship) among the Directors. All of them are free to exercise their independent judgements.

For the year ended 31 March 2025, a total of 11 Board meetings and three general meetings 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	11/11	1/3
Mr. Lang Joseph Shie Jay	11/11	3/3
Mr. Ai Kuiyu	11/11	3/3
Ms. He Zhiying	11/11	3/3
Mr. Chan Kwan	8/11	1/3
Mr. Chan Kwun Wah Derek	6/11	2/3
Mr. Wang Yiding	5/11	1/3
Mr. Chang Eric Jackson	11/11	3/3
Mr. Chen Cheng-Lien (also known as Chen Cheng-Lang and Chen Stanley)	9/11	0/3
Mr. Liu Chun	9/11	1/3
Mr. Li Xiaoxiao	7/11	2/3

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 2025, 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 2025, 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 2025, 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-calibre 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.

CORPORATE GOVERNANCE REPORT

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 2025, all Directors, namely Mr. Chen Ningdi, Mr. Lang Joseph Shie Jay, Mr. Ai Kuiyu, Ms. He Zhiying, Mr. Chan Kwan, Mr. Chan Kwun Wah Derek, Mr. Wang Yiding, Mr. Chang Eric Jackson, Mr. Chen Cheng-Lien (also known as Chen Cheng-Lang and Chen Stanley), Mr. Liu Chun and Mr. Li Xiaoxiao 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 annual 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) and Mr. Liu Chun, all being independent non-executive Directors. No member of the Audit Committee is a member of the former or existing independent auditor of the Company. The Audit Committee has reviewed this annual report, including the audited consolidated results of the Group for the year ended 31 March 2025.

According to the current terms of reference, the Audit Committee shall meet at least two times for a financial year. Five meetings were held by the Audit Committee for the year ended 31 March 2025 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, raised questions on the unaudited interim results and the audited annual results of the Group and reviewed and recommended the appointment of auditor of the Company. 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)*	5/5
Mr. Chen Cheng-Lien (also known as Chen Cheng-Lang and Chen Stanley)	4/5
Mr. Liu Chun	5/5

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 2025, 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 2025 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 has been adopted.

For the year ended 31 March 2025, it consisted of members, namely Mr. Chang Eric Jackson (chairman of the Remuneration Committee), Mr. Chen Cheng-Lien (also known as Chen Cheng-Lang and Chen Stanley) and Mr. Li Xiaoxiao, 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.

One meeting was held by the Remuneration Committee for the year ended 31 March 2025. In the meeting, 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 2025, 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 2025, 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)*	1/1
Mr. Chen Ningdi	1/1
Mr. Chen Cheng-Lien (also known as Chen Cheng-Lang and Chen Stanley)	0/1
Mr. Li Xiaoxiao	1/1

Details of emoluments of the Directors of the Group for the year ended 31 March 2025 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 2025, it consisted of members, namely Mr. Chen Ningdi (chairman of the Nomination Committee), being an executive Director; Mr. Chang Eric Jackson, Mr. Chen Cheng-Lien (also known as Chen Cheng-Lang and Chen Stanley) and Mr. Li Xiaoxiao, 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.

One meeting was held by the Nomination Committee for the year ended 31 March 2025. In the meeting, 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)*	1/1
Mr. Chang Eric Jackson	1/1
Mr. Chen Cheng-Lien (also known as Chen Cheng-Lang and Chen Stanley)	0/1
Mr. Li Xiaoxiao	1/1

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 2025, 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 2025, the Group had 102 full-time employees and two part-time employees (including senior management) with an overall gender ratio between male and female at approximately 58.7% and 41.3%, 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 2025, 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 2025, 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 2025.

AUDITOR'S REMUNERATION

For the year ended 31 March 2025, the fees paid/payable to the Company's auditor is set out as follows:

Services rendered	**Fee paid/payable** (HK$'000)
Audit services	1,150
Non-audit services	250
	1,400

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 2025, 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, on a one vote per share basis, 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 or resolution 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) himself (themselves) may convene a meeting, 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.

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 in writing if the Proposal requires approval in an annual general meeting;

2. notice of not less than 14 clear 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 2025, and considered that the Shareholders' Communication Policy remained effective and was properly implemented given the multiple channels of communication in place.

CONSTITUTIONAL DOCUMENTS

For the year ended 31 March 2025, 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**") 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 2025.

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 to customers; (ii) provision of family office services, investment advisory, assets management services and referral services for ultra-high net worth families; (iii) provision of money lending services to customers; (iv) sales of apparel products with the provision of supply chain management total solutions to customers; and (v) provision of enterprise solutions services. The major activities of its principal subsidiaries are set out in note 35 to the consolidated financial statements of the Group.

RESULTS AND APPROPRIATIONS

The Group's results for the year ended 31 March 2025 are set out in the Group's consolidated statement of profit or loss and other comprehensive income on page 61 of this annual report.

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2025 (FY2024: HK$1.98 cents per Share, amounting to approximately HK$30,063,000 in total).

BUSINESS REVIEW

A discussion and analysis of the Group's performance during the year ended 31 March 2025, 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.

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 170 of this annual report.

SHARE CAPITAL

Details of the movements in the Company's share capital during the year ended 31 March 2025 are set out in note 28 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

During the Year, following the termination of the 2020 Share Award Scheme, on 15 October 2024, 66,100,488 ungranted Shares that were originally held by the trustee under the 2020 Share Award Scheme were repurchased by the Company and held as treasury shares.

Particulars of the repurchases during the Year are as follows:

Month of repurchases	Number of ordinary shares of HK$0.01 each	Price per share		Aggregate consideration paid
		Highest	Lowest	
		HK$	HK$	HK$
October 2024	66,100,488	0	0	0

The Directors believe that repurchases are in the best interests of the Company and the Shareholders as a whole and that such repurchases would provide more flexibility for the Company in managing its share capital.

Save as disclosed above, the Company and its subsidiaries did not purchase, sell or redeem any of its Shares listed on the Stock Exchange (including sale of treasury shares) for the year ended 31 March 2025.

EQUITY LINKED AGREEMENT

Save as disclosed in the sections headed "Report of the Directors – 2015 Share Option Scheme" and "Management Discussion and Analysis – Placing of New Shares and Use of Proceeds" in this annual report, no equity linked agreement was entered into by the Group, or subsisted, during the year ended 31 March 2025.

RESERVES

Details of the movements in the reserves of the Company and the Group during the year ended 31 March 2025 are set out in note 43 to the consolidated financial statements of the Group and in the consolidated statement of changes in equity on pages 63 to 64 of this annual report respectively.

DISTRIBUTABLE RESERVES

For the year ended 31 March 2025, 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$517.1 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 2025, the Group's largest and five largest customers represented approximately 9.9% and 30.8% of the Group's total revenue respectively, and the Group's largest and five largest suppliers represented approximately 27.7% and 50.1% 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 2025.

REPORT OF THE DIRECTORS

DIRECTORS

During the year ended 31 March 2025 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

Non-executive Directors

Mr. Chan Kwan
Mr. Chan Kwun Wah Derek
Mr. Wang Yiding

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. Li Xiaoxiao

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, Ms. He Zhiying, Mr. Chan Kwun Wah Derek and Mr. Chang Eric Jackson 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 2025 and is subject to retirement by rotation and other related provisions as stipulated in the Articles. Mr. Wang Yiding, being a non-executive Director, entered into a letter of appointment with the Company for an initial term of three years commencing from 21 November 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 a term of one year commencing from 25 May 2025 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 2025 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 2025 and is subject to retirement by rotation and other related provisions as stipulated in the Articles. Mr. Li Xiaoxiao, being an independent non-executive Director, entered into a letter of appointment with the Company for an initial term of three years commencing from 21 November 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 2025.

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.

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 2025 are set out below:

Remuneration bands	Number of persons
HK$0 to HK$1,000,000	7
HK$1,000,001 to HK$1,500,000	2
HK$1,500,001 to HK$2,000,000	2

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 2025, 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 2025, 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)
Mr. Chen Ningdi ("**Mr. Chen**")	Interest of controlled corporation	613,624,785 (Note 2)	39.61%
	Interest of spouse	231,920,865 (Note 3)	14.97%
	Beneficial owner	18,147,499 (Note 2)	1.17%
Mr. Chan Kwan	Beneficial owner	21,175,100 (Note 4)	1.37%
Mr. Ai Kuiyu ("**Mr. Ai**")	Beneficial owner	6,245,596 (Note 5)	0.40%
	Interest of spouse	570,349 (Note 5)	0.04%
Mr. Lang Joseph Shie Jay ("**Mr. Lang**")	Beneficial owner	4,590,000 (Note 6)	0.30%
	Interest of spouse	1,455,948 (Note 6)	0.09%
Ms. He Zhiying ("**Ms. He**")	Beneficial owner	3,625,971 (Note 7)	0.23%
		2,550,000 (Note 7)	0.16%
Mr. Li Xiaoxiao ("**Mr. Li**")	Beneficial owner	170,000 (Note 8)	0.01%
Mr. Liu Chun ("**Mr. Liu**")	Beneficial owner	2,800,000 (Note 9)	0.18%

Notes:

1. Based on the total number of issued Shares (including 66,100,488 treasury shares) as at 31 March 2025.

2. DA Wolf Investments I Limited ("**DA Wolf**") directly owned 547,524,297 Shares, representing approximately 35.34% of all issued Shares as at 31 March 2025. In addition, as DA Wolf owned and controlled more than one-third of the voting power at general meetings of the Company, DA Wolf was considered to be interested in the 66,100,488 treasury shares of the Company. Mr. Chen being the sole shareholder of DA Wolf was deemed to be interested in the total of 613,624,785 Shares held by DA Wolf. Mr. Chen also held 18,147,499 Shares as beneficial owner.

3. Rapid Raise Investments Limited ("**Rapid Raise**"), a company wholly owned by DL Family Office Global Limited ("**DL Global**") as at 31 March 2025, 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 231,723,465 Shares, representing approximately 14.96% of all issued Shares as at 31 March 2025. Accordingly, Ms. Jiang was deemed to be interested in the 231,723,465 Shares held by Rapid Raise. Ms. Jiang also held 197,400 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 21,175,100 Shares represented the Shares beneficially owned by Mr. Chan Kwan.

5. These 6,245,596 Shares represented the Shares beneficially owned by Mr. Ai. These 570,349 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 4,590,000 Shares represented share options granted to Mr. Lang pursuant to the 2015 Share Option Scheme. These 1,445,948 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 2,550,000 Shares represented share options granted to Ms. He pursuant to the 2015 Share Option Scheme. These 3,625,971 Shares represented the Shares beneficially owned by Ms. He.

8. These 170,000 Shares represented the Shares beneficially owned by Mr. Li.

9. These 2,800,000 Shares represented the Shares beneficially owned by Mr. Liu.

Save as disclosed above, as at 31 March 2025, 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 2025, 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)
Ms. Jiang	Interest of spouse	631,772,284 (Note 2)	40.78%
	Interest of controlled corporation	231,723,465 (Note 3)	14.96%
	Beneficial owner	197,400 (Note 3)	0.01%
DA Wolf	Beneficial owner	613,624,785 (Note 2)	39.61%
DL Global	Interest of controlled corporation	231,723,465 (Note 3)	14.96%
Rapid Raise	Beneficial owner	231,723,465 (Note 3)	14.96%
Mr. Li Ren	Beneficial owner	123,291,004 (Note 4)	7.96%

Notes:

1. Based on the total number of issued Shares (including 66,100,488 treasury shares) as at 31 March 2025.

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. By virtue of the SFO, Ms. Jiang, being the spouse of Mr. Chen, was deemed to be interested in all Shares held by Mr. Chen.

3. Please refer to note 3 to the section headed "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 123,291,004 Shares represented the Shares beneficially owned by Mr. Li Ren.

Save as disclosed above, as at 31 March 2025, 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.

2015 SHARE OPTION SCHEME

A share option scheme was adopted and approved by the then Shareholders on 22 September 2015 (the "**2015 Share Option Scheme**"). The purpose of the 2015 Share Option Scheme was to enable the Company to grant options to eligible participants as incentive or reward for their contribution to the Group to subscribe for the Shares thereby linking their interest with that of the Group. The eligible participants of the 2015 Share Option Scheme included the employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner of the Company or any subsidiary (including any Director of the Company or any subsidiary) who is in full-time or part-time employment with or otherwise engaged by the Company or any subsidiary at the time when an option is granted to such employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner or any person who, in the absolute discretion of the Board, has contributed or may contribute to the Group. On 6 August 2024, the Board passed a resolution to, among other things, amend the terms of the 2015 Share Option Scheme to the effect that the Company may satisfy the grants of the share options under the 2015 Share Option Scheme using treasury shares of the Company at the Board's discretion.

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

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 2015 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.

Unless approved by the Shareholders in the manner set out in the 2015 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 2015 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 2015 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 2015 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 2015 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 2015 Share Option Scheme shall be valid and effective commencing from the adoption date of the 2015 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 2015 Share Option Scheme unless terminated earlier.

Details of movements in the share options under the 2015 Share Option Scheme during the year ended 31 March 2025 are as follows:

Category and name of grantee	Date of grant	Outstanding as at 1 April 2024	Granted during the Year	Exercised during the Year	Cancelled during the Year	Lapsed during the Year	Adjustment during the Year (Note 3)	Outstanding as at 31 March 2025	Exercise price per Share (Note 3)	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	–	–	–	–	90,000	4,590,000	HK$2.65	HK$2.69	N/A	24 March 2024 to 23 March 2026
Ms. He (Note 2)	24 March 2023	2,500,000	–	–	–	–	50,000	2,550,000	HK$2.65	HK$2.69	N/A	24 March 2024 to 23 March 2026
Employee(s) of the Group	24 March 2023	19,600,000	–	(700,000)	–	–	392,000	19,292,000	HK$2.65	HK$2.69	N/A	24 March 2024 to 23 March 2026
Total		26,600,000	–	(700,000)	–	–	532,000	26,432,000				

Notes:

1. Mr. Lang is an executive Director.

2. Ms. He is an executive Director.

3. The adjustment was due to the bonus issue on the basis of one bonus share for 50 existing Shares completed on 10 October 2024.

Save as disclosed above, no share options were granted or exercised or cancelled or lapsed during the year ended 31 March 2025.

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

2020 SHARE AWARD SCHEME

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

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 2020 Share Award Scheme exceeding 10% of the issued share capital of the Company from time to time.

The awarded shares made pursuant to the 2020 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 2020 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 2020 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 2020 Share Award Scheme should be valid and effective for a period of ten years commencing from its adoption on 8 September 2020.

Details of movements in the awarded shares under the 2020 Share Award Scheme during the year ended 31 March 2025 are as follows:

			Number of awarded shares								
Category	**Date of grant**	**Vesting period**	**Unvested awarded shares as at 1 April 2024**	**Granted during the period (Note 2)**	**Vested during the Year**	**Cancelled during the Year**	**Lapsed during the Year**	**Unvested awarded shares as at 31 March 2025**	**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 1)**
Director											
Ms. He (Note 3)	24 April 2024	Nil	–	10,000	(10,000)	–	–	–	–	HK$4.52	HK$4.431
Employee(s) of the Group	29 September 2023	29 September 2023 to 29 September 2024	354,484	–	–	–	(354,484)	–	–	HK$3.50	HK$3.50
	17 April 2024	17 April 2024 to 17 April 2025	–	200,000	–	–	–	200,000	–	HK$4.52	HK$4.147
	24 April 2024	Nil	–	140,000	(140,000)	–	–	–	–	HK$4.23	HK$4.431
Total			354,484	350,000	(150,000)	–	(354,484)	200,000			

Notes:

1. The fair value of the awarded shares was calculated based on the market price of the Shares at the respective grant date. The Group has adopted the accounting standard in accordance with HKFRS 2 – Share-based Payment.

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

3. Ms. He is an executive Director.

During the year ended 31 March 2025, the Company granted 350,000 shares (2024: 354,484 shares) under the 2020 Share Award Scheme. The 2020 Share Award Scheme was terminated with effect from 2 September 2024 to streamline the equity incentive schemes of the Company. For further details, please refer to the announcement of the Company dated 2 September 2024. Following termination of the 2020 Share Award Scheme, on 15 October 2024, 66,100,488 ungranted Shares that were originally held by the trustee under the 2020 Share Award Scheme were repurchased and held as treasury shares.

2025 SHARE INCENTIVE SCHEME

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

The maximum number of Shares which may be issued in respect of all awards to be granted under the 2025 Share Incentive Scheme and other share schemes of the Company will be 148,329,238 Shares, representing 10% of the total number of Shares in issue (excluding treasury shares) as at the adoption date on 19 June 2025. As at the date of this annual report, the total number of Shares available for issue under the 2025 Share Incentive Scheme and other share scheme of the Company is 148,329,238 Shares, representing approximately 10% of the issued share capital of the Company (excluding treasury shares) as at the date of this annual report.

Unless approved by the Shareholders in the manner set out in the 2025 Share Incentive Scheme, no awards may be granted to any one person such that the total number of Shares issued and to be issued upon exercise of awards granted and to be granted to that person in any 12- month period exceeds 1% of any relevant class of the Company's issued share capital (excluding treasury Shares, if any) from time to time.

The Directors may from time to time, in their absolute discretion, determine the vesting period upon which the awards may be vested. Save for the circumstances prescribed under the 2025 Share Incentive Scheme, the vesting period in respect of any award shall be not less than twelve months. The relevant vesting date or vesting period of any award and any other criteria or conditions for vesting shall be set out in the award letter.

The Board may in its absolute discretion determine whether the grantee is required to pay any purchase price for obtaining the shares underlying a share award, and, if so required, the amount of the purchase price, after taking into account the practices of comparable companies and the effectiveness of the 2025 Share Incentive Scheme in attracting talents and motivating the grantee to contribute to the long-term development of the Group. The Board may consider the requirement to pay purchase price for the share award after having regard to the specific circumstances and other terms of the grant to the particular eligible participant such that it will be in the interest of the Company and will serve the purpose of the 2025 Share Incentive Scheme.

For awards which take the form of share options, the Board shall determine the exercise price for such share options, provided that the exercise price shall in any event be no less than the higher of: (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the offer date, which must be a business day; and (ii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the offer date. The exercise period for such share options shall be determined by the Board provided that in any event be not longer than 10 years from the offer date. Unless otherwise specified in the award letter, an offer for awards in form of share options is accepted by an eligible participant when a signed duplicate acceptance letter, indicating the number of Shares accepted, is received by the Company within 21 days from the offer date, along with a non-refundable payment of HK$1.00.

The 2025 Share Incentive Scheme shall be valid and effective for a period of 10 years commencing on the adoption date on 19 June 2025 unless terminated earlier.

For further details, please refer to the announcements of the Company dated 31 March 2025 and 19 June 2025 and the circular of the Company dated 2 June 2025.

