



**DLCASIA**

**DLC ASIA LIMITED**  
**衍匯亞洲有限公司\***

(incorporated in the Cayman Islands with limited liability)

Stock code : 8210

INTERIM REPORT

**2023**

\* For identification purpose only

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


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

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

## CONTENTS

Corporate Information	2
Report on Review of Condensed Consolidated Financial Statements	3
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	4
Condensed Consolidated Statement of Financial Position	5
Condensed Consolidated Statement of Changes in Equity	6
Condensed Consolidated Statement of Cash Flows	7
Notes to the Condensed Consolidated Financial Statements	8
Management Discussion and Analysis	18
Corporate Governance and Other Information	22



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. LAU Ming Yeung, Lambert *(Chairman)*

Mr. CHOI Man Ho *(Chief Executive Officer)*

Mr. NG Yu Fai

Mr. SHIU Kam Man

#### Independent Non-executive Directors

Mr. VOON David Hian-fook

Mr. OR Kevin

Mr. WU Ping Lam Michael David

### AUDIT COMMITTEE

Mr. OR Kevin *(Chairman)*

Mr. VOON David Hian-fook

Mr. WU Ping Lam Michael David

### REMUNERATION COMMITTEE

Mr. VOON David Hian-fook *(Chairman)*

Mr. WU Ping Lam Michael David

Mr. LAU Ming Yeung, Lambert

### NOMINATION COMMITTEE

Mr. WU Ping Lam Michael David *(Chairman)*

Mr. VOON David Hian-fook

Mr. LAU Ming Yeung, Lambert

### COMPANY SECRETARY

Ms. SO Ka Man, *FCG, HKFCG*

### COMPLIANCE OFFICER

Mr. CHOI Man Ho

### AUTHORIZED REPRESENTATIVES

*(for the purpose of the GEM Listing Rules)*

Mr. LAU Ming Yeung, Lambert

Mr. CHOI Man Ho

### LEGAL ADVISER

Michael Li & Co.

### AUDITOR

SHINEWING (HK) CPA Limited

### REGISTERED OFFICE

Cricket Square, Hutchins Drive

PO Box 2681

Grand Cayman, KY1-1111

Cayman Islands

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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8 Fleming Road, Wanchai

Hong Kong

### CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited

Cricket Square, Hutchins Drive

PO Box 2681

Grand Cayman, KY1-1111

Cayman Islands

### HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road, Hong Kong

### PRINCIPAL BANK

The Hongkong and Shanghai Banking Corporation Limited

### STOCK CODE

8210.HK

### WEBSITE

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## REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF DLC ASIA LIMITED

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

### INTRODUCTION

We have reviewed the condensed consolidated financial statements of DLC Asia Limited (the **"Company"**) and its subsidiaries (collectively referred to as the **"Group"**) set out on pages 4 to 17, which comprise the condensed consolidated statement of financial position as of 30 September 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six month period then ended, and other explanatory notes. The GEM Listing Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 (**"HKAS 34"**) "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (**"HKICPA"**). The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated 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 HKICPA. A review of these condensed consolidated 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.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

We draw attention to the fact that the condensed consolidated statement of profit or loss and other comprehensive income for each of the three month periods ended 30 September 2023 and 30 September 2022 and the relevant explanatory notes included in these condensed consolidated financial statements have not been reviewed in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

