



德林控股

DL HOLDINGS

Stock Code: 1709

DL HOLDINGS GROUP LIMITED  
德林控股集團有限公司

# 2022/2023 Interim Report

(Incorporated in the Cayman Islands with limited liability)



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# INDEPENDENT REVIEW REPORT

## **To the members of DL Holdings Group Limited**

*(incorporated in Cayman Islands with limited liability)*

### **INTRODUCTION**

We have reviewed the condensed consolidated interim financial statements of DL Holdings Group Limited (the “Company”) and its subsidiaries (together, the “Group”) set out on pages 4 to 55, which comprise the condensed consolidated statement of financial position as at 30 September 2022, and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on the interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with Hong Kong Accounting Standard 34. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### **SCOPE OF REVIEW**

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



# INDEPENDENT REVIEW REPORT

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34.

### **Grant Thornton Hong Kong Limited**

*Certified Public Accountants*

11th Floor, Lee Garden Two  
28 Yun Ping Road  
Causeway Bay  
Hong Kong

30 November 2022

Ng Ka Kong  
Practising Certificate No.: P06919

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2022

	Notes	For the six months ended	
		2022	2021
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
<b>Revenue</b>	5	<b>125,189</b>	156,583
Cost of sales/services	6	<b>(59,121)</b>	(67,664)
<b>Gross profit</b>		<b>66,068</b>	88,919
Other (losses)/gains, net	7	<b>(41,862)</b>	10,370
Selling expenses	6	<b>(1,461)</b>	(2,605)
General and administrative allowance expenses	6	<b>(40,223)</b>	(35,641)
Expected credit loss ("ECL") of receivables, net	6	<b>(2,776)</b>	(3,558)
Operating (loss)/profit		<b>(20,254)</b>	57,485
Finance income		<b>17</b>	76
Finance costs	10	<b>(5,134)</b>	(2,809)
Finance costs, net		<b>(5,117)</b>	(2,733)
<b>(Loss)/Profit before income tax</b>		<b>(25,371)</b>	54,752
Income tax expense	11	<b>(4,829)</b>	(3,163)
<b>(Loss)/Profit for the period</b>		<b>(30,200)</b>	51,589
<b>Other comprehensive expense, including reclassification adjustment:</b>			
<i>Item that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of financial statements of foreign operations		<b>(546)</b>	(31)
<b>Other comprehensive expense for the period, including reclassification adjustment</b>		<b>(546)</b>	(31)
<b>Total comprehensive (expense)/income for the period attributable to owners of the Company</b>		<b>(30,746)</b>	51,558
<b>(Loss)/Earnings per share attributable to owners of the Company</b>			
Basic (HK cents)	13	<b>(2.15)</b>	3.66 (restated)
Diluted (HK cents)	13	<b>(2.15)</b>	3.64 (restated)

The notes on pages 9 to 55 are an integral part of this condensed consolidated interim financial statements.

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	Notes	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	2,380	3,398
Right-of-use assets	14	8,379	9,349
Intangible assets	15	12,248	12,248
Goodwill	16	6,586	7,921
Deferred tax assets		294	294
Deposits	17	8,001	1,377
Financial assets at fair value through profit or loss ("Financial assets at FVTPL")	18	150,693	200,451
		<b>188,581</b>	235,038
<b>Current assets</b>			
Deposits, prepayments, trade and other receivables	17	214,361	227,531
Loan and interest receivables	19	202,143	166,633
Cash and cash equivalents – trust		103,538	130,942
Cash and cash equivalents – general		87,080	154,636
		<b>607,122</b>	679,742
<b>Current liabilities</b>			
Trade and other payables	20	145,240	160,281
Bank borrowing	21	50,000	80,000
Bonds payable	22	44,000	13,000
Promissory notes	23	20,000	25,000
Lease liabilities		5,506	6,453
Income tax payable		24,159	20,075
		<b>288,905</b>	304,809
<b>Net current assets</b>		<b>318,217</b>	374,933
<b>Total assets less current liabilities</b>		<b>506,798</b>	609,971

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	Notes	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
<b>Non-current liabilities</b>			
Lease liabilities		<b>3,096</b>	3,560
Provision for reinstatement cost	20	–	250
Bonds payable	22	<b>36,000</b>	80,000
		<b>39,096</b>	83,810
<b>Net assets</b>			
		<b>467,702</b>	526,161
<b>EQUITY</b>			
Share capital	24	<b>14,301</b>	14,301
Other reserves		<b>241,331</b>	250,319
Retained earnings		<b>212,070</b>	261,541
<b>Total equity</b>			
		<b>467,702</b>	526,161

**Chen Ningdi**

*Executive Director*

**Ai Kuiyu**

*Executive Director*

The notes on pages 9 to 55 are an integral part of this condensed consolidated interim financial statements.

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

	Attributable to owners of the Company							
	Share capital HK\$'000	Share premium* HK\$'000	Share held for share award scheme* HK\$'000	Share options reserve* HK\$'000	Capital reserve* HK\$'000	Translation reserve* HK\$'000	Retained earnings HK\$'000	Total equity HK\$'000
<b>Balance at 1 April 2022 (audited)</b>	<b>14,301</b>	<b>354,734</b>	<b>(115,660)</b>	<b>11,222</b>	<b>10</b>	<b>13</b>	<b>261,541</b>	<b>526,161</b>
Loss for the period	-	-	-	-	-	-	(30,200)	(30,200)
Other comprehensive expense for the period	-	-	-	-	-	(546)	-	(546)
Total comprehensive expense for the period	-	-	-	-	-	(546)	(30,200)	(30,746)
<i>Transactions with owners in their capacity as owners</i>								
Acquisition of shares under Share Award Scheme (note (a))	-	-	(8,994)	-	-	-	-	(8,994)
Shares granted under Share Award Scheme (note (a))	-	94	458	-	-	-	-	552
2022 final dividend declared (note 12)	-	-	-	-	-	-	(19,271)	(19,271)
<b>Balance at 30 September 2022 (unaudited)</b>	<b>14,301</b>	<b>354,828</b>	<b>(124,196)</b>	<b>11,222</b>	<b>10</b>	<b>(533)</b>	<b>212,070</b>	<b>467,702</b>
Balance at 1 April 2021 (audited)	13,966	263,464	(17,255)	24,796	10	-	215,576	500,557
Profit for the period	-	-	-	-	-	-	51,589	51,589
Other comprehensive expense for the period	-	-	-	-	-	(31)	-	(31)
Total comprehensive (expense)/income for the period	-	-	-	-	-	(31)	51,589	51,558
<i>Transactions with owners in their capacity as owners</i>								
Issuance of shares under Share Option Scheme	335	90,988	-	(13,574)	-	-	-	77,749
Acquisition of shares under Share Award Scheme (note (a))	-	-	(98,778)	-	-	-	-	(98,778)
Shares granted under Share Award Scheme (note (a))	-	245	144	-	-	-	-	389
2021 annual dividend paid (note 12)	-	-	-	-	-	-	(49,460)	(49,460)
Balance at 30 September 2021 (unaudited)	14,301	354,697	(115,889)	11,222	10	(31)	217,705	482,015

\* Other reserves comprise the Group's reserves of HK\$241,331,000 (unaudited) (31 March 2022: HK\$250,319,000 (audited)) in the condensed consolidated statement of financial position.

Note:

- (a) During the six months ended 30 September 2022, the Company contributed approximately HK\$8,994,000 (unaudited) (six months ended 30 September 2021: HK\$98,778,000 (unaudited)) at an average price of HK\$2.7 (six months ended 30 September 2021: HK\$2.57) per share for repurchases of 3,331,000 (unaudited) (six months ended 30 September 2021: 38,415,000 (unaudited)) ordinary shares which are currently held under the share award scheme adopted on 8 September 2020 (the "Share Award Scheme"). 200,000 shares (unaudited) (six months ended 30 September 2021: nil (unaudited)) was granted to the eligible persons pursuant to the Share Award Scheme.

The notes on pages 9 to 55 are an integral part of this condensed consolidated interim financial statements.



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
<b>Cash flow from operating activities</b>		
Cash generated used in operations	<b>(34,707)</b>	(37,412)
Income tax refund	–	34
<i>Net cash used in operating activities</i>	<b>(34,707)</b>	(37,378)
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	<b>(357)</b>	(2,270)
Addition of financial assets at FVTPL	–	(27,199)
Proceeds from disposal of financial assets at FVTPL	<b>5,020</b>	25,250
Dividend income received	<b>12</b>	9
Acquisition of a subsidiary, net of cash acquired	–	(263)
(Increase)/decrease in amount due from a related party	<b>(5)</b>	1,365
Interest income received	<b>17</b>	76
<i>Net cash from/(used in) investing activities</i>	<b>4,687</b>	(3,032)
<b>Cash flow from financing activities</b>		
Proceeds from bank borrowing	–	80,000
Proceeds from promissory notes	–	30,000
Proceeds from issuance of bonds	–	72,000
Interest paid	<b>(4,780)</b>	(1,835)
Interest elements of lease rentals paid	<b>(107)</b>	(170)
Increase in amounts due to related parties	–	(2,823)
Capital elements of lease rentals paid	<b>(3,611)</b>	(3,459)
Proceeds from issuance of shares upon exercise of share options	–	77,749
Repayment of bank borrowing	<b>(30,000)</b>	–
Repayment of bonds payable	<b>(13,000)</b>	–
Repayment of promissory notes	<b>(5,000)</b>	(22,230)
Dividends paid	–	(49,460)
Acquisitions of shares under Share Award Scheme	<b>(8,994)</b>	(98,778)
Shares granted under Share Award Scheme	<b>552</b>	389
<i>Net cash (used in)/from financing activities</i>	<b>(64,940)</b>	81,383
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(94,960)</b>	40,973
Cash and cash equivalents at beginning of the period	<b>285,578</b>	99,255
Effect of foreign exchange rate changes	–*	(38)
<b>Cash and cash equivalents at the end of the period</b>	<b>190,618</b>	140,190

\* Amount less than HK\$1,000.

The notes on pages 9 to 55 are an integral part of these condensed consolidated interim financial statements.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 1. GENERAL

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 Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company has established a place of business in 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; and investment management and advisory services to customers; (ii) provision of money lending services to customers; (iii) sales of apparel products with the provision of supply chain management total solutions to customers; and (iv) provision of enterprise solutions services.

The directors consider the immediate holding company and the ultimate holding company of the Company is DA Wolf Investments I Limited.

## 2. BASIS OF PREPARATION

The interim financial report does not include all of the information and disclosures required in annual financial statements in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which comprises all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the HKICPA, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2022 (“2022 Annual Financial Statements”).

The preparation of these condensed consolidated interim financial statements requires the Company’s management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by the Company’s management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2022 Annual Financial Statements, except as disclosed in notes 3 and 4.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 3. ACCOUNTING POLICIES AND USE OF JUDGEMENTS AND ESTIMATES

The accounting policies and methods of computation used in the preparation of the condensed consolidated interim financial statements are consistent with those used in 2022 Annual Financial Statements, except as described below:

### Accounting policy

#### Revenue

Commission income is recognised on an accrual basis when the Group's entitlement to payment has been established.

### Use of judgements and estimates

#### Impairment of non-financial assets

Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair value less costs to sell. These calculations require the use of judgements and estimates. Management judgement is required in the area of asset impairment particularly in assessing:

- (i) whether an event has occurred that may indicate that the related asset values may not be recoverable;
- (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and
- (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate.

Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant change in the projected performance and resulting future cash flow projections, such difference will impact the carrying value of the relevant asset and amount of impairment charge for the period in which such estimate has been changed.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 4. APPLICATION OF NEW OR AMENDED HKFRSs

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

The condensed consolidated interim financial statements for the six months ended 30 September 2022 have been prepared in accordance with the accounting policies adopted in 2022 Annual Financial Statements, except for the adoption of the following amended HKFRSs effective as of 1 April 2022. The Group has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.