2025 RESTRICTED SHARE AWARD SCHEME

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

The eligible participants of the 2025 Restricted Share Award Scheme include any employee 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 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 aggregate number of awarded shares awarded by the Board under the 2025 Restricted Share Award Scheme (excluding any awards which have lapsed or been cancelled in accordance with the Scheme) to be exceeding 10% of the issued share capital of the Company (excluding treasury shares) as of the adoption date, being up to a total of 148,329,238 Shares. As at the date of this annual report, pursuant to rules of the 2025 Restricted Share Award Scheme, the total number of Shares available for grant under the 2025 Restricted Award Scheme is 148,329,238 Shares, representing approximately 10% of the issued share capital of the Company (excluding treasury shares) as at the date of this annual report.

The maximum number of shares which may be awarded to a selected participant under the 2025 Restricted Share Award Scheme in any 12-month period shall not in aggregate exceed 1% of the issued share capital of the Company (excluding any treasury shares) from time to time.

The 2025 Restricted Share Award Scheme does not specify a minimum vesting period. The Directors may from time to time, in their absolute discretion, determine the vesting period upon which the awards may be vested. The relevant vesting date or vesting period of any award and any other criteria or conditions for vesting shall be set out in the grant notice.

The Board may in its absolute discretion determine whether the selected participant is required to pay any purchase price for obtaining the shares underlying an award, and, if so required, the amount of the purchase price, after taking into account the practices of comparable companies and the effectiveness of the 2025 Restricted Share Award Scheme in attracting talents and motivating the selected participant to contribute to the long-term development of the Group. The Board may consider the requirement to pay purchase price for the share award after having regard to the specific circumstances and other terms of the grant to the particular selected participant such that it will be in the interest of the Company and will serve the purpose of the 2025 Restricted Share Award Scheme.

Subject to any early termination as may be determined by the Board, the 2025 Restricted Share Award Scheme shall be valid and effective for a term of ten years commencing on the adoption date on 2 June 2025.

For further details, please refer to the announcement of the Company dated 2 June 2025.

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 note 39 to the consolidated financial statements of the Group and the section headed "Report of the Directors – Connected Transactions/Continuing 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 2025.

CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDER

Save as disclosed in note 39 to the consolidated financial statements of the Group and the section headed "Report of the Directors – Connected Transactions/Continuing 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 2025.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

For the year ended 31 March 2025 and up to the date of this annual report, none of the Directors or any of their respective close associates, engaged in any business that competes or is likely to compete, either directly or indirectly, with the business of the Group, or had any other conflict of interest with the Group.

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 2025 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 2025 are set out in note 39 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 2025. 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 2025 other than those connected transactions which are fully exempted under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS/CONTINUING CONNECTED TRANSACTIONS

Connected Transactions

Provision of DL Guarantee

On 29 November 2024, in connection with the completion of the DLJP Subscription, the Company (as guarantor) entered into a letter of guarantee with ORIX Finance Services Hong Kong Limited ("**ORIX**") (as lender) in relation to the provision of guarantee for the amount of JPY82,687,500 (equivalent to approximately HK$4,134,375) provided by the Company in favour of ORIX (the "**DL Guarantee**"), as one of the securities to ORIX in consideration of ORIX to continue to grant a loan facility to Mr. Chen (as borrower).

Mr. Chen is the chairman of the Board, an executive Director, the chief executive officer of the Company and a controlling shareholder of the Company. Mr. Chen is therefore a connected person of the Company. As such, the provision of the DL Guarantee as requested by the Lender under the Supplemental Facility Letter constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

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

Debt Investment in Carmel Reserve LLC

On 9 May 2024, the Company (as lender) and Carmel Reserve LLC (as borrower) entered into a loan agreement ("**Carmel Loan Agreement**"), pursuant to which the Company agreed to provide an unsecured loan to Carmel Reserve LLC in the principal amount of US$2,000,000 (equivalent to approximately HK$15,600,000) at an interest rate of 12% per annum, with maturity falling on the expiry of one year from the date on which the loan is drawn.

Being an investor interested in approximately 26.65% Class B Membership Interest in Carmel Reserve LLC, the provision of the loan represents an additional debt investment in the first real estate investment of the Group, i.e. "ONE Carmel" ultra-luxury residential project. Having considered that the Group has been expanding its investment portfolio, the Board is of the view that as a passive financial investor in Carmel Reserve LLC, the loan could facilitate Carmel Reserve LLC in meeting its financial needs relating to the property development and construction costs, and the Group will be able to enjoy the future potential profit through distribution to be made by Carmel Reserve LLC upon completion of the project.

Given the controlling Class A Membership Interest and Class B Membership Interest in Carmel Reserve LLC held, directly or indirectly, by Mr. Chen, Ms. Jiang and the Company, Carmel Reserve LLC is a connected person of the Company. Therefore, the entering into of the Carmel Loan Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

For further information, please refer to the announcement of the Company dated 9 May 2024.

During the year ended 31 March 2025, the Company and Carmel Reserve LLC, an investee of the Group, entered into several loan agreements, pursuant to which the Company agreed to provide unsecured loans total amounting to US$2,450,000 (equivalents to approximately HK$19,000,000) to Carmel Reserve LLC at an interest rate from 8% to 12% per annum and due from 2 months to one year. There is a repayment of US$100,000 during the year ended 31 March 2025 and with outstanding balance US$2,350,000 (equivalents to approximately HK$18,320,000) as at 31 March 2025.

Please refer to the section headed "Material Acquisitions or Disposals of Subsidiaries, Associates and Joint Ventures" under Management Discussion and Analysis in this annual report for the connected transactions in relation to the DLJP Subscription and ESOP Contribution.

Continuing Connected Transactions

Pursuant to Chapter 14A of the Listing Rules, the following transactions are continuing connected transactions which are subject to the disclosure requirements under Chapter 14A of the Listing Rules.

Supplemental Advisory Agreement

On 29 December 2023, DL Family Office (HK) Limited ("**DL Family Office HK**"), an indirect wholly-owned subsidiary of the Company, entered into an advisory agreement (the "**Advisory Agreement**") with Mr. Chen, pursuant to which, DL Family Office HK was appointed as the advisor of Mr. Chen for the provision of advisory services for a term commencing from 1 January 2024 to 31 December 2026.

Pursuant to the Advisory Agreement, the management fees are charged at 0.5% per annum of the net asset portfolio value. The annual caps under the Advisory Agreement for each of the years ending 31 December 2024, 2025 and 2026 was HK$9.5 million, HK$9.5 million and HK$9.5 million, respectively. For further details, please refer to the announcement of the Company dated 29 December 2023.

On 17 July 2024, in view of the increasing demand from Mr. Chen for the investment advisory and asset management advisory services provided by DL Family Office HK, DL Family Office HK entered into a supplemental advisory agreement (the "**Supplemental Advisory Agreement**") with Mr. Chen to revise the existing annual caps for a term of three years commencing from 1 April 2024 to 31 March 2027. The revised annual caps under the Supplemental Advisory Agreement for each of the years ending 31 March 2025, 2026 and 2027 was HK$25.0 million, HK$25.0 million and HK$25.0 million, respectively. For further details, please refer to the announcement and circular of the Company dated 17 July 2024 and 7 August 2024.

The Directors believe that the entering into of the Supplemental Advisory Agreement will allow the Group to leverage on the extensive investment advisory and asset management experiences of DL Family Office HK to continue provide advisory services to Mr. Chen and is in line with the Company's policy to broaden the revenue base of the Group and provide a stable source of revenue to the Group.

At the material time, DA Wolf directly owned 535,508,134 Shares, representing approximately 35.29% of all issued Shares. Mr. Chen, being the sole shareholder of DA Wolf, was deemed to be interested in the total of 535,508,134 Shares held by DA Wolf. Mr. Chen also held 17,791,666 Shares as beneficial owner.

At the material time, Rapid Raise, of which approximately 36.6% of the issued share capital was held by Ms. Jiang, directly held 226,124,966 Shares, representing approximately 14.89% of all issued Shares as at the date of this annual report. 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.

Accordingly, at the material time, Mr. Chen is deemed to be beneficially interested in 779,928,099 Shares, representing approximately 51.37% of the issued share capital of the Company.

Mr. Chen is an executive Director and a substantial shareholder of the Company as defined under the Listing Rules and therefore is a connected person of the Company. Accordingly, the transactions contemplated under the Supplemental Advisory Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The Supplemental Advisory Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

Confirmation of Independent Non-executive Directors

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the above continuing connected transactions of the Group and confirmed that such transaction has been entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal or better commercial terms; and

(iii) in accordance with the relevant agreements governing them and on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Confirmation from the Company's Auditor

Pursuant to Rule 14A.56 of the Listing Rules, the Company has engaged the auditor of the Company to report on the continuing connected transactions of the Group. The Board has received a letter from the auditor of the Company with respect to the above continuing connected transactions and the letter stated for the year ended 31 March 2025, nothing has come to the auditor's attention that causes them to believe the continuing connected transactions:

(i) have not been approved by the Board;

(ii) for transactions involving the provision of goods or services by the Group, were not, in all material respects, in accordance with the pricing policies of the Group;

(iii) were not entered into, in all material respects, in accordance with the relevant agreement governing such transactions; and

(iv) have exceeded the relevant annual caps as set by the Company.

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 2025 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

Grant Thornton Hong Kong Limited did not offer itself for re-appointment as the auditor of the Company at the annual general meeting of the Company held on 13 September 2024 (the "**2024 AGM**") and retired as the auditor of the Company upon expiration of its term of office at the conclusion of the 2024 AGM. BDO Limited was appointed as the auditor of the Company by ordinary resolution passed at the extraordinary general meeting of the Company on 23 October 2024. Save as disclosed, there has been no change in the auditor of the Company in any of the preceding three years.

The consolidated financial statements for the year ended 31 March 2025 have been audited by BDO Limited who will hold office until the conclusion of the forthcoming AGM.

An ordinary resolution will be proposed at the forthcoming AGM regarding the appointment of auditor of the Company.

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

Hong Kong, 25 June 2025

INDEPENDENT AUDITOR'S REPORT

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TO THE SHAREHOLDERS 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 61 to 169, which comprise the consolidated statement of financial position as at 31 March 2025, 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 material accounting policy information.

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 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the "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 judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS *(Continued)*

Impairment assessment of receivables

As at 31 March 2025, the Group has trade and other receivables of HK$288,629,000 and loan and interest receivables of HK$162,940,000, net of expected credit loss (“**ECL**”) allowance of HK$898,000 and HK$3,741,000 respectively.

ECL allowance for trade receivables, except for margin receivables, are based on management’s estimate of the ECL to be incurred, which is estimated by taking into account the historical credit loss experience, existing market conditions as well as forward-looking information, all of which involve a significant degree of management judgement.

ECL allowance for other receivables is based on management’s estimate of the recoverability of these receivables.

Assessing the ECL of margin 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 ageing 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.

Our response:

- reviewing the Group’s procedures on credit policy given to customers;

- checking the correctness of the ageing 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 methodologies and key assumptions used in the valuations of ECL allowance for trade receivables, margin receivables and 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 with the involvement of our internal valuation team, 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;

- 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;

- 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 MATTERS *(Continued)*

Assessment of control over structured entities

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 response:

- 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 MATTERS *(Continued)*

Fair value measurement of Level 3 financial instruments

As at 31 March 2025, the Group's financial assets at fair value through profit or loss categorised as Level 3 amounting to approximately HK$139,621,000.

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 response:

- evaluating whether the valuation methodology, 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 internal valuation team 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.

KEY AUDIT MATTERS *(Continued)*

Assessment of goodwill impairment

As at 31 March 2025, the Group had goodwill of HK$226,430,000, net of impairment of HK$1,335,000, primarily in relation to the Group's acquisition of subsidiaries. Management has assessed the goodwill impairment and no impairment losses of goodwill was recognised for the year then ended.

Goodwill is tested for impairment annually, or when there are events or changes in circumstances indicate that it might be impaired. For the purpose of impairment assessment, goodwill was allocated to each group of cash-generated units. Management assessed impairment of goodwill with the assistance of an independent external valuer and determined the recoverable amounts based on a value-in-use calculation using cash flow projections based on financial budgets approved by management. The key assumptions considered primarily include (i) compound annual growth rate of revenue, (ii) earnings before income tax (iii) average trade receivables turnover days, (iv) long-term growth rate, and (v) pre-tax discount rate.

We identified this area as a key audit matter because of the significance of the goodwill balance and the significant judgements and estimates made by the management in the goodwill impairment assessment. The inherent risk in relation to the impairment assessment of goodwill is considered significant due to the complexity of the impairment models and subjectivity of significant assumptions used.

Our response:

- understanding the internal control over the impairment assessment of goodwill and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors, such as complexity, subjectivity, changes and susceptibility to management bias or fraud;

- evaluating the competency, capabilities and objectivity of the external valuer;

- evaluating the appropriateness of the methodology and the reasonableness of key assumptions adopted with the involvement of our internal valuation team;

- challenging and assessing the reasonableness of the key assumptions adopted by management as below: (i) evaluate the historical estimation accuracy of the cash flow forecast; (ii) evaluate the reasonableness of the key assumptions used in the cash flow forecast; and (iii) assess the pre-tax discount rate with reference to comparable listed companies based on our industry knowledge and independent research done by our internal valuation team;

- evaluating the reasonableness of the sensitivity analysis performed by management on the key assumptions to understand the impact of the reasonable changes in assumptions on the recoverable amount;

- assessing the adequacy of the disclosures related to impairment assessment of goodwill; and

- considering whether the judgements made in selecting the methodology and the key assumptions would give rise to indicators of possible management bias.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 March 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 26 June 2024.

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, 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.

DIRECTORS' RESPONSIBILITIES 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 HKFRS Accounting Standards issued by the HKICPA and 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 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 are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

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. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

- 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.

- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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 directors, 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.

BDO Limited
Certified Public Accountants
Lau Kin Tat, Terry
Practising Certificate no. P07676

Hong Kong, 25 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Revenue	5	**189,660**	202,353
Cost of sales/services	7	**(50,745)**	(71,896)
Gross profit		**138,915**	130,457
Other gains/(losses), net	6	**196,111**	99,343
Selling expenses	7	**(1,362)**	(1,298)
General and administrative expenses	7	**(175,643)**	(111,053)
Expected credit loss ("**ECL**") of receivables, net	7	**6,343**	(8,363)
Share of profit of an associate		**–**	8,492
Operating profit		**164,364**	117,578
Finance income	12	**2,932**	3,254
Finance costs	12	**(29,992)**	(15,995)
Finance costs, net		**(27,060)**	(12,741)
Profit before income tax		**137,304**	104,837
Income tax expenses	13	**(208)**	(4,934)
Profit for the year		**137,096**	99,903
Other comprehensive expense, including reclassification adjustments			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**167**	(131)
Fair value loss on debt instruments measured at fair value through other comprehensive income		**(393)**	–
Other comprehensive expense for the year, including reclassification adjustments		**(226)**	(131)
Total comprehensive income for the year		**136,870**	99,772
Profit for the year attributable to:			
Owners of the Company		**136,812**	99,903
Non-controlling interests		**284**	–
		137,096	99,903
Total comprehensive income attributable to:			
Owners of the Company		**136,586**	99,772
Non-controlling interests		**284**	–
		136,870	99,772
Earnings per share attributable to owners of the Company (expressed in HK cents per share)			(Restated)
– Basic	15(a)	**9.28**	6.99
– Diluted	15(b)	**9.22**	6.94

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	16	**7,380**	2,546
Right-of-use assets	17	**34,579**	446
Investment property	18	**11,960**	–
Intangible assets	19	**86,379**	96,046
Goodwill	19	**226,430**	226,430
Deferred tax assets	20	**701**	321
Deposits and prepayments	24	**1,739**	–
Financial assets at fair value through profit or loss	21	**203,063**	152,653
Debt instruments at fair value through other comprehensive income	22	**2,720**	–
Investment in an associate	23	**97,734**	–
		672,685	478,442
Current assets			
Trade and other receivables	24	**288,741**	267,970
Promissory notes receivables	25	**75,478**	–
Loan and interest receivables	26	**162,940**	132,068
Bank balances – trust	27	**58,381**	158,110
Cash and cash equivalents	27	**31,700**	39,842
		617,240	597,990
Current liabilities			
Trade and other payables	30	**111,917**	226,068
Promissory notes payables	31	**32,770**	36,163
Bank and other borrowings	32	**50,573**	51,000
Bonds payable	33	**38,000**	20,000
Lease liabilities	34	**10,326**	468
Income tax payable		**8,629**	8,655
		252,215	342,354
Net current assets		**365,025**	255,636
Total assets less current liabilities		**1,037,710**	734,078
Non-current liabilities			
Promissory notes payables	31	**–**	135,388
Bonds payable	33	**46,000**	64,000
Lease liabilities	34	**26,916**	–
Deferred tax liabilities	20	**12,131**	13,725
Other borrowings	32	**4,870**	–
		89,917	213,113
Net assets		**947,793**	520,965
EQUITY			
Share capital	28	**15,494**	14,539
Other reserves		**505,730**	217,184
Retained earnings		**396,412**	289,242
Equity attributable to owners of the Company		**917,636**	520,965
Non-controlling interests		**30,157**	–
Total equity		**947,793**	520,965

Chen Ningdi
Director

Ai Kuiyu
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Share capital HK$'000	Other reserves: Share premium* HK$'000	Share options reserve* HK$'000	Share award reserve* HK$'000	Share held for Share Award Scheme* HK$'000	Translation reserve* HK$'000	Capital reserve* HK$'000	Retained earnings HK$'000	Total equity HK$'000
Balance as at 1 April 2023	14,539	354,685	26,728	–	(153,031)	(276)	10	193,093	435,748
Profit for the year	–	–	–	–	–	–	–	99,903	99,903
Other comprehensive expense for the year:									
Exchange differences on translation of foreign operations	–	–	–	–	–	(131)	–	–	(131)
Profit and total comprehensive income for the year	–	–	–	–	–	(131)	–	99,903	99,772
Shares granted under Share Award Scheme (note 11)	–	–	–	421	–	–	–	–	421
Lapse of employee share option	–	–	(11,222)	–	–	–	–	11,222	–
Dividend paid (note 14)	–	–	–	–	–	–	–	(14,976)	(14,976)
Transactions with owners	–	–	(11,222)	421	–	–	–	(3,754)	(14,555)
Balance as at 31 March 2024	14,539	354,685	15,506	421	(153,031)	(407)	10	289,242	520,965