#### SHINEWING (HK) CPA Limited

Certified Public Accountants

**Wong Chuen Fai**

Practising Certificate Number: P05589

Hong Kong  
30 October 2023

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

FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 SEPTEMBER 2023

	NOTES	Three months ended 30 September		Six months ended 30 September	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue	4	<b>16,382</b>	12,784	<b>30,721</b>	22,639
Other income and gains, net	5	<b>284</b>	286	<b>497</b>	454
Total revenue and other income and gains		<b>16,666</b>	13,070	<b>31,218</b>	23,093
Depreciation		<b>(364)</b>	-	<b>(728)</b>	-
Staff costs		<b>(10,011)</b>	(6,683)	<b>(19,409)</b>	(13,419)
Reversal of (provision for) expected credit losses on trade receivables		<b>12</b>	(54)	<b>12</b>	(54)
Other operating expenses		<b>(4,528)</b>	(4,187)	<b>(8,739)</b>	(7,567)
Finance costs	6	<b>(32)</b>	(24)	<b>(83)</b>	(68)
Profit before tax	7	<b>1,743</b>	2,122	<b>2,271</b>	1,985
Income tax expense	8	<b>(190)</b>	-	<b>(242)</b>	-
Profit and total comprehensive income for the period attributable to the owners of the Company		<b>1,553</b>	2,122	<b>2,029</b>	1,985
Earnings per share (HK cents)					
Basic and diluted	10	<b>0.19</b>	0.27	<b>0.25</b>	0.25

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

	NOTES	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
<b>Non-current assets</b>			
Property and equipment	11	59	59
Right-of-use assets	12	2,044	2,766
Intangible assets		1,000	1,000
Deferred tax assets		159	172
Deposits		521	523
		<b>3,783</b>	4,520
<b>Current assets</b>			
Trade receivables	13	10,314	14,840
Prepayments, deposits and other receivables		18,982	20,040
Tax recoverable		118	–
Cash and cash equivalents		60,210	54,624
		<b>89,624</b>	89,504
<b>Current liabilities</b>			
Other payables and accruals		5,531	7,412
Lease liabilities	12	1,449	1,411
		<b>6,980</b>	8,823
<b>Net current assets</b>		<b>82,644</b>	80,681
<b>Non-current liability</b>			
Lease liabilities	12	685	1,488
<b>Net assets</b>		<b>85,742</b>	83,713
<b>Capital and reserves</b>			
Share capital	14	8,000	8,000
Reserves		77,742	75,713
<b>Total equity</b>		<b>85,742</b>	83,713

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

Attributable to the owners of the Company

	Share capital	Share premium	Shareholder's contribution reserve	Shares held for the Share Award Scheme	Share-based payment reserve	Other reserve	Retained earnings	Total
	HK\$'000	HK\$'000	HK\$'000 (Note (a))	HK\$'000 (Note (a))	HK\$'000 (Note (b))	HK\$'000 (Note (c))	HK\$'000	HK\$'000
At 1 April 2023	8,000	21,640	19,272	-	-	6,800	28,001	83,713
Profit and total comprehensive income for the period	-	-	-	-	-	-	2,029	2,029
As at 30 September 2023 (unaudited)	8,000	21,640	19,272	-	-	6,800	30,030	85,742
At 1 April 2022	8,000	22,909	19,272	(1,840)	567	6,800	24,089	79,797
Equity-settled share-based compensation expenses	-	-	-	-	4	-	-	4
Issue of shares under the Share Award Scheme	-	(1,269)	-	1,840	(571)	-	-	-
Profit and total comprehensive income for the period	-	-	-	-	-	-	1,985	1,985
As at 30 September 2022 (unaudited)	8,000	21,640	19,272	-	-	6,800	26,074	81,786

## Notes:

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

During the six months ended 30 September 2023, no share (six months ended 30 September 2022: 8,400,000 shares) was vested under the Share Award Scheme.