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

The application of the amended HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated interim financial statements.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 4. APPLICATION OF NEW OR AMENDED HKFRSs (Continued) Issued but not yet effective HKFRSs

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

HKFRS 17	Insurance Contracts and related amendments <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>1</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>3</sup> Effective date not yet determined

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Other new and amended HKFRSs are not expected to have a material impact on the Group's condensed consolidated interim financial statements.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 4. APPLICATION OF NEW OR AMENDED HKFRSs (Continued)

### Issued but not yet effective HKFRSs (Continued)

#### **HKFRS 17 “Insurance Contracts” (“HKFRS 17”) and HKFRS 17 (Amendments)**

HKFRS 17 was issued to replace HKFRS 4 “Insurance Contracts”, an interim standards that allowed entities to use a wide variety of accounting practices for insurance contracts, reflecting national accounting requirements and variations of those requirements. HKFRS 17 solves the comparison problems created by HKFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost, ending the practice of using data from when a policy was taken out.

HKFRS 17 applies to all insurance contracts an entity issues (including those for reinsurance), reinsurance contracts it holds and investment contracts with a discretionary participation features, provided the entity also issues insurance contracts. The standard introduces insurance contract measurement principles requiring:

- current, explicit and unbiased estimates of future cash flows;
- discount rates that reflect the characteristics of the contracts’ cash flows; and
- explicit adjustment for non-financial risk.

Besides, HKFRS 17 also introduces the following changes:

- Day one profits should be deferred as a contractual service margin and allocated systematically to profit or loss as entities provide coverage and are released from risk.
- Revenue is no longer equal to written premiums but to the change in the contract liability covered by the consideration.
- A separate measurement model applies to reinsurance contracts held. Modifications are allowed for qualifying short-term contracts and participating contracts.
- More extensive disclosure requirements.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the condensed consolidated interim financial statements.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

*For the six months ended 30 September 2022*

## 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 products and service lines. No operating segments identified by CODM have been aggregated in arriving at the reportable segments of the Group.

The Group has identified the following reportable and operating segments for the six months ended 30 September 2021 and 2022:

- Financial services of licensed business – provide finance advisory services; securities research services; securities trading and brokerage services; margin financing services; referral services; and investment management and advisory services to the customers;
- Money lending services – provide equity pledge financing services and money lending services to the customers;
- Sales of apparel products – sales of apparel products with the provision of supply chain management total solutions to customers; and
- Enterprise solutions services – provision of global identity planning and wealth inheritance consultancy services, and other business consultancy services.

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

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 5. REVENUE AND SEGMENT INFORMATION *(Continued)*

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

Revenue and expenses are allocated to the reportable segments with reference to the revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation, bank interest income, finance costs (related to reportable and operating segments), ECL allowance of trade and other receivables, ECL allowance of loan and interest receivables, net fair value gains/(losses) on financial asset at FVTPL, net losses on disposals of financial assets at FVTPL (related to reportable and operating segments) and income tax expense attributable to those segments.

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

Segment assets include all assets with the exception of unallocated financial assets at FVTPL, right-of-use assets and other corporate assets.

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



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 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:

	For the six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
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)	80,994	76,836
– Sales of apparel products	16,223	69,130
– Provision of enterprise solutions services	12,028	–
	109,245	145,966
Revenue from other sources		
– Provision of money lending services	8,259	8,056
– Interest income from provision of margin financing services	7,685	2,561
	15,944	10,617
	125,189	156,583
Disaggregated by timing of revenue recognition under HKFRS 15		
– Services provided over time	15,503	37,367
– Services provided at a point in time	77,519	39,469
– Goods transferred at a point in time	16,223	69,130
	109,245	145,966
Revenue from other sources		
– Interest income from provision of money lending services	8,259	8,056
– Interest income from provision of margin financing services	7,685	2,561
	15,944	10,617
	125,189	156,583

Note:

	For the six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
<b>Revenue from provision of financial services of licensed business</b>		
Services fee income from finance advisory services and investment management services	77,606	71,492
Net commission and brokerage income arising on securities dealing	3,388	5,344
	80,994	76,836

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 5. REVENUE AND SEGMENT INFORMATION (Continued)

The segment information provided to the CODM for the reportable segments for the six months ended 30 September 2022 is as follows:

	Financial services of licensed business HK\$'000 (unaudited)	Money lending services HK\$'000 (unaudited)	Sales of apparel products HK\$'000 (unaudited)	Enterprise solutions services HK\$'000 (unaudited)	Inter- company elimination HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Revenue						
– From external customers	88,679	8,259	16,223	12,028	–	125,189
– Inter-segment revenue	314	–	–	–	(314)	–
<b>Reportable segment revenue</b>	<b>88,993</b>	<b>8,259</b>	<b>16,223</b>	<b>12,028</b>	<b>(314)</b>	<b>125,189</b>
<b>Reportable segment profit/(loss)</b>	<b>22,058</b>	<b>5,651</b>	<b>(5,211)</b>	<b>617</b>	<b>–</b>	<b>23,115</b>
Bank interest income						–*
Unallocated other gains/(losses), net						
– Net gain on disposals of financial assets at FVTPL						35
– Net fair value losses on financial assets at FVTPL						(40,524)
Corporate and other unallocated expenses including depreciation of right-of-use assets of HK\$1,366,000						(4,509)
Finance costs						(3,488)
Loss before income tax						(25,371)
<b>Other information:</b>						
Net losses on disposals of financial assets at FVTPL	(969)	–	–	–	–	(969)
Net fair value losses on financial assets at FVTPL	(54)	–	–	–	–	(54)
Bank interest income	15	–	–	2	–	17
Depreciation of property, plant and equipment	(503)	–	(24)	(18)	–	(545)
Depreciation of right-of-use assets	(502)	–	(1,300)	–	–	(1,802)
Loss on written off of property, plant and equipment	(830)	–	–	–	–	(830)
Impairment of goodwill	(1,335)	–	–	–	–	(1,335)
(Provision for)/reversal of ECL allowance on						
– trade and other receivables	(1,489)	–	396	(248)	–	(1,341)
– loan and interest receivables	–	(1,435)	–	–	–	(1,435)
Finance costs	(1,141)	(464)	(41)	–	–	(1,646)
Income tax expense	(3,294)	(1,169)	–	(366)	–	(4,829)

\* Amount less than HK\$1,000

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 5. REVENUE AND SEGMENT INFORMATION (Continued)

The segment information provided to the CODM for the reportable segments for the six months ended 30 September 2021 is as follows:

	Financial services of licensed business HK\$'000 (unaudited)	Money lending services HK\$'000 (unaudited)	Sales of apparel products HK\$'000 (unaudited)	Inter- company elimination HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Revenue					
– From external customers	79,397	8,056	69,130	–	156,583
Reportable segment revenue	79,397	8,056	69,130	–	156,583
Reportable segment profit	44,871	4,608	311	–	49,790
Bank interest income					62
Unallocated other gains, net					
– Net fair value gains on financial assets at FVTPL					10,941
Corporate and other unallocated expenses including depreciation of right-of-use assets of HK\$1,205,000					(3,795)
Finance costs					(2,246)
Profit before income tax					54,752
Other information:					
Net losses on disposals of financial assets at FVTPL	(897)	–	–	–	(897)
Net fair value gains on financial assets at FVTPL	15	–	–	–	15
Bank interest income	14	–	–	–	14
Depreciation of property, plant and equipment	(490)	–	(31)	–	(521)
Depreciation of right-of-use assets	(753)	(90)	(1,336)	–	(2,179)
Provision for ECL allowance on					
– trade and other receivables	(410)	–	(456)	–	(866)
– loan and interest receivables	–	(2,692)	–	–	(2,692)
Finance costs	(327)	(174)	(62)	–	(563)
Income tax expense	(1,959)	(1,204)	–	–	(3,163)

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 5. REVENUE AND SEGMENT INFORMATION (Continued)

	Financial services of licensed business HK\$'000	Money lending services HK\$'000	Sales of apparel products HK\$'000	Enterprise solutions services HK\$'000	Inter- company elimination HK\$'000	Total HK\$'000
<b>Balance at 30 September 2022 (unaudited)</b>						
Reportable segment assets	366,560	210,342	52,612	72,544	(445,603)	256,455
Unallocated						539,248
Total assets						795,703
Reportable segment liabilities	172,591	183,621	12,534	35,187	(352,116)	51,817
Unallocated						276,184
Total liabilities						328,001
Additions to non-current assets	177	–	2,596	33	–	2,806
<b>Balance at 31 March 2022 (audited)</b>						
Reportable segment assets	410,010	176,650	63,536	59,904	(288,015)	422,085
Unallocated						492,695
Total assets						914,780
Reportable segment liabilities	234,806	154,411	18,247	22,245	(203,852)	225,857
Unallocated						162,762
Total liabilities						388,619
Additions to non-current assets	2,129	11	18	340	–	2,498
Unallocated						6,224
						8,722

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 6. EXPENSES BY NATURE

	For the six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Auditors' remuneration – other service	280	250
Bad debt written off	600	–
Cost of goods sold	14,576	57,931
Cost of services	43,495	7,501
Consultancy fee	4,959	4,753
Depreciation of property, plant and equipment	545	521
Depreciation of right-of-use assets	3,168	3,384
ECL on trade receivables, net (note 17)	1,341	866
ECL on loan and interest receivables, net (note 19)	1,435	2,692
ECL on receivables, net	2,776	3,558
Employee benefit expenses (note 8)	20,680	18,445
Entertainment and travelling expenses	3,318	1,183
Incentive fee	–	309
Marketing expenses	551	2,402
Sales commission	541	880
Short-term leases rentals in respect of		
– office	154	114
– car park	113	89
Other expenses	7,825	8,148
Total cost of sales/services, selling expenses, general and administrative expenses and ECL of receivables, net	103,581	109,468

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 7. OTHER (LOSSES)/GAINS, NET

	For the six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Dividend income from financial assets at FVTPL	12	9
Exchange gains/(losses), net	30	(20)
Fair value (losses)/gains on financial assets at FVTPL	(40,578)	10,956
Government grants (note)	1,153	–
Impairment loss on goodwill (note 16)	(1,335)	–
Losses on disposals of financial assets at FVTPL, net	(934)	(897)
Loss on lease termination	(2)	–
Loss on written off of property, plant and equipment	(830)	–
Others	622	322
	<b>(41,862)</b>	10,370

Note:

### During the six months ended 30 September 2022

Being the grants received from (i) the COVID-19 Anti-epidemic Fund under the Employment Support Scheme of approximately HK\$876,000, (ii) Financial Industry Recruitment Scheme for Young Graduates launched by the Government of the Hong Kong Special Administrative Region of HK\$60,000 and (iii) Job Growth Incentive Payout of approximately HK\$101,000 and Digital Acceleration Grant of approximately HK\$116,000 provided by the Singapore Government.

## 8. EMPLOYEE BENEFIT EXPENSES (including directors' emoluments)

	For the six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Salaries, bonus and other short-term employee benefits	19,621	17,548
Share award granted to employees	552	389
Pension costs – defined contribution plans	507	508
	<b>20,680</b>	18,445

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 9. SHARE-BASED PAYMENTS

The Company has a share option scheme which was adopted on 22 September 2015 (the “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, and other eligible grantees to take up options to subscribe for shares of the Company by payment of HK\$1 consideration upon acceptance. 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 early termination of the Share Option Scheme. Each option gives the holder the right to subscribe for one ordinary share in the Company.

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

On 17 August 2020, the Company granted a total of 54,500,000 share options under the Share Option Scheme with no vesting period. Among the 54,500,000 share options, 41,500,000 of which has an exercise price of HK\$0.9 to subscribe for one ordinary share of the Company of HK\$0.01 each, and the remaining 13,000,000 of which has an exercise price of HK\$1 to subscribe for one ordinary share of HK\$0.01 each.

