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DLC ASIA
DLC Asia Limited
衍匯亞洲有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8210)

**FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 30 JUNE 2023**

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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

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

*This announcement, for which the directors (the “**Directors**”) of DLC Asia Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

* For identification purpose only

FIRST QUARTERLY RESULTS

The board of Directors (the “**Board**”) of the Company announces the unaudited condensed consolidated first quarterly results of the Company and its subsidiaries (collectively, the “**Group**”) for the three months ended 30 June 2023, together with the comparative unaudited figures for the corresponding period in 2022 as follows.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 30 JUNE 2023

| | NOTES | Three months ended 30 June | |
|--|-------|---------------------------------|---------------------------------|
| | | 2023 HK\$'000 (unaudited) | 2022 HK\$'000 (unaudited) |
| Revenue | 4 | 14,339 | 9,855 |
| Other income and gains, net | 5 | 213 | 168 |
| | | <hr/> | <hr/> |
| Total revenue and other income and gains | | 14,552 | 10,023 |
| Depreciation | | (364) | – |
| Staff costs | | (9,398) | (6,736) |
| Other operating expenses | | (4,211) | (3,380) |
| Finance costs | 6 | (51) | (44) |
| | | <hr/> | <hr/> |
| Profit (loss) before tax | 7 | 528 | (137) |
| Income tax expense | 8 | (52) | – |
| | | <hr/> | <hr/> |
| Profit (loss) and total comprehensive income (expense) for the period attributable to the owners of the Company | | <u>476</u> | <u>(137)</u> |
| Earnings (loss) per share (<i>HK cents</i>) Basic and diluted | 10 | <u>0.06</u> | <u>(0.02)</u> |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED 30 JUNE 2023

| | Attributable to the owners of the Company | | | | | | | Total HK\$'000 |
|---|---|------------------------------|--|---|---|--|----------------------------------|-------------------|
| | Share capital HK\$'000 | Share premium HK\$'000 | Shareholder's contribution reserve HK\$'000 (Note (a)) | Shares held for the share award scheme HK\$'000 (Note (a)) | Share-based payment reserve HK\$'000 (Note (b)) | Other reserve HK\$'000 (Note (c)) | Retained earnings HK\$'000 | |
| At 1 April 2023 | 8,000 | 21,640 | 19,272 | - | - | 6,800 | 28,001 | 83,713 |
| Profit and total comprehensive income for the period | - | - | - | - | - | - | 476 | 476 |
| As at 30 June 2023 (unaudited) | <u>8,000</u> | <u>21,640</u> | <u>19,272</u> | <u>-</u> | <u>-</u> | <u>6,800</u> | <u>28,477</u> | <u>84,189</u> |
| At 1 April 2022 | 8,000 | 22,909 | 19,272 | (1,840) | 567 | 6,800 | 24,089 | 79,797 |
| Equity-settled share-based compensation expenses | - | - | - | - | 4 | - | - | 4 |
| Issue of shares under the share award scheme | - | (1,269) | - | 1,840 | (571) | - | - | - |
| Loss and total comprehensive expense for the period | - | - | - | - | - | - | (137) | (137) |
| As at 30 June 2022 (unaudited) | <u>8,000</u> | <u>21,640</u> | <u>19,272</u> | <u>-</u> | <u>-</u> | <u>6,800</u> | <u>23,952</u> | <u>79,664</u> |

Notes:

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

During the three months ended 30 June 2023, no share (three months ended 30 June 2022: 8,400,000 shares) has been vested under the share award scheme.

- (b) It represents the grant date fair value of the shares granted to the directors and employees of the Company and its subsidiaries under the share award scheme that has been recognised in accordance with the accounting policy adopted for equity-settled share-based payment transaction.
- (c) Other reserve represented the difference between the nominal amount of the share capital of De Riva Asia Limited (“**De Riva**”) and the nominal amount of the share capital issued by the Company pursuant to the reorganisation of the Company.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 30 JUNE 2023

1. GENERAL

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

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

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

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

2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the three months ended 30 June 2023 have been prepared in accordance with the applicable disclosure provisions of Chapter 18 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”).

3. SIGNIFICANT ACCOUNTING POLICIES

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

The significant accounting policies that have been used in the preparation of these condensed consolidated financial statements for the three months ended 30 June 2023 are consistent with those adopted in the Group’s consolidated financial statements for the year ended 31 March 2023.

In the current period, the Group has applied the amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) which are effective for the Group’s financial year beginning 1 April 2023.

The application of the amendments to HKFRSs in the current period has had no material effect on the Group’s financial performance and positions for the current and prior periods.