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Attributable to owners of the Company													
	Share capital HK$'000	Share premium* HK$'000	Treasury shares reserve* HK$'000	Fair value through other comprehensive income ("FVTOCI") reserve* HK$'000	Other reserve* HK$'000	Share options reserve* HK$'000	Share award reserve* HK$'000	Share held for Share Award Scheme* HK$'000	Translation reserve* HK$'000	Capital reserve* HK$'000	Retained earnings HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
Balance as at 1 April 2024	14,539	354,685	–	–	–	15,506	421	(153,031)	(407)	10	289,242	520,965	–	520,965
Profit for the year	–	–	–	–	–	–	–	–	–	–	136,812	136,812	284	137,096
Other comprehensive expense for the year:														
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	–	167	–	–	167	–	167
Fair value loss on debt instruments through other comprehensive income	–	–	–	(393)	–	–	–	–	–	–	–	(393)	–	(393)
Profit and total comprehensive income for the year	–	–	–	(393)	–	–	–	–	167	–	136,812	136,586	284	136,870
Acquisition of a subsidiary (note 40)	–	–	–	–	–	–	–	–	–	–	–	–	3,691	3,691
Partial disposal of a subsidiary without loss of control (note 41.1)	–	–	–	–	(1,053)	–	–	–	–	–	–	(1,053)	1,053	–
Deemed disposal of a subsidiary (note 41.1)	–	–	–	–	(4,801)	–	–	–	–	–	–	(4,801)	4,801	–
Equity settled share-based payment (note 41.1)	–	–	–	–	23,340	–	–	–	–	–	–	23,340	–	23,340
Partial disposal of a subsidiary without loss of control (note 41.2)	–	–	–	–	55,813	–	–	–	–	–	–	55,813	12,437	68,250
Release upon disposal of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	(3,404)	(3,404)
Deemed disposal of a subsidiary (note 41.3)	–	–	–	–	(11,295)	–	–	–	–	–	–	(11,295)	11,295	–
Shares granted under Share Award Scheme (note 11)	–	258	–	–	–	–	447	353	–	–	–	1,058	–	1,058
Lapse of share award	–	–	–	–	–	–	(421)	–	–	–	421	–	–	–
Termination of Share Award Scheme (note 29(c))	–	–	(152,678)	–	–	–	–	152,678	–	–	–	–	–	–
Issue of shares upon placement, net (note 28)	644	224,552	–	–	–	–	–	–	–	–	–	225,196	–	225,196
Issue of shares under share option scheme (note 28)	7	2,291	–	–	–	(408)	–	–	–	–	–	1,890	–	1,890
Issue of shares upon bonus issue (note 28)	304	(304)	–	–	–	–	–	–	–	–	–	–	–	–
Dividend paid (note 14)	–	–	–	–	–	–	–	–	–	–	(30,063)	(30,063)	–	(30,063)
Transactions with owners	955	226,797	(152,678)	–	62,004	(408)	26	153,031	–	–	(29,642)	260,085	29,873	289,958
Balance as at 31 March 2025	15,494	581,482	(152,678)	(393)	62,004	15,098	447	–	(240)	10	396,412	917,636	30,157	947,793

* Other reserves comprise the Group's reserves of HK$505,730,000 (2024: HK$217,184,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000 (Restated)
Cash flows from operating activities			
Cash generated from operations	37(a)	**19,120**	70,929
Income tax paid		**(2,208)**	(18,097)
Net cash generated from operating activities		**16,912**	52,832
Cash flows from investing activities			
Net cash outflow on acquisition of a subsidiary	40	**(3,470)**	(59,128)
Net cash outflow on disposal of a subsidiary	41.3	**(7,058)**	–
Purchase of financial assets at fair value through profit or loss		**(98,187)**	(4,000)
Purchase of debt instruments at FVTOCI		**(3,113)**	–
Dividend received		**1,281**	1,022
Interest income received		**1,095**	3,254
Increase in amounts due from related parties		**–**	(5,340)
Purchases of property, plant and equipment		**(7,306)**	(1,307)
Proceeds from disposals of financial assets at fair value through profit or loss		**70,673**	272
Net cash used in investing activities		**(46,085)**	(65,227)
Cash flows from financing activities			
Capital element of lease rentals paid	37(b)	**(6,949)**	(4,154)
Dividend paid	14(b)	**(30,063)**	(14,976)
Decrease in amounts due to related parties	37(b)	**–**	(138)
Proceed from short-term bank borrowing	37(b)	**30,000**	41,000
Repayment of short-term bank borrowing	37(b)	**(31,000)**	(40,000)
Repayment of other borrowings	37(b)	**(229)**	–
Interest paid	37(b)	**(12,226)**	(13,239)
Interest element of lease rentals paid	37(b)	**(2,188)**	(52)
Proceeds from issuance of bonds payable	37(b)	**–**	43,000
Repayment of bonds payable	37(b)	**–**	(64,000)
Proceeds from issuance of promissory notes	37(b)	**–**	22,350
Repayment of promissory notes	37(b)	**(153,400)**	(1,000)
Proceeds from issue of shares upon placement	28	**225,295**	–
Transaction costs attributable to issue of shares	28	**(99)**	–
Proceeds from issue of shares upon exercise of share options		**1,890**	–
Net cash from/(used in) financing activities		**21,031**	(31,209)
Net decrease in cash and cash equivalents		**(8,142)**	(43,604)
Cash and cash equivalents at beginning of year		**39,842**	83,504
Effect of foreign exchange rate changes		**–**	(58)
Cash and cash equivalents at end of year	27	**31,700**	39,842

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL INFORMATION

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

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

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

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

The consolidated financial statements for the year ended 31 March 2025 were approved for issue by the board of Directors on 25 June 2025.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

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

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

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

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments 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 MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.2 Basis of consolidation

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

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 2025 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.

In the Company's statement of financial position, investments in subsidiaries are carried at cost less any impairment loss (see note 2.17). 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.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and key activities are directed by contractual agreement. Structured entities often have restricted activities and a narrow and well defined objective. Involvement with unconsolidated structured entities is disclosed in note 42.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.2 Basis of consolidation *(Continued)*

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets, and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate.

2.3 Acquisition of subsidiaries

Business combinations or asset acquisitions

Optional concentration test

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to investment properties which are subsequently measured under fair value model. Such a transaction does not give rise to goodwill or bargain purchase gain.

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.3 Acquisition of subsidiaries *(Continued)*

Business combinations or asset acquisitions *(Continued)*

Business combinations *(Continued)*

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.

Consideration transferred as part of a business combination does not include amounts related to the settlement of pre-existing relationships. The gain or loss on the settlement of any pre-existing relationship is recognised in profit or loss.

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(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.

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 MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

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.

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 translation reserve in equity.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

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 note 2.11.

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.

2.7 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. Accounting for impairment for non-financial assets is set out in note 2.17.

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. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

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 arising from contracts with customers which are initially measured 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;

– FVTPL; and

– FVTOCI

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 ECL of trade receivables and loan and interest receivables which is presented as a separate line item in profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.8 Financial instruments *(Continued)*

Financial assets *(Continued)*

Subsequent measurement of financial assets

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, promissory notes receivables 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.

Debt instruments at FVTOCI

Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial asset and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are categorised at FVTOCI.

Subsequent changes in the carrying amounts for debt instruments classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. All other changes in the carrying amount of these debt instruments are recognised in OCI and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to OCI without reducing the carrying amounts of these debt instruments. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments had been measured at amortised cost. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in OCI are reclassified to profit or loss.

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 gains/(losses), net" in profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(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 and other borrowings, promissory notes payables and bonds payable.

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.

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.

Bank and other borrowings, promissory notes payables and bonds payable

Bank and other borrowings, promissory notes payables and bonds payable are recognised initially at fair value, net of transaction costs incurred. Bank and other borrowings, promissory notes payables and bonds payable 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 and other borrowings, promissory notes payables and bonds payable using the effective interest method.

Bank and other borrowings, promissory notes payables and bonds payable 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.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.9 Impairment of financial assets

HKFRS 9's impairment requirements use more forward-looking information to recognise ECL. 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.

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. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the ECL rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.9 Impairment of financial assets *(Continued)*

Other financial assets at amortised cost and debt instruments at FVTOCI

The Group measures the ECL allowance for margin receivables, other receivables and deposits, promissory notes receivables, debt instruments at FVTOCI, bank balances – trust and cash and cash equivalents held at banks 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.

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

– 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 receivables (excluding margin receivables), other financial assets at amortised cost, debt instruments at FVTOCI and loan and interest receivables are set out in note 44(d).

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

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.

2.11 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.

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.11 Leases *(Continued)*

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

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.

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 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.

2.12 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.

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.12 Provisions and contingent liabilities *(Continued)*

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of fulfilling the contract (which includes both incremental costs and an allocation of other costs that relate directly to fulfilling that contract).

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.

2.13 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.

2.14 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. Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use. The following useful lives are applied:

Customer relationships	9 years

The assets' amortisation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 2.17.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.15 Revenue recognition

Revenue from contracts with customers

Revenue arises mainly from the provision of financial services of licensed business, family office services business, money lending services, enterprise solution services and sale of apparel products and provision of supply chain management.

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

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:

Sale of apparel products and provision of supply chain management

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.15 Revenue recognition *(Continued)*

Provision of financial services of licensed business

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 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. 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 family office services

Provision of family office services with investment advisory, assets management and referral services, licensed under the SFO for Type 4 and 9 regulated activities. Referral income is recognised at a point in time when the services is completed, according to the nature and terms of the contracts. Investment advisory and assets management fee are recognised over time when the relevant services have been rendered which the customers simultaneously received and consumes the benefits provided. The progress towards completion satisfaction of a performance obligation is measured based on output methods.

Provision of enterprise solutions services

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.15 Revenue recognition *(Continued)*

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 gains/(losses), 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.

2.16 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 gains/(losses), net” in the consolidated statement of profit or loss and other comprehensive income.

2.17 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;
- Investment in an associate; and
- The Company’s interests in subsidiaries.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.17 Impairment of non-financial assets *(Continued)*

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 MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.18 Employee benefits

Retirement benefits

Retirement benefits to employees are provided through defined contribution plans. In addition, the employees employed under the Hong Kong Employment Ordinance are also entitled to long service payment ("**LSP**") if the eligibility criteria are met. The LSP are defined benefits plans.

(a) Defined contribution plans

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.

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.

The Group makes mandatory contributions to the Central Provident Fund in Singapore, a defined contribution scheme with individualised accounts fully funded by both employees and employers. The Group has no further payment obligations once the contributions have been paid. There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

Contribution to these defined contribution plans are charged to the consolidated statement of profit or loss and other comprehensive income as incurred. The Group has no further payment obligations once the contributions have been paid. There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

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 MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.19 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. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of equity instruments expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period. 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 share reserve before vested.

2.20 Borrowing costs

Borrowing costs, other than those directly attributable to the acquisition, construction or production of qualifying assets, are recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which they are incurred.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.21 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.

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 and does not give rise to equal taxable and deductible temporary differences.

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.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely through sale.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies the requirements in HKAS 12 to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to the lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.21 Accounting for income taxes *(Continued)*

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.

2.22 Investment property

Investment property is property held either to earn rentals or for capital appreciation or for both, but not held-for-sales in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. These include land held for undetermined future use and property that are constructed or under development for future use as an investment property.

When the Group holds a property interest under an operating lease to earn rental income, which has met the definition of an investment property, the Group should classify the property interest as an investment property by using the fair value model.

Investment property is initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment property are measured at their fair values by using the fair value models.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.23 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 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 HKFRS Accounting Standards, 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 finance income;
- certain finance costs; and
- certain depreciation of right-of-use assets.

Segment assets include all assets with the exception of certain financial assets at FVTPL, investment 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, lease liabilities, income tax payable and bank borrowings managed directly by the segments with exception of promissory notes payables, bonds payable and other corporate liabilities.

No asymmetrical allocations have been applied to reportable segments.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.24 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 AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied for the first time the following amended HKFRS Accounting Standards issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2024:

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

The adoption of the amendments to HKFRS Accounting Standards had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

Issued but not yet effective HKFRS Accounting Standards

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

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

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

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

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

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

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

3. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS *(Continued)*

HKFRS 18 Presentation and Disclosure in Financial Statements

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

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

4. 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

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

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

As at 31 March 2025, the directors of the Company concluded that the Group has no control of and acted as agent for all the investment funds. Details of these investment funds are disclosed in notes 21 and 42 to the consolidated financial statements.

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

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 and FVTOCI 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 44(g) to the consolidated financial statements.

Estimation of impairment of trade and other receivables, loan and interest receivables, promissory notes receivables, debt instruments at FVTOCI 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, promissory notes receivables, debt instruments at FVTOCI 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 information at the end of each reporting period as set out in note 2.9. As at 31 March 2025, the aggregate carrying amounts of trade and other receivables, loan and interest receivables, promissory notes receivables, debt instruments at FVTOCI and other financial assets measured at amortised cost amounted to HK$288,629,000 (2024: HK$266,946,000) (net of ECL allowance of HK$898,000 (2024: HK$2,642,000)), HK$162,940,000 (2024: HK$132,068,000) (net of ECL allowance of HK$3,741,000 (2024: HK$8,364,000)), HK$75,478,000 (2024: HK$Nil), HK$2,720,000 (2024: HK$Nil) and HK$90,008,000 (2024: HK$197,713,000) 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.

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.

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.

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

4.2 Estimation uncertainty *(Continued)*

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 note 2.17. The recoverable amounts of CGUs have been determined based on value-in-use calculations. These calculations require the use of estimates about (i) compound annual growth rate of revenue, (ii) earnings before income tax, (iii) average trade receivables turnover days, (iv) long-term growth rate, and (v) pre-tax discount rate. 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 2025, the carrying amounts of goodwill and intangible assets are HK$226,430,000 (2024: HK$226,430,000) and HK$86,379,000 (2024: HK$96,046,000), respectively. No impairment loss on goodwill and intangible assets was recognised during the years ended 31 March 2025 and 2024.

Fair value measurement of investment property

For investment property is carried at fair value at the end of each reporting period. In determining the fair value, the valuer use the most relevant valuation techniques involving certain estimates of market conditions and utilisation of market observable inputs and data as far as possible. The key inputs used in the fair value measurement are categorised into different levels based on how observable of the key inputs used in the valuation techniques are: (i) Level 1: Quoted prices in active markets for identical items (unadjusted); (ii) Level 2: Observable direct or indirect inputs other than Level 1 inputs; and (iii) Level 3: Unobservable inputs (i.e. not derived from market data). The classification of an item into the above levels is based on the lowest level of the key inputs used that has a significant effect on the fair value measurement. Transfer of items between levels are recognised in the period as they occur.

For more information in relation to the fair value measurement of the investment property, please refer to note 18 to the consolidated financial statements.

Impairment of property, plant and equipment, right-of-use assets and investment in an associate

Property, plant and equipment, right-of-use assets and investment in an associate 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 2025, the carrying amounts of property, plant and equipment, right-of-use assets and investment in an associate are HK$7,380,000 (2024: HK$2,546,000), HK$34,579,000 (2024: HK$446,000) and HK$97,734,000 (2024: HK$Nil, respectively. No impairment loss has been recognised during the years ended 31 March 2025 and 2024.

5. REVENUE AND SEGMENT INFORMATION

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

The Group has identified the following reportable segments for the years ended 31 March 2025 and 2024:

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

- Family office services business – During the year ended 31 March 2024, the Group acquired DL Family Office (HK) Limited ("**DL Family Office HK**"), which is engaged in the provision of family office services, investment advisory, assets management services and referral services for ultra-high net worth families;

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

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

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

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, finance income, finance costs, ECL of trade and other receivables, ECL of loan and interest receivables, net gains/(losses) on disposals of financial assets at FVTPL (related to segments of financial services of licensed business and enterprise solution services), net fair value gains/(losses) on financial asset at FVTPL (related to segments of financial services of licensed business and enterprise solution services) and share of profit in an associate.

Changes in fair value of financial assets at FVTPL (excluding financial assets at FVTPL in reportable and operating segments), remeasurement gain on step acquisition, gain on disposal of a subsidiary, certain net gains/(losses) on disposal of financial assets at FVTPL, certain finance income, certain finance costs, certain depreciation of right-of-use assets and unallocated corporate expenses are not included in the result for each reportable segment.

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

Segment liabilities include contract liabilities, trade and other payables, lease liabilities, income tax payable and bank borrowings managed directly by the segments with exception of promissory notes payables, 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:

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

Disaggregated by timing of revenue recognition under HKFRS 15

	2025		2024	
	HK$'000 Over time	HK$'000 At a point in time	HK$'000 Over time	HK$'000 At a point in time
Provision of financial services of licensed business	**26,317**	**75,114**	25,847	114,727
Provision of family office services	**33,933**	**19,405**	16,172	–
Sale of apparel products	**–**	**–**	–	1,006
Provision of supply chain management	**–**	**5,100**	–	3,803
Provision of enterprise solutions services	**1,105**	**8,082**	4,000	12,342
	61,355	**107,701**	46,019	131,878

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

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:

	2025 HK$'000	2024 HK$'000
Revenue from provision of financial services of licensed business		
Service fee income from financial advisory services and investment management services	**68,763**	123,404
Commission and brokerage arising on securities dealing	**4,691**	2,852
Commission and brokerage from insurance brokerage services	**27,977**	14,318
	101,431	140,574

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

	Financial services of licensed business HK$'000	Family office services business HK$'000	Money lending services HK$'000	Sale of apparel products HK$'000	Enterprise solutions services HK$'000	Inter-company elimination HK$'000	Total HK$'000
Revenue							
– From external customers	109,321	53,338	12,714	5,100	9,187	–	189,660
– Inter-segment revenue	1,026	4,320	–	–	–	(5,346)	–
Reportable segment revenue	110,347	57,658	12,714	5,100	9,187	(5,346)	189,660
Reportable segment profit/(loss)	25,295	12,383	12,061	(1,753)	(18,314)	1,000	30,672
Finance income							1,912
Unallocated other gains, net							
– Net fair value gains on financial assets at FVTPL							26,356
Corporate and other unallocated expenses including depreciation of right-of use assets of HK$6,590,000							(66,437)
Gain on disposal of a subsidiary (note 41.3)							168,168
Finance costs							(23,367)
Profit before income tax							137,304
Other information:							
Net gains on disposals of financial assets at FVTPL	–	–	–	–	539	–	539
Net fair value losses on financial assets at FVTPL	–	–	–	–	(3,999)	–	(3,999)
Finance income	948	59	9	–	4	–	1,020
Depreciation of property, plant and equipment	(934)	(308)	(109)	(64)	(65)	–	(1,480)
Depreciation of right-of-use assets	–	–	(2,856)	(137)	–	–	(2,993)
Reversal/(provision) for ECL on							
– trade and other receivables	1,912	124	–	–	(316)	–	1,720
– loan and interest receivables	–	–	4,623	–	–	–	4,623
Finance costs	(3,153)	–	(3,472)	–	–	–	(6,625)
Income tax credit/(expense)	1,599	(1,575)	(340)	7	101	–	(208)

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

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

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

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

	Financial services of licensed business HK$'000	Family office services business HK$'000	Money lending services HK$'000	Sale of apparel products HK$'000	Enterprise solutions services HK$'000	Unallocated corporate assets/ (liabilities) HK$'000	Inter-company elimination HK$'000	Total HK$'000
As at 31 March 2025								
Reportable segment assets	**394,049**	**170,490**	**171,905**	**30,477**	**202,234**	**867,765**	**(547,095)**	**1,289,925**
Reportable segment liabilities	**(171,303)**	**(15,772)**	**(132,918)**	**(4,465)**	**(119,188)**	**(327,889)**	**429,403**	**(342,132)**
Additions to non-current assets	**2,471**	**1,318**	**10,374**	**140**	**69**	**201,284**	**–**	**215,656**
As at 31 March 2024								
Reportable segment assets	484,493	363,614	154,649	32,479	86,012	548,582	(393,397)	1,076,432
Reportable segment liabilities	(269,317)	(18,645)	(123,913)	(4,722)	(315,454)	(418,610)	595,194	(556,467)
Additions to non-current assets	116	294,066	1,178	59	46	–	–	295,465

Revenue from external customers is analysed by region as follows:

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

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, investment in an associate. Specified non-current assets do not include deferred tax assets and financial instruments for the purpose of geographical information disclosure.