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

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



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Six months ended 30 September 2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
<b>OPERATING ACTIVITIES</b>		
Profit before tax	2,271	1,985
Adjustments for:		
Government subsidies	–	(454)
Depreciation of property and equipment	6	–
Depreciation of right-of-use assets	722	–
(Reversal of) provision for expected credit losses on trade receivables	(12)	54
Interest income	(497)	–
Interest expense on overdrafts	14	51
Interest expense on lease liabilities	69	17
Equity-settled share-based compensation expense	–	4
Operating cash flows before movements in working capital	2,573	1,657
Decrease (increase) in trade receivables	4,538	(4,336)
Decrease in prepayments, deposits and other receivables	1,060	1,611
Decrease in other payables and accruals	(1,881)	(253)
Cash generated from (used in) operations	6,290	(1,321)
Hong Kong Profits Tax (paid) refunded	(347)	272
Interest expense on overdrafts	(14)	(51)
<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>	<b>5,929</b>	<b>(1,100)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(6)	–
Interest income received	497	–
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>491</b>	<b>–</b>
<b>FINANCING ACTIVITIES</b>		
Payment of lease liabilities	(765)	(817)
Interest expense on lease liabilities	(69)	(17)
Government subsidies received	–	454
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(834)</b>	<b>(380)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>5,586</b>	<b>(1,480)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	<b>54,624</b>	<b>53,228</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD, represented by cash and cash equivalents</b>	<b>60,210</b>	<b>51,748</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

## 1. CORPORATE INFORMATION

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

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

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

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

## 2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the six months ended 30 September 2023 have been prepared in accordance with the applicable disclosure provisions of Chapter 18 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

## 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2023 except as described below.

### **Application of new and amendments to HKFRSs**

In the current interim period, the Group has applied, for the first time, the following new and amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA which are effective for the Group's financial year beginning on 1 April 2023:

HKFRS 17 and related amendments	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two Model Rules

Except as described below, the application of the new and amendments to HKFRSs in the current interim period has had no material impact on the Group's financial performance and position for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued) Impact on application of Amendments to HKAS 12 — Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to HKAS 12 narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences, such as leases liabilities. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments shall be applied to transactions related to leases obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained profits or other component of equity as appropriate at that date. In addition, the amendments shall be applied prospectively to transactions other than leases obligations.

The Group previously applied HKAS 12 requirements to the relevant assets and liabilities as a whole. Temporary differences relating to relevant assets and liabilities are assessed on a net basis. Upon application of the amendments, the Group has recognised a separate deferred tax asset and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

There was no impact on the condensed consolidated statement of financial position because the balances qualify for offset under paragraph 74 of HKAS 12. There was no impact on the opening retained earnings as at 1 April 2022. The key impact for the Group relates to the disclosure of deferred tax assets and liabilities recognised, and the relevant disclosure will be provided in the Group's annual financial statements.

### 4. REVENUE AND SEGMENT INFORMATION

#### Revenue

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

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>				
Commission income from dealing in securities and futures contracts as a futures non-clearing broker	16,382	12,784	30,721	22,639

All revenue are recognised at a point in time during the six months ended 30 September 2023 and 2022.

#### Segment Information

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

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performances focuses on provision of services of dealing in securities and futures contracts as a futures non-clearing broker. During the six months ended 30 September 2023 and 2022, the Group focused on provision of brokerage service and all the assets and major revenue are located and derived in Hong Kong. Accordingly, no segment analysis is prepared.

#### 4. REVENUE AND SEGMENT INFORMATION (Continued)

##### Information about major customers

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

	Three months ended 30 September 2023 HK\$'000 (unaudited)		Six months ended 30 September 2023 HK\$'000 (unaudited)	
		2022 HK\$'000 (unaudited)		2022 HK\$'000 (unaudited)
Customer A	3,040	1,632	5,733	2,794

#### 5. OTHER INCOME AND GAINS, NET

	Three months ended 30 September 2023 HK\$'000 (unaudited)		Six months ended 30 September 2023 HK\$'000 (unaudited)	
		2022 HK\$'000 (unaudited)		2022 HK\$'000 (unaudited)
Bank interest income	284	–*	497	–*
Government subsidies (Note)	–	286	–	454
	284	286	497	454

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

Note: Government subsidies were cash subsidies granted by The Government of the Hong Kong Special Administrative Region under Anti-Epidemic Fund amounting to HK\$454,000 during the six months ended 30 September 2022 (2023: nil) from the Employment Support Scheme which subsidised 50% of the wages paid to each staff, subject to maximum of HK\$8,000 for each staff respectively. The Group had complied with all attached conditions during the period ended 30 September 2022 and recognised the amounts in profit or loss in "other income and gains, net".