4. REVENUE

Revenue represents the amounts received and receivable for services provided in the normal course of business.

| | Three months ended 30 June | |
|---|-----------------------------------|--------------------|
| | 2023 | 2022 |
| | HK\$’000 | HK\$’000 |
| | (unaudited) | (unaudited) |
| Commission income from dealing in securities and futures contracts as a futures non-clearing broker | 14,339 | 9,855 |

5. OTHER INCOME AND GAINS, NET

| | Three months ended 30 June | |
|--------------------------------------|---------------------------------|---------------------------------|
| | 2023 HK\$'000 (unaudited) | 2022 HK\$'000 (unaudited) |
| Bank interest income | 213 | – |
| Government subsidies (<i>note</i>) | – | 168 |
| | <u>213</u> | <u>168</u> |

Note: Government subsidies were cash subsidies granted by The Government of the Hong Kong Special Administrative Region under Anti-Epidemic Fund amounting to HK\$168,000 from the Employment Support Scheme which subsidised 50% of the wages paid to each staff, subject to maximum of HK\$8,000 for each staff respectively. The Group had complied with all attached conditions during the three months ended 30 June 2022 and recognised the amounts in profit or loss in “other income and gains, net”.

6. FINANCE COSTS

| | Three months ended 30 June | |
|-----------------------------|---------------------------------|---------------------------------|
| | 2023 HK\$'000 (unaudited) | 2022 HK\$'000 (unaudited) |
| Interest expense on: | | |
| Overdrafts | 14 | 34 |
| Lease liabilities | 37 | 10 |
| | <u>51</u> | <u>44</u> |

7. PROFIT (LOSS) BEFORE TAX

| | Three months ended 30 June | |
|--|---------------------------------|---------------------------------|
| | 2023 HK\$'000 (unaudited) | 2022 HK\$'000 (unaudited) |
| Profit (loss) for the period has been arrived at after charging: | | |
| Auditor's remuneration | 48 | 30 |
| Exchange loss, net | 113 | 89 |
| Depreciation of property and equipment | 3 | – |
| Depreciation of right of use assets | 361 | – |
| Error and facilitation expenses | 404 | 230 |
| | <u>404</u> | <u>230</u> |

8. INCOME TAX EXPENSE

| | Three months ended 30 June | |
|----------------------------|---------------------------------|---------------------------------|
| | 2023 HK\$'000 (unaudited) | 2022 HK\$'000 (unaudited) |
| Hong Kong: | | |
| Current tax for the period | 39 | – |
| Deferred tax | 13 | – |
| | <u>52</u> | <u>–</u> |

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. For the period ended 30 June 2023 and 2022, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%

9. DIVIDEND

No dividend was paid, declared or proposed during the three months ended 30 June 2023 (three months ended 30 June 2022: nil).

10. EARNINGS (LOSS) PER SHARE

Basic and diluted earnings per share amount are calculated by dividing the profit for the three months ended 30 June 2023 attributable to the owners of the Company of approximately HK\$476,000 by the weighted average number of ordinary shares in issue of 800,000,000 during the period.

There is no difference between basic and diluted earnings per share as there were no potentially dilutive shares outstanding during the three months ended 30 June 2023.

Basic and diluted loss per share amount are calculated by dividing the loss for the three months ended 30 June 2022 attributable to the owners of the Company of approximately HK\$137,000 by the weighted average number of ordinary shares in issue of 799,538,462 during the period, excluding shares held by the trustee under the Company's share award scheme.

The calculation of diluted loss per share does not assume the deemed issue of shares under the share award scheme since it would result in a decrease in loss per share for the three months ended 30 June 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is an interdealer broker in Hong Kong providing derivatives brokerage services to the professional investors (as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)) (the “Professional Investors”) through its wholly-owned subsidiary, De Riva, which is a licensed corporation under the SFO and a HKFE Exchange Participant. De Riva is licensed by the Securities and Futures Commission of Hong Kong (the “SFC”) to carry out type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities in Hong Kong for Professional Investors without providing any margin financing services. Under the licensing condition, De Riva can only provide services to Professional Investors.

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

For the three months ended 30 June 2023, the trade orders involved listed derivatives products which were either executed on Hong Kong Exchanges and Clearing Limited (the “HKEx”), the Singapore Exchange (the “SGX”) or the Eurex Exchange (the “EUREX”), and non-listed derivatives products which were all executed over-the-counter (“OTC”). The Group has, through De Riva, entered into arrangements with a number of execution brokers to provide derivative services for SGX listed derivatives as De Riva does not have the relevant trading rights. Hence, De Riva acted as an agent to arrange for and match up trade orders without providing any execution, settlement or clearing services, and trading parties are directly responsible for all risks involved in the OTC transactions.