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

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

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

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

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

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

* Revenue from this customer is less than 10% of total revenue of the Group for the year ended 31 March 2025 or 2024.

Liabilities related to contracts with customers

The consideration received in advance as prepayments from customers amounting to HK$447,000 (2024: HK$179,000) is for investment management service (note 30). The contract liabilities of HK$447,000 (2024: HK$179,000) is to be recognised in its normal operating cycle.

	2025	2024
	HK$'000	HK$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**179**	1,308

6. OTHER GAINS/(LOSSES), NET

	2025	2024
	HK$'000	HK$'000
Net gains on disposals of financial assets at FVTPL	**539**	70
Net fair value gains on financial assets at FVTPL (note (a))	**22,357**	29,873
Remeasurement gain on step acquisition (note 40)	**–**	67,964
Gain on disposal of a subsidiary (note 41.3)	**168,168**	–
Dividend income from financial assets at FVTPL	**1,281**	1,022
Government grants (note (b))	**22**	236
Net foreign exchange gains/(losses)	**89**	(74)
Income from financial guarantee issued (note (c))	**1,741**	–
Fair value gain on investment property	**1,151**	–
Others	**763**	252
	196,111	99,343

Notes:

(a) During the year ended 31 March 2205, there was no day 1 trading gain/loss on financial assets at FVTPL. During the year ended 31 March 2024, net fair value gains on financial assets at FVTPL include a trading gain on day 1 amounted to HK$22,264,000, being the difference between the transaction price and the fair value of the financial assets at FVTPL.

(b) During the years ended 31 March 2025 and 2024, government grants include grants received from the Inland Revenue Authority of Singapore and the government of The People's Republic of China to support employers to expand local hiring.

(c) On 12 April 2024, the guarantee agreements were entered into among the Company, as guarantor, five borrowers who are limited companies incorporated in BVI and being the investment vehicles wholly-owned by a limited partnership fund managed by a subsidiary of the Company, and Banco Delta Asia S.A., as the lender, pursuant to which the Company has agreed to provide guarantees of an aggregate maximum amount of HK$180,000,000 for the borrowers' obligations. During the year ended 31 March 2025, income from financial guarantee of HK$1,741,000 was receivable from the limited partnership fund.

7. EXPENSES BY NATURE

	2025 HK$'000	2024 HK$'000
Amortisation of intangible assets (note 19)	**9,667**	3,199
Auditors' remuneration		
– Audit services	**1,150**	1,550
– Non-audit services	**250**	300
Computer expense	**6,732**	6,229
Consultancy fees	**16,954**	17,130
Cost of services	**50,745**	67,586
Depreciation of property, plant and equipment (note 16)	**1,480**	831
Depreciation of right-of-use assets (note 17)	**9,583**	4,422
Donations	**394**	601
Entertainment	**5,098**	3,812
(Reversal)/provision for ECL on trade receivables, net (note 24)	**(1,720)**	2,279
(Reversal)/provision for ECL on loan and interest receivables, net (note 26)	**(4,623)**	6,084
ECL on receivables, net	**(6,343)**	8,363
Employee benefit expenses (note 8)	**71,195**	54,707
Legal and professional fees	**10,225**	10,125
Written off of property, plant and equipment (note 16)	**2**	24
Equity-settled share-based payment	**23,340**	–

8. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

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

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

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 2025					
Executive directors					
Mr. Chen Ningdi ("**Mr. Chen**") (note (i))	**1,530**	**–**	**–**	**5**	**1,535**
Mr. Lang Joseph Shie Jay ("**Mr. Lang**") (note (i))	**1,200**	**–**	**–**	**18**	**1,218**
Mr. Ai Kuiyu ("**Mr. Ai**") (notes (i))	**1,800**	**–**	**–**	**18**	**1,818**
Ms. He Zhiying (notes (i) and (iii))	**1,200**	**–**	**–**	**–**	**1,200**
Non-executive directors					
Mr. Chan Kwan	**216**	**–**	**–**	**–**	**216**
Mr. Chan Kwun Wah Derek	**216**	**–**	**–**	**–**	**216**
Mr. Wang Yiding (note (iv))	**216**	**–**	**–**	**–**	**216**
Independent non-executive directors					
Mr. Chang Eric Jackson	**180**	**–**	**–**	**–**	**180**
Mr. Chen Cheng-Lien	**180**	**–**	**–**	**–**	**180**
Mr. Li Xiaoxiao (note (v))	**180**	**–**	**–**	**–**	**180**
Mr. Liu Chun	**180**	**–**	**–**	**–**	**180**
	7,098	**–**	**–**	**41**	**7,139**

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 2024					
Executive directors					
Mr. Chen Ningdi ("**Mr. Chen**") (note (i))	1,800	–	–	18	1,818
Mr. Lang Joseph Shie Jay ("**Mr. Lang**") (note (i))	1,200	–	–	18	1,218
Mr. Ai Kuiyu ("**Mr. Ai**") (notes (i))	2,000	–	–	18	2,018
Ms. He Zhiying (notes (i) and (iii))	1,100	–	–	–	1,100
Non-executive directors					
Ms. Jiang Xinrong ("**Ms. Jiang**") (note (ii))	80	–	–	2	82
Mr. Chan Kwan	216	–	–	–	216
Mr. Chan Kwun Wah Derek	216	–	–	–	216
Mr. Wang Yiding (note (iv))	72	–	–	–	72
Independent non-executive directors					
Mr. Chang Eric Jackson	180	–	–	–	180
Mr. Chen Cheng-Lien	180	–	–	–	180
Mr. Li Xiaoxiao (note (v))	60	–	–	–	60
Mr. Liu Chun	180	–	–	–	180
	7,284	–	–	56	7,340

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 2025 and 2024.

(ii) Ms. Jiang resigned as a non-executive director of the Company with effect from 28 April 2023.

(iii) Ms. He Zhiying was appointed as an executive director of the Company with effect from 28 April 2023.

(iv) Mr. Wang Yiding was appointed as a non-executive director of the Company with effect from 21 November 2023.

(v) Mr. Li Xiaoxiao was appointed as an independent non-executive director of the Company with effect from 21 November 2023.

During the years ended 31 March 2025 and 2024, there were no retirement benefits paid to directors in respect of the services as a director of the Company and its subsidiaries.

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

During the years ended 31 March 2025 and 2024, there was no benefits provided for early termination of the directors' appointment in office.

No consideration was provided to third parties for making available of directors' services during the years ended 31 March 2025 and 2024.

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 years ended 31 March 2025 and 2024.

During the years ended 31 March 2025 and 2024, 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.

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 39.

There were no arrangements under which a director waived or agreed to waive any remuneration during the years ended 31 March 2025 and 2024.

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 2.19. 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 2024/2025 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 1 (2024: 2) director and executives whose emoluments were reflected in the analysis presented above. The emoluments paid to the remaining 4 (2024: 3) individuals during the years ended 31 March 2025 and 2024 are as follows:

	2025	2024
	HK$'000	HK$'000
Basic salaries, housing allowances and other allowances	**7,075**	5,277
Pension costs – defined contribution plans	**54**	54
	7,129	5,331

The emoluments of the remaining individuals fell within the following band during the years ended 31 March 2025 and 2024:

	2025	2024
Between HK$1,500,001 and HK$2,000,000	**4**	3

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 years ended 31 March 2025 and 2024.

11. SHARE-BASED PAYMENTS

(a) 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.

Movement in share options

	Option type	Outstanding as at 1 April 2023	Lapsed during the year ended 31 March 2024	Outstanding as at 31 March 2024 and 1 April 2024	Exercise during the year ended 31 March 2025	Adjustment* during the year ended 31 March 2025	Outstanding as at 31 March 2025
Directors							
Mr. Liu	2020B	3,000,000	(3,000,000)	–	–	–	–
Ms. He	2023A	2,500,000	–	2,500,000	–	50,000	2,550,000
Mr. Lang	2023A	4,500,000	–	4,500,000	–	90,000	4,590,000
Sub-total		10,000,000	(3,000,000)	7,000,000	–	140,000	7,140,000
Employee(s) of the Group							
	2020B	1,500,000	(1,500,000)	–	–	–	–
	2020C	23,500,000	(23,500,000)	–	–	–	–
	2023A	22,100,000	(2,500,000)	19,600,000	(700,000)	392,000	19,292,000
Sub-total		47,100,000	(27,500,000)	19,600,000	(700,000)	392,000	19,292,000
Other participants	2020B	1,500,000	(1,500,000)	–	–	–	–
Sub-total		1,500,000	(1,500,000)	–	–	–	–
Total		58,600,000	(32,000,000)	26,600,000	(700,000)	532,000	26,432,000

* The adjustment was due to the bonus issue on the basis of one bonus share for 50 existing shares completed on 10 October 2024.

	Outstanding as at 1 April 2023	Lapsed during the year ended 31 March 2024	Outstanding as at 31 March 2024 and 1 April 2024	Exercise during the year ended 31 March 2025	Adjustment during the year ended 31 March 2025	Outstanding as at 31 March 2025
Weighted average exercise price per share option (HK$)	2.434	(1.130)	2.700	2.700	N/A	2.700
Weighted average remaining contractual life of options outstanding	1.72 years	–	1.98 years	N/A	N/A	0.98 year
Number of options exercisable	56,100,000	(29,500,000)	26,600,000	(700,000)	532,000	26,432,000
Weighted average exercise price per share option exercisable (HK$)	2.411	2.200	2.700	N/A	N/A	2.700

11. SHARE-BASED PAYMENTS *(Continued)*

(a) Share Option Scheme *(Continued)*

Movement in share options *(Continued)*

The share options outstanding at 31 March 2025 had exercise prices of HK$2.7 (2024: HK$2.7). During the year ended 31 March 2024, totalling 29,500,000 share options have been lapsed for option type 2020B and 2020C.

During the years ended 31 March 2025, 700,000 share options were exercised with weighted average share price for share options exercised was HK$2.70. During the year ended 31 March 2024, no share options were exercised.

During the years ended 31 March 2025 and 2024, no share-based payment expense in relation to share options was granted to the directors.

As at 31 March 2025, the Company had 26,432,000 (2024: 26,600,000) share options outstanding under the Share Option Scheme, which represented approximately 1.67% (2024: 1.83%) 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.

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

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

(b) 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.

11. SHARE-BASED PAYMENTS *(Continued)*

(b) Share Award Scheme *(Continued)*

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

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

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

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

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

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

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

Name	Position held/relationship with the Company	Number of shares granted
Employee	Not applicable	354,484

As at 31 March 2025, no shares are held by the Company and would be granted in the future after the termination of the scheme.

As at 31 March 2024, 65,154,400 shares are held by the Company and would be granted in the future.

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

11. SHARE-BASED PAYMENTS *(Continued)*

(b) Share Award Scheme *(Continued)*

Movement in share awards

	Granted as at 1 April 2024	Granted during the year ended 31 March 2025	Lapsed during the year ended 31 March 2025	Granted as at 31 March 2025
Directors				
Mr. Ai	15,000	–	–	15,000
Mr. Jiang	200,000	–	–	200,000
Ms. He Zhiying	50,000	10,000	–	60,000
Sub-total	265,000	10,000	–	275,000
Employee(s) of the Group	714,484	340,000	(354,484)	700,000
Sub-total	714,484	340,000	(354,484)	700,000
Total	979,484	350,000	(354,484)	975,000

	Granted as at 1 April 2023	Granted during the year ended 31 March 2024	Granted as at 31 March 2024
Directors			
Mr. Ai	15,000	–	15,000
Mr. Jiang	200,000	–	200,000
Ms. He Zhiying	50,000	–	50,000
Sub-total	265,000	–	265,000
Employee(s) of the Group	360,000	354,484	714,484
Sub-total	360,000	354,484	714,484
Total	625,000	354,484	979,484

(c) Share Incentive Plan

On 31 March 2025, the Company entered into a trust deed to transfer of 25% equity interest in DL Digital Family office (Cayman) Limited ("DL Digital") to an independent third party, DL AI Limited, which is wholly owned by a director of DL Digital, in the capacity as a trustee, for the consideration receivable of approximately HK$68,250,000. The disposal was effected in order for DL Digital to adopt the share incentive plan to recognise the past and present contributions and to incentivise the future contributions by senior management and core employees of DL Digital and its subsidiaries. The maximum number of ordinary shares that may be delivered pursuant to awards granted under this plan will not exceed 2,815 ordinary shares of DL Digital in the aggregate.

11. SHARE-BASED PAYMENTS *(Continued)*

(d) 2025 Restricted Share Award Scheme

Subsequent to the current reporting period, a restricted share award scheme was adopted by the Company on 2 June 2025 (the "**2025 Restricted Share Award Scheme**"). The 2025 Restricted Share Award Scheme is (i) to recognise the contributions by certain participants of the scheme and to provide them with incentives in order to retain them for the continual operation and development of the Group; (ii) to provide the Company with a flexible means of remunerating, incentivising, retaining, rewarding, compensating and/or providing benefits to the participants of the scheme; and (iii) to align the interest of the participants of the scheme with those of the Company and its shareholders by providing such participants with the opportunity to acquire shareholding interests in the Company to attract suitable personnel for further development of the Group. The scheme shall be subject to the administration of the Board and the trustee in accordance with the rules of the scheme and the terms of the trust deed. The 2025 Restricted Share Award Scheme shall only be funded by existing Shares and shall not involve the grant by the Company of new Shares (including any transfer of treasury shares out of treasury) or options over new Shares or similar arrangement for the benefit of the selected participants. The adoption of 2025 Restricted Share Award Scheme shall be valid and effective for a term of ten years commencing on the adoption date on 2 June 2025. Aggregate number of awarded shares awarded by the Board under the 2025 Restricted Share Award Scheme (excluding any awards which have lapsed or been cancelled in accordance with the Scheme) cannot exceed 10% of the issued share capital of the Company (excluding treasury shares) as of the adoption date. The maximum number of shares which may be awarded to a selected participant under the 2025 Restricted Share Award Scheme in any 12-month period shall not in aggregate exceed 1% of the issued share capital of the Company (excluding any treasury shares) from time to time.

(e) 2025 Share Incentive Scheme

Subsequent to the current reporting period, A share incentive scheme was adopted by the Company on 19 June 2025 (the "**2025 Share Incentive Scheme**"). The 2025 Share Incentive Scheme is (i) to enable the Company to grant awards to eligible participants as incentive or reward for their contribution to the Group; (ii) to provide the Company with a flexible means of remunerating, incentivizing, retaining, rewarding, compensating and/or providing benefits to eligible participants; and (iii) to align the interest of eligible participants with those of the Company and its shareholders by providing such eligible participants with the opportunity to acquire shareholding interests in the Company. The award to be granted under the 2025 Share Incentive Scheme may take the form of a share option or a share award. Eligible participants of the 2025 Share Incentive Scheme include employee participants and related entity participants. The adoption of the 2025 share incentive scheme will be valid for a term of ten years commencing on 19 June 2025. The aggregate number of awarded shares awarded by the board of directors of the Company under the scheme throughout the duration of the scheme (excluding any awards which have lapsed or been cancelled in accordance with the scheme) cannot exceed 10% of the issued share capital of the Company (excluding any treasury shares) as of the adoption date. The maximum number of shares which may be awarded to a selected participant under the scheme in any 12-month period shall not in aggregate exceed 1% of the issued share capital of the Company (excluding any treasury shares) from time to time.

12. FINANCE COSTS, NET

	2025 **HK$'000**	2024 HK$'000
Finance income		
Bank interest income	**1,095**	3,254
Loan interest income from a related company	**1,837**	–
	2,932	3,254
Finance costs		
Interest expenses on bank and other borrowings	**(3,153)**	(3,657)
Interest expenses on lease liabilities	**(2,188)**	(52)
Interest expenses on bonds payable	**(6,000)**	(7,378)
Interest expenses on promissory notes	**(18,651)**	(4,908)
	(29,992)	(15,995)
Finance costs, net	**(27,060)**	(12,741)

13. INCOME TAX EXPENSES

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

	2025	2024
	HK$'000	HK$'000
Current income tax		
– Hong Kong	**2,838**	6,583
– Over-provision in prior years	**(656)**	(1,055)
	2,182	5,528
Deferred tax		
– Hong Kong (note 20)	**(1,974)**	(594)
Total	**208**	4,934

Hong Kong

The provision for Hong Kong Profits Tax for year ended 31 March 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK$2,000,000 of profits of qualifying entities are taxed at 8.25% (2024: 8.25%), and the profits above HK$2,000,000 are taxed at 16.5% (2024: 16.5%).

Cayman Islands and British Virgin Islands ("BVI")

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

Singapore

Singapore profits tax has not been provided as the subsidiary of the Company has no estimated assessable profits in the jurisdiction for the year ended 31 March 2025 and 2024.

PRC

For the subsidiaries of the Company in the PRC, under the notice of the Ministry of Finance and the State Administration of Taxation on Preferential Income Tax Policies for Small Low-Profit Enterprises, for the portion of profit less than RMB1 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%.

Top-up Tax

The Group operates in certain jurisdictions where the Pillar Two Rules are enacted but not effective. However, as the Group's consolidated annual revenue is expected to be less than EUR750 million, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

13. INCOME TAX EXPENSES *(Continued)*

Top-up Tax *(Continued)*

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:

	2025 HK$'000	2024 HK$'000
Profit before income tax	**137,304**	104,837
Calculated at Hong Kong income tax rate of 16.5% (2024: 16.5%)	**22,655**	17,298
Effect of different income tax rates of subsidiaries	**19**	138
Expenses not deductible for tax purposes	**1,483**	2,896
Income not subject to taxation	**(25,472)**	(21,974)
Temporary differences not recognised	**(252)**	862
Tax losses not recognised	**2,596**	5,533
Tax effect of share of profit of an associate	**–**	1,401
Over-provision in prior years	**(656)**	(1,055)
Effect of two-tiered profits tax regime	**(165)**	(165)
Income tax expenses	**208**	4,934

The Group did not recognise deferred tax assets of approximately HK$19,584,000 (2024: HK$17,411,000) arising from tax losses of HK$111,047,000 (2024: HK$95,314,000) and deductible temporary difference of approximately HK$7,642,000 (2024: HK$9,169,000).