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

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 9. SHARE-BASED PAYMENTS (Continued)

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

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

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

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

As at 30 September 2021 and 2022, details of each share options granted are set out below:

<b>Date of grant</b>	<b>Option type</b>	<b>Exercisable period</b>	<b>Validating period</b>	<b>Exercise price HK\$</b>
17 August 2020	2020B	17 August 2020 to 16 August 2023	3 years	1.000
19 November 2020	2020C	19 November 2020 to 18 November 2023	3 years	2.500



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 9. SHARE-BASED PAYMENTS (Continued)

### 9.1 Movement in share options

Six months ended 30 September 2022 (unaudited)

	Option type	Outstanding at 1 April 2022 and 30 September 2022 (unaudited)
Director – Mr. Liu	2020B	3,000,000
Employee(s) of the Group	2020B	1,500,000
	2020C	23,500,000
Sub-total		25,000,000
Other participants	2020B	1,500,000
Total		29,500,000

	At 1 April 2022 and 30 September 2022 (unaudited)
Weighted average exercise price per share (HK\$ (approximate))	2.2
Weighted average remaining contractual life of options outstanding	1.08 years
Number of options exercisable	29,500,000
Weighted average exercise price per share of options exercisable (HK\$)	2.2

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 9. SHARE-BASED PAYMENTS (Continued)

### 9.1 Movement in share options (Continued)

#### Six months ended 30 September 2021 (unaudited)

	Option type	Outstanding at 1 April 2021 (audited)	Exercised during the period (unaudited)	Outstanding at 30 September 2021 (unaudited)
Director – Mr. Liu	2020B	3,000,000	–	3,000,000
Employee(s) of the Group	2020B	5,500,000	(4,000,000)	1,500,000
	2020C	53,000,000	(29,500,000)	23,500,000
Sub-total		58,500,000	(33,500,000)	25,000,000
Other participants	2020B	1,500,000	–	1,500,000
<b>Total</b>		<b>63,000,000</b>	<b>(33,500,000)</b>	<b>29,500,000</b>
		At 1 April 2021 (audited)	Exercised during the period (unaudited)	At 30 September 2021 (unaudited)
Weighted average exercise price per share (HK\$ (approximate))		2.262	2.321	2.195
Weighted average remaining contractual life of options outstanding				2.08 years
Number of options exercisable				29,500,000
Weighted average exercise price per share of options exercisable (HK\$)				2.195

The share options outstanding at 30 September 2022 had exercise prices of HK\$1 to HK\$2.5 (30 September 2021: HK\$1 to HK\$2.5). There was no lapse or cancellation of share options during the six months ended 30 September 2021 and 2022.

During the six months ended 30 September 2021 and 2022, no share-based payment expense in relation to share options was granted to the directors.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 9. SHARE-BASED PAYMENTS (Continued)

### 9.2 Fair value of share options and assumptions

No share options are granted during the six months ended 30 September 2021 and 2022.

The fair values of the share options granted are arrived at on the basis of a valuation carried out at the grant date by Roma Appraisal Limited. They were derived from Binomial Option Pricing Model by applying the following bases and assumptions:

	Share options granted to					
	Employees	Mr. Li and Mr. Chen	Mr. Liu	Employees	Employees	External consultants
Grant date	19/11/2020	17/8/2020	17/8/2020	17/8/2020	17/8/2020	17/8/2020
Number of options granted	53,000,000	11,000,000	3,000,000	30,500,000	5,500,000	4,500,000
Option life (note (i))	3 years	3 years	3 years	3 years	3 years	3 years
Risk-free rate (note (ii))	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%
Volatility (note (iii))	43.90%	37.27%	37.27%	37.27%	37.27%	37.27%
Dividend yield	0%	0%	0%	0%	0%	0%
Fair value per share option						
at grant date	HK\$0.44314	HK\$0.17364	HK\$0.13992	HK\$0.15884	HK\$0.12537	HK\$0.13559
Total fair value for each batch (HK\$'000)	23,486	1,910	420	4,845	690	610

Notes:

- (i) The option life was determined with reference to the expiry date of the Share Options Scheme and the estimation on expected retirement date of the respective individuals and probability of contract renewal with the external consultants by management.
- (ii) The risk-free rate was determined with reference to the yield of Hong Kong Government Exchange Fund Notes with a maturity life equal to the time to maturity of the share options at the grant date.
- (iii) The volatility of the share options was calculated based on the daily stock prices of the comparable companies. The length of period approximately equals to the time to maturity of the share options at the grant date.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 9. SHARE-BASED PAYMENTS *(Continued)*

### 9.2 Fair value of share options and assumptions *(Continued)*

The fair values of the share options are subject to the limitations of the Binomial Option Pricing Model and a number of assumptions which are subjective and difficult to ascertain. Changes in the subjective input assumptions could materially affect the fair value estimate. The weighted average fair value of share options granted based on the date on which the share options were granted determined using the Binomial Option Pricing Model was HK\$0.2973.

At 30 September 2022, the Company had 29,500,000 (unaudited) (30 September 2021: 29,500,000 (unaudited)) share options outstanding under the Share Options Scheme, which represented approximately 2.06% (unaudited) (30 September 2021: 2.06% (unaudited)) 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.

## 10. FINANCE COSTS

	For the six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest expenses on bank borrowing	1,136	303
Interest expenses on bonds payable	3,427	1,481
Interest on lease liabilities	107	170
Interest expenses on promissory notes	464	172
Imputed interest on promissory note	–	683
	5,134	2,809

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 11. INCOME TAX EXPENSE

	For the six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current income tax		
– Hong Kong	4,829	2,934
– The People's Republic of China ("PRC")	–	229
	4,829	3,163

### Hong Kong

For subsidiaries of the Group in Hong Kong, under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25% (six months ended 30 September 2021: 8.25%), and profits above HK\$2 million will be taxed at 16.5% (six months ended 30 September 2021: 16.5%). The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% (six months ended 30 September 2021: 16.5%).

### Cayman Islands and British Virgin Islands

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is 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 Group has no estimated assessable profits in respective jurisdiction.

### PRC

Enterprise income tax has not been provided as the subsidiary of the Group in the PRC has no estimated assessable profit for the six months ended 30 September 2022 (six months ended 30 September 2021: under the 《國家稅務總局關於小型微利企業所得稅優惠政策》, for the portion of profit less than RMB1 million, 12.5% of such amount will be taxed at 20% and profits within the range of RMB1 million to RMB3 million, 25% of such amount will be taxed at 20%).

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 12. DIVIDENDS

### (a) Dividends attributable to the period

	For the six months ended	
	30 September 2022 (unaudited)	2021 (unaudited)
Interim dividend of HK1.04 cents per ordinary share	–	14,873

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: the directors of the Company declared an interim dividend of HK1.04 cents per share, amounting to approximately HK\$14,873,000).

### (b) Dividends attributable to the previous financial year, approved and paid/payable during the period

	For the six months ended	
	30 September 2022 (unaudited)	2021 (unaudited)
Final dividend in respect of the previous financial year ended 31 March 2022 of HK1.4 cents per ordinary share (six months ended 30 September 2021: final dividend in respect of the previous financial year ended 31 March 2021 of HK3.58 cents per ordinary share)	19,271	49,460

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 13. (LOSS)/EARNINGS PER SHARE

### 13.1 Basic

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

	For the six months ended 30 September	
	2022 (unaudited)	2021 (unaudited) (restated)
(Loss)/Profit attributable to owners of the Company (HK\$'000)	<b>(30,200)</b>	51,589
Weighted average number of ordinary shares in issue ('000)	<b>1,402,953</b>	1,410,379
Basic (loss)/earnings per share (HK cents per share)	<b>(2.15)</b>	3.66

The weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share has been adjusted taking into account (i) the shares repurchased for the shares held for Share Award Scheme for the six months ended 30 September 2021 and 2022 and (ii) bonus issue that took place on 14 October 2022.

### 13.2 Diluted

	For the six months ended 30 September	
	2022 (unaudited)	2021 (unaudited) (restated)
(Loss)/Profit attributable to owners of the Company (HK\$'000)	<b>(30,200)</b>	51,589
Weighted average number of ordinary shares for the purpose of basic earnings per share ('000)	<b>1,402,953</b>	1,410,379
Effect of dilutive potential ordinary shares – share options ('000)	–	7,276
Weighted average number of ordinary shares for the purpose of calculating diluted (loss)/earnings per share ('000)	<b>1,402,953</b>	1,417,655
Diluted (loss)/earnings per share (HK cents per share)	<b>(2.15)</b>	3.64

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 13. (LOSS)/EARNINGS PER SHARE (Continued)

### 13.2 Diluted (Continued)

The weighted average number of ordinary shares for the purpose of calculating diluted earnings per share has been adjusted taking into account (i) the shares repurchased for the six months ended 30 September 2021 and 2022 and (ii) bonus issue that took place on 14 October 2022.

Due to the Group's negative financial results for the six months ended 30 September 2022, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the period ended 30 September 2022 is equivalent to the basic loss per share.

## 14. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 September 2022, the Group purchased property, plant and equipment of approximately HK\$357,000 (unaudited) (six months ended 30 September 2021: HK\$2,270,000 (unaudited)).

During the six months ended 30 September 2022, addition to right-of-use assets approximately HK\$2,449,000 (unaudited) (six months ended 30 September 2021: lease modification of approximately HK\$6,713,000 (unaudited)).

## 15. INTANGIBLE ASSETS

Intangible assets related to the Securities and Futures Commission (the "SFC") License Types 1, 4 and 6 and Money Lending License of the subsidiaries arose from acquisitions of DL Securities (HK) Limited ("DL Securities") and DA Finance (HK) Limited ("DA Finance") respectively in November 2019.

In respect of the licenses which were allocated to the cash-generating units of the financial services of licensed business and money lending services acquired, the licenses have no foreseeable limit to the period over which the Group can use to generate net cash flows. The directors of the Company 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.

The carrying amounts of SFC License Types 1, 4 and 6 and Money Lending License are HK\$11,748,000 (unaudited) (31 March 2022: HK\$11,748,000 (audited)) and HK\$500,000 (unaudited) (31 March 2022: HK\$500,000 (audited)) respectively.

No impairment loss has been recognised during the six months ended 30 September 2021 and 2022.



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 16. GOODWILL

	For the six months ended 30 September	
	HK\$'000 (unaudited)	HK\$'000 (audited)
At the beginning of period/year		
Gross carrying amount	7,921	7,658
Net carrying amount at 1 April 2022/2021	7,921	7,658
Acquisition of a subsidiary (note 27)	–	263
Impairment loss provided for the period	(1,335)	–
Net carrying amount at 30 September 2022/31 March 2022	6,586	7,921
At the end of the period/year		
Gross carrying amount	7,921	7,921
Accumulated impairment	(1,335)	–
	6,586	7,921

The Group's goodwill arose from business combinations in connection with the acquisitions of (i) DL Securities, (ii) DA Finance, (iii) Four Seasons Investment Management Limited ("Four Seasons"), (iv) DL Family Office Pte. Ltd ("DL Family") and (v) ONE Advisory Limited ("ONE Advisory").

On 6 March 2019, Topper Alliance Holding Limited ("Topper Alliance") entered into the agreement pursuant to which Topper Alliance has conditionally agreed to acquire, and Mr. Chen Ningdi ("Mr. Chen"), the then substantial shareholder of the Company, has conditionally agreed to sell the entire share capital of DL Securities for a cash consideration of approximately HK\$41,780,000. Goodwill of HK\$275,000 was recognised.

On 6 March 2019, Topper Alliance entered into the agreement pursuant to which Topper Alliance has conditionally agreed to acquire, and Mr. Chen, a substantial shareholder of the Company, has conditionally agreed to sell the entire share capital of DA Finance for a cash consideration of approximately HK\$220,000. Goodwill of HK\$98,000 was recognised.