#### 6. FINANCE COSTS

	Three months ended 30 September 2023 HK\$'000 (unaudited)		Six months ended 30 September 2023 HK\$'000 (unaudited)	
		2022 HK\$'000 (unaudited)		2022 HK\$'000 (unaudited)
Interest expense on:				
Overdrafts	–*	17	14	51
Lease liabilities	32	7	69	17
	32	24	83	68

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

#### 7. PROFIT BEFORE TAX

	Three months ended 30 September 2023 HK\$'000 (unaudited)		Six months ended 30 September 2023 HK\$'000 (unaudited)	
		2022 HK\$'000 (unaudited)		2022 HK\$'000 (unaudited)
Profit for the period has been arrived at after charging:				
Auditor's remuneration	170	188	218	218
Exchange loss, net	47	57	160	147
Depreciation of property and equipment	3	–	6	–
Depreciation of right-of-use assets	361	–	722	–
Error and facilitation expenses	386	241	790	471

## 8. INCOME TAX EXPENSE

	Three months ended 30 September 2023 HK\$'000 (unaudited)		Six months ended 30 September 2023 HK\$'000 (unaudited)		2022 HK\$'000 (unaudited)	
Hong Kong:						
Current tax for the period	190	-	229	-		
Deferred tax	-	-	13	-		
	190	-	242	-		

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

## 9. DIVIDEND

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

## 10. EARNINGS PER SHARE

Basic earnings per share amount are calculated by dividing the profit for the six months ended 30 September 2023 attributable to the owners of the Company of approximately HK\$2,029,000 (six months ended 30 September 2022: HK\$1,985,000) by the weighted average number of ordinary shares in issue of 800,000,000 (six months ended 30 September 2022: 799,770,492) during the period, excluding shares held under the Company's Share Award Scheme.

Diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the period ended 30 September 2023.

Diluted earnings per share amount are calculated by dividing the profit for the six months ended 30 September 2022 attributable to the owners of the Company of approximately HK\$1,985,000 by the weighted average number of ordinary shares for the purpose of dilutive earnings per share of 800,000,000, which was adjusted by the effect of dilutive potential ordinary shares of 8,400,000 from deemed issue of shares under the Company's Share Award Scheme for nil consideration.

Basic earnings per share amount are calculated by dividing the profit for the three months ended 30 September 2023 attributable to the owners of the Company of approximately HK\$1,553,000 (three months ended 30 September 2022: HK\$2,122,000) by the weighted average number of ordinary shares in issue of 800,000,000 (three months ended 30 September 2022: 800,000,000) during the period, excluding shares held under the Company's Share Award Scheme.

Diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares outstanding for the three months ended 30 September 2023 and 2022.

## 11. MOVEMENTS IN PROPERTY AND EQUIPMENT

During the six months ended 30 September 2023, the Group used approximately HK\$6,000 (six months ended 30 September 2022: nil) on acquisition of property and equipment.

## 12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

### (i) Right-of-use assets

As at 30 September 2023, the carrying amount of right-of-use assets was approximately HK\$2,044,000 in respect of the leased premises (31 March 2023: HK\$2,766,000).

### (ii) Lease liabilities

As at 30 September 2023, the carrying amount of total lease liabilities was approximately HK\$2,134,000 (31 March 2023: HK\$2,899,000).

### (iii) Amounts recognised in profit or loss

	Three months ended 30 September 2023		Six months ended 30 September 2023	
	HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Depreciation of right-of-use assets	361	-	722	-
Interest expenses on lease liabilities	32	7	69	17

### (iv) Others

For the six months ended 30 September 2023, the total cash outflow for leases including interest paid on lease liabilities and payment of lease liabilities approximately amount to HK\$834,000 (For the six months ended 30 September 2022: HK\$834,000).