14. DIVIDENDS

(a) Dividends attributable to the year

	2025 HK$'000	2024 HK$'000
Proposed 2024 final dividend for the year of HK1.98 cents per ordinary share	**–**	30,063

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

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

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

	2025 HK$'000	2024 HK$'000
Final dividend in respect of the previous financial year of HK1.98 cents (2024: HK1.03 cents) per share	**30,063**	14,976

The final dividend in respect of the year ended 31 March 2025 of HK$1.98 (2024: in respect of the year ended 31 March 2024 of HK 1.03 cents) per share, amounting to a total dividend of HK$30,063,000 (2024: HK$14,976,000) was paid out during the year ended 31 March 2025.

15. EARNINGS PER SHARE

(a) Basic

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

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

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

(b) Diluted

	2025	2024
Profit attributable to owners of the Company (HK$'000)	**136,812**	99,903
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share ('000) (restated for the year ended 31 March 2024)	**1,473,673**	1,429,327
Effect of dilutive potential ordinary shares		
– Share options ('000)	**10,217**	10,418
– Share award ('000)	**91**	78
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share ('000) (restated for the year ended 31 March 2024)	**1,483,981**	1,439,823
Diluted earnings per share (HK cents per share) (restated for the year ended 31 March 2024)	**9.22**	6.94

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

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 2024						
Opening net carrying amount	1,027	392	138	501	–	2,058
Additions	19	97	4	102	1,085	1,307
Additions through business combinations (note 40)	–	–	36	–	–	36
Written off	–	–	(24)	–	–	(24)
Depreciation for the year (note 7)	(319)	(225)	(59)	(156)	(72)	(831)
Closing net carrying amount	727	264	95	447	1,013	2,546
As at 31 March 2024						
Cost	4,187	1,315	1,042	1,148	2,115	9,807
Accumulated depreciation	(3,460)	(1,051)	(947)	(701)	(1,102)	(7,261)
Net carrying amount	727	264	95	447	1,013	2,546
Year ended 31 March 2025						
Opening net carrying amount	**727**	**264**	**95**	**447**	**1,013**	**2,546**
Additions	**7,212**	**60**	**23**	**11**	**–**	**7,306**
Disposal of a subsidiary (note 41)	**(990)**	**–**	**–**	**–**	**–**	**(990)**
Written off	**–**	**–**	**(2)**	**–**	**–**	**(2)**
Depreciation for the year (note 7)	**(989)**	**(154)**	**(53)**	**(175)**	**(109)**	**(1,480)**
Closing net carrying amount	**5,960**	**170**	**63**	**283**	**904**	**7,380**
As at 31 March 2025						
Cost	**10,409**	**1,375**	**926**	**1,159**	**2,115**	**15,984**
Accumulated depreciation	**(4,449)**	**(1,205)**	**(863)**	**(876)**	**(1,211)**	**(8,604)**
Net carrying amount	**5,960**	**170**	**63**	**283**	**904**	**7,380**

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

17. RIGHT-OF-USE ASSETS

	2025
	HK$'000
As at 1 April 2023	4,776
Addition	92
Depreciation for the year (note 7)	(4,422)
As at 31 March 2024 and 1 April 2024	**446**
Additions	**43,786**
Depreciation for the year (note 7)	**(9,583)**
Early termination of lease	**(70)**
As at 31 March 2025	**34,579**

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 five years (2024: one to three years).

Depreciation expenses of right-of-use assets approximately HK$9,583,000 (2024: HK$4,422,000) have been charged to the general and administrative expenses for the year ended 31 March 2025. The total additions to right-of-use assets amounting to HK$43,786,000 (2024: HK$92,000) was recognised for the year ended 31 March 2025.

As at 31 March 2025 and 2024, right-of-use assets as follows:

	Carrying amount as at 31 March		**Depreciation for the year ended 31 March**	
	2025	2024	**2025**	2024
	HK$'000	HK$'000	**HK$'000**	HK$'000
Staff quarter	**1,644**	137	**832**	824
Office premises	**32,935**	309	**8,751**	3,598
	34,579	446	**9,583**	4,422

18. INVESTMENT PROPERTY

	2025 HK$'000
At 1 April 2024	–
Acquisition of a subsidiary (note 40)	10,809
Fair value gain	1,151
At 31 March 2025	**11,960**

The investment property represents residential property located in the Japan held for generating rental income. The investment property was pledged to secure other borrowings (note 32(b)).

The fair values of the Group's investment property as at 31 March 2025 are valued by Vincorn Consulting and Appraisal Limited, an independent qualified professional valuer not connected to the Group.

In estimating the fair value of the investment property, market approach is adopted and the directors are of the opinion that the market approach is appropriate for estimation of the fair value of the investment property at the end of the reporting period.

The following table illustrates the fair value measurement hierarchy of the Group's investment property:

	Fair value measurement as at 31 March 2025 using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
Recurring fair value measurement for investment property	–	–	11,960	11,960

18. INVESTMENT PROPERTY *(Continued)*

During the year ended 31 March 2025, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment property as at 31 March 2025:

Type of property	Valuation technique	Significant Unobservable inputs	Estimated Unobservable inputs	Relationship of unobservable inputs to fair value
Residential property in Japan	Market approach	Unit rate per square meter	Range from JPY887,000 to JPY1,082,000 (equivalents to HK$46,000 to HK$56,000)	The higher the unit rate per square meter, the higher the fair value.

Under the market approach, a significant increase/decrease in unit rate per square meter of the property, would result in a significant increase/decrease in the fair value of the investment property.

19. INTANGIBLE ASSETS AND GOODWILL

		Intangible assets				
	Goodwill HK$'000	SFC License Types 1,4 and 6 HK$'000	Money Lending License HK$'000	SFC License Types 4 and 9 HK$'000	Customer relationships HK$'000	Total HK$'000
Cost						
As at 1 April 2023	20,732	11,748	500	–	–	12,248
Acquisition through business combinations (note 40)	207,033	–	–	612	86,385	86,997
As at 31 March 2024, 1 April 2024 and 31 March 2025	**227,765**	**11,748**	**500**	**612**	**86,385**	**99,245**
Accumulated amortisation						
As at 1 April 2023	–	–	–	–	–	–
Amortisation	–	–	–	–	(3,199)	(3,199)
As at 31 March 2024 and 1 April 2024	–	–	–	–	(3,199)	(3,199)
Amortisation	–	–	–	–	(9,667)	(9,667)
As at 31 March 2025	**–**	**–**	**–**	**–**	**(12,866)**	**(12,866)**
Accumulated impairment						
As at 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	**(1,335)**	**–**	**–**	**–**	**–**	**–**
Net carrying amount						
As at 31 March 2025	**226,430**	**11,748**	**500**	**612**	**73,519**	**86,379**
As at 31 March 2024	226,430	11,748	500	612	83,186	96,046

19. INTANGIBLE ASSETS AND GOODWILL *(Continued)*

The Group's goodwill mainly arose from business combinations 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 ("**DL Advisory**"); (vi) DL Emerald Wealth Management Limited ("**DL Emerald**") and (vii) DL Family Office HK. For acquisition details of DL Family Office HK, please refer to note 40.

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:

	2025 **HK$'000**	2024 HK$'000
Financial services of licensed business		
– DL Securities	**274**	274
– Four Seasons	**5,951**	5,951
– DL Emerald	**12,811**	12,811
	19,036	19,036
Family office services business		
– DL Family Office HK	**207,033**	207,033
Money lending services		
– DL Finance	**98**	98
Enterprise solutions services		
– DL Advisory	**263**	263
	226,430	226,430

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% (2024: 2.5%).

	2025				2024			
	Financial services of licensed business HK$'000	**Family office services business HK$'000**	**Money lending services HK$'000**	**Enterprise solutions services HK$'000**	Financial services of licensed business HK$'000	Family office services business HK$'000	Money lending services HK$'000	Enterprise solutions services HK$'000
Discount rate	**12%-14.1%**	**13.9%**	**15.8%**	**13.7%**	12.0%-17.9%	14.40%	13.7%	13.9%
Operating profit margin	**14%**	**37%**	**12%**	**1%**	10%-68%	49%	51%	10%
Growth rate within the five-year	**1%-5%**	**5%-15%**	**1%**	**2%**	1.0%	5%-15%	1.0%	1.0%

The discount rate used is pre-tax and reflects specific risks relating to the provision of financial services of licensed business, family office services business, money lending services 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.

19. INTANGIBLE ASSETS AND GOODWILL *(Continued)*

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

In respect of the licenses which were allocated to various CGUs of the financial services of licensed business, CGU of money lending business and CGU of family office services business acquired, the licenses have no foreseeable limit to the period over which the Group can use to generate net cash flows. The directors 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.

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

Customer relationships	9 years

Details of the headroom (the excess of the recoverable amounts over the carrying amounts) attributable to the Group for the CGUs as at 31 March 2025 and 2024 are set out as follows:

	2025				2024			
	Financial services of licensed business HK$'000	**Family office services business HK$'000**	**Money lending services HK$'000**	**Enterprise solutions services HK$'000**	Financial services of licensed business HK$'000	Family office services business HK$'000	Money lending services HK$'000	Enterprise solutions services HK$'000
Headroom	**37,905**	**2,486**	**2,234**	**–**	5,168-185,211	48,047	85,539	8,880

The directors performed sensitivity analysis based on the assumption that discount rate and growth rate have been changed. Had the estimated key assumption during the forecast period been changed as below, the headroom would decrease to the amounts as follows:

19. INTANGIBLE ASSETS AND GOODWILL *(Continued)*

	2025				2024			
	Financial services of licensed business HK$'000	**Family office services business HK$'000**	**Money lending services HK$'000**	**Enterprise solutions services HK$'000**	Financial services of licensed business HK$'000	Family office services business HK$'000	Money lending services HK$'000	Enterprise solutions services HK$'000
Discount rate increased by 1%	**25,809**	**–**	**884**	**–**	4,491-178,610	20,120	82,287	8,539
Growth rate within the five-year decreased by 1%	**18,060**	**–**	**84**	**–**	1,376-178,617	35,856	80,848	7,623

Amortisation expenses of approximately HK$9,667,000 (2024: HK$3,199,000) have been charged to the general and administrative expenses for the year ended 31 March 2025.

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 had been recognised in prior years.

20. DEFERRED TAX ASSETS/(LIABILITIES)

	2025	2024
	HK$'000	HK$'000
Deferred tax assets	**701**	321
Deferred tax liabilities	**(12,131)**	(13,725)
	(11,430)	(13,404)

The net movements on the deferred tax assets/(liabilities) of the Group are as follows:

	HK$'000
As at 1 April 2023	256
Acquisition of a subsidiary (note 40)	(14,254)
Credited to the consolidated statement of profit or loss and other comprehensive income (note 13)	594
As at 31 March 2024 and 1 April 2024	(13,404)
Credited to the consolidated statement of profit or loss and other comprehensive income (note 13)	1,974
As at 31 March 2025	**(11,430)**

The analysis of deferred tax assets is as follows:

	Tax loss	**Decelerated tax depreciation**	**Total**
	HK$'000	HK$'000	HK$'000
As at 1 April 2023	–	256	256
Credited to the consolidated statement of profit or loss and other comprehensive income	–	65	65
As at 31 March 2024 and 1 April 2024	–	321	321
Credited to the consolidated statement of profit or loss and other comprehensive income	372	8	380
As at 31 March 2025	**372**	**329**	**701**

The analysis of deferred tax liabilities is as follows:

	Fair value of intangible assets
	HK$'000
As at 1 April 2023	–
Acquisition of a subsidiary (note 40)	(14,254)
Credited to the consolidated statement of profit or loss and other comprehensive income	529
As at 31 March 2024 and 1 April 2024	(13,725)
Credited to the consolidated statement of profit or loss and other comprehensive income	1,594
As at 31 March 2025	**(12,131)**

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	2025 HK$'000	2024 HK$'000
Non-current portion			
Listed securities			
Equity securities – Hong Kong		**2,643**	31,596
Non-listed securities			
Investment funds	(i), 42	**60,799**	5,814
Equity investment – outside Hong Kong	(ii)	**139,621**	115,243
		203,063	152,653

Notes:

(i) The fair value of the unlisted investment funds is determined based on the net asset value with reference to the recent transaction price of the underlying assets. During the year ended 31 March 2025, the Group increased the partnership interest in the limited partnership fund by approximately HK$43,000,000.

(ii) It represents investment in an unlisted company related to 26.65% of the interest in the Carmel Reserve LLC, a company in which Mr. Chen Ningdi ("**Mr Chen**"), the Chairman, Chief Executive Officer and Executive Director of the Company, has interests, as the non-voting class B membership interest as at 31 March 2025 (2024: 26.65%).

The fair values of financial assets at FVTPL are at Level 1, Level 2 and Level 3 of the financial value hierarchy (note 44(g)). Information about the Group's exposure to price risk is provided in note 44(e).

The listed and unlisted securities are classified as non-current as the management expects to realise these financial assets after twelve months after the reporting period.

22. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 HK$'000	2024 HK$'000
Investments in listed bond, with fixed interest rate of 7% per annum and maturity date on 30 December 2027	**1,336**	–
Investments in unlisted bond, with fixed interest rate of 6.98% per annum and maturity date on 14 January 2027	**1,384**	–
	2,720	–
Analysed for reporting purpose as:		
Non-current assets	**2,720**	–

22. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(Continued)

The investments in listed and unlisted bonds are held by the Group within a business model whose objective is both to collect their contractual cash flows which are solely payments of principal and interest on the principal amount outstanding and to sell these financial assets. Hence, the investments in listed and unlisted bonds are classified as at fair value through other comprehensive income.

Details of impairment assessment are set out in note 44(d) to the consolidated financial statements.

At 31 March 2025, the fair value of the unlisted debt instrument at FVTOCI was determined based on the reference prices of respective unlisted bonds provided by custodian.

At 31 March 2025, the fair value of the listed debt instrument at FVTOCI was determined based on the market quoted bid price.

23. INVESTMENT IN AN ASSOCIATE

	2025 **HK$'000**	2024 HK$'000
Cost of investment in an associate	**97,734**	–
Share of post-acquisition profit and other comprehensive income	**–**	–
	97,734	–

Details of the Group's material associate at the end of the reporting period are as follows:

Name	**Country of incorporation**	**Principal place of business**	**Principal activities**	**Proportion of ownership interest held by the Group**		**Proportion of voting rights held by the Group**	
				2025	2024	**2025**	2024
DL Digital Family Office (Cayman) Limited ("**DL Digital**") and its subsidiaries	note (a)	note (a)	note (a)	**35.8%**	100%	**35.8%**	100%

Note:

(a) DL Digital was incorporated in the Cayman Islands. The principal activities of DL Digital is investment holding and its subsidiaries are principally engaged in the provision of securities advisory services and asset management services in Hong Kong.

23. INVESTMENT IN AN ASSOCIATE *(Continued)*

Summarised financial information of material associate

The material associate is accounted for using the equity method in these consolidated financial statements.

	As at 31 March 2025 HK$'000
Current assets	**12,736**
Non-current assets	**990**
Current liabilities	**(4,319)**
Non-current liabilities	**–**

Reconciliation of the fair value of net assets to the carrying amount of the investment in an associate recognised in the consolidated financial statements.

	As at 31 March 2025 HK$'000
Fair value of net assets of DL Digital and its subsidiaries	**273,000**
Proportion of the Group's ownership interest in DL Digital and its subsidiaries	**35.8%**
The Group's share of net assets of DL Digital and its subsidiaries	**97,734**
Fair value of the Group's interest in DL Digital and its subsidiaries	**97,734**

24. TRADE AND OTHER RECEIVABLES

	2025 HK$'000	2024 HK$'000
Gross trade receivables – margin receivables (note (a))	**55,900**	82,241
Gross trade receivables – cash clients	**40**	–
Gross trade receivables – financial advisory services	**21,601**	8,842
Gross trade receivables – family office services	**27,640**	28,941
Gross trade receivables – sale of apparel products and provision of supply chain management total solutions	**–**	900
Gross trade receivables – investment management services	**15,763**	43,966
Gross trade receivables – enterprise solutions services	**2,184**	5,712
	123,128	170,602
Less: Provision for ECL	**(898)**	(2,642)
Trade receivables, net of provision	**122,230**	167,960
Clearing house receivables (note (b))	**21,136**	57,911
Consideration receivables (note 41.2)	**68,250**	–
Prepayments	**1,851**	1,024
Rental deposits	**1,773**	550
Amount due from an investee company (note (c))	**–**	373
Amounts due from related parties (notes (c))	**54,220**	38,238
Other receivables and deposits (note (d))	**21,020**	1,914
Total trade and other receivables, prepayments and deposits	**290,480**	267,970
Less: Non-current portion		
Long-term portion of rental deposits	**(1,739)**	–
	288,741	267,970

Notes:

(a) Margin receivables are secured by the client's pledged securities with undiscounted market value of approximately HK$407,060,000 as at 31 March 2025 (2024: HK$505,788,000) which can be sold at the Group's discretion to settle any margin call requirements imposed by their respective securities transactions. Trade receivables from margin clients are repayable on demand and bear interest at commercial rates. The Group repledged approximately HK$72,601,000 (2024: HK$106,137,000) of the collateral from margin clients to secure the Group's loan facility related to bank and other borrowings during the year ended 31 March 2025.

(b) Clearing house receivables represent the amount receivable from Hong Kong Securities Clearing Company Limited ("**HKSCC**") for sell transactions executed by clients but not yet settled in HKSCC pursuant to the T+2 settlement basis. Clearing house receivables are neither past due nor impaired and represent unsettled trades transacted on the last two days prior to the end of each reporting period and solely related to HKSCC for which there is limited risk of default.

(c) As at 31 March 2025 and 2024, the amounts due are unsecured, interest-free and repayable on demand.

(d) Balances amounting to approximately HK$9,394,000 are deposits and receivables from HKSCC and the Stock Exchange as at 31 March 2025 (2024: HK$441,000). These balances are neither past due nor impaired for which there is limited risk of default.

24. TRADE AND OTHER RECEIVABLES *(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 a credit period range from 5 to 90 days (2024: 5 to 90 days) to its trade customers of other business.