On 4 January 2021, the Company entered into the agreement pursuant to which the Company has agreed to acquire the entire share capital of Four Seasons. Bestway Billion Investment Development Limited, the shareholder of Four Seasons, has agreed to sell the entire share capital of Four Seasons for a cash consideration of approximately HK\$2,218,000. Goodwill of HK\$5,950,000 was recognised.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 16. GOODWILL (Continued)

On 5 February 2021, DL Asset Management Limited, a wholly-owned subsidiary of the Company and DL Global Holdings Limited, entered into the agreement pursuant to which DL Asset Management Limited has agreed to acquire the entire share capital of DL Family for a cash consideration of SG\$1. Goodwill of HK\$1,335,000 was recognised. Impairment loss of goodwill HK\$1,335,000 (unaudited) has been recognised during the six months ended 30 September 2022 (six months ended 30 September 2021: nil (unaudited)) due to unforeseen business environment in the near future.

On 8 September 2021, Instant Glad Investments Limited (“Instant Glad”) a wholly owned subsidiary of the Company, entered into the Agreement pursuant to which Instant Glad has agreed to acquire from a third party, the entire 100 ordinary shares of ONE Advisory, at a consideration of HK\$2,000,000. On the following date, Instant Glad has entered into a loan assignment to take up the loan from the acquiree amounting to HK\$1,961,000. Goodwill of HK\$263,000 was recognised, refer to note 27 for the details of the acquisition of a subsidiary.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 17. DEPOSITS, PREPAYMENTS, TRADE AND OTHER RECEIVABLES

	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
Gross trade receivables – sales of apparel products	4,412	12,712
Gross trade receivables – investment management services	14,665	26,479
Gross trade receivables – margin financing services (note (b))	122,836	151,114
Gross trade receivables – corporate finance advisory services	46,905	10,448
Gross trade receivables – enterprise solutions services	17,651	11,738
Trade receivables	206,469	212,491
Less: ECL allowance, net	(2,007)	(666)
Trade receivables, net of provision	204,462	211,825
Payment in advance to suppliers	1,209	1,584
Rental deposits	1,601	2,034
Prepayments	1,053	1,507
Amount due from a related party	19	14
Other receivables and deposits	14,018	11,944
Total deposits, trade and other receivables	222,362	228,908
Less: Non-current portion		
Long-term portion of rental deposits	(151)	(1,377)
Deposits paid for acquisitions of a subsidiary and an associate (note (a))	(7,850)	–
	(8,001)	(1,377)
	214,361	227,531

Note:

- (a) On 23 May 2022, one of the subsidiaries of the Company, DL Asset Management Limited entered into agreements with related companies, DL Global Holdings Limited and DL Family Office Limited, for the acquisition of 45% equity interest in DL Family Office (HK) Limited and 100% equity interest in Emerald Wealth Management Limited (“Emerald Wealth”) at the consideration of HK\$63,000,000 and HK\$15,500,000 respectively. As at 30 September 2022, refundable deposits of HK\$6,300,000 and HK\$1,550,000 have been paid for the transactions respectively. Up to the reporting date, the acquisition of Emerald Wealth had been completed and accordingly, Emerald Wealth became a wholly owned subsidiary of the Company whereas the acquisition of DL Family Office (HK) Limited was not yet completed. Please refer to note 29 for the detail of completion of acquisition of Emerald Wealth.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 17. DEPOSITS, PREPAYMENTS, TRADE AND OTHER RECEIVABLES (Continued)

Note: (Continued)

- (b) Trade receivables from margin financing services are secured by the clients' pledged securities with undiscounted market value of approximately HK\$557,503,000 (unaudited) (31 March 2022: HK\$711,723,000 (audited)) as at 30 September 2022 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 financing services are repayable on demand and bear interest at commercial rates. The Group repledged approximately HK\$149,520,000 (unaudited) (31 March 2022: 209,600,000 (audited)) of the collateral from margin clients to secure the Group's loan facility during 30 September 2022.

The settlement terms of trade receivables, except for secured margin clients, arising from the business of dealing in securities are two days after trade date. In addition, the settlement terms of Hong Kong Securities Clearing Company Limited are two days after trade date. For the remaining trade receivables, the Group allows an average credit period of 90 days (unaudited) (31 March 2022: 90 days (audited)) 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 30 September 2022 and 31 March 2022, the ageing analysis of trade receivables (except margin receivables), net of ECL allowance, based on invoice date is as follows:

	<b>As at 30 September 2022 HK\$'000 (unaudited)</b>	<b>As at 31 March 2022 HK\$'000 (audited)</b>
1 to 30 days	<b>43,251</b>	13,003
31 to 60 days	<b>509</b>	894
61 to 90 days	<b>1,488</b>	13,048
Over 90 days	<b>36,378</b>	33,766
	<b>81,626</b>	60,711

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

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

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

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 security on its trade receivables.

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

	For the six months ended	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Balance at 1 April (audited)	666	756
Reversal of ECL allowance	(560)	–
Provision for ECL allowance	1,901	866
ECL allowance recognised, net	1,341	866
Balance at 30 September (unaudited)	2,007	1,622

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

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FINANCIAL ASSETS AT FVTPL”)

	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
<b>Non-current portion</b>		
<i>Listed securities:</i>		
Equity securities – Hong Kong	261	314
<i>Non-listed securities:</i>		
Investment funds (note (a))	43,436	89,432
Equity investment – outside Hong Kong (note (b))	106,996	110,705
	<b>150,693</b>	200,451

Notes:

- (a) The fair value of the unlisted investment funds is based on the net asset value of the investment funds reported to the limited partners by the general partner at the end of the reporting period. The fair value loss for the six months ended 30 September 2022 of approximately HK\$36,816,000 (unaudited) (six months ended 30 September 2021: fair value gain of approximately HK\$10,586,000 (unaudited)) is recorded in the “other (losses)/gains, net” in the condensed consolidated statement of profit or loss and other comprehensive income.
- (b) It represents investment in an unlisted company related to 27.06% of the interest in the Carmel Reserve LLC as the non-voting class B membership interest.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FINANCIAL ASSETS AT FVTPL”) (Continued)

The table below analyses the Group's financial instruments carried at fair value, 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).

Disclosures of level in fair value hierarchy:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
<b>As at 30 September 2022 (unaudited)</b>			
Financial assets at FVTPL			
– Listed equity securities	261	–	–
– Unlisted equity investment	–	–	106,996
– Unlisted investment funds	–	43,436	–
<b>As at 31 March 2022 (audited)</b>			
Financial assets at FVTPL			
– Listed equity securities	314	–	–
– Unlisted equity investment	–	–	110,705
– Unlisted investment funds	–	89,432	–

There were no transfers among levels 1, 2 and 3 during the six months ended 30 September 2021 and 2022.

The carrying amounts of the Group's other financial assets and liabilities including cash and cash equivalents – trust, cash and cash equivalents – general, deposits, trade and other receivables, loan and interest receivables, trade and other payables, lease liabilities, bank borrowing, bonds payables and promissory notes approximate their fair values due to their short maturities or the impact of discounting is not significant.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FINANCIAL ASSETS AT FVTPL”) (Continued)

**Valuation process used by the Group and valuation techniques and inputs used in fair value measurements**

### **Level 1 fair value measurements**

Fair value of financial instruments under level 1 fair value measurement is based on quoted prices (unadjusted) reflected in active markets.

The fair value of the listed equity securities is based on quoted market prices at the end of the reporting period.

### **Level 2 fair value measurements**

As at 30 September 2022, the Group's financial assets at FVTPL under level 2 fair value measurements are investment funds, and their fair value measurement was determined as follows:

For unlisted investment funds of HK\$43,436,000 (unaudited) (31 March 2022: HK\$89,432,000 (audited)), fair value is determined based on the net asset values as published by the fund managers.



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FINANCIAL ASSETS AT FVTPL”) (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 at 30 September 2022 and 31 March 2022 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 (31 March 2022: residual method)	Market price of finished lot, ranging from US\$1,975,000 (unaudited) (31 March 2022: US\$1,400,000 (audited) per lot to US\$2,037,500 (unaudited) (31 March 2022: US\$1,954,000 (audited) per lot, and adjusted taking into account of time and locations to the underlying assets of the invested company.	The higher/lower the market price, the higher/lower the fair value.

The reconciliations of the carrying amounts of the Group’s financial instruments classified within Level 3 fair value measurements are as follows:

	2022 Level 3 HK\$’000	2021 Level 3 HK\$’000
<b>Financial assets at FVTPL</b>		
As at 1 April (audited)	110,705	71,204
Fair value (loss)/gain	(3,709)	371
<b>As at 30 September (unaudited)</b>	<b>106,996</b>	71,575

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 19. 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.

As at 30 September 2022 and 31 March 2022, all loan and interest receivables are not past due. All loan and interest receivables, based on the maturity date, mature within one year and are denominated in HK\$, Renminbi, Canadian Dollar and United States Dollar.

	<b>As at 30 September 2022 HK\$'000 (unaudited)</b>	As at 31 March 2022 HK\$'000 (audited)
Loan receivables	<b>199,913</b>	161,409
Less: Provision for ECL on loan receivables (Stage 1 and 2)	<b>(3,042)</b>	(1,619)
Loan receivables, net of provision	<b>196,871</b>	159,790
Interest receivables	<b>5,353</b>	6,912
Less: Provision for ECL on loan receivables (Stage 1 and 2)	<b>(81)</b>	(69)
Interest receivables, net of provision	<b>5,272</b>	6,843
Loan and interest receivables, net of provision	<b>202,143</b>	166,633

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 19. LOAN AND INTEREST RECEIVABLES (Continued)

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

	<b>As at 30 September 2022 HK\$'000 (unaudited)</b>	As at 31 March 2022 HK\$'000 (audited)
Loan receivables		
Neither past due nor impaired		
– Secured	<b>8,110</b>	1,154
– Unsecured	<b>188,761</b>	158,636
	<b>196,871</b>	159,790
Interest receivables		
Neither past due nor impaired		
– Secured	<b>365</b>	1
– Unsecured	<b>4,907</b>	6,842
	<b>5,272</b>	6,843
	<b>202,143</b>	166,633

Loan with gross carrying amount of (i) HK\$1,200,000 (unaudited) (31 March 2022: HK\$1,200,000 (audited)) was secured by the shares of certain companies incorporated in BVI; (ii) HK\$5,000,000 (unaudited) (31 March 2022: nil (audited)) was secured by certain loans and interest receivables of the customer approximately amounting to HK\$10,769,000; (iii) HK\$2,000,000 (unaudited) (31 March 2022: nil (audited)) was secured by the securities account maintained in one of the subsidiaries of the Group, the particulars of which include investment in limited partnership fund of US\$250,000 and investment in senior notes amounting to US\$342,000, which will be due on 21 January 2023.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 19. LOAN AND INTEREST RECEIVABLES (Continued)

Loan receivables bear interest from 8%–15% (unaudited) (31 March 2022: 8%–14% (audited)) per annum and repayable in fixed term agreed with customers. Interest receivables bear interest from 8%–20% (unaudited) (31 March 2022: 8%–36% (audited)) per annum for default interest and repayable in fixed term agreed with customers. 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
Balance at 1 April 2022 (audited)	<b>159,790</b>	<b>6,843</b>	<b>166,633</b>
New loans originated	<b>138,500</b>	<b>8,187</b>	<b>146,687</b>
Amounts recovered or repaid during the period	<b>(104,704)</b>	<b>(5,038)</b>	<b>(109,742)</b>
Transfer interest portion to loan portion	<b>4,708</b>	<b>(4,708)</b>	–
Reversal of ECL allowance on loan and interest receivables	<b>838</b>	<b>43</b>	<b>881</b>
Provision for ECL allowance under 12 month ECL (Stage 1) recognised during the period (Provision for)/reversal of ECL allowance under 12 month ECL (Stage 2) recognised during the period	<b>(1,571)</b>	<b>(68)</b>	<b>(1,639)</b>
	<b>(690)</b>	<b>13</b>	<b>(677)</b>
Balance at 30 September 2022 (unaudited)	<b>196,871</b>	<b>5,272</b>	<b>202,143</b>
Balance at 1 April 2021 (audited)	90,885	1,816	92,701
New loans originated	208,346	14,886	223,232
Amounts recovered or repaid during the year	(139,748)	(9,802)	(149,550)
Transfer interest portion to loan portion	30	(30)	–
Reversal of ECL allowance on loan and interest receivables	1,603	32	1,635
Provision for ECL allowance under 12 month ECL (Stage 1) recognised during the year	(1,326)	(59)	(1,385)
Balance at 31 March 2022 (audited)	159,790	6,843	166,633

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 19. LOAN AND INTEREST RECEIVABLES (Continued)

The movement in the ECL allowance of loan and interest receivables is as follows:

	For the six months ended	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Balance at 1 April (audited)	1,688	1,938
Reversal of ECL allowance	(881)	(1,028)
Provision for ECL allowance	2,316	3,720
ECL allowance recognised, net	1,435	2,692
Balance at 30 September (unaudited)	3,123	4,630

For loans that are not credit-impaired and 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 result 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. In general, when loans receivable or its related instalments are overdue by 30 days, there are significant increase in credit risk.