## 13. TRADE RECEIVABLES

	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
Trade receivables	10,325	14,863
Less: Loss allowance for trade receivables	(11)	(23)
	<b>10,314</b>	14,840

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

As at 30 September 2023, the gross amount of trade receivables arising from contracts with customer amounted to approximately HK\$10,325,000 (31 March 2023: HK\$14,863,000).

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

### 13. TRADE RECEIVABLES (Continued)

The following is an ageing analysis of trade receivables excluding the loss allowance presented based on the invoice date.

	<b>30 September 2023 HK\$'000 (unaudited)</b>	31 March 2023 HK\$'000 (audited)
Within 30 days	<b>4,145</b>	7,474
31–60 days	<b>2,709</b>	2,409
61–90 days	<b>1,754</b>	1,105
91–120 days	<b>955</b>	599
Over 120 days	<b>762</b>	3,276
	<b>10,325</b>	14,863

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

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

	30 September 2023			31 March 2023		
	Weighted average expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Weighted average expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000
Current (not past due)	0.02	4,145	1	0.02	7,474	2
Within 30 days	0.07	2,709	2	0.05	2,409	1
31–60 days	0.11	1,754	2	0.14	1,105	2
61–90 days	0.21	955	2	0.21	599	1
Over 90 days	0.52	762	4	0.53	3,276	17
		<b>10,325</b>	<b>11</b>		14,863	23

Movement in the loss allowance:

	<b>30 September 2023 HK\$'000</b>	31 March 2023 HK\$'000
Balance at the beginning of the period/year (Reversal of) provision for ECL recognised on trade receivables	<b>23</b>	21
	<b>(12)</b>	2
Balance at the end of the period/year	<b>11</b>	23

## 14. SHARE CAPITAL

	Number of shares	Share capital HK\$
<b>Ordinary shares of HK\$0.01 each</b>		
Authorised:		
At 1 April 2022, 31 March 2023, 1 April 2023 and 30 September 2023	5,000,000,000	50,000,000
Issued and fully paid:		
At 1 April 2022, 31 March 2023, 1 April 2023 and 30 September 2023	800,000,000	8,000,000

## 15. SHARE-BASED PAYMENT TRANSACTIONS

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

The Company conditionally adopted the share option scheme on 30 July 2018 (the "**Share Option Scheme**"). The purpose of the Share Option Scheme is to enable the Company to grant options to the employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner of the Company or any subsidiary (including any director of the Company or any subsidiary) who is in full-time or part-time employment with or otherwise engaged by the Company or any subsidiary at the time when an option is granted to such employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner or any person who, in the absolute discretion of the board of directors of the Company (the "**Board**"), has contributed or may contribute to the Group as incentive or reward for their contribution to the Group to subscribe for our Shares thereby linking their interest with that of our Group.

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

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



## 15. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

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

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

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

No share option has been granted under the Share Option Scheme since its adoption. As at 30 September 2023 and 31 March 2023, there are no outstanding share options issued under the Share Option Scheme.

### (b) *Share Award Scheme*

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

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

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

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

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

## 15. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

### (b) Share Award Scheme (Continued)

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

Equity-settled share-based compensation expenses of approximately HK\$4,000 (six months ended 30 September 2023: nil) were recognised as staff costs in profit or loss for the six months ended 30 September 2022.

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

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

Notes:

- (i) The awarded shares granted have been vested to Selected Participants in three months after the grant date.
- (ii) The awarded shares granted have been vested to the Selected Participant unconditionally on the grant date.
- (iii) The awarded shares granted have been vested to Selected Participants in six months after the grant date the fulfillment of vesting condition on certain desk revenue for the period ended 30 September 2020 exceeding HK\$6,000,000.