No ageing analysis is disclosed for the Group's margin clients as these margin clients were carried on an open account basis, and only fall due on conditions or on demand by the Group. The directors of the Company consider that an ageing analysis does not give additional value in the view of the value of business of margin financing. At 31 March 2025, the ageing analysis of trade receivables, net ECL allowance of HK$898,000 (2024: HK$2,642,000), (except margin receivables) based on invoice date (or date of revenue recognition if earlier) is as follows:

	2025	2024
	HK$'000	HK$'000
1 to 30 days	**26,848**	35,524
31 to 60 days	**1,369**	520
61 to 90 days	**1,057**	439
Over 90 days	**37,056**	49,236
	66,330	85,719

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. To measure the ECL, these receivables have been grouped based on shared credit risk characteristics and the ageing from billing. For margin receivables, the Group applied the general approach in calculating ECL and 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:

	2025	2024
	HK$'000	HK$'000
Balance as at 1 April	**2,642**	1,734
(Reversal)/provision for ECL allowance on trade receivables	**(1,720)**	2,279
Written off	**(24)**	(1,371)
Balance as at 31 March	**898**	2,642

24. TRADE AND OTHER RECEIVABLES *(Continued)*

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

	2025 HK$'000	2024 HK$'000
– Denominated in United States dollars ("**US$**")	**76,760**	3,780
– Denominated in HK$	**203,686**	262,008
– Denominated in Euro dollars ("**Euro**")	**11**	11
– Denominated in Renminbi ("**RMB**")	**3,412**	2,034
– Denominated in Singapore dollars ("**SG$**")	**61**	137
– Denominated in Japanese dollars ("**JPY**")	**6,550**	-
	290,480	267,970

25. PROMISSORY NOTES RECEIVABLES

On 31 March 2025, the Company entered into the sale and purchase agreements with three independent investors, pursuant to which, the Company has agreed to sell and each of the investors has agreed to purchase an aggregate of 3,152 sale shares, representing approximately 28.0% of the issued share capital of DL Digital Family Office (Cayman) Limited, a subsidiary of the Company, for the total consideration of approximately US$9,800,000 (equivalents to HK$76,437,000), representing US$3,109 per ordinary share of DL Digital Family Office (Cayman) Limited. The consideration will be settled by the issue of unsecured and interest free promissory notes with principal amounts by the three independent investors to the Company. During the year ended 31 March 2025, an amount of approximately HK$959,000 is recognised in finance costs in profit or loss using the effective interest method. The three promissory notes will mature on 30 June 2025.

26. LOAN AND INTEREST RECEIVABLES

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

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

26. LOAN AND INTEREST RECEIVABLES *(Continued)*

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

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

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

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

	2025	2024
	HK$'000	HK$'000
– Denominated in HK$	**162,615**	128,568
– Denominated in US$	**325**	3,500
	162,940	132,068

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

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

26. LOAN AND INTEREST RECEIVABLES *(Continued)*

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 HK$'000	**Interest receivables** HK$'000	**Total** HK$'000
As at 1 April 2023	171,918	11,330	183,248
New loans originated	49,010	5,597	54,607
Amounts recovered or repaid during the year	(93,505)	(6,198)	(99,703)
Reversal of ECL allowance on loan and interest receivables	994	82	1,076
ECL allowance under 12-month ECL (Stage 1) recognised during the year	1,006	56	1,062
ECL allowance under lifetime ECL (Stage 2) recognised during the year	(7,494)	(728)	(8,222)
As at 31 March 2024 and 1 April 2024	**121,929**	**10,139**	**132,068**
New loans originated	**69,221**	**11,982**	**81,203**
Amounts recovered or repaid during the year	**(50,109)**	**(4,845)**	**(54,954)**
Reversal of ECL allowance on loan and interest receivables	**6,427**	**607**	**7,034**
ECL allowance under 12-month ECL (Stage 1) recognised during the year	**(195)**	**(9)**	**(204)**
ECL allowance under lifetime ECL (Stage 2) recognised during the year	**(1,788)**	**(419)**	**(2,207)**
As at 31 March 2025	**145,485**	**17,455**	**162,940**

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 of the Company 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.

27. CASH AND CASH EQUIVALENTS

	2025	2024
	HK$'000	HK$'000
		(Restated)
Cash at banks (note (a))	**31,627**	39,603
Cash on hand	**73**	239
Cash and cash equivalents per the consolidated statement of cash flows	**31,700**	39,842
Less: Cash on hand	**(73)**	(239)
Add: Bank balances – trust (note (b))	**58,381**	158,110
Maximum exposure to credit risk	**90,008**	197,713

Notes:

(a) Included in cash at banks of the Group is HK$878,000 (2024: HK$1,435,000) 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.

(b) 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 Securities and Futures (Client Money) Rules.

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

	2025	2024
	HK$'000	HK$'000
– Denominated in HK$	**74,152**	183,627
– Denominated in US$	**11,066**	10,460
– Denominated in Euro	**213**	729
– Denominated in RMB	**3,382**	1,821
– Denominated in SG$	**446**	1,007
– Denominated in other currencies	**822**	308
	90,081	197,952

28. SHARE CAPITAL

	Number of ordinary shares	Nominal value of ordinary shares
		HK$'000
Authorised share capital		
Ordinary shares of the Company of HK$0.01 each		
As at 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	10,000,000,000	100,000
Issued and fully paid		
As at 1 April 2023, 31 March 2024 and 1 April 2024	1,453,956,350	14,539
Issue of shares upon placement (note (a))	64,370,000	644
Issue of shares upon bonus issue (note (b))	30,366,527	304
Issue of shares under share option scheme (note (c))	700,000	7
As at 31 March 2025	**1,549,392,877**	**15,494**

Notes:

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

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

(c) On 9 January 2025, 7 February 2025 and 19 March 2025, 700,000 shares were issued at the subscription price at HK$2.70 to respective option holders (note 11(a)) to the exercise of their options under the Share Option Scheme of the Company.

29. 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 award reserve, share held for share award scheme and treasury shares reserve

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. Treasury shares held under the Share Award Scheme represents the shares purchased by the Group that are not yet granted to employees of the Company under the Share Award Scheme (note 11). The consideration paid for the purchase of the Company's shares is reflected as a decrease in the equity of the Company.

On 2 September 2024, the board of directors resolved to terminate the Share Award Scheme with effect from 2 September 2024. Upon termination of the Share Award Scheme, the number of shares of approximately 66,100,000 held under the Share Award Scheme and not cancelled as at 31 March 2025 was transferred to treasury shares reserve. For the years ended 31 March 2025 and 2024, there was no repurchase of shares. As at 31 March 2025, no shares (2024: 65,154,000 shares) are held by the Company and would be granted in the future. For details, please refer to note 11(b).

(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.

(f) Other reserve

Other reserve represents amounts arising from the disposal of equity interests in subsidiaries without loss of control. It represented the difference between the consideration received and the adjustment to the non-controlling interests of the relevant subsidiaries.

As at 31 March 2025, 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$517,093,000 (2024: HK$174,236,000). 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.

30. TRADE AND OTHER PAYABLES

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

Notes:

(a) 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 to 90 days (2024: 30 to 90 days). Based on the invoice dates, the ageing analysis of the trade payables (excluding trade payables to securities brokerage clients) were as follows:

	2025	2024
	HK$'000	HK$'000
1 to 30 days	**15,687**	899
61 to 90 days	**374**	-
Over 90 days	**984**	393
	17,045	1,292

(b) Trade payables to securities brokerage clients

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

(c) It mainly represents accruals of audit fee, consultancy fee, sales commission, interest payables and other operating expenses.

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

(e) As at 31 March 2025 and 2024, no contract liabilities that is expected to be settled after more than one year.

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 ageing analysis of margin clients is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

31. PROMISSORY NOTES PAYABLES

On 20 March 2023, the Group issued one promissory note amounting to HK$14,820,000 to a third party and is unsecured, bears interest rate of 8% per annum and matures in 3 months from the date of issue, on 19 June 2023. The promissory note was renewed nine times with the same terms and conditions and was mature on 19 June 2025.

On 20 September 2023, 22 November 2023 and 19 December 2023, the Group issued three promissory notes in aggregate amounting HK$22,350,000 to a third party and are unsecured, bears interest rate of 10% per annum and matured in 3 months from the date of issue. The three promissory notes were renewed with the same terms and conditions and with maturity dates of 19 March 2025, 21 May 2025 and 18 March 2025 respectively. The promissory notes amounting to HK$6,250,000 with maturity dates 19 March 2025 and 18 March 2025 were fully repaid on 2 April 2025.

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

	2025 **HK$'000**	2024 HK$'000
Total minimum payments:		
Overdue	**6,329**	–
Due within one year	**26,599**	36,806
Due in the second to fifth years	**–**	150,000
Future finance charges on promissory notes	**(158)**	(15,255)
Present value of promissory notes	**32,770**	171,551
Present value of minimum lease payments:		
Overdue	**6,250**	–
Due within one year	**26,520**	36,163
Due in the second to fifth years	**–**	135,388
	32,770	171,551
Less: Portion due within one year included under current liabilities	**(32,770)**	(36,163)
Portion due after one year included under non-current liabilities	**–**	135,388

32. BANK AND OTHER BORROWINGS

	2025 HK$'000	2024 HK$'000
Current		
Bank borrowing (note (a))	**50,000**	51,000
Other borrowings (note (b))	**573**	–
	50,573	51,000
Non-current		
Other borrowings (note(b))	**4,870**	–
	55,443	51,000

Notes:

(a) As at 31 March 2025, the bank borrowing is repayable within 1 year with the interest rate of 2.3% (2024: 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 2025 was 6.24% (2024: 7.05%). The exposure of the bank borrowing to interest rate changes and the contractual repricing dates as at 31 March 2025 and 2024 were within 1 year.

As at 31 March 2025 and 2024, the bank borrowing is secured by corporate guarantee given by the Company.

The Group repledged approximately HK$72,601,000 (2024: HK$106,137,000) of the collateral from margin clients to secure the Group's loan facility related to bank borrowing during the years ended 31 March 2025 and 2024.

The carrying amount of the bank borrowing as at 31 March 2025 and 2024 was denominated in HK$ and approximated its fair value.

(b) The other borrowing was loan from an independent licensed money lender in Hong Kong for purchasing the investment property. As at 31 March 2025, the other borrowing is repayable within 10 years with the interest rate of 2.8% per annum above 1 month's Tokyo Interbank Offered Rate over the cost of fund as determined by the lender from time to time. The effective interest rate is 3.2%.

As at 31 March 2025, the borrowing is secured by corporate guarantee of the Company, the shareholder of the subsidiary of the Company and the controlling shareholder of the Company and the mortgage over the investment property given by a subsidiary of the Company.

32. BANK AND OTHER BORROWINGS *(Continued)*

The carrying amount of the Group's bank borrowings are repayable as follows:

	2025 HK$'000	2024 HK$'000
Carrying amounts repayable (based on scheduled repayable terms):		
Within one year	**50,000**	51,000
	50,000	51,000
Less: Amounts due shown under current liabilities		
– due within one year (contain a repayable on demand clause)	**(50,000)**	(51,000)
	(50,000)	(51,000)
Amounts shown under non-current liabilities	**–**	–

The carrying amount of the Group's other borrowings are repayable as follows:

	2025 HK$'000	2024 HK$'000
Carrying amounts repayable (based on scheduled repayable terms):		
Within one year	**573**	–
More than one year, but not more than two years	**573**	–
More than two years, but not more than five years	**1,720**	–
More than five years	**2,577**	–
	5,443	–
Less: Amounts due shown under current liabilities		
– due within one year	**(573)**	–
– due within one year (contain a repayable on demand clause)	**–**	–
	(573)	–
Amounts shown under non-current liabilities	**4,870**	–

33. BONDS PAYABLE

	2025 HK$'000	2024 HK$'000
Bonds carried at fixed coupon rate of 5% per annum (note (a))	**16,000**	16,000
Bonds carried at fixed coupon rate of 8% per annum (note (b))	**30,000**	30,000
Bonds carried at fixed coupon rate of 10% per annum (note (c))	**38,000**	38,000
	84,000	84,000
Less: non-current portion	**(46,000)**	(64,000)
Current portion	**38,000**	20,000

Notes:

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

The Company issued 5% coupon unlisted bonds during the year ended 31 March 2023 with aggregate principal amount of HK$5,000,000. The amounts were repayable within 84 months from the date of issue.

The Company issued 5% coupon unlisted bonds during the year ended 31 March 2021 with aggregate principal amount of HK$6,000,000. The amounts were repayable within 84 months from the date of issue.

(b) The Company issued 8% coupon unlisted bonds during the year ended 31 March 2022 with the aggregate principal amount of HK$87,000,000 of which HK$30,000,000 was repayable within 60 months from the date of issue, HK$44,000,000 was repayable within 24 months from the date of issue and HK$13,000,000 was repayable within 12 months from the date of issue, respectively, from HK$44,000,000 was fully repaid during the year ended 31 March 2024.

As at 31 March 2025, HK$30,000,000 was repayable within 24 months and due after one year from the end of the reporting period.

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

As at 31 March 2025, HK$38,000,000 (2024: HK$20,000,000) was repayable within 12 months.

34. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities:

	2025 **HK$'000**	2024 HK$'000
Total minimum lease payments:		
Due within one year	**12,199**	470
Due after 1 year but within 2 years	**11,319**	–
Due after 2 years but within 5 years	**17,864**	–
	41,382	470
Future finance charges on lease liabilities	**(4,140)**	(2)
Present value of lease liabilities	**37,242**	468
Present value of minimum lease payments:		
Due within one year	**10,326**	468
Due in the second to fifth years	**26,916**	–
	37,242	468
Less: Portion due within one year included under current liabilities	**(10,326)**	(468)
Portion due after one year included under non-current liabilities	**26,916**	–

The Group makes fixed payments during the contract period. The weighted average incremental borrowing rates applied to lease liabilities range from 5.75% to 5.90% (2024: from 1.97% to 5.90%).

During the year ended 31 March 2025, the total cash outflows for the leases are HK$9,137,000 (2024: HK$4,206,000). At 31 March 2025, 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**
Office premises	Right-of-use assets (2024: Nil)	5 (2024: Nil)	4.14 years (2024: Nil)	– Subject to monthly fixed payment
Staff quarters	Right-of-use assets (2024: Right-of-use assets)	1 (2024: 1)	1.33 years (2024: 0.17 year)	– Subject to monthly fixed payment
Office premises	Right-of-use assets (2024: Right-of-use assets)	1 (2024: 1)	2.08 year (2024: 0.08 year)	– Subject to monthly fixed payment
Office premises	Right-of-use assets (2024: Right-of-use assets)	1 (2024: Nil)	0.75 year (2024: Nil)	– Subject to monthly fixed payment

The Group does not have any options to renew or terminate the existing tenancy agreements and no major lease incentives was received from the lessors or landlords for the years ended 31 March 2025 and 2024.

35. SUBSIDIARIES

(1) Details of the principal subsidiaries held by the Company as at 31 March 2025 and 2024 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 2025	2024
Directly held						
Four Seasons	Cayman Islands, limited liability company	Cayman Islands	Investment management	US$1,000 (2024: US$1,000)	**100%**	100%
DL Investment Holdings US, LLC	United States, limited liability company	United States	Investment holding	US$5,000,000 (2024: US$5,000,000)	**100%**	100%
Indirectly held						
DL Advisory	Hong Kong, limited liability company	Hong Kong	Provision of global identity planning consultancy services	HK$100 (2024: HK$100)	**100%**	100%
DA Finance	Hong Kong, limited liability company	Hong Kong	Provision of equity pledge financing services and money lending services	HK$10,010,000 (2024: HK$10,010,000)	**100%**	100%
DL Digital Family Office (HK) Limited	Hong Kong, limited liability company	Hong Kong	Provision of securities advisory services and asset management	N/A (2024: HK$5,000,000)	**N/A**	100%
DL Emerald	Hong Kong, limited liability company	Hong Kong	Provision of insurance brokerage services	HK$1,750,000 (2024: HK$1,750,000)	**100%**	100%
DL Family Office HK (note (b))	Hong Kong, limited liability company	Hong Kong	Provision of family office services	HK$18,212,092 (2024: HK$18,212,092)	**100%**	100%
DL Family Office Singapore	Singapore, limited liability company	Singapore	Provision of family office services	US$1 (2024: US$1)	**100%**	100%
DL Securities	Hong Kong, limited liability company	Hong Kong	Provision of financial advisory services and securities brokerage business	HK$97,150,000 (2024: HK$97,150,000)	**80.74%**	100%
Shanghai Syne Zhixiang Enterprise Management Co., Ltd. 上海突觸智享企業管理有限公司*	PRC, limited liability company	PRC	Provision of financial advisory services	RMB3,000,000 (2024: RMB3,000,000)	**100%**	100%
Seazon Pacific Limited	Hong Kong, limited liability company	Hong Kong	Sale of apparel product with the provision of supply chain management total solutions to customers	HK$10,000 (2024: HK$10,000)	**100%**	100%
DL General Partner (HK) Limited	Hong Kong, limited liability company	Hong Kong	Investment management	HK$15,000,000 (2024: HK$15,000,000)	**100% (Indirect)**	100% (Direct)
DL Holdings (Japan) Limited ("DL Japan") 德林投資株式會社* (note (a))	Japan, Limited liability company	Japan	Property investment	JPY5,000,000 (2024: N/A)	**62.5%**	N/A

* 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) During the year ended 31 March 2025, the Group acquired DL Holdings (Japan) Limited. Further details of the acquisition are included in note 40 to the consolidated financial statements.

(b) During the year ended 31 March 2024, the Group acquired DL Family Office HK from DL Global Holdings. Further details of the acquisition are included in note 40 to the consolidated financial statements.

35. SUBSIDIARIES *(Continued)*

(2) Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly-owned subsidiary of the Company that have material non-controlling interests:

Name of subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2025	2024	**2025**	2024	**2025**	2024
				HK$'000	HK$'000	**HK$'000**	HK$'000
DL Securities	note (a)	**19.26% (note (b))**	–	**–**	–	**25,899**	–

Notes:

(a) DL Securities was incorporated in Hong Kong and is principally engaged in provision of financial advisory services and securities brokerage business.

(b) The non-controlling interests of DL Securities increased from 3.36% to 19.26% on 31 March 2025. The accumulated non-controlling interests increased from HK$4,801,000 to HK$25,899,000 as at 31 March 2025.