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

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 20. PROVISION FOR REINSTATEMENT COST, TRADE AND OTHER PAYABLES

	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
Trade payables (excluding payables from securities dealing business) (note (a))	2,011	11,963
Trade payables from securities dealing business (note (b))		
– Payables to margin clients	21,162	66,816
– Payables to cash clients	45,622	53,952
Amount due to clearing house	150	1,260
Broker payables	34,417	6,725
Contract liabilities (note (c))	5,197	6,764
Dividend payable	19,271	–
Provision for reinstatement cost	250	250
Accrued employee benefits expenses	1,586	1,196
Other accrued expenses and other payables (note (d))	15,574	11,605
	<b>145,240</b>	160,531
Less: Non-current portion		
Provision for reinstatement cost	–	(250)
	<b>145,240</b>	160,281

Notes:

- (a) The carrying amounts of trade and other payables approximate their fair values. The Group was granted by its suppliers' credit periods ranging from 30–90 days (unaudited) (31 March 2022: 30–90 days (audited)). Based on the invoice dates, the ageing analysis of the trade payables (excluding payables from securities dealing business) were as follows:

	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
1 to 30 days	2,008	978
31 to 60 days	–	6,130
61 to 90 days	–	81
Over 90 days	3	4,774
Total trade payables (excluding payables from securities dealing business)	<b>2,011</b>	11,963

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 20. PROVISION FOR REINSTATEMENT COST, TRADE AND OTHER PAYABLES

*(Continued)*

- (b) The directors of the Company considered that the fair values of trade payables from securities dealing business are not materially different from their carrying amounts because these amounts have short maturity periods on their inception.

No ageing analysis of payables arose from securities dealing business 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.

- (c) Contract liabilities include amounts due to related parties amounting to HK\$1,379,000 (unaudited) (31 March 2022: HK\$1,367,000 (audited)), being management fee income received in advance. Contract liabilities that is expected to be settled after more than one year is HK\$115,000 (unaudited) (31 March 2022: HK\$1,542,000 (audited)).
- (d) It mainly represents (i) accruals of audit fee, consultancy fee, sales commission, interest expenses on bonds payable, promissory notes, bank borrowing and other operating expenses and (ii) amount due to the limited partnership funds or managed funds.

## 21. BANK BORROWING

As at 30 September 2022, the bank borrowing was repayable within 1 year with a floating interest rate of 2.3% per annum over the 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. Effective interest rate was 3.37% (six months ended 30 September 2021: 2.44%) during the six months ended 30 September 2022.

As at 30 September 2022, the Group repledged approximately HK\$149,520,000 (unaudited) (31 March 2022: HK\$209,600,000 (audited)) of the collateral from margin clients to secure the Group's loan facility related to bank borrowing.

As at 30 September 2022, the bank borrowing was secured by corporate guarantee amounting to HK\$120,000,000 (unaudited) (31 March 2022: HK\$80,000,000 (audited)) given by the Company.

As at 30 September 2022, banking facility of HK\$70,000,000 (unaudited) (31 March 2022: nil (audited)) was unutilised.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 22. BONDS PAYABLE

	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
Bonds carried at fixed coupon rate of 5% per annum (note (a))	6,000	6,000
Bonds carried at fixed coupon rate of 8% per annum (note (b))	74,000	87,000
	<b>80,000</b>	93,000
Less: Non-current portion	<b>(36,000)</b>	(80,000)
	<b>44,000</b>	13,000

Notes:

- (a) The Company issued two 5.0% coupon unlisted bonds with the aggregate principal amount of HK\$6,000,000 (unaudited) (31 March 2022: HK\$6,000,000 (audited)). The amounts are repayable within 84 months from the dates of issue.
- (b) The Company issued certain 8.0% coupon unlisted bonds with the aggregate principal amount of HK\$74,000,000 (unaudited) (31 March 2022: HK\$87,000,000 (audited)) of which (i) HK\$30,000,000 is repayable within 60 months from the date of issue; (ii) HK\$44,000,000 are repayable within 24 months from the date of issue; and (iii) HK\$13,000,000 are repayable within 12 months from the date of issue and were repaid during the six months ended 30 September 2022.



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 23. PROMISSORY NOTES

As at 31 March 2022, (i) two promissory notes of HK\$10,000,000 each are unsecured, bear interest rate of 3.0% per annum and mature in one year from the dates of issue on 24 June 2021 and 10 August 2021 respectively (“3.0% promissory notes”); and (ii) one promissory note of HK\$5,000,000 is unsecured, bears interest rate of 4.925% from the date of issue on 15 February 2022 to the maturity date on 30 August 2022 (“4.925% promissory note”).

During the six months ended 30 September 2022, the Group has entered into supplementary deed to revise the maturity date of 3.0% promissory notes to 24 June 2023 and 9 August 2023 respectively and repaid 4.925% promissory note amounting to HK\$5,000,000.

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

	<b>As at 30 September 2022 HK\$'000 (unaudited)</b>	As at 31 March 2022 HK\$'000 (audited)
Total minimum payments:		
Due within one year	<b>20,600</b>	25,845
Imputed interest on promissory notes	<b>(600)</b>	(845)
Present value of promissory notes	<b>20,000</b>	25,000

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 24. SHARE CAPITAL

As at 30 September 2022

	Number of ordinary shares	Nominal value of ordinary shares HK\$'000
<b>Authorised share capital of HK\$0.01 each</b>		
As at 31 March 2022, 1 April 2022 and 30 September 2022 (unaudited)	<b>10,000,000,000</b>	<b>100,000</b>
<b>Issued and fully paid</b>		
<b>For the six months ended 30 September 2022</b>		
As at 31 March 2022, 1 April 2022 and 30 September 2022 (unaudited)	<b>1,430,121,000</b>	<b>14,301</b>

As at 30 September 2021

	Number of ordinary shares	Nominal value of ordinary shares HK\$'000
<b>Authorised share capital of HK\$0.01 each</b>		
As at 31 March 2021, 1 April 2021 and 30 September 2021 (unaudited)	10,000,000,000	100,000
<b>Issued and fully paid</b>		
<b>For the six months ended 30 September 2021</b>		
As at 31 March 2021 and 1 April 2021 (audited)	1,396,621,000	13,966
Issuance of ordinary shares under Share Option Scheme (note)	33,500,000	335
As at 30 September 2021 (unaudited)	1,430,121,000	14,301

Note:

On 8 July 2021, 3,000,000 shares were issued at subscription price at HK\$1 to respective option holders (note 9) to their exercise of the option under the Share Option Scheme of the Company.

On 30 July 2021, 30,500,000 shares were issued at subscription price from HK\$1 to HK\$2.5 to respective option holders (note 9) to their exercise of the option under the Share Option Scheme of the Company.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

*For the six months ended 30 September 2022*

## **25. 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 award 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.

During the six months ended 30 September 2022, the Company has purchased 3,331,000 (unaudited) (six months ended 30 September 2021: 38,415,000 (unaudited)) ordinary shares of the Company on the Stock Exchange. The total amount paid to acquire the shares was HK\$8,994,000 (unaudited) (six months ended 30 September 2021: HK\$98,778,000 (unaudited)). During the six months ended 30 September 2022, a total of 200,000 shares (unaudited) (six months ended 30 September 2021: nil (unaudited)) were granted to the eligible persons pursuant to the Share Award Scheme.

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

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 26. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the condensed consolidated interim financial statements, the Group had the following significant transactions with related companies during six months ended 30 September 2021 and 2022:

	For the six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Management fee income (note a)	853	486
Management fee expense (note b)	31	49

Notes:

- (a) Management fee income HK\$853,000 (unaudited) (six months ended 30 September 2021: HK\$486,000 (unaudited)) was received from the limited partnership funds during the six months ended 30 September 2022.
- (b) Management fee expense HK\$31,000 (unaudited) (six months ended 30 September 2021: HK\$49,000 (unaudited)) was paid to DL Family Office (HK) Limited, a company controlled by the executive directors, for its services provided as investment manager of the limited partnership funds during the six months ended 30 September 2022.
- (c) **Key management compensation**

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

	For the six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Salaries, bonus and other short-term employee benefits	7,468	7,596
Pension costs – defined contribution plans	105	90
Share award payment	–	122
	7,573	7,808

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 27. ACQUISITION OF A SUBSIDIARY

Acquiree	Principal activity	Date of acquisition	Proportion of shares acquired	Consideration transferred
<b>During the six months ended 30 September 2021</b>				
ONE Advisory	Provision for global identity planning consulting services	9 September 2021	100%	HK\$2,000,000

### ONE Advisory

On 9 September 2021, Instant Glad, a wholly-owned subsidiary of the Company entered into share purchase agreement with an independent third party to acquire 100% equity interest in ONE Advisory at total consideration of HK\$2,000,000.

Instant Glad (i) acquired 100% of all the issued shares of ONE Advisory and (ii) accepted the assignment of the shareholders' loans amounted to HK\$1,961,000.

ONE Advisory is principally engaged in provision for global identity planning consulting services. The acquisition of ONE Advisory is to develop its global identity planning and wealth inheritance consultancy services, constitutes a strategic upgrade for the long-term development of the Group and enhances its global business coverage and service capabilities.

Goodwill of approximately HK\$263,000 (note 16) arose from expected future development of ONE Advisory's business and improvement on market coverage.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 27. ACQUISITION OF A SUBSIDIARY (Continued)

### ONE Advisory (Continued)

The following table summarises the consideration paid for ONE Advisory and the fair value of assets and liabilities assumed at the acquisition date.