## 15. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

### (b) Share Award Scheme (Continued)

Notes: (Continued)

- (iv) The awarded shares granted have been vested to the Selected Participant in twelve months after the grant date the fulfillment of vesting condition on certain desk revenue for the year ended 31 March 2021 exceeding HK\$12,000,000.
- (v) The awarded shares granted have been vested to the Selected Participant in twenty-four months after the grant date the fulfillment of vesting condition on the audited revenue of the Group for the year ended 31 March 2022 exceeding HK\$60,000,000.
- (vi) No awarded share has been granted/cancelled/lapsed under the Share Award Scheme during the year ended 31 March 2023.

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

	<b>Number of awarded shares</b>
Outstanding as at 1 April 2022	8,400,000
Vested during the period	(8,400,000)
Outstanding as at 30 September 2022	-

## 16. RELATED PARTY TRANSACTIONS

### Compensation to key management personnel

The remuneration of directors and other key management personnel of the Group during the period were as follow:

	<b>Three months ended 30 September</b>		<b>Six months ended 30 September</b>	
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)	<b>(unaudited)</b>	(unaudited)
Short-term benefits	<b>5,618</b>	3,598	<b>10,325</b>	7,017
Post-employment benefits	<b>18</b>	18	<b>36</b>	36
Equity-settled share-based payment expense	-	-	-	4
Total	<b>5,636</b>	3,616	<b>10,361</b>	7,057

The remuneration of key management personnel of the Group is determined by the directors of the Company having regard to the performance of the individuals and market trends.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW AND OUTLOOK

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

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

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

For the six months ended 30 September 2023, revenue was approximately HK\$30.7 million, representing an increase of approximately 35.8% when compared with the revenue of approximately HK\$22.6 million of the corresponding period in 2022.

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

## FINANCIAL REVIEW

### Revenue

Revenue increased from approximately HK\$22.6 million for the six months ended 30 September 2022 to approximately HK\$30.7 million for the six months ended 30 September 2023, representing an increase of approximately 35.8%. The increase was mainly due to the increase in trade volume on HKEx and OTC.

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

	For the six months ended 30 September 2023		2022	
	(Unaudited) HK\$'000	%	(Unaudited) HK\$'000	%
HKEx	28,282	92.1	20,329	89.8
SGX	244	0.8	249	1.1
EUREX	-	-	19	0.1
OTC	2,195	7.1	2,042	9.0
<b>TOTAL</b>	<b>30,721</b>	<b>100</b>	<b>22,639</b>	<b>100.0</b>

## **Staff Costs**

Staff costs comprise salaries, provident fund contribution and other allowance. Staff costs increased from approximately HK\$13.4 million for the six months ended 30 September 2022 to approximately HK\$19.4 million for the six months ended 30 September 2023, representing an increase of approximately 44.8%. The increase was mainly attributed to the increase in bonus which was in line with the increase in revenue of the Group compared with the corresponding period in 2022.

## **Depreciation**

Depreciation of property and equipment and right-of-use assets increased from HK\$nil for the six months ended 30 September 2022 to HK\$728 thousand for the six months ended 30 September 2023, representing an increase of 100%. The increase was mainly due to the addition of property and equipment and right-of-use assets in the year ended 31 March 2023.

## **Other operating expenses**

Other operating expenses consist of clearing expenses, information system services expenses, error expenses, insurance expenses, repair and maintenance expenses, legal and professional fee etc. The other operating expenses increased from approximately HK\$7.6 million for the six months ended 30 September 2022 to approximately HK\$8.7 million for the six months ended 30 September 2023, representing an increase of approximately 14.5%. The increase was mainly due to the increase in clearing expenses, error expenses and marketing expenses.

Clearing expenses for the six months ended 30 September 2023 was approximately HK\$2.9 million representing an increase of HK\$0.8 million or 38.1% over approximately HK\$2.1 million of the corresponding period in 2022. The increase in clearing expenses was in line with the increase in revenue of the Group.