Summarised financial information in respect of the Company subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	2025	2024
	HK$'000	HK$'000
Non-current assets	**4,914**	–
Current assets	**287,105**	–
Current liabilities	**(157,550)**	–
Non-current liabilities	**–**	–
Net assets	**134,469**	–
Proportion of non-controlling interests' ownership	**25,899**	–

	2025	2024
	HK$'000	HK$'000
Net cash inflow from operating activities	**2,800**	–
Net cash outflow from investing activities	**(3,632)**	–
Net cash outflow from financing activities	**(4,152)**	–
Net cash outflow	**(4,984)**	–

36. CAPITAL COMMITMENTS

	2025 HK$'000	2024 HK$'000
Contracted but not provided for		
Capital injection to limited partnership fund	–	9,276

37. CASH FLOW INFORMATION

(a) Net cash generated from operations

	Notes	2025 HK$'000	2024 HK$'000 (Restated)
Profit before income tax		137,304	104,837
Adjustments for:			
– Finance costs	12	29,992	15,995
– Finance income	12	(2,932)	(3,254)
– Amortisation of intangible assets	7	9,667	3,199
– Depreciation of property, plant and equipment	7	1,480	831
– Depreciation of right-of-use assets	7	9,583	4,422
– Loss on early termination of lease	6	7	–
– Dividend income from financial assets at FVTPL	6	(1,281)	(1,022)
– (Reversal)/provision for ECL of trade receivables, net	7	(1,720)	2,279
– (Reversal)/provision for ECL of loan and interest receivables, net	7	(4,623)	6,084
– Written off of property, plant and equipment	7	2	24
– Fair value gains on financial assets at FVTPL, net	6	(22,357)	(29,873)
– Gains on disposals of financial assets at FVTPL, net	6	(539)	(70)
– Gain on fair value change of investment property	18	(1,151)	–
– Gain on disposal of a subsidiary	6	(168,168)	–
– Remeasurement gain on step acquisition	6	–	(67,964)
– Share of profit of an associate		–	(8,492)
– Equity-settled share-based payment	7	23,340	–
– Share awards granted to employees	8	1,058	421
– Others		167	–
Operating profit before working capital changes		9,829	27,417
– Trade and other receivables		49,419	(63,769)
– Loans and interest receivables		(26,249)	45,096
– Trade and other payables		(113,608)	(38,588)
– Financial assets at fair value through profit or loss		–	14,704
– Bank balance – trust		99,729	86,069
Cash generated from operations		19,120	70,929

37. CASH FLOW INFORMATION *(Continued)*

(b) Reconciliation of liabilities from financing activities

	Trade and other payables (note 30) HK$'000	Promissory notes payables (note 31) HK$'000	Bank and other borrowings (note 32) HK$'000	Bonds payable (note 33) HK$'000	Lease liabilities (note 34) HK$'000	Total HK$'000
Balance as at 1 April 2023	263,328	14,856	50,000	105,000	4,530	437,714
Cash flows:						
Capital element of lease rentals paid	–	–	–	–	(4,154)	(4,154)
Issuance of promissory notes	–	22,350	–	–	–	22,350
Interest paid	(3,657)	(2,204)	–	(7,378)	–	(13,239)
Interest element of lease rentals paid	–	–	–	–	(52)	(52)
Repayment of bank borrowing	–	–	(40,000)	–	–	(40,000)
Proceeds from bank borrowing	–	–	41,000	–	–	41,000
Proceeds from issuance of bonds payable	–	–	–	43,000	–	43,000
Repayment of bonds payable	–	–	–	(64,000)	–	(64,000)
Repayment of promissory notes	–	(1,000)	–	–	–	(1,000)
Decrease in amounts due to related parties	(138)	–	–	–	–	(138)
	(3,795)	19,146	1,000	(28,378)	(4,206)	(16,233)
Non-cash:						
Addition in lease (note 37(c)(ii))	–	–	–	–	92	92
Issuance of promissory notes for acquisition of subsidiary (note 40)	–	132,641	–	–	–	132,641
Interest on promissory notes	–	4,908	–	–	–	4,908
Interest arising from bank borrowing	3,657	–	–	–	–	3,657
Interest arising from bonds payable	–	–	–	7,378	–	7,378
Interest arising from lease liabilities	–	–	–	–	52	52
Other changes (note)	(37,122)	–	–	–	–	(37,122)
	(33,465)	137,549	–	7,378	144	111,606
Balance as at 31 March 2024	226,068	171,551	51,000	84,000	468	533,087

Note: Other changes represented decrease in trade and other payables included in operating activities.

37. CASH FLOW INFORMATION *(Continued)*

(b) Reconciliation of liabilities from financing activities *(Continued)*

	Promissory notes payables (note 31) HK$'000	Bank and other borrowings (note 32) HK$'000	Bonds payable (note 33) HK$'000	Lease liabilities (note 34) HK$'000	Total HK$'000
Balance as at 1 April 2024	171,551	51,000	84,000	468	307,019
Cash flows:					
Capital element of lease rentals paid	–	–	–	(6,949)	(6,949)
Interest paid	(17,692)	(3,153)	(6,000)	–	(26,845)
Interest element of lease rentals paid	–	–	–	(2,188)	(2,188)
Repayment of bank borrowing	–	(31,000)	–	–	(31,000)
Proceeds from bank borrowing	–	30,000	–	–	30,000
Repayment of other borrowing	–	(229)	–	–	(229)
Repayment of promissory notes	(138,781)	–	–	–	(138,781)
	(156,473)	(4,382)	(6,000)	(9,137)	(175,992)
Non-cash:					
Addition in lease (note 37(c)(ii))	–	–	–	43,786	43,786
Increase in other borrowings from acquisition of a subsidiary	–	5,672	–	–	5,672
Interest on promissory notes	17,692	–	–	–	17,692
Interest arising from bank and other borrowings	–	3,153	–	–	3,153
Interest arising from bonds payable	–	–	6,000	–	6,000
Interest arising from lease liabilities	–	–	–	2,188	2,188
Early termination of lease	–	–	–	(63)	(63)
	17,692	8,825	6,000	45,911	78,428
Balance as at 31 March 2025	32,770	55,443	84,000	37,242	209,455

(c) Non-cash transactions

Additions of right-of-use assets and lease liabilities amounting to HK$43,786,000 (2024: HK$92,000) (note 17) were recognised during the year ended 31 March 2025.

38. CONTINGENT LIABILITIES

The Group did not have material contingent liabilities as at 31 March 2025 and 2024.

39. MATERIAL RELATED PARTY TRANSACTIONS

(a) Details of the material 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 2025 and 2024.

	2025	2024
	HK$'000	HK$'000
Advisory and management fee income (note (a))	**20,507**	5,802

Notes:

(a) Advisory and management fee income of HK$20,507,000 (during the period from 29 November 2023 to 31 March 2024: HK$5,802,000) was receivable from Mr. Chen and his family during the year ended 31 March 2025. The transaction constitutes continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in the directors' report.

(b) On 12 April 2024, the guarantee agreements were entered into among the Company, as guarantor, five borrowers who are limited companies incorporated in BVI and being the investment vehicles wholly-owned by a limited partnership fund managed by a subsidiary of the Company, and Banco Delta Asia S.A., as the lender, pursuant to which the Company has agreed to provide guarantees of an aggregate maximum amount of HK$180,000,000 for the borrowers' obligations.

(c) On 14 July 2024, Instant Glad, a wholly-owned subsidiary of the Company entered into share subscription agreement with DL Japan, to acquire its 62.5% equity interest at total consideration of JPY100,000,000 (equivalents to HK$5,000,000). The acquisition was completed on 29 November 2024. DL Japan became an indirect wholly-owned subsidiary of the Group.

The Company (as guarantor) entered into a letter of guarantee with ORIX Finance Services Hong Kong Limited ("ORIX") (as lender) in relation to the provision of guarantee for the amount of JPY82,688,000 (equivalent to approximately HK$4,134,000) provided by the Company in favour of ORIX (the "DL Guarantee"), as one of the securities to ORIX in consideration of ORIX to continue to grant a loan facility to Mr. Chen (as borrower).

The provision of the DL Guarantee as requested by the lender under the supplemental facility letter constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

39. MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(b) Balances with related parties

	2025 HK$'000	2024 HK$'000
Trade receivables due from Mr. Chen and his family, net of ECL allowance (note (i))	**20,408**	16,460
Amounts due from related parties		
DL Family Office Limited (note (ii))	**24,709**	34,710
Carmel Reserve LLC (note (iii))	**18,871**	–
DL Digital Family Office (HK) Limited	**2,998**	–

Notes:

(i) At 31 March 2025 and 2024, the ageing analysis of trade receivables, net of ECL allowance from Mr. Chen and his family based on invoice date (or date of revenue recognition if earlier) is as follows:

	2025 HK$'000	2024 HK$'000
1 to 30 days	**3,473**	4,251
31 to 60 days	**–**	–
61 to 90 days	**4,375**	3,614
Over 90 days	**12,560**	8,595
	20,408	16,460

(ii) 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. DL Global Holdings Limited was owned as to approximately 36.6% by Ms. Jiang Xinrong, the spouse of Mr. Chen.

(iii) During the year ended 31 March 2025, the Company and Carmel Reserve LLC, a company in which Mr. Chen has interests, entered into several loan agreements, pursuant to which the Company agreed to provide unsecured loans total amounting to US$2,450,000 (equivalents to approximately HK$19,000,000) to Carmel Reserve LLC at an interest rate from 8% to 12% per annum and due from 2 months to one year. There is a repayment of US$100,000 (equivalents to approximately HK$780,000) during the year ended 31 March 2025 and with outstanding balance US$2,350,000 (equivalents to approximately HK$18,320,000) as at 31 March 2025.

(c) Key management compensation

Key management includes directors (executive and non-executive), five highest paid individuals as disclosed in notes 9 and 10 and the other senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	2025 HK$'000	2024 HK$'000
Salaries, bonus and other short-term employee benefits	**14,173**	10,982
Pension costs – defined contribution plans	**95**	128
	14,268	11,110

40. ACQUISITIONS OF SUBSIDIARIES

Asset Acquisition

On 14 July 2024, Instant Glad Investments Limited ("**Instant Glad**"), a subsidiary of the Company entered into a subscription agreement with DL Japan, pursuant to which Instant Glad has conditionally agreed to subscribe for the subscription shares, representing 62.5% of the issued share capital of the DL Japan, at a consideration of JPY100 million (equivalents to approximately HK$5,000,000). The directors of the Company were of the opinion that acquisition of DL Japan did not constitute business combinations as defined in HKFRS 3, therefore, the acquisition had been accounted for as asset acquisition. The subscription was completed on 29 November 2024.

Assets and liabilities of DL Japan recognised at the date of acquisition are as follows:

	HK$'000
Investment property (note 18)	10,809
Other receivables, prepayments and deposits	5,800
Cash and cash equivalents	1,530
Other payables and accruals	(3,776)
Other borrowings	(5,672)
Non-controlling interests	(3,691)
Net assets acquired	5,000
Satisfied by:	
Cash	5,000
Net cash outflow arising on acquisition of DL Japan	
Cash consideration paid	(5,000)
Cash and cash equivalents acquired	1,530
	(3,470)

Business combinations

For the year ended 31 March 2024

Acquiree	Principal activities	Date of acquisition	Proportion of shares acquired	Consideration transferred
DL Family Office HK	Provision of family office services business	28 November 2023	55%	HK$202,641,000

DL Family Office HK

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

The Group accordingly remeasured the fair value of its pre-existing interest in DL Family Office HK at the date of completion and goodwill of approximately HK$207,033,000 (note 19). Goodwill arose in the acquisition as the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

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

40. ACQUISITIONS OF SUBSIDIARIES *(Continued)*

Business combinations *(Continued)*

DL Family Office HK *(Continued)*

Acquisition-related costs amounting to HK$907,500 have been excluded from the consideration transferred and have been recognised as expenses in the consolidated statement of profit or loss and other comprehensive income.

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

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

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

	Recognised values on acquisition HK$'000
Property, plant and equipment (note 16)	36
Intangible assets other than goodwill (note 19)	86,997
Trade and other receivables	49,600
Contract assets	4,492
Cash and cash equivalents	10,872
Trade and other payables	(1,482)
Deferred tax liabilities (note 20)	(14,254)
Net assets acquired	136,261
Goodwill (note 19)	207,033
	343,294
Total consideration satisfied by:	
Cash consideration	70,000
Promissory note payables (note 31)	132,641
Fair value of pre-existing interest	140,653
	343,294
Net cash outflow arising on acquisition of DL Family Office HK	
Cash consideration paid	(70,000)
Cash and cash equivalents acquired	10,872
	(59,128)

40. ACQUISITIONS OF SUBSIDIARIES *(Continued)*

Business combinations *(Continued)*

Impact of acquisition on the result of the Group

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

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

41. CHANGE IN OWNERSHIP INTEREST IN A SUBSIDIARY/DISPOSAL OF A SUBSIDIARY/ DEEMED DISPOSAL OF INTEREST IN ANOTHER SUBSIDIARY

41.1 Change in ownership interest in a subsidiary and deemed disposal of interest in another subsidiary

On 17 December 2024, DL Digital, a wholly-owned subsidiary of the Company, agreed to issue and allot and the subscriber agreed to subscribe for an aggregate of 1,111 subscription shares, representing 9.87% of all the issued share capital of DL Digital, at an aggregated subscription price of US$3,000,000 (equivalents to approximately HK$23,340,000), which has been recognised as share-based payment expense of the Group, in respective of the services provided by the subscriber.

Pursuant to the subscription agreement, it includes a clause of put option, which stated in the event that an qualified initial public offering has not been consummated on or before the third anniversary of the subscription completion date, the subscriber shall after such exercise date have the right (but not obligation), by written notice to DL Digital to request DL Digital to procure its majority shareholder(s) to purchase all of the subscription shares at a price at US$1,280,000, payable in the form of cash or other form of consideration as agreed between the parties.

The right of the subscriber under the put option clause shall be terminated and be of no further force or effect immediately prior to the consummation of a qualified initial public offering or it shall be suspended and not exercisable from the date on which a sponsor is appointed for an qualified initial public offering of DL Digital.

On 22 January 2025, DL Digital agreed to issue and allot and an independent investor agreed to subscribe for, an aggregate of 148 subscription shares, representing approximately 1.32% of all the issued share capital of DL Digital, at an aggregated subscription price of US$400,000 (equivalents to approximately HK$3,112,000), which shall be settled in cash.

After the completion of the transactions, the Group reduced its continuing interest to DL Digital to 88.81%. The considerations on disposal of HK$26,452,000 comprised of HK$23,340,000 which is the fair value of the services received by the Group, and of HK$3,112,000 which is in terms of cash. An amount of HK$1,053,000 being the proportionate share of the carrying amount of the net assets of DL Digital has been transferred to non-controlling interests. The difference of HK$22,287,000 between the increase in the non-controlling interests and the consideration received has been credited to "other reserve".

41. CHANGE IN OWNERSHIP INTEREST IN A SUBSIDIARY/DISPOSAL OF A SUBSIDIARY/ DEEMED DISPOSAL OF INTEREST IN ANOTHER SUBSIDIARY *(Continued)*

41.1 Change in ownership interest in a subsidiary and deemed disposal of interest in another subsidiary *(Continued)*

Deemed disposal of interest in DL Securities

DL Securities, a wholly-owned subsidiary of the Company, was owned by DL Digital of 30% and 70% by another subsidiary of the Company. Upon completion of the transaction mentioned above, the Group was deemed to reduce its continuing interest to DL Securities to 96.64%. An amount of HK$4,801,000 being the proportionate share of the carrying amount of the net assets of DL Securities has been transferred from “Other reserve” to non-controlling interests.

41.2 Change in ownership interest in a subsidiary and deemed disposal of interest in another subsidiary

On 31 March 2025, the Company entered into a trust deed to transfer of 25% equity interest in DL Digital to an independent third party, DL AI Limited, which is wholly owned by a director of DL Digital, in the capacity as a trustee, for the consideration receivable of approximately HK$68,250,000. The disposal was effected in order for DL Digital to adopt the share incentive scheme to recognise the past and present contributions and to incentivise the future contributions by senior management and core employees of DL Digital and its subsidiaries.

After this transaction, the Group has further reduced its continuing interest to DL Digital to 63.81%. An amount of HK$2,352,000 being the proportionate share of the carrying amount of the net assets of DL Digital has been transferred to non-controlling interests.

Deemed disposal of interest in DL Securities

Upon completion of the transaction, the Group was deemed to further reduce its continuing interest to DL Securities to 89.14%. An amount of HK$10,085,000 being the proportionate share of the carrying amount of the net assets of DL Securities has been transferred from “Other reserve” to non-controlling interests.

The difference of HK$55,813,000 between the increase in the non-controlling interests and the consideration received has been credited to “other reserve”.

41.3 Disposal of a subsidiary and deemed disposal of interest in another subsidiary

On 31 March 2025, the Company entered into the sale and purchase agreements with three independent investors, pursuant to which, the Company has conditionally agreed to sell and each of the investors has conditionally agreed to purchase an aggregate of 3,152 sale shares, representing approximately 28.0% of the issued share capital of DL Digital for the total consideration of approximately US$9,800,000 (equivalents to approximately HK$76,437,000). As at 31 March 2025, the conditions precedent are satisfied.

The disposal was completed on 31 March 2025, on which date control of DL Digital has been lost.

41. CHANGE IN OWNERSHIP INTEREST IN A SUBSIDIARY/DISPOSAL OF A SUBSIDIARY/ DEEMED DISPOSAL OF INTEREST IN ANOTHER SUBSIDIARY *(Continued)*

41.3 Disposal of a subsidiary and deemed disposal of interest in another subsidiary *(Continued)*

Deemed disposal of interest in DL Securities

Upon completion of the transaction, the Group was deemed to further reduce its continuing interest to DL Securities to 80.74%. An amount of HK$11,295,000 being the proportionate share of the carrying amount of the net assets of DL Securities has been transferred from "Other reserve" to non-controlling interests.

The disposal was completed on 31 March 2025, on which date control of DL Digital has been lost. net assets of DL Digital at the date of disposal were as follows:

Analysis of assets and liabilities over which control was lost.

	As at 31 March 2025 HK$'000
Property, plant and equipment	990
Trade and other receivables	5,678
Cash and cash equivalents	7,058
Trade and other payables	(4,319)
Net assets derecognised of	9,407

Consideration:

	As at 31 March 2025 HK$'000
Fair value of consideration receivable	76,437

Gain on disposal of a subsidiary:

	As at 31 March 2025 HK$'000
Fair value of consideration receivable	76,437
Net assets derecognised of	(9,407)
Non-controlling interests	3,404
Gain on disposal of DL Digital (note 6)	168,168
Remeasurement of remaining 35.8% interests recognised as investment in an associate (note 23)	97,734
Net cash outflow arising from disposal of DL Digital	
Cash consideration	–
Less: bank balances derecognised	(7,058)
	(7,058)

42. INTERESTS IN STRUCTURED ENTITIES

Interests in structured entities sponsored by the Group but not consolidated

Structured entities for which the Group served as general partner and/or manager, therefore has power over them during the reporting periods are investment fund. Interest held by the Group includes fees charged by providing management services and investment made by the Group. The Group's exposure to the variable returns in the remaining structured entities in which the Group has interests is not significant. Besides, the Group did not provide financial support to these structured entities. The Group therefore did not consolidate these structured entities.

The carrying amount of the investments in the consolidated statement of financial position are equal to the maximum exposure to loss of interests held by the Group in the unconsolidated structured entities sponsored by the Group as at the end of the period. As at 31 March 2025, the carrying amount of the investments are HK$60,799,000 (2024: HK$5,814,000) (note 21).

As at 31 March 2025, the total net assets of these unconsolidated structured entities managed by the Group amounted to HK$2,657,498,000 (2024: HK$2,580,147,000). As at 31 March 2025, the carrying amount of interests held by the Group in these unconsolidated structured entities are HK$60,799,000 (2024: HK$5,814,000).

