

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**DLC ASIA**

**DLC Asia Limited**

**衍匯亞洲有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8210)**

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

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

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

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

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

\* For identification purpose only

## INTERIM RESULTS

The board of Directors (the “**Board**”) of the Company announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2021, together with the comparative unaudited figures for the corresponding period in 2020 as follows.

The unaudited condensed consolidated financial information for the six months ended 30 September 2021 has been reviewed by the Group’s auditors, SHINEWING (HK) CPA Limited, 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.

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

FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 SEPTEMBER 2021

	NOTES	Three months ended 30 September		Six months ended 30 September	
		2021 HK\$’000 (unaudited)	2020 HK\$’000 (unaudited)	2021 HK\$’000 (unaudited)	2020 HK\$’000 (unaudited)
Revenue	4	11,812	13,987	20,765	31,040
Other income and gains, net	5	20	64	1	892
Total revenue and other income and gains		11,832	14,051	20,766	31,932
Depreciation		(631)	(696)	(1,264)	(1,391)
Staff costs		(6,925)	(9,214)	(14,351)	(22,599)
Reversal of expected credit losses on trade receivables		10	15	10	15
Other operating expenses		(3,633)	(4,048)	(6,710)	(8,668)
Finance costs	6	(20)	(23)	(43)	(58)
Profit (loss) before tax	7	633	85	(1,592)	(769)
Income tax credit (expense)	8	24	(79)	47	(103)
Profit (loss) and total comprehensive income (expense) for the period attributable to the owners of the Company		657	6	(1,545)	(872)
Earnings (loss) per share (HK cents)					
Basic and diluted	10	0.08	0.00	(0.20)	(0.12)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 30 SEPTEMBER 2021*

		<b>30 September</b>	31 March
		<b>2021</b>	2021
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		<i>(unaudited)</i>	<i>(audited)</i>
<b>Non-current assets</b>			
Property and equipment	11	2,017	2,429
Right-of-use assets	12	2,193	2,966
Intangible assets		1,000	1,000
Deposits		523	523
Deposits paid for acquisitions of property and equipment		418	418
		<u>6,151</u>	<u>7,336</u>
<b>Current assets</b>			
Trade receivables	13	10,231	10,714
Prepayments, deposits and other receivables		21,026	13,027
Tax recoverable		272	275
Cash and cash equivalents		53,158	63,563
		<u>84,687</u>	<u>87,579</u>
<b>Current liabilities</b>			
Other payables and accruals		1,465	3,332
Lease liabilities	12	1,621	1,597
		<u>3,086</u>	<u>4,929</u>
<b>Net current assets</b>		<u>81,601</u>	<u>82,650</u>
<b>Non-current liabilities</b>			
Lease liabilities	12	689	1,506
Deferred tax liability		131	181
		<u>820</u>	<u>1,687</u>
<b>Net assets</b>		<u>86,932</u>	<u>88,299</u>
<b>Capital and reserves</b>			
Share capital	14	8,000	8,000
Reserves		78,932	80,299
<b>Total equity</b>		<u>86,932</u>	<u>88,299</u>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

	Attributable to the owners of the Company							Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Shareholder's contribution reserve HK\$'000 <i>(Note (a))</i>	Shares held for the share award scheme HK\$'000 <i>(Note (a))</i>	Share-based payment reserve HK\$'000 <i>(Note (b))</i>	Other reserve HK\$'000 <i>(Note (c))</i>	Retained earnings HK\$'000	
At 1 April 2021 (audited)	8,000	27,578	19,272	(8,610)	2,349	6,800	32,910	88,299
Equity-settled share-based compensation expenses	-	-	-	-	178	-	-	178
Issue of shares under the share award scheme	-	(4,669)	-	6,771	(2,102)	-	-	-
Loss and total comprehensive expense for the period	-	-	-	-	-	-	(1,545)	(1,545)
As at 30 September 2021 (unaudited)	<u>8,000</u>	<u>22,909</u>	<u>19,272</u>	<u>(1,839)</u>	<u>425</u>	<u>6,800</u>	<u>31,365</u>	<u>86,932</u>
At 1 April 2020 (audited)	8,000	34,929	19,272	(19,272)	-	6,800	36,455	86,184
Equity-settled share-based compensation expenses	-	-	-	-	4,419	-	-	4,419
Issue of shares under the share award scheme	-	(3,994)	-	5,792	(1,798)	-	-	-
Loss and total comprehensive expense for the period	-	-	-	-	-	-	(872)	(872)
As at 30 September 2020 (unaudited)	<u>8,000</u>	<u>30,935</u>	<u>19,272</u>	<u>(13,480)</u>	<u>2,621</u>	<u>6,800</u>	<u>35,583</u>	<u>89,731</u>