For the three months ended 30 June 2023, revenue was approximately HK\$14.3 million, representing an increase of approximately 44.4% when compared with the revenue of approximately HK\$9.9 million of the corresponding period in 2022.

There are no material changes to the business and likely future development of the Group since the publication of the annual report of the Company for the year ended 31 March 2023.

FINANCIAL REVIEW

Revenue

Revenue increased from approximately HK\$9.9 million for the three months ended 30 June 2022 to approximately HK\$14.3 million for the three months ended 30 June 2023, representing an increase of approximately 44.4%. The increase was mainly due to the increase in trade volume on HKEx and OTC.

The following table sets forth the revenue breakdown for the three months ended 30 June 2023, together with the comparative results for the corresponding period in 2022:

| | For the three months ended 30 June | | | |
|-------|------------------------------------|--------------|--------------|--------------|
| | 2023 | | 2022 | |
| | (Unaudited) | | (Unaudited) | |
| | HK\$'000 | % | HK\$'000 | % |
| HKEx | 12,861 | 89.7 | 9,116 | 92.5 |
| SGX | 151 | 1.1 | 186 | 1.9 |
| EUREX | – | – | 19 | 0.2 |
| OTC | 1,327 | 9.2 | 534 | 5.4 |
| TOTAL | <u>14,339</u> | <u>100.0</u> | <u>9,855</u> | <u>100.0</u> |

Staff Costs

Staff costs comprise salaries, provident fund contribution and other allowance. Staff costs increased from approximately HK\$6.7 million for the three months ended 30 June 2022 to approximately HK\$9.4 million for the three months ended 30 June 2023, representing an increase of approximately 40.3%. The increase was mainly attributed to the increase in bonus which was in line with the increase in revenue of the Group compared with the corresponding period in 2022.

Depreciation

Depreciation of property and equipment and right-of-use assets increased from HK\$nil for the three months ended 30 June 2022 to HK\$364 thousand for the three months ended 30 June 2023, representing an increase of 100%. The increase was mainly due to the addition of property and equipment and right-of-use assets in the year ended 31 March 2023.

Other operating expenses

Other operating expenses consist of clearing expenses, information system services expenses, error expenses, insurance expenses, repair and maintenance expenses, legal and professional fee etc. The other operating expenses increased from approximately HK\$3.4 million for the three months ended 30 June 2022 to approximately HK\$4.2 million for the three months ended 30 June 2023, representing an increase of approximately 23.5%. The increase was mainly due to the increase in clearing expenses, error expenses and marketing expenses.

Clearing expenses for the three months ended 30 June 2023 was approximately HK\$1.4 million representing an increase of HK\$424 thousand or 43.4% over approximately HK\$976 thousand of the corresponding period in 2022. The increase in clearing expenses was in line with the increase in revenue of the Group.

Error expenses for the three months ended 30 June 2023 was approximately HK\$404 thousand, representing an increase of HK\$174 thousand or 75.6% over approximately HK\$230 thousand of the corresponding period in 2022. The increase in error expenses was in line with the increase in revenue of the Group.

Marketing expenses for the three months ended 30 June 2023 was approximately HK\$377 thousand, representing an increase of HK\$186 thousand or 97.4% over approximately HK\$191 thousand of the corresponding period in 2022. The increase in marketing expenses was generally due to the lifting of the government imposed regulations to keep social distance due to the shift to normalcy from the COVID-19 pandemic and was in line with the increase in revenue of the Group.

Income tax expense

Income tax expense for the three months ended 30 June 2023 was HK\$52 thousand, while the income tax expense of the corresponding period in 2022 was approximately HK\$nil. Such increase was in line with the increase of net profit before tax during the three months ended 30 June 2023.

Profit/(Loss) for the period

The Group recorded a profit of approximately HK\$476 thousand for the three months ended 30 June 2023 (three months ended 30 June 2022: loss of HK\$137 thousand). The change from loss to profit was mainly due to the increase in revenue, after netting off the increase in staff cost, the increase in depreciation and increase in other operating expenses during the three months ended 30 June 2023 as discussed above.