	<b>Recognised values on acquisition</b>
	HK\$'000
Property, plant and equipment	40
Trade and other receivables	1,143
Cash and cash equivalents	546
Other payables	(1,953)
Net liabilities acquired	(224)
Assignment of shareholders' loans	1,961
Goodwill (note 16)	263
	2,000
Total purchase consideration settled in cash during the period	2,000
Net cash outflow arising on acquisition of ONE Advisory	
Cash consideration paid	(2,000)
Cash and cash equivalents acquired	546
	(1,454)

### Impact of acquisition on the result of the Group

Included in the condensed consolidated profit for the six months ended 30 September 2021 is revenue of approximately HK\$101,000 and loss of approximately HK\$102,000 attributable to the additional business generated by ONE Advisory.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2022

## 28. COMMITMENTS

### 28.1 Capital commitment

	<b>As at 30 September 2022 HK\$'000 (unaudited)</b>	As at 31 March 2022 HK\$'000 (audited)
Contracted but not provided for		
Capital injection to limited partnership fund	<b>2,886</b>	3,276
Acquisitions of a subsidiary and an associate	<b>70,650</b>	–
	<b>73,536</b>	3,276

### 28.2 Commitment as lessee

As at 30 September 2022, the lease commitment for low-value asset lease is as follows:

	<b>As at 30 September 2022 HK\$'000 (unaudited)</b>	As at 31 March 2022 HK\$'000 (audited)
Within one year	<b>48</b>	64
In the second to fifth years	<b>–</b>	16
	<b>48</b>	80

The total future cash outflows for this lease amounting to HK\$48,000 (unaudited) (31 March 2022: HK\$80,000 (audited)) in aggregate which are included in the table above.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

*For the six months ended 30 September 2022*

## **29. EVENTS AFTER THE REPORTING DATE**

1. On 20 September 2022, the Company was approved for bonus issue of shares on the basis of one new share for every 60 existing ordinary shares held by the members on 29 September 2022. A total of 23,835,350 shares were issued on 14 October 2022.
2. **Completion of acquisition of Emerald Wealth**  
Emerald Wealth is a company incorporated in Hong Kong with limited liability. It engages in insurance brokerage services. On 18 October 2022, the acquisition of Emerald Wealth was completed in accordance with the relevant acquisition agreement. Up to the date of the approval of these condensed consolidated interim financial statements, the directors of the Company are still in the process of finalising the accounting for this transaction and expect to complete the allocation of the purchase consideration to the assets acquired and liabilities assumed by the year ending 31 March 2023.

## **30. COMPARATIVE FIGURES**

Certain comparative figures in these condensed consolidated interim financial statements were restated to conform to the current period's presentation.



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

During the six months ended 30 September 2022 (the “Reporting Period”), despite the uncertainties cast on the global economic prospect by the prolonged COVID-19 situation, international conflicts and other market events, the Group continued to expand its financial services of licensed business, including, financial advisory services; securities research services; securities trading and brokerage services; margin financing services; referral services; investment management and advisory services; and money lending services (the “Financial Services Businesses”). During the Reporting Period, the Group recorded a decrease in revenue by approximately 20.0% to approximately HK\$125.2 million (2021: HK\$156.6 million). Gross profit decreased by approximately 25.7% to approximately HK\$66.1 million (2021: HK\$88.9 million), and the Group recorded a total comprehensive expense attributable to the owners of the Company of approximately HK\$30.7 million for the Reporting Period, representing a decrease of 159.6% from a total comprehensive income of approximately HK\$51.6 million from the six months ended 30 September 2021.

### 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; and investment management and advisory services.

The financial advisory services provided by the Group include advising clients on corporate finance. During the Reporting Period, the Group has provided financial advisory services to its clients from different industry sectors, including communications, industrial, consumer, technology and financial sectors, of which approximately 24.8% are companies listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

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

The securities trading and brokerage services include trading securities on behalf of the clients of the Group. As at 30 September 2022, the Group has 355 (2021: 297) securities brokerage clients. During the Reporting Period, the transaction amount for the securities trading and brokerage services amounted to approximately HK\$2,745 million (2021: HK\$7,830 million). As at 30 September 2022, the total customer asset size for brokerage services amounted to approximately HK\$1,538 million (2021: HK\$1,887 million).

The margin financing business includes provision of stock-secured financing for retail, corporate and high-net-worth clients who need financing to purchase securities. As at 30 September 2022, the loan receivables from margin financing services amounted to approximately HK\$122.8 million (31 March 2022: HK\$151.1 million).

## MANAGEMENT DISCUSSION AND ANALYSIS

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

The investment management services mainly 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 (the “Cayman Investment Manager”) and a licensed entity in Singapore (the “Singapore Investment Manager”), and commenced the provision of investment management services in Cayman Islands and Singapore. During the year ended 31 March 2022, one of the Group’s subsidiaries was licensed to carry out type 9 regulated activities by the Securities and Futures Commission. Following this, the Group commenced its investment management services in Hong Kong as well. The investment advisory services include providing securities advisory services to clients. As at 30 September 2022, the value of assets under investment management and assets subject to investment advisory services of the Group was approximately HK\$2,973 million (2021: HK\$4,841 million). During the Reporting Period, the service fees charged by the Group for managing the assets under investment management in Cayman Islands and Singapore amounted to approximately HK\$10.2 million (2021: HK\$23.3 million).

For the Reporting Period, the segment revenue for provision of financial services of licensed business was approximately HK\$88.7 million (2021: HK\$79.4 million), representing an increase of approximately 11.7%, and segment profit for the Reporting Period was approximately HK\$22.1 million (2021: HK\$44.9 million).

The increase in segment revenue was mainly attributable to the increase in revenue from financial advisory services in relation to placing of securities while the decrease in segment profit was due to increase in cost of services in relation to the licensed business of the Group, mainly the sub-placing commission in placing of securities.

### **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\$8.3 million (2021: HK\$8.1 million), representing an increase of approximately 2.5%, and segment profit for the Reporting Period was approximately HK\$5.7 million (2021: HK\$4.6 million). The increase in segment profit were attributable to the decrease in the provision for ECL allowance on loan and interest receivables by approximately HK\$1.3 million.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the Group granted loans to 23 customers, which are mainly individual customers in seek of funding for investment and general working capital purpose. As at 30 September 2022, the Group had a concentration risk as 10.2% (31 March 2022: 18.3%) and 49.5% (31 March 2022: 59.0%) of total loans to customers (net of allowance) were made up by the Company's largest loan customer's and the five largest loans customers' outstanding balances respectively. As at 30 September 2022 and 31 March 2022, all loan and interest receivables based on the maturity date, are within one year.

As at 30 September 2022, loan receivables of the Group bore interest from 8.0%–15.0% (31 March 2022: 8.0%–14.0%) per annum and repayable in fixed terms agreed with customers. As at 30 September 2022, interest receivables bore interest from 8.0%–20.0% (31 March 2022: 8.0%–36.0%) per annum for default interest and repayable in fixed terms agreed with customers.

During the Reporting Period, ECL allowance of approximately HK\$3.1 million was recognised as at 30 September 2022 in respect of the loan and interests receivables (2021: approximately HK\$4.6 million).

The Group engaged an independent valuer (the "Valuer") to conduct a valuation to assess the ECL of the loan and interest receivables as at 30 September 2022. The assessment methodology was based on the three-stage model outlined by Hong Kong Financial Reporting Standards 9 and the Valuer adopted the general approach to assess the ECL of the loan and interest receivables in which the loss rates of the loan and interest receivables are derived from (i) the probability of default; (ii) loss given default (being the magnitude of the loss if there is default); and (iii) the exposure at default.

Although there was no default in the loan and interest receivables of the Group, the Group categorised part of loan and interest receivables that were rolled over from the previous maturity date in stage 2 of the ECM model out of prudence, where the Group considered that there was a significant increase in credit risk since initial recognition is identified but not yet deemed to be credit-impaired and the ECL is measured based on lifetime ECL. The rest of the loan and interest receivables not in default were categorised under stage 1 of the ECL model, being financial assets without significant increase in credit risk since initial recognition where ECL allowance is calculated based on 12-month ECL.

The decrease of the ECL allowance is mainly due to the decrease in the relative ratio of market indicators reflecting credit risk during the Reporting Period compared to the period of six months ended 30 September 2021, as a result of the improvement in macroeconomic statistics adopted in the ECL model for loan and interest receivables. For the Reporting Period, net ECL allowance recognised on loan and interest receivables amounted to approximately HK\$1.4 million (2021: approximately HK\$2.7 million) were recognised in the Company's condensed consolidated statement of profit or loss.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Factors considered by the Group in granting loans to customers of money lending business

Before granting any loans to customers of money lending business of the Group, the Group would conduct know-your-client procedures in obtaining the background information and understanding the purposes of financing by the customers who wish to obtain financing from the Group. In addition, the Group would also understand and assess the financial soundness and position of the potential customers by reviewing the financial status, business performance, future prospect of the industry that the customer operates and shareholder's background of the corporate customers; and the employment status, income stream, source of repayment and personal financial position for individual customers. The repayment history, bankruptcy, receivership or liquidation records of the potential customers may also be obtained and reviewed by the Group.

The credit approval would be considered on a case-by-case basis to determine the amount of the loan to be granted, the relevant interest rate, duration, other terms and conditions to be applied. After considering the amount of the loan to be granted and the relevant interest rate and whether the existing assets of the potential customers would be able to cover the loan and interests, the Group would decide whether collateral would be required for granting such loan.

In particular, the Group have considered the credit quality of each borrower and the interest income generated from the respective loans on a case-by-case basis, including and not limited to the following factors in relation to the unsecured loan and interest receivables of approximately HK\$193.7 million (which represented 24.3% of total assets of the Group) as at 30 September 2022:

- (a) the maturity date of the loans offered by the Group were all within one year and was relatively short that limited the credit risk exposure to the Group;
- (b) the interest rate of the loans granted by the Group bore interest from 8.0% to 15.0%, which is higher than the one-year fixed deposit rate offered by banks in Hong Kong and higher than the best lending rate of the major banks in Hong Kong of 5% and the interest rate charged by certain financial institutions in the market during the Reporting Period; and
- (c) the asset value as shown by the asset proof of the customers of the Group exceeds the loan amount as evidence to show that the customers hold sufficient assets for repayment. This enables the Group to understand the financial position of its customers and that in the event the Group is required to take legal actions for recovery of any loan in default, the customers would have sufficient assets to repay the loan.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Internal control procedures relating to loan collection

In relation to collection of the loans advanced under the money lending business, the Group adopts the following internal control procedures:

- (a) if the loan is not repaid on the maturity date of the loan, the operation team of the money lending business would issue repayment notice to the borrowers to remind the repayment of the loan on the maturity date;
- (b) if the loan is not repaid after the maturity date, the directors of the money lending business would issue one or more demand letter(s) to the borrowers;
- (c) if the loan is not repaid after the issue of the demand letter(s), the directors of the money lending business and the finance team of the Group would review the historical repayment record and the financial position of the borrowers for the purpose of discussion of loan settlement plans with the borrowers;
- (d) in the event the directors of the money lending business are in the view that further action is required after considering the factors stated in (c) above, and upon obtaining approval from the chief executive officer of the Company, the directors of the money lending business would consider to take legal action against the default borrowers.

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

The sale 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 (the “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 centres of clients or from factory directly to final customers of clients.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the segment revenue for the Apparel Business decreased to approximately HK\$16.2 million from approximately HK\$69.1 million for the six months ended 30 September 2021, representing a decrease of approximately 76.5%, and the segment loss for the Reporting Period was approximately HK\$5.2 million (2021: segment profit of HK\$0.3 million). The Apparel Business continued to suffer from challenges in the global business environment and fierce competition under COVID-19 outbreaks and international trade conflicts. During the Reporting Period, the COVID-19 outbreaks were still rampant in Asia (particularly in the People's Republic of China (the "PRC")) for which both the sourcing activities and business development opportunities for the garment business had been adversely affected. Relationship building and sales activities were restricted and confined to online meetings instead of face-to-face meetings that led to loss of sales opportunities from both existing and new potential clients. The sourcing activities of the Group were also restricted by travel limitation that seriously affected both product development abilities and production management processes, leading to longer production cycle that deterred customer from placing orders to the Group. Meanwhile, as the COVID-19 impacts and travel restrictions are expected to continue in the remaining half of the financial year, business environments remain very challenging to the garment sector of the Group.

### Provision of enterprise solutions services

The Group's enterprise solutions services business includes 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, our enterprise solutions services business contributed segment revenue of approximately HK\$12.0 million (2021: nil) and recorded a segment profit of approximately HK\$0.6 million (2021: nil).

## FINANCIAL REVIEW

### Revenue

During the Reporting Period, the Group reported revenue of approximately HK\$125.2 million, representing a decrease of approximately 20.0% from approximately HK\$156.6 million for the six months ended 30 September 2021. The decrease was mainly attributable to the decrease in revenue by the Apparel Business which was partly offset by the increase in the revenue generated from the provision of financial services of licensed business and enterprise solutions services.