*Notes:*

- (a) On 10 April 2019, Oasis Green Ventures Limited (“**Oasis Green**”), the immediate holding company of the Company and a company wholly owned by Mr. Yu Kwok Tung (“**Mr. Yu**”), who was also non-executive director of the Company until 1 June 2020, contributed 88,000,000 shares to the share pool maintained by the trustee under share award scheme at nil consideration as incentive to attract and retain eligible participants under the share award scheme adopted by the Company for the long term development of the Group. 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 2021, 30,916,000 shares (six months ended 30 September 2020: 26,448,000 shares) have been vested under the share award scheme.

- (b) It represents the portion of 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 corporate reorganisation of the Group in preparation of the listing of the shares of the Company on GEM.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>OPERATING ACTIVITIES</b>		
Loss before tax	(1,592)	(769)
Adjustments for:		
Depreciation of property and equipment	491	491
Depreciation of right-of-use assets	773	900
Reversal of expected credit losses on trade receivables	(10)	(15)
Interest income	(1)	(5)
Interest expense on overdrafts	2	41
Interest expense on lease liabilities	41	17
Equity-settled share-based compensation expense	178	4,419
Loss on written off of property and equipment	1	–
	<hr/>	<hr/>
Operating cash flows before movements in working capital	(117)	5,079
Decrease in trade receivables	493	3,008
(Increase) decrease in prepayments, deposits and other receivables	(7,999)	4,382
Decrease in other payables and accruals	(1,867)	(2,984)
	<hr/>	<hr/>
Cash (used in) generated from operations	(9,490)	9,485
Hong Kong Profits Tax refunded	–	123
Interest expense on overdrafts	(2)	(41)
	<hr/>	<hr/>
<b>NET CASH (USED IN) FROM OPERATING ACTIVITIES</b>	<b>(9,492)</b>	<b>9,567</b>
	<hr/>	<hr/>
<b>INVESTING ACTIVITIES</b>		
Deposits paid for acquisitions of property and equipment	–	(190)
Purchase of property and equipment	(80)	(80)
Interest received	1	5
	<hr/>	<hr/>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(79)</b>	<b>(265)</b>
	<hr/>	<hr/>
<b>FINANCING ACTIVITIES</b>		
Payment of lease liabilities	(793)	(906)
Interest expense on lease liabilities	(41)	(17)
	<hr/>	<hr/>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(834)</b>	<b>(923)</b>
	<hr/>	<hr/>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(10,405)</b>	<b>8,379</b>
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	<b>63,563</b>	<b>56,582</b>
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD, represented by cash and cash equivalents</b>	<b>53,158</b>	<b>64,961</b>
	<hr/> <hr/>	<hr/> <hr/>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

## 1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law, 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 2021 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. SIGNIFICANT ACCOUNTING POLICIES

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 2021 except as described below.

In the current interim period, the Group has applied, for the first time, the following 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 2021:

Amendments to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39 and HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2

The application of the 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.

#### 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	
	2021 <i>HK\$'000</i> ( <i>unaudited</i> )	2020 <i>HK\$'000</i> ( <i>unaudited</i> )	2021 <i>HK\$'000</i> ( <i>unaudited</i> )	2020 <i>HK\$'000</i> ( <i>unaudited</i> )
<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	<b>11,812</b>	13,987	<b>20,765</b>	31,040

All revenue are recognised at a point in time during the six months ended 30 September 2021 and 2020.

##### 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 2021 and 2020, 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.

##### 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		Six months ended 30 September	
	2021 <i>HK\$'000</i> ( <i>unaudited</i> )	2020 <i>HK\$'000</i> ( <i>unaudited</i> )	2021 <i>HK\$'000</i> ( <i>unaudited</i> )	2020 <i>HK\$'000</i> ( <i>unaudited</i> )
Customer A	<b>1,686</b>	1,550	<b>3,064</b>	N/A*
Customer B	<b>1,856</b>	N/A*	<b>2,872</b>	3,106
Customer C	N/A*	N/A*	<b>2,258</b>	N/A*
Customer D	N/A*	N/A*	N/A*	3,124

\* The corresponding revenue did not contribute over 10% of total revenue of the Group for the respective reporting period.