Error expenses for the six months ended 30 September 2023 was approximately HK\$790 thousand, representing an increase of HK\$319 thousand or 67.7% over approximately HK\$471 thousand of the corresponding period in 2022. The increase in error expenses was in line with the increase in revenue of the Group.

Marketing expenses for the six months ended 30 September 2023 was approximately HK\$888 thousand, representing an increase of HK\$298 thousand or 50.5% over approximately HK\$590 thousand of the corresponding period in 2022. The increase in marketing expenses was generally due to the lifting of the government imposed regulations to keep social distance due to the shift to normalcy from the COVID-19 pandemic and was in line with the increase in revenue of the Group.

## **Income tax expense**

Income tax expense for the six months ended 30 September 2023 was HK\$242 thousand, while the income tax expense of the corresponding period in 2022 was approximately HK\$nil. Such increase was in line with the increase of net profit before tax during the six months ended 30 September 2023.

## **Profit for the period**

The Group recorded a profit of approximately HK\$2.0 million for the six months ended 30 September 2023 [six months ended 30 September 2022: HK\$2.0 million]. The increase was mainly due to the increase in revenue, after netting off the increase in staff cost, the increase in depreciation and increase in other operating expenses during the six months ended 30 September 2023 as discussed above.

## LIQUIDITY AND FINANCIAL RESOURCES

	<b>As at 30 September 2023</b> (Unaudited) HK\$'000	<b>As at 31 March 2023</b> (Audited) HK\$'000
Current Assets	89,624	89,504
Current Liabilities	6,980	8,823
Current Ratio (times) (Note i)	12.8	10.1
Gearing Ratio (times) (Note ii)	N/A	N/A
Debt to equity ratio (Note iii)	Net cash	Net cash

Notes:

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

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

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

The Group recorded a current ratio of approximately 12.8 times as at 30 September 2023 (31 March 2023: 10.1 times), reflecting the financial competence of the Group.

As at 30 September 2023, the Group's cash and bank balances amounted to approximately HK\$60.2 million (as at 31 March 2023: HK\$54.6 million). The Group has sufficient resources to satisfy its working capital and sustain its business.

As at 30 September 2023, overall interest bearing liabilities of the Group are nil (as at 31 March 2023: nil), therefore the gearing ratio was not applicable to the Group. The Group does not have any long term liabilities.

The Group recorded net positions as at 30 September 2023 and 31 March 2023 respectively and therefore debt to equity ratio analysis was not applicable.

## ERROR EXPENSES AND FACILITATION EXPENSES

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

	<b>Error Expenses</b> HK\$'000 (Unaudited)	<b>Facilitation Expenses</b> HK\$'000 (Unaudited)
April 2023	-	93
May 2023	-	165
June 2023	-	146
July 2023	-	153
August 2023	-	84
September 2023	-	149

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

## **TREASURY POLICY**

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

## **CAPITAL STRUCTURE**

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

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

## **CAPITAL COMMITMENT**

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

## **SIGNIFICANT INVESTMENT**

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

## **EVENT AFTER THE REPORTING PERIOD**

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

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

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

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

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

## **CONTINGENT LIABILITIES**

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

## **EXPOSURE TO EXCHANGE RATE FLUCTUATIONS**

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

## **PLEDGE OF ASSETS**

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

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2023, the Group had 27 staff (as at 30 September 2022: 25) in total. The Group's remuneration policy is based on the duties, responsibilities, experiences, skills, time commitment, performance of the relevant director or member of senior management of the Group and are made with reference to those paid by comparable companies. The employees are remunerated with monthly salaries and discretionary bonuses based on individual performance, market performance, the Group's profit as a whole and comparable market levels. Apart from salary payments, other staff benefits include provident fund contributions, medical insurance coverage, other allowances and benefits.