During the Reporting Period, the provision of financial services of licensed business, money lending business, the Apparel Business and the enterprise solution business contributed segment revenue of approximately HK\$88.7 million (2021: HK\$79.4 million), HK\$8.3 million (2021: HK\$8.1 million), HK\$16.2 million (2021: HK\$69.1 million) and HK\$12.0 million (2021: nil) respectively, and the provision of financial services of licensed business remains the major revenue contributor during the Reporting Period.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the segment revenue of the provision of financial services of licensed business increased to approximately HK\$88.7 million from approximately HK\$79.4 million for the six months ended 30 September 2021, which represented an increase of approximately 11.7% which was mainly attributable to increase in revenue of financial advisory services in relation to placing of securities.

During the Reporting Period, the segment revenue of the money lending services increased to approximately HK\$8.3 million from approximately HK\$8.1 million for the six months ended 30 September 2021, which represented an increase of approximately 2.5%.

During the Reporting Period, the segment revenue for the Apparel Business decreased to approximately HK\$16.2 million from approximately HK\$69.1 million for the six months ended 30 September 2021, representing a decrease of approximately 76.5%, and segment loss was approximately HK\$5.2 million (2021: segment profit of HK\$0.3 million). The significant reduction of segment revenue was mainly attributable to the severe adverse effect of COVID-19 outbreaks on our customers sourcing and other related business activities.

During the Reporting Period, the segment revenue of enterprise solutions services amounted to approximately HK\$12.0 million (2021: nil) and was attributable to the service fees generated consultancy services provided by the Group during the Reporting Period.

### Cost of sales/services

The Group's cost of sales/services primarily consists of cost of goods sold from the Apparel Business and cost of services from the Financial Services Businesses. The cost 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, and the costs of services from the Financial Services Businesses mainly consist of sub-referral fee to business vendors and expenses for placement projects. The cost of sales/services decreased to approximately HK\$59.1 million for the Reporting Period from approximately HK\$67.7 million for the six months ended 30 September 2021, representing a decrease of approximately 12.6%. Such decrease was primarily attributable to the significant decrease in cost of sales for the Apparel Business, which was in line with the drop of revenue in the Apparel Business, and was set off by the increase in cost of services by the provision of financial services of licensed business and enterprise solution business.

### Gross profit and gross profit margins

The gross profit of the Group was approximately HK\$66.1 million for the Reporting Period as compared with approximately HK\$88.9 million for the six months ended 30 September 2021, which represented a decrease of 25.7% mainly attributable to the decrease of gross profit by the Apparel Business.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Other (losses)/gains, net

During the Reporting Period, the Group recorded net other losses of approximately HK\$41.9 million as compared with net other gains of approximately HK\$10.4 million for the six months ended 30 September 2021. The decrease was mainly attributable to the fair value losses on financial assets at fair value through profit or loss ("FVTPL") of approximately HK\$40.6 million for the Reporting Period as compared to fair value gains on financial assets at FVTPL of approximately HK\$11.0 million for the six months ended 30 September 2021.

### Selling expenses

Selling expenses 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 in the Apparel Business. Selling expenses decreased to approximately HK\$1.5 million for the Reporting Period from approximately HK\$2.6 million for the six months ended 30 September 2021, representing a decrease of approximately 43.9% mainly attributable to the decrease in sales commission incurred.

### General and administrative expenses

General and administrative expenses primarily consist of employee benefit expenses, entertainment and travelling expenses, depreciation of property, plant and equipment, legal and professional fees and other miscellaneous general and administrative expenses. General and administrative expenses increased to approximately HK\$40.2 million for the Reporting Period from approximately HK\$35.6 million for the six months ended 30 September 2021, representing an increase of approximately 12.9%.

### Finance costs

The overall finance cost increased from approximately HK\$2.8 million for the six months ended 30 September 2021 to approximately HK\$5.1 million for the Reporting Period representing an increase of approximately 82.8% which was mainly attributable to the interest expenses on bank borrowing, bonds payable and promissory notes incurred by the Group. As at 30 September 2022, the Group had (i) bank borrowing of approximately HK\$50.0 million with at a floating interest rate of 2.3% per annum over the Hong Kong interbank offered rate; (ii) bonds payable of approximately HK\$80.0 million; and (iii) promissory notes of approximately HK\$20.0 million.

### (Loss)/profit and total comprehensive (expense)/income attributable to owners of the Company

Total comprehensive expense attributable to owners of the Company was approximately HK\$30.7 million for the Reporting Period while the total comprehensive income attributable to owners of the Company was approximately HK\$51.6 million for the six months ended 30 September 2021, representing a decrease of approximately 159.6%. The decrease was attributable to (i) the decrease in gross profit of approximately HK\$22.9 million; and (ii) the fair value losses on financial assets at FVTPL of approximately HK\$40.6 million as compared to the fair value gains of approximately HK\$11.0 million recorded in the corresponding period of 2021.



# MANAGEMENT DISCUSSION AND ANALYSIS

## LIQUIDITY AND FINANCIAL RESOURCES

During the Reporting Period, the Group mainly financed its operations with its own working capital, bank borrowing and proceeds from issuance of corporate bonds and promissory notes. As at 30 September 2022 and 31 March 2022, the Group had net current assets of approximately HK\$318.2 million and HK\$374.9 million respectively, including total cash and cash equivalents of approximately HK\$87.1 million and HK\$154.6 million respectively. The Group's current ratio slightly decreased from approximately 2.23 as at 31 March 2022 to approximately 2.1 as at 30 September 2022.

As at 30 September 2022, the Group had bank borrowing of approximately HK\$50.0 million (31 March 2022: HK\$80.0 million) at a floating interest rate of 2.3% per annum over the Hong Kong interbank offered rate. The decrease in bank borrowing was due to repayment of bank borrowing of approximately HK\$30.0 million. The bank borrowing is denominated in Hong Kong Dollars and is repayable within one year and secured by corporate guarantee given by the Company.

As at 30 September 2022, the aggregate principal amount of promissory notes issued by the Group amounted to approximately HK\$20.0 million (31 March 2022: HK\$25.0 million), with interest rates of 3% per annum, which are denominated in Hong Kong Dollars and shall be repayable within one year.

As at 30 September 2022, the Group had unlisted coupon bonds in issue to independent third party subscribers with an aggregate principal amount of HK\$80.0 million (31 March 2022: HK\$93.0 million). The unlisted bonds are denominated in Hong Kong Dollars and unsecured and not guaranteed.

The coupon rate and maturity date of the unlisted coupon bonds issued by the Group as at 30 September 2022 are set out as follows:

<b>Principal amount of the unlisted bonds</b>	<b>Maturity date</b>	<b>Coupon rate</b>
(1) HK\$6 million	Within 84 months from the date of issue	5%
(2) HK\$44 million	Within 24 months from the date of issue	8%
(3) HK\$30 million	Within 60 months from the date of issue	8%

As at 30 September 2022, banking facilities of HK\$70,000,000 (31 March 2022: nil) was unutilised.

As at 30 September 2022, the cash and cash equivalents of the Group were mainly held in Hong Kong Dollars, Renminbi, United States Dollars and Singapore Dollars.

Details of changes in the Company's share capital are set out in note 24 of this report.

# MANAGEMENT DISCUSSION AND ANALYSIS

Gearing ratio is calculated by dividing total debts (including bonds payable, promissory notes, bank borrowing, and lease liabilities) by total equity as at the end of the Reporting Period. The Group's gearing ratio decreased from approximately 39.6% as at 31 March 2022 to approximately 33.9% as at 30 September 2022 which was mainly attributable to net repayment of the Group's interest-bearing debts.

## TREASURY POLICIES

The Group adopts prudent treasury policies. The Group's management performs ongoing credit evaluation of the financial conditions of the customers in order to reduce the Group's exposure of credit risk. Besides, 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, capital injection to a limited partnership fund and acquisitions of companies. As at 30 September 2022, the Group had lease commitments for short-term lease of approximately HK\$48,000 (31 March 2022: approximately HK\$80,000) and the capital commitments of the Group amounted to approximately HK\$73.5 million (31 March 2022: approximately HK\$3.3 million).

## CAPITAL STRUCTURE

As at 30 September 2022, the capital structure of the Group consisted 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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

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

As at 30 September 2022, the fair value of the investment in the Cayman Fund amounted to approximately HK\$40.9 million, which represents approximately 5.1% of the total assets of the Group as at 30 September 2022. No dividend income was received from the investment in the Cayman Fund during the Reporting Period. During the Reporting Period, there was a fair value loss of approximately HK\$36.8 million arising from this investment.

The investment strategy of the Group in the Cayman Fund would be enhancing investment returns for the Group by realising the capital gains at the end of the term of the Segregated Portfolio.

- (ii) On 21 August 2020, DL Investment Holdings US, LLC, a wholly-owned subsidiary of the Company (the “Subscriber”), and Carmel Reserve LLC (the “Target Company”) entered into a subscription agreement (the “Subscription Agreement”). The Target Company is an associate of Ms. Jiang Xinrong (“Ms. Jiang”), the honorary chairman of the Board and executive Director and Mr. Chen Ningdi (“Mr. Chen”), the chairman of the Board (the “Chairman”), the executive Director and chief executive officer of the Company (the “Chief Executive Officer”). 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 investment of the Group in the Target Company is stated at fair value and is recorded as financial assets at FVTPL. As at 30 September 2022, the fair value of the investment in the Target Company amounted to approximately HK\$107.0 million, which represents approximately 13.4% of the total assets of the Group as at 30 September 2022. No dividend was received from this investment by the Group during the Reporting Period. During the Reporting Period, there is a fair value loss of HK\$3.7 million arising from this investment.

## MANAGEMENT DISCUSSION AND ANALYSIS

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 is 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 30 September 2022, the Group had no significant investment accounting for more than 5% of the Group's total assets.

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

### **MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

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

As at 23 May 2022, Emerald Wealth is indirectly wholly-owned by DL Global Holdings, which is an associate of each of, Mr. Chen Ningdi, the Chairman, the executive Director and chief executive officer of the Company and Ms. Jiang Xinrong, a non-executive Director and the honorary chairman of the Board, thereby a connected person of the Company. The transactions contemplated under the acquisition of DL Family Office HK and Emerald Wealth constitute connected transactions of the Company under Chapter 14A of the Rules Governing the Listing of Securities of the Stock Exchange (the "Listing Rules").

DL Family Office HK is principally engaged in provision of financial services of licensed businesses including securities advisory services and asset management services. DL Family Office HK is a licensed corporation under the SFO and is permitted to carry on Type 4 regulated activity (advising on securities) and Type 9 regulated activity (asset management). Emerald Wealth is principally engaged in provision of licensed insurance brokerage services and is a licensed insurance intermediary permitted to carry on general and long term business (including linked long term business).

# MANAGEMENT DISCUSSION AND ANALYSIS

The acquisition of Emerald Wealth has been completed on 18 October 2022. Upon completion, Emerald Wealth has become an indirectly wholly-owned subsidiary of the Company. The acquisition of DL Family Office HK has not been completed as at the date of this report.

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

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, there was no further specific plan for material investments or capital assets as at 30 September 2022. 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 30 September 2022 (31 March 2022: nil).

## FOREIGN EXCHANGE EXPOSURE

The Group's exposure to currency risk is primarily related to Renminbi, United States dollars, and Singapore dollars. As at 30 September and 31 March 2022, foreign exchange risk on financial assets and liabilities denominated in the above-mentioned foreign currencies was insignificant to the Group. The Group currently does not undertake any foreign currency hedging and does not use any financial instrument for hedging purposes.

## CHARGES ON GROUP ASSETS

As at 30 September 2022, the Group did not pledge any of its assets (31 March 2022: nil) as securities for any facilities granted to the Group.