## 5. OTHER INCOME AND GAINS, NET

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Bank interest income	–*	–	1	5
Government subsidies ( <i>Note</i> )	–	–	–	767
Exchange gain, net	20	64	–*	120
	<u>20</u>	<u>64</u>	<u>1</u>	<u>892</u>

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

*Note:* Government subsidies are cash subsidies granted by The Government of the Hong Kong Special Administrative Region under Anti-Epidemic Fund amounting to HK\$50,000 from the Subsidy Scheme for Security Industry granted to each licensed corporation and approximately HK\$717,000 from the Employment Support Scheme which subsidised 50% of the wages paid to each staff, subject to maximum of HK\$9,000 for each staff respectively. The Group has complied with all attached conditions during the period ended 30 September 2020 and recognised the amounts in profit or loss in “other income and gains, net”.

## 6. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Interest expense on:				
Overdrafts	1	16	2	41
Lease liabilities	19	7	41	17
	<u>20</u>	<u>23</u>	<u>43</u>	<u>58</u>

## 7. PROFIT (LOSS) BEFORE TAX

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Profit (loss) for the period has been arrived at after charging:				
Auditor's remuneration	170	180	220	230
Depreciation of property and equipment	245	246	491	491
Depreciation of right-of-use assets	386	450	773	900
Error and facilitation expenses	200	299	252	828
	<u>200</u>	<u>299</u>	<u>252</u>	<u>828</u>

## 8. INCOME TAX CREDIT (EXPENSE)

	Three months ended 30 September		Six months ended 30 September	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Hong Kong:				
Current tax for the period	(3)	(111)	(3)	(152)
Deferred tax:	27	32	50	49
	<u>24</u>	<u>(79)</u>	<u>47</u>	<u>(103)</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. 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 2021 and 2020, 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 2021 (six months ended 30 September 2020: nil).

## 10. EARNINGS (LOSS) PER SHARE

Basic and diluted loss per share amount are calculated by dividing the loss for the six months ended 30 September 2021 attributable to the owners of the Company of approximately HK\$1,545,000 (six months ended 30 September 2020: HK\$872,000) by the weighted average number of ordinary shares in issue of 788,469,399 (six months ended 30 September 2020: 728,054,514) during the period, excluding shares held under the Company’s share award scheme.

The calculation of diluted loss per share does not assume the deemed issue of shares under the share award scheme since it would result in a decrease in loss per share for the six months ended 30 September 2021 and 2020.

Basic earnings per share amount are calculated by dividing the profit for the three months ended 30 September 2021 attributable to the owners of the Company of approximately HK\$657,000 (three months ended 30 September 2020: HK\$6,000) by the weighted average number of ordinary shares in issue of 791,600,000 (three months ended 30 September 2020: 737,391,043) during the period, excluding shares held under the Company’s share award scheme.

Diluted earnings per share amount are calculated by dividing the profit for the three months ended 30 September 2021 attributable to the owners of the Company of approximately HK\$657,000 (three months ended 30 September 2020: HK\$6,000) by the weighted average number of ordinary shares for the purpose of dilutive earnings per share of 800,000,000 (three months ended 30 September 2020: 786,560,000), which was adjusted by the effect of dilutive potential ordinary shares of 8,400,000 (three months ended 30 September 2020: 49,168,957) from deemed issue of shares under the Company’s share award scheme for nil consideration.

## 11. MOVEMENTS IN PROPERTY AND EQUIPMENT

During the six months ended 30 September 2021, the Group used approximately HK\$80,000 (six months ended 30 September 2020: HK\$80,000) on acquisition of property and equipment.

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

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

As at 30 September 2021, the carrying amounts of right-of-use assets were approximately HK\$2,193,000 in respect of the leased premises (31 March 2021: HK\$2,966,000).

### (ii) Lease liabilities

As at 30 September 2021, the carrying amount of total lease liabilities was approximately HK\$2,310,000 (31 March 2021: HK\$3,103,000).

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

	Three months ended 30 September		Six months ended 30 September	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Depreciation of right-of-use assets	386	450	773	900
Interest expenses on lease liabilities	19	7	41	17

### (iv) Others

For the six months ended 30 September 2021, 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 2020: HK\$923,000).