ERROR EXPENSES AND FACILITATION EXPENSES

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

| | Error Expenses <i>HK\$'000</i> <i>(Unaudited)</i> | Facilitation Expenses <i>HK\$'000</i> <i>(Unaudited)</i> |
|------------|--|---|
| April 2023 | – | 93 |
| May 2023 | – | 165 |
| June 2023 | – | 146 |

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

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the three months ended 30 June 2023. To manage liquidity risk, the Group monitors the liquidity position daily to ensure that the liquidity structure of the Group's assets, liabilities and other commitment can meet the funding and SFC regulatory requirement.

CAPITAL STRUCTURE

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

As at the date of this announcement, the Company's issued share capital was HK\$8 million divided into 800,000,000 ordinary Shares of HK\$0.01 each. During the three months ended 30 June 2023, there was no movement of the issued capital of the Company.

CAPITAL COMMITMENT

As at 30 June 2023, the Group did not have any capital commitment (31 March 2023: HK\$nil) in respect of the acquisitions of property and equipment contracted for but not provided in the condensed consolidated financial statements.

SIGNIFICANT INVESTMENT

The Group had no significant investment with a value of 5% or more of the Group's total assets during the period under review.

EVENT AFTER THE REPORTING PERIOD

There was no significant event relevant to the business or financial performance of the Group that has come to the attention of the Directors after the three months ended 30 June 2023 and up to the date of this announcement.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 June 2023, the Group did not have any future plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the three months ended 30 June 2023, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

CONTINGENT LIABILITIES

As at 30 June 2023 and 30 June 2022, the Group did not have any material contingent liabilities.

EXPOSURE TO EXCHANGE RATE FLUCTUATIONS

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

PLEDGE OF ASSETS

As at 30 June 2023 and 30 June 2022, the Group did not pledge any of its assets.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2023, the Group had 25 staff (as at 30 June 2022: 25) in total. The Group's remuneration policy is based on the duties, responsibilities, experiences, skills, time commitment, performance of the relevant director or member of senior management of the Group and are made with reference to those paid by comparable companies. The employees are remunerated with monthly salaries and discretionary bonuses based on individual performance, market performance, the Group's profit as a whole and comparable market levels. Apart from salary payments, other staff benefits include provident fund contributions, medical insurance coverage, other allowances and benefits.

DIVIDEND

The Board has resolved not to declare an interim dividend for the three months ended 30 June 2023.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE OF INTERESTS

Directors' and chief executive's interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporation

As at 30 June 2023, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

Long position in ordinary Shares

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

Notes:

1. These Shares are held by Dense Jungle Limited, which is wholly owned by Mr. Ng Yu Fai. By virtue of the SFO, Mr. Ng Yu Fai is deemed to be interested in these Shares held by Dense Jungle Limited.
2. These Shares are held by Beyond Delta Limited, which is wholly owned by Mr. Choi Man Ho. By virtue of the SFO, Mr. Choi Man Ho is deemed to be interested in these Shares held by Beyond Delta Limited.
3. These Shares are held by Ocean Lead Holdings Limited, which is wholly owned by Mr. Lau Ming Yeung, Lambert. By virtue of the SFO, Mr. Lau Ming Yeung, Lambert is deemed to be interested in these Shares held by Ocean Lead Holdings Limited.

⁺ The percentage represents the number of ordinary Shares involved divided by the number of issued Shares of the Company as at 30 June 2023.

Save as disclosed above, as at 30 June 2023, neither the Directors nor the chief executive of the Company had any interests and/or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules.

Substantial shareholders' interests and short positions in the Shares and underlying Shares

As at 30 June 2023, the following corporations or persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long position in ordinary Shares

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

Notes:

1. These Shares are held by Oasis Green Ventures Limited, a company wholly owned by Pacific Asset Limited, which is in turn wholly owned by Mr. Yu Kwok Tung. By virtue of the SFO, Mr. Yu Kwok Tung and Pacific Asset Limited are deemed to be interested in these Shares held by Oasis Green Ventures Limited.
2. These Shares are held by Ms. Yip Shui Chi Rowena, the spouse of Mr. Yu Kwok Tung. By virtue of the SFO, Mr. Yu Kwok Tung is taken to be interested in the same number of Shares in which Ms. Yip Shui Chi Rowena is interested.
3. Ms. Yip Shui Chi Rowena is the spouse of Mr. Yu Kwok Tung. By virtue of the SFO, Ms. Yip Shui Chi Rowena is taken to be interested in the same number of Shares in which Mr. Yu Kwok Tung is interested.