During the year ended 31 March 2025, income derived from these unconsolidated structured entities held by the Group amounted to HK$27,192,000 (2024: HK$60,327,000).

43. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

	Note	2025 HK$'000	2024 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**3,448**	–
Right-of-use assets		**28,343**	228
Investments in subsidiaries		**60,886**	81,227
Investment in an associate		**97,734**	–
Financial assets at FVTPL		**46,031**	2,436
		236,442	83,891
Current assets			
Amounts due from subsidiaries		**511,139**	446,057
Other receivables and prepayments		**23,452**	1,492
Promissory notes receivables		**75,478**	–
Cash and cash equivalents		**4,590**	432
		614,659	447,981
Current liabilities			
Other payables		**7,827**	4,296
Bonds payable		**38,000**	20,000
Amounts due to subsidiaries		**195,837**	119,163
Lease liabilities		**6,884**	250
		248,548	143,709
Net current assets		**366,111**	304,272
Total assets less current liabilities		**602,553**	388,163
Non-current liabilities			
Bonds payable		**46,000**	64,000
Promissory note payables		**–**	135,388
Lease liabilities		**23,966**	–
		69,966	199,388
Net assets		**532,587**	188,775
EQUITY			
Share capital		**15,494**	14,539
Other reserves	(a)	**499,174**	249,066
Retained earnings/(accumulated losses)	(a)	**17,919**	(74,830)
Total equity		**532,587**	188,775

Chen Ningdi
Director

Ai Kuiyu
Director

43. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(Continued)

(a) Reserve movement of the Company

		Other reserves							
	Share premium* HK$'000	Treasure shares reserve* HK$'000	Share options reserve* HK$'000	Share award reserve HK$'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 2023	354,685	–	26,728	–	(153,031)	11,840	19,645	–#	(47,195)
Shares granted under Share Award Scheme (note (i))	–	–	–	421	–	–	–	–	–
Lapse of employee share option	–	–	(11,222)	–	–	–	–	–	11,222
Dividend paid (note 14)	–	–	–	–	–	–	–	–	(14,976)
Loss and total comprehensive expense for the year	–	–	–	–	–	–	–	–	(23,881)
Balance as at 31 March 2024 and 1 April 2024	**354,685**	**–**	**15,506**	**421**	**(153,031)**	**11,840**	**19,645**	**–#**	**(74,830)**
Shares granted under Share Award Scheme (note (i))	**258**	**–**	**–**	**447**	**353**	**–**	**–**	**–**	
Lapse of share award	**–**	**–**	**–**	**(421)**	**–**	**–**	**–**	**–**	**421**
Issue of shares upon placement, net	**224,552**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	
Issue of shares under share option scheme	**2,291**	**–**	**(408)**	**–**	**–**	**–**	**–**	**–**	
Issue of shares upon bonus issue	**(304)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	
Termination of Share Award Scheme	**–**	**(152,678)**	**–**	**–**	**152,678**	**–**	**–**	**–**	**–**
Dividend paid (note 14)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(30,063)**
Equity-settled share-based payment	**–**	**–**	**–**	**–**	**–**	**23,340**	**–**	**–**	**–**
Profit and total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**122,391**
Balance as at 31 March 2025	**581,482**	**(152,678)**	**15,098**	**447**	**–**	**35,180**	**19,645**	**–#**	**17,919**

Less than HK$1,000

* Other reserve comprises the Company's reserve of HK$499,174,000 (2024: HK$249,066,000)

Note:

(i) During the year ended 31 March 2025, 350,000 share award granted (2024: 354,484) to the eligible persons pursuant to the Share Award Scheme.

44. 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.

(a) 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.

	2025 **HK$'000**	2024 HK$'000
Financial assets		
Financial assets at amortised cost:		
– Trade and other receivables, deposits	**288,629**	266,946
– Loan and interest receivables	**162,940**	132,068
– Promissory notes receivables	**75,478**	–
– Bank balances – trust	**58,381**	158,110
– Cash and cash equivalents	**31,627**	39,603
	617,055	596,727
Financial assets at FVTPL:		
– Listed equity securities – Hong Kong	**2,643**	31,596
– Unlisted investment fund	**60,799**	5,814
– Unlisted equity investment – outside Hong Kong	**139,621**	115,243
	203,063	152,653
Debt instruments at FVTOCI		
– Listed bond	**1,336**	–
– Unlisted bond	**1,384**	–
	2,720	–
	822,838	749,380

	2025 **HK$'000**	2024 HK$'000
Financial liabilities		
Financial liabilities at amortised cost:		
– Trade and other payables	**108,599**	224,129
– Promissory notes payables	**32,770**	171,551
– Bank and other borrowings	**55,443**	51,000
– Bonds payable	**84,000**	84,000
	280,812	530,680
– Lease liabilities	**37,242**	468
	318,054	531,148

44. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

(b) 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 2025 and 2024. The Group currently does not undertake any foreign currency hedging as at 31 March 2025 and 2024.

(c) 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, debt instruments at FVTOCI, bank and other borrowings, promissory notes payables bonds payable and leases liabilities.

Bank deposits, loans and interest receivables, debt instruments at FVTOCI, promissory notes payables, bonds payable, bank and other borrowings and lease liabilities

Bank deposits and bank and other borrowing issued at variable rates expose the Group to cash flow interest-rate risk. Debt instruments at FVTOCI, loans and interest receivables, promissory notes payable, 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 2025, if interest rates on assets and liabilities had been increased/decreased by 100 (2024: 100) basis point with all variables held constant, the Group's post-tax profit for the year would have been HK$46,000 increased/decreased (2024: post-tax profit increased/decreased HK$221,000).

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.

	2025 **HK$'000**	2024 HK$'000
Assets:		
– Trade receivables from margin clients	**55,900**	82,241

44. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

(c) Interest rate risk *(Continued)*

Margin receivables *(Continued)*

The sensitivity analysis below has 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 (2024: 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 2025, if the interest rate of trade receivable from margin clients had been 100 (2024: 100) basis point higher/lower, the Group's profit for the year would increase/decrease by approximately HK$559,000 (2024: HK$822,000).

(d) 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 44(a).

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 2025 and 2024.

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.

44. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

(d) 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 2025, in respect of trade receivables (excluding margin receivables), the Group is exposed to concentration of credit risk to the extent that HK$38,211,000 (2024: HK$61,489,000) 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 (2024: nil) 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$20,507,000 (2024: HK$36,053,000) which constitute the majority of the balance and is the largest outstanding balance from a single customer as at 31 March 2025.

Trade receivables with significant outstanding balances from certain customers with aggregate gross carrying amount of HK$nil (2024: HK$1,400,000) as at 31 March 2025 are assessed individually. The exposure to credit risk for these balances are assessed with an ECL allowance of HK$nil (2024: HK$1,400,000) was provided by the Group as at 31 March 2025. The remaining trade receivables with gross carrying amount of HK$65,924,000 (2024: HK$86,961,000) are assessed based on debtors' ageing 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 2025 and 31 March 2024 for trade receivables (excluding margin receivables). During the year ended 31 March 2025, ECL allowance of HK$1,720,000 was recognised as a reversal (2024: ECL allowance of HK$2,279,000 was recognised as provision).

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.

44. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

(d) 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 2025, the carrying amounts of margin receivables amounted to approximately HK$55,940,000 (2024: HK$82,241,000) and no ECL is recognised for the year ended 31 March 2025 and 2024. All balances are categorised in Stage 1 12-month ECL with no movement from/to other stages during the year (2024: same). As at 31 March 2024 and 2025, margin receivables were secured by the customers' securities and cash collateral with undiscounted market value of approximately HK$407,060,000 (2024: HK$505,788,000).

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.

44. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

(d) 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 with 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.

44. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

(d) 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 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.

44. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

(d) 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 external information used includes economic data and forecasts published by governmental bodies.

The Group applies probabilities to the forecast scenarios identified.

The movements in the gross amount of loan receivables are as follows:

	Stage 1 HK$'000	**Stage 2** HK$'000	**Stage 3** HK$'000	**Total** HK$'000
As at 1 April 2023	174,054	–	–	174,054
Net changes on the gross amount	(44,495)	–	–	(44,495)
Transfer between stages	(80,549)	80,549	–	–
As at 31 March 2024 and 1 April 2024	49,010	80,549	–	129,559
Net changes on the gross amount	63,612	(44,500)	–	19,112
Transfer between stages	(11,000)	11,000	–	–
As at 31 March 2025	**101,622**	**47,049**	**–**	**148,671**

The movement in the ECL allowance of loan receivables, are as follows:

	Stage 1 HK$'000	**Stage 2** HK$'000	**Stage 3** HK$'000	**Total** HK$'000
As at 1 April 2023	2,136	–	–	2,136
ECL allowance (reversed)/recognised for the year	(2,000)	7,494	–	5,494
As at 31 March 2024 and 1 April 2024	136	7,494	–	7,630
ECL allowance reversed for the year	(136)	(4,308)	–	(4,444)
As at 31 March 2025	**–**	**3,186**	**–**	**3,186**

The movements in the gross amount of interest receivables are as follows:

	Stage 1 HK$'000	**Stage 2** HK$'000	**Stage 3** HK$'000	**Total** HK$'000
As at 1 April 2023	11,474	–	–	11,474
Net changes on the gross amount	(601)	–	–	(601)
Transfer between stages	(7,849)	7,849	–	–
As at 31 March 2024 and 1 April 2024	3,024	7,849	–	10,873
Net changes on the gross amount	7,301	(164)	–	7,137
Transfer between stages	(5,423)	5,423	–	–
As at 31 March 2025	**4,902**	**13,108**	**–**	**18,010**

44. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

(d) Credit risk *(Continued)*

Loan and interest receivables *(Continued)*

The movement in the ECL allowance of interest receivables, are as follows:

	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Total HK$'000
As at 1 April 2023	144	–	–	144
ECL allowance recognised/(reversed) for the year	(138)	728	–	590
As at 31 March 2024 and 1 April 2024	6	728	–	734
ECL allowance reversed for the year	(6)	(173)	–	(179)
As at 31 March 2025	**–**	**555**	**–**	**555**

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 2025 and 2024 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 HK336,000 (2024: HK$836,000)
– 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$336,000 (2024: HK$836,000)

Concentration on credit risk

As at 31 March 2025, the Group had a concentration risk as 5.8% (2024: 12.0%) and 27.9% (2024: 41.6%) of total loans to customers (net of allowance) were made up by the Company's largest loan customer's and the five largest loans customers' outstanding balances respectively.

44. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

(d) Credit risk *(Continued)*

Other financial assets at amortised cost

Other financial assets at amortised cost include other receivables and deposits, amount due from an investee company and promissory notes receivables. 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, amount due from an investee company and promissory notes receivables are considered to be low.

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 investee company and promissory notes receivables 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 investee company and promissory notes receivables as at 31 March 2025 and 2024.

Debt instruments at FVTOCI

The Group only invests in debt securities with low credit risk. The Group's debt instruments at FVTOCI mainly comprise listed and unlisted bonds that are graded in the top investment grade as per globally understood definitions and therefore are considered to be low credit risk investments. During the year ended 31 March 2025, the expected credit loss on debt instruments at FVTOCI was considered insignificant.

(e) 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 21).

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 2025, if the equity securities prices increase/decrease by 5% with all other variables held constant, the Group's profit before taxation will be HK$130,000 lower/higher (2024: profit before taxation will be HK$1,580,000 lower/higher) as a result of gains/losses on equity securities classified as financial assets at FVTPL.

(f) 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 payables, bank and other borrowings, 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 is 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 44(a), 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.

44. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

(f) 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 2025						
Trade and other payables	**108,599**	**–**	**–**	**–**	**108,599**	**108,599**
Promissory notes payables	**33,071**	**–**	**–**	**–**	**33,071**	**32,770**
Bank and other borrowing	**53,414**	**606**	**1,921**	**3,210**	**59,151**	**55,443**
Bonds payable	**48,162**	**22,625**	**27,875**	**–**	**98,662**	**84,000**
Lease liabilities	**12,199**	**11,319**	**17,864**	**–**	**41,382**	**37,242**
	255,445	**34,550**	**47,660**	**3,210**	**340,865**	**318,054**
As at 31 March 2024						
Trade and other payables	224,129	–	–	–	224,129	224,129
Promissory notes payables	36,806	150,000	–	–	186,806	171,551
Bank borrowing	54,596	–	–	–	54,596	51,000
Bonds payable	25,162	23,000	45,250	5,250	98,662	84,000
Lease liabilities	470	–	–	–	470	468
	341,163	173,000	45,250	5,250	564,663	531,148

(g) Fair value hierarchy

The table below analyses the Group's financial instruments carried at fair value as at 31 March 2025 and 2024 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).

44. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

(g) Fair value hierarchy *(Continued)*

	Level 1	Level 2	Level 3
	HK$'000	HK$'000	HK$'000
As at 31 March 2025			
Financial assets at FVTPL			
– Listed equity securities	**2,643**	**–**	**–**
– Unlisted equity investment	**–**	**–**	**139,621**
– Unlisted investment fund	**–**	**60,799**	**–**
Debt instruments at FVTOCI			
– Listed debt instrument	**1,336**	**–**	**–**
– Unlisted debt instrument	**–**	**–**	**1,384**
As at 31 March 2024			
Financial assets at FVTPL			
– Listed equity securities	31,596	–	–
– Unlisted equity investment	–	–	115,243
– Unlisted investment fund	–	5,814	–

There were no transfers among levels 1, 2 and 3 during the years ended 31 March 2025 and 2024.

The carrying amounts of the Group's other financial assets and liabilities including bank balances – trust, cash and cash equivalents, trade and other receivables, promissory notes receivables, loan and interest receivables, trade and other payables, promissory notes payables, bonds payable, lease liabilities and bank and other borrowings 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 and listed debt instrument are based on quoted market prices at the end of reporting period.

Level 2 fair value measurements

As at 31 March 2025 and 2024, the Group's financial assets at FVTPL under level 2 fair value measurements is unlisted investment funds of HK$60,799,000 (2024: HK$5,814,000). 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.

44. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

(g) 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 2025 and 2024 by independent and professional qualified valuer based on residual method as follow:

Valuation technique of property under development included in the unlisted equity investment	Significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Residual method (2024: Residual method)	Market price of finished lot, ranging from US$2,063,000 (2024: US$2,063,000) per lot to US$3,085,000 (2024: US$2,810,000) 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

	Valuation technique and key inputs	Relationship of unobservable inputs to fair value
Debt instruments at FVOCI	Based on the reference prices of respective unlisted bonds provided by financial institutions which is reflecting the credit risk of the issuers.	A slight increase in discount rate used would result in significant decrease in fair value measurement to the unlisted bonds investments and vice versa.

44. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

(g) Fair value hierarchy *(Continued)*

The reconciliation of the carrying amount of the Group's financial instruments classified within Level 3 fair value measurement is as follows:

	Debt instrument at FVTOCI HK$'000	**Financial asset at FVTPL** HK$'000
As at 1 April 2023	–	107,125
Fair value gain recognised in profit or loss	–	8,118
As at 31 March 2024 and 1 April 2024	–	115,243
Addition	1,557	–
Fair value loss recognised in other comprehensive income	(173)	–
Fair value gain recognised in profit or loss	–	24,378
As at 31 March 2025	**1,384**	**139,621**

(h) Offsetting financial assets and financial liabilities

The following tables present details of financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements between the Group and HKSCC at 31 March 2025 and 2024.

	Financial assets subject to offsetting					
				Related amounts not offset in the statement of consolidated statement of financial position		
	Gross amount of recognised financial assets HK$'000	**Gross amount of recognised financial liabilities offset in the consolidated statement of financial position** HK$'000	**Net amount of financial assets presented in the consolidated statement of financial position** HK$'000	**Financial instruments other than cash collateral** HK$'000	**Cash collateral received** HK$'000	**Net amount** HK$'000
At 31 March 2025						
Type of financial assets						
Trade receivables from HKSCC	**23,094**	**(1,958)**	**21,136**	**–**	**–**	**21,136**
At 31 March 2024						
Type of financial assets						
Trade receivables from HKSCC	60,559	(2,648)	57,911	–	–	57,911

44. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

(h) Offsetting financial assets and financial liabilities *(Continued)*

	Financial liabilities subject to offsetting					
				Related amounts not offset in the statement of consolidated statement of financial position		
	Gross amount of recognised financial liabilities	Gross amount of recognised financial assets offset in the consolidated statement of financial position	Net amount of financial liabilities presented in the consolidated statement of financial position	Financial instruments other than cash collateral	Cash collateral received	Net amount
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 31 March 2025						
Type of financial liabilities						
Trade payables to HKSCC	**1,958**	**(1,958)**	**–**	**–**	**–**	**–**
At 31 March 2024						
Type of financial liabilities						
Trade payables to HKSCC	2,648	(2,648)	–	–	–	–

45. 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 2025 and 2024, the subsidiaries, which is subject to minimum capital requirements imposed by the respective regulatory authorities, complied with all minimum capital requirements.

46. COMPARATIVE RESTATEMENT

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

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

After the re-presentation adjustment, net cash from operating activities as part of the consolidated statement of cash flows has changed from net cash used in operating activities of HK$33,658,000 to net cash generated from operating activities of HK$52,832,000 for year ended 31 March 2024 and cash and cash equivalents at the year ended 31 March 2024 and at the beginning of year ended 31 March 2025 as part of the consolidated statement of cash flows has decreased from HK$197,952,000 to HK$39,842,000.

47. EVENT AFTER THE REPORTING PERIOD

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

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

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	**2025**	**2024**	**2023**	**2022**	**2021**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**189,660**	202,353	191,116	309,065	426,551
Profit/(Loss) before income tax expense	**137,304**	104,837	(43,759)	120,536	217,792
Income tax (expense)/credit	**(208)**	(4,934)	(5,418)	(10,761)	(16,994)
Profit/(Loss) for the year	**137,096**	99,903	(49,177)	109,775	200,798

	As at 31 March				
ASSETS AND LIABILITIES	**2025**	**2024**	**2023**	**2022**	**2021**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Current assets	**617,240**	597,990	657,928	679,742	403,375
Non-current assets	**672,685**	478,442	236,758	235,038	224,566
Total assets	**1,289,925**	1,076,432	894,686	914,780	627,941
Current liabilities	**252,215**	342,354	417,548	304,809	116,313
Non-current liabilities	**89,917**	213,113	41,390	83,810	11,071
Total liabilities	**342,132**	555,467	458,938	388,619	127,384
Net assets	**947,793**	520,965	435,748	526,161	500,557
EQUITY					
Equity attributable to owners of the Group	**917,636**	520,965	435,748	526,161	500,557
Non-controlling interests	**30,157**	–	–	–	–
Total equity	**947,793**	520,965	435,748	526,161	500,557

Note: The summary above does not form part of the audited consolidated financial statements.