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2022 and 2021, the Group employed a total of 67 and 64 full-time employees respectively. The Group's employee benefit expenses mainly included salaries, wages, other staff benefits and contributions to retirement schemes. For the six months ended 30 September 2022 and 2021, the Group's total employee benefit expenses (including Directors' emoluments) amounted to approximately HK\$20.7 million and HK\$18.4 million respectively. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. In addition to basic salary, year-end bonuses, share options and/or share awards would be discretionarily offered to employees in accordance with their performance. The Group also provides on-the-job training to employees.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FUTURE PROSPECTS

In view of the turbulent market conditions and uncertain risks on a worldwide scale, the Group is proactively pivoting to adapt to the global economic environment and pursuing higher returns for all shareholders of the Company (the “Shareholders”). Despite the difficulties the Company encountered in the garment industry and the enterprise solutions services, the Group’s Financial Services Businesses have achieved satisfactory financial results and continued its business development. Looking forward, the Group will be dedicated in the multi-family office and investment strategy, reorganising all the Group’s resources with updated structure to fulfil the needs of high-net-worth individuals and their family businesses. In the prior year, the Group has entered into legally binding agreements on acquisitions and investment in multi-family office and insurance brokerage business, which will strongly enhance the Financial Services Businesses for the target clients. After the Reporting Period, the Group has completed the acquisition of the insurance brokerage business. The acquisition of the shares in the multi-family office is also steadily in progress. The new growth of revenue and client base will increase the amount of asset under management (“AUM”) and asset under advisory (“AUA”), as well as the number of clients of the Group. The Group estimates that with the growth of wealth in the Greater China Region, the demand of wealth management and family office services will grow significantly in the coming years, which requires more sophisticated and professional service providers with licenses and experience. The Group currently provides securities, corporate finance, funds, alternative investments, asset management and identity planning services in Hong Kong, the PRC, Singapore and the US. Furthermore, institutional investors and wealthy families are keen to cooperate with the Group to diversify their investments given the Group’s competitive advantages. The Group’s real estate investment in the US has also achieved huge progress during the Reporting Period. Following the commencement of construction, this project will become an anchor investment and will help to attract more international investors and buyers which will eventually generate higher returns to the Group and all the Shareholders. With more talents joining the Group, the Group believes that the opportunities and market shares will grow naturally and rapidly which will make the Group a leading multi-family office and investment platform in the Asia-Pacific region.

## OTHER INFORMATION

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

As at 30 September 2022, 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 Securities and Futures Ordinance (Chapter 571. Laws of Hong Kong)) (the "SFO"), as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were deemed or taken to have under such provisions of the SFO), or 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 for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules, were as follows:

#### Long positions

Name of Director(s)	Capacity/nature of interest	Number of Shares	Approximate percentage of interest in the Company (Note 1)
Ms. Jiang Xinrong ("Ms. Jiang")	Interest of spouse	527,024,395 (Note 2)	36.85%
	Interest of controlled corporation	222,418,000 (Note 3)	15.55%
	Beneficial owner	200,000 (Note 3)	0.01%
Mr. Chen Ningdi ("Mr. Chen")	Interest of controlled corporation	527,024,395 (Note 2)	36.85%
	Interest of spouse	222,618,000 (Note 3)	15.56%
Mr. Ai Kuiyu ("Mr. Ai")	Beneficial owner	13,508,000 (Note 4)	0.94%
	Interest of spouse	550,000 (Note 5)	0.04%
Mr. Liu Chun ("Mr. Liu")	Beneficial owner	3,000,000 (Note 6)	0.21%
Mr. Lang Joseph Shie Jay ("Mr. Lang")	Interest of spouse	1,404,000 (Note 7)	0.10%

## OTHER INFORMATION

### Notes:

1. Based on the total number of issued Shares as at 30 September 2022.
2. DA Wolf Investments I Limited (“DA Wolf”) directly owned 527,024,395 Shares, representing approximately 36.85% of all issued Shares of the Company as at 30 September 2022. Mr. Chen being the sole shareholder of DA Wolf, was deemed to be interested in the total of 527,024,395 Shares held by DA Wolf. By virtue of the SFO, Ms. Jiang, being the spouse of Mr. Chen, was deemed to be interested in all Shares held by Mr. Chen.
3. Rapid Raise Investments Limited (“Rapid Raise”), a company wholly owned by DL Global Holdings Limited (“DL Global”), 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 222,418,000 Shares, representing approximately 15.55% of all issued Shares as at 30 September 2022. Accordingly, Ms. Jiang was deemed to be interested in the 222,418,000 Shares held by Rapid Raise. Ms. Jiang also beneficially owned 200,000 Shares. 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 13,508,000 Shares represented 6,008,000 Shares held by Mr. Ai and 7,500,000 share options granted to Mr. Ai pursuant to the Share Option Scheme of the Company.
5. These 550,000 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 3,000,000 Shares represented the share options granted to Mr. Liu pursuant to the Share Option Scheme of the Company.
7. These 1,404,000 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.

Save as disclosed above, as at 30 September 2022, 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.



## OTHER INFORMATION

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

So far as the Directors and chief executive of the Company are aware, at 30 September 2022, the interests or short positions of the corporations or 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:

#### Long positions

Name	Capacity/nature of interest	Number of Shares interested in or deemed to be interested	Approximate percentage of interest in the Company (Note 1)
DA Wolf	Beneficial owner	527,024,395 (Note 2)	36.85%
DL Global	Interest of controlled corporation	222,418,000 (Note 3)	15.55%
Rapid Raise	Beneficial owner	222,418,000 (Note 3)	15.55%
Mr. Li Ren ("Mr. Li")	Beneficial owner	118,892,000 (Note 4)	8.31%

Notes:

1. Based on the total number of issued Shares as at 30 September 2022.
2. Please refer to note 2 to the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares, and Debentures" in this report for details.
3. Please refer to note 3 to the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares, and Debentures" in this report for details.
4. These 118,892,000 Shares represented the Shares beneficially owned by Mr. Li.

Save as disclosed above, as at 30 September 2022, 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.

## OTHER INFORMATION

### CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on principles and code provisions as set out in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules (the "CG Code"). 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 Reporting Period, Mr. Chen Ningdi performed his duties as both the Chairman and Chief Executive Officer. However, the Board is of the view that this structure will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of the Company. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Group to make and implement decisions efficiently, and thus is in the best interest of the Group. The Board has full confidence in Mr. Chen Ningdi and believes that his appointment to the posts of Chairman and Chief Executive Officer is beneficial to the business prospects of the Group.

Save as disclosed above, the Company was in compliance with all code provisions set out in the CG Code during the Reporting Period.

### 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. 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 Reporting Period.

### INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the Reporting Period.



## OTHER INFORMATION

### SHARE OPTION SCHEME

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

During the Reporting Period, the Company did not grant any share options under the Share Option Scheme. As at 30 September 2022, the Company had 29,500,000 share options (31 March 2022: 29,500,000 share options) outstanding under the Share Option Scheme.

## OTHER INFORMATION

Details of movements in the share options under the Share Option Scheme during the Reporting Period are as follows:

Category and name of grantee	Date of grant	Outstanding as at 1 April 2022 (Note 2)	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Outstanding as at 30 September 2022 (Note 2)	Exercise price per Share	Share price prior to the grant of share options	Weighted average closing price of Share of exercise before date	Exercise period
<b>Directors</b>											
Mr. Liu (Note 1)	17 August 2020	3,000,000	-	-	-	-	3,000,000	HK\$1.00	HK\$0.880	N/A	17 August 2020 to 16 August 2023
Employee(s) of the Group	17 August 2020	1,500,000	-	-	-	-	1,500,000	HK\$1.00	HK\$0.880	N/A	17 August 2020 to 16 August 2023
	19 November 2020	23,500,000	-	-	-	-	23,500,000	HK\$2.50	HK\$2.30	N/A	19 November 2020 to 18 November 2023
Other participant(s) (Note 3)	17 August 2020	1,500,000	-	-	-	-	1,500,000	HK\$1.00	HK\$0.880	N/A	17 August 2020 to 16 August 2023
<b>Total</b>		<b>29,500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,500,000</b>				

Notes:

- Mr. Liu is an independent non-executive Director.
- All granted options shall vest immediately upon date of grant.
- Such options were grant to a consultant, who has over 20 years' working experience in banking and financial services industry in the PRC and extended knowledge of cross-border investments. Granting the options to her provided incentive for her commitment to develop the Group's financial services business and align her interest with the Company and its Shareholders.

Save as disclosed above, no share options were granted or exercised or cancelled or lapsed during the Reporting Period.

## OTHER INFORMATION

### SHARE AWARD SCHEME

A share award scheme was adopted by the Company on 8 September 2020 (the “Share Award Scheme”). The Share Award Scheme is (i) to recognise the contributions by the participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group. The Share Award Scheme shall be subject to administration of the Board and DL Securities (HK) Limited, the trustee in accordance with the rules of the Share Award Scheme and the trust deed in relation thereto.

The eligible participants of the Share Award Scheme include any employee (including without limitation any executive director) of any member of the Group, any non-executive director or proposed non-executive director (including independent non-executive director) of any member of the Group or any entity in which any member of the Group holds any equity interest (the “Invested Entity”), any supplier of goods or services to any member of the Group or any Invested Entity, any customer of the Group or any Invested Entity, any person or entity that provides or will provide research, development, consultancy, advisory services or other technological support to the Group or any Invested Entity, any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued or proposed to be issued by any member of the Group or any Invested Entity, any other group or class of participants from time to time determined by the Directors as having contributed or may contribute by way of joint venture, business alliances, consultancy, advisory services or other business arrangements to the development and growth of the Group and any person or entity, who, at the sole determination of the Directors, has contributed to the Group.

During the Reporting Period, the Company granted 200,000 shares to employees of the Group under the Share Award Scheme. As at 30 September 2022, the Company had 53,604,000 Shares held under the Share Award Scheme (31 March 2022: 50,473,000). During the Reporting Period, the Company (through the trustee of the Share Award Scheme, being a wholly-owned subsidiary of the Company), purchased on the Stock Exchange 3,331,000 Shares at an aggregate consideration of approximately HK\$9.0 million.

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

During the Reporting Period, save for the Shares purchased by DL Securities (HK) Limited, a wholly-owned subsidiary of the Company, as trustee and for the purpose of the Share Award Scheme, the Company and its subsidiaries did not purchase, sell or redeem any of its Shares listed on the Stock Exchange.

## OTHER INFORMATION

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Material Acquisitions or Disposals of subsidiaries, Associates and Joint Ventures", 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 was a party, which subsisted during or at the end of the Reporting Period.

### DIRECTORS' INTERESTS IN COMPETING BUSINESSES

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

### NON-COMPETITION UNDERTAKING

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

### CHANGE IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors subsequent to the date of the 2021/2022 annual report of the Company are set out below:

<b>Director</b>	<b>Details of changes</b>
Mr. Chang Eric Jackson	Appointed as independent non-executive director of Yik Wo International Holdings Limited, whose shares are listed on GEM of the Stock Exchange (stock code: 08659), with effect from 30 June 2022

## OTHER INFORMATION

### 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 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.

For the Reporting Period, the Audit Committee consisted of three 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 unaudited condensed consolidated financial statements of the Company for the Reporting Period have been reviewed by the Audit Committee. Grant Thornton Hong Kong Limited, the Group’s auditor, has carried out a review of the Group’s unaudited condensed consolidated financial statements for the Reporting Period, which is prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

By order of the Board  
**DL Holdings Group Limited**  
**Chen Ningdi**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 30 November 2022

*As at the date of this report, the executive Directors are Mr. Chen Ningdi, Mr. Lang Joseph Shie Jay and Mr. Ai Kuiyu; the non-executive Directors are Ms. Jiang Xinrong, Mr. Chan Kwan and Mr. Chan Kwun Wah Derek; and the independent non-executive Directors are Mr. Chang Eric Jackson, Mr. Chen Cheng-Lien (also known as Chen Cheng-Lang and Chen Stanley) and Mr. Liu Chun.*