## 13. TRADE RECEIVABLES

	30 September 2021	31 March 2021
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Trade receivables	10,238	10,731
Less: Loss allowance for trade receivables	(7)	(17)
	<u>10,231</u>	<u>10,714</u>

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

As at 30 September 2021, the gross amount of trade receivables arising from contracts with customer amounted to approximately HK\$10,238,000 (31 March 2021: HK\$10,731,000).

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.

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

	<b>30 September 2021 HK\$'000 (unaudited)</b>	31 March 2021 HK\$'000 (audited)
Within 30 days	<b>4,075</b>	4,456
31–60 days	<b>1,989</b>	1,568
61–90 days	<b>1,870</b>	2,019
91–120 days	<b>417</b>	116
Over 120 days	<b>1,887</b>	2,572
	<b><u>10,238</u></b>	<b><u>10,731</u></b>

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 individually customer or the ageing of customers collectively that are not individually significant as follows:

	30 September 2021			31 March 2021		
	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)	0.01	4,075	–*	0.01	4,456	–*
Within 30 days	0.01	1,989	–*	0.01	1,568	–*
31–60 days	0.03	1,870	–*	0.06	2,019	1
61–90 days	0.17	417	1	0.31	116	–*
Over 90 days	0.33	1,887	6	0.61	2,572	16
		<b><u>10,238</u></b>	<b><u>7</u></b>		<b><u>10,731</u></b>	<b><u>17</u></b>

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

Movement in the loss allowance:

	<b>30 September 2021 HK\$'000</b>	31 March 2021 HK\$'000
Balance at the beginning of the period/year	<b>17</b>	35
Reversal of ECL recognised on trade receivables	<b>(10)</b>	(18)
Balance at the end of the period/year	<b><u>7</u></b>	<b><u>17</u></b>

## 14. SHARE CAPITAL

	Number of shares	Share capital HK\$
<i>Ordinary shares of HK\$0.01 each</i>		
Authorised:		
At 1 April 2020, 31 March 2021, 1 April 2021 and 30 September 2021	<u>5,000,000,000</u>	<u>50,000,000</u>
Issued and fully paid:		
At 1 April 2020, 31 March 2021, 1 April 2021 and 30 September 2021	<u>800,000,000</u>	<u>8,000,000</u>

## 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.

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 2021 and 31 March 2021, 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 “**Share Award Scheme**”). 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.

Vesting of the awarded shares granted is subject to the fulfillment of vesting conditions specified in the grant letters and their employment in the Group at the end of respective vesting periods. 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\$178,000 (for the six months ended 30 September 2020: HK\$4,419,000) were recognised as staff costs in profit or loss for the six months ended 30 September 2021 and the remaining balance is to be recognised in the year ending 31 March 2022 based on the respective vesting periods.

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	
Awarded shares 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)
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), (vi)
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)
Awarded shares 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)
	<u>88,000,000</u>		<u>5,984</u>	

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 subject to certain desk revenue for the period ended 30 September 2020 exceeding HK\$6,000,000.
- (iv) The awarded shares granted have been vested to the Selected Participant in twelve months after the grant date subject to certain desk revenue for the year ended 31 March 2021 exceeding HK\$12,000,000.
- (v) The awarded shares granted will be vested to the Selected Participant in twenty-four months after the grant date subject to the audited revenue of the Group for the year ending 31 March 2022 exceeding HK\$60,000,000.
- (vi) The awarded shares granted would be lapsed where Selected Participants cease to be employed by the Group and all the awarded shares shall not vest to Selected Participants on the relevant vesting date but shall become returned shares for the purposes of the Share Award Scheme.

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 2021	39,316,000
Vested during the period	<u>(30,916,000)</u>
Outstanding as at 30 September 2021	<u><u>8,400,000</u></u>

## 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>2021</b>	2020	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)	<b>(unaudited)</b>	(unaudited)
Short-term benefits	<b>3,399</b>	3,361	<b>6,808</b>	7,772
Post-employment benefits	<b>18</b>	18	<b>33</b>	39
Equity-settled share-based payment expense	<b>72</b>	1,117	<b>172</b>	2,471
	<u><b>3,489</b></u>	<u>4,496</u>	<u><b>7,013</b></u>	<u>10,282</u>
Total	<u><b>3,489</b></u>	<u>4,496</u>	<u><b>7,013</b></u>	<u>10,282</u>

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.

## 17. CAPITAL COMMITMENT

As at 30 September 2021, the Group had capital commitment amounted to approximately HK\$25,000 (31 March 2021: HK\$25,000) in respect of the acquisitions of property and equipment contracted for but not provided in the condensed consolidated financial statements.