## DIVIDEND

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

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### DISCLOSURE OF INTERESTS

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

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

#### Long position in ordinary Shares

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

#### Notes:

1. These Shares are held by Dense Jungle Limited, which is wholly owned and controlled by Mr. Ng Yu Fai. By virtue of the SFO, Mr. Ng Yu Fai is deemed to be interested in these Shares held by Dense Jungle Limited.
2. These Shares are held by Beyond Delta Limited, which is wholly owned and controlled by Mr. Choi Man Ho. By virtue of the SFO, Mr. Choi Man Ho is deemed to be interested in these Shares held by Beyond Delta Limited.



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

\* *The percentage represents the number of ordinary Shares involved divided by the number of issued Shares of the Company as at 30 September 2023.*

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

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

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

**Long position in ordinary Shares**

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

#### Notes:

1. *These Shares are held by Oasis Green Ventures Limited, a company wholly owned and controlled by Pacific Asset Limited, which is in turn wholly owned and controlled by Mr. Yu Kwok Tung. By virtue of the SFO, Mr. Yu Kwok Tung and Pacific Asset Limited are deemed to be interested in these Shares held by Oasis Green Ventures Limited.*
  2. *These Shares are held by Ms. Yip Shui Chi Rowena, the spouse of Mr. Yu Kwok Tung. By virtue of the SFO, Mr. Yu Kwok Tung is taken to be interested in the same number of Shares in which Ms. Yip Shui Chi Rowena is interested.*
  3. *Ms. Yip Shui Chi Rowena is the spouse of Mr. Yu Kwok Tung. By virtue of the SFO, Ms. Yip Shui Chi Rowena is taken to be interested in the same number of Shares in which Mr. Yu Kwok Tung is interested.*
  4. *These Shares are held by Jolly Ocean Global Limited, a company wholly owned and controlled by Santo Global Investments Limited, which is in turn wholly owned and controlled by Mr. Lau Ming Hong Henry. By virtue of the SFO, Mr. Lau Ming Hong Henry and Santo Global Investments Limited are deemed to be interested in these Shares held by Jolly Ocean Global Limited. Ms. Lo Ying is the spouse of Mr. Lau Ming Hong Henry. By virtue of the SFO, Ms. Lo Ying is taken to be interested in the same number of Shares in which Mr. Lau Ming Hong Henry is interested.*
  5. *These interests are also disclosed as the interest of Mr. Ng Yu Fai in the paragraph headed "Directors' and chief executive's interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporation".*
  6. *Ms. Mak Sui Yu is the spouse of Mr. Choi Man Ho. By virtue of the SFO, Ms. Mak Sui Yu is taken to be interested in the same number of Shares in which Mr. Choi Man Ho is interested.*
- \* *The percentage represents the number of ordinary Shares involved divided by the number of issued Shares as at 30 September 2023.*

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

## COMPETING AND CONFLICT OF INTERESTS

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

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

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2023.

## **CORPORATE GOVERNANCE PRACTICE**

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

## **DIRECTORS' SECURITIES TRANSACTIONS**

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

## **SHARE OPTION SCHEME**

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

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

No share option has been granted by the Company under the Share Option Scheme since its adoption. The number of share options available for grant under the scheme mandate of the Share Option Scheme as at 1 April 2023 and 30 September 2023 is 80,000,000 Shares, representing 10% of total issued shares of the Company as at the date of this report.

## **SHARE AWARD SCHEME**

The Company adopted the Share Award Scheme on 4 April 2019. The purpose of the Share Award Scheme is to recognise and reward the contribution of eligible participants to the growth and development of the Group, to give incentives to eligible participants in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of five (5) years commencing on the date of adoption. The remaining life of the Share Award Scheme is approximately 6 months.

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

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

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

The number of awarded shares available for grant under the scheme mandate of the Share Award Scheme as at 1 April 2023 and 30 September 2023 is 120,000,000 Shares, representing 15% of the total issued shares of the Company as at the date of this report. There is no restriction on the maximum number of Shares to be granted under the Share Award Scheme to each eligible participant.

## **AUDIT COMMITTEE**

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

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

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

Hong Kong, 30 October 2023

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

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