4. These Shares are held by Jolly Ocean Global Limited, a company wholly owned by Santo Global Investments Limited, which is in turn wholly owned by Mr. Lau Ming Hong Henry. By virtue of the SFO, Mr. Lau Ming Hong Henry and Santo Global Investments Limited are deemed to be interested in these Shares held by Jolly Ocean Global Limited. Ms. Lo Ying is the spouse of Mr. Lau Ming Hong Henry. By virtue of the SFO, Ms. Lo Ying is taken to be interested in the same number of Shares in which Mr. Lau Ming Hong Henry is interested.
 5. These interests are also disclosed as the interest of Mr. Ng Yu Fai in the paragraph headed “Directors’ and chief executive’s interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporation”.
 6. Ms. Mak Sui Yu is the spouse of Mr. Choi Man Ho. By virtue of the SFO, Ms. Mak Sui Yu is taken to be interested in the same number of Shares in which Mr. Choi Man Ho is interested.
- + The percentage represents the number of ordinary Shares involved divided by the number of issued Shares as at 30 June 2023.

Save as disclosed above, as at 30 June 2023, other than the Directors and the chief executive of the Company whose interests are set out in the paragraph headed “Directors’ and chief executive’s interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporation” above, no person had interest or short position in the Shares or underlying Shares which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

COMPETING AND CONFLICT OF INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling shareholders of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the three months ended 30 June 2023.

None of the Directors, the controlling shareholders or substantial shareholders of the Company or any of their respective close associates has engaged in or has interest in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the GEM Listing Rules, or has any other conflicts of interest with the Group during the three months ended 30 June 2023.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the three months ended 30 June 2023.

CORPORATE GOVERNANCE PRACTICE

The Company is committed to maintaining high standard of corporate governance which is essential to the sustainable development and growth of the Company. The Company has devoted efforts to put in place various policies and procedures in compliance with the principles and code provisions set out in the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules and the Board is of the view that the Company has met such code provisions during the three months ended 30 June 2023.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its code of conduct regarding Directors’ securities transactions in the Company. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules and there was no event of non-compliance during the three months ended 30 June 2023.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme on 30 July 2018 (the “**Share Option Scheme**”). The purpose of the Share Option Scheme is to enable the Company to grant share options to the eligible participants as incentive or reward for their contribution to the Group to subscribe for the Shares thereby linking their interest with that of the Group. Subject to any early termination as may be determined by the Board, the Share Option Scheme shall be valid and effective for a term of ten (10) years commencing on the date of adoption. The remaining life of the Share Option Scheme is approximately 5 years.

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

No share option has been granted by the Company under the Share Option Scheme since its adoption. The number of options available for grant under the scheme mandate of the Share Option Scheme as at 30 June 2023 is 80,000,000 Shares, representing 10% of total issued shares of the Company as at the date of this announcement.

SHARE AWARD SCHEME

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

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

Since the adoption of the Share Award Scheme, a total of 88,000,000 awarded shares have been granted by the Company pursuant to the terms of the Share Award Scheme, subject to the vesting conditions (if any) and all awarded shares have vested in the relevant grantees. Pursuant to the Share Award Scheme, there is no amount payable on application or acceptance of the awarded shares and no purchase price of the awarded shares. No awarded shares have been granted/cancelled/lapsed/vested under the Share Award Scheme during the three months ended 30 June 2023.

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

The number of awards available for grant under the scheme mandate of the Share Award Scheme as at 30 June 2023 is 120,000,000 Shares, representing 15% of the total issued shares of the Company as at the date of this announcement. There is no restriction on the maximum number of Shares to be granted under the Share Award Scheme to each eligible participant.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established on 30 July 2018 with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The Audit Committee currently consists of three members, namely Mr. Or Kevin, Mr. Voon David Hian-fook and Mr. Wu Ping Lam Michael David, all being independent non-executive Directors. The primary duties of the Audit Committee are to review the Company’s financial information and reporting process, risk management and internal control systems, relationship with external auditors and arrangements for employees of the Group to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company. The chairman of the Audit Committee is Mr. Or Kevin, who holds the appropriate professional qualifications. None of the members of the Audit Committee are former partners of the Company’s existing external auditors.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the three months ended 30 June 2023.

By Order of the Board
DLC Asia Limited
Lau Ming Yeung, Lambert
Chairman

Hong Kong, 28 July 2023

As at the date of this announcement, the executive Directors are Mr. Lau Ming Yeung, Lambert, Mr. Choi Man Ho, Mr. Ng Yu Fai and Mr. Shiu Kam Man; and the independent non-executive Directors are Mr. Voon David Hian-fook, Mr. Or Kevin and Mr. Wu Ping Lam Michael David.

This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at “www.hkexnews.hk” for at least seven days from the date of its publication and on the Company’s website at “www.derivaasia.com”.