## 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 the revenue from commission income for derivatives brokerage services provided to the customers.

For the six months ended 30 September 2021, the trade orders involved listed derivatives products which were either executed on the Hong Kong Exchanges and Clearing Limited (the “**HKEx**”) or Singapore Exchange (the “**SGX**”), 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 2021, the revenue was approximately HK\$20.8 million, representing an decrease of approximately 32.9% when compared with the revenue of approximately HK\$31.0 million of the corresponding period in 2020.

### FINANCIAL REVIEW

#### Revenue

The revenue decreased from approximately HK\$31.0 million for the six months ended 30 September 2020 to approximately HK\$20.8 million for the six months ended 30 September 2021, representing a drop of approximately 32.9%. The decrease was mainly due to the decrease in trade volume.

The following table sets forth the revenue breakdown for the six months ended 30 September 2021, together with the comparative results for the corresponding period in 2020:

	For the six months ended 30 September 2021		2020	
	(Unaudited) HK\$'000	%	(Unaudited) HK\$'000	%
HKEx	19,105	92.0	27,384	88.2
SGX	266	1.3	1,287	4.2
EUREX	84	0.4	—	—
OTC	1,310	6.3	2,369	7.6
TOTAL	<u>20,765</u>	<u>100.0</u>	<u>31,040</u>	<u>100.0</u>

### Staff costs

Staff costs comprise salaries, provident fund contribution and other allowance. The staff costs decreased from approximately HK\$22.6 million for the six months ended 30 September 2020 to approximately HK\$14.4 million for the six months ended 30 September 2021, representing a drop of approximately 36.3%. The decrease was mainly attributable to the decrease in bonus which was in line with the decrease in revenue of the Group. In addition, the decrease was also attributable to the decrease in share based payment expenses as a result of the share awards granted on 6 April 2020 under the share award scheme of the Company adopted on 4 April 2019.

### Other operating expenses

The other operating expenses decreased from approximately HK\$8.7 million for the six months ended 30 September 2020 to approximately HK\$6.7 million for the six months ended 30 September 2021, representing a drop of approximately 23.0%. The decrease was mainly due to decrease in clearing expenses, error expense and marketing expenses.

The clearing expenses for the six months ended 30 September 2021 was approximately HK\$1.6 million, representing a decrease of approximately HK\$0.9 million or 36.0% over approximately HK\$2.5 million of the corresponding period in 2020. The drop in clearing expenses was in line with the drop in revenue of the Group.

The error expenses for the six months ended 30 September 2021 was approximately HK\$252 thousand, representing a decrease of approximately HK\$576 thousand or 69.6% over approximately HK\$828 thousand of the corresponding period in 2020. The decrease in error expenses was in line with the decrease in revenue of the Group.

The marketing expenses for the six months ended 30 September 2021 was approximately HK\$591 thousand, representing a decrease of approximately HK\$238 thousand or 28.7% over approximately HK\$829 thousand of the corresponding period in 2020. The decrease in marketing expenses was in line with the decrease in revenue of the Group.

## Income tax credit/(expense)

Income tax credit for the six months ended 30 September 2021 was approximately HK\$47 thousand, while the income tax expense of the corresponding period in 2020 was approximately HK\$103 thousand. Such change was in line with the increase in net loss before tax during the six months ended 30 September 2021.

## Loss for the period

The Group recorded a loss of approximately HK\$1.6 million for the six months ended 30 September 2021 (six months ended 30 September 2020: HK\$872 thousand). The increase in loss was mainly due to the decrease in revenue, after netting off the decrease in other operating expenses and the decrease in staff costs during the six months ended 30 September 2021 as discussed above.

## LIQUIDITY AND FINANCIAL RESOURCES

	<b>As at 30 September 2021</b> <i>(Unaudited)</i> <i>HK\$'000</i>	<b>As at 31 March 2021</b> <i>(Audited)</i> <i>HK\$'000</i>
Current Assets	84,687	87,579
Current Liabilities	3,086	4,929
Current Ratio (times) <i>(Note i)</i>	27.4	17.8
Gearing Ratio (times) <i>(Note ii)</i>	N/A	N/A
Debt to equity ratio <i>(Note iii)</i>	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 27.4 times as at 30 September 2021 (31 March 2021: 17.8 times), reflecting the financial competence of the Group.

As at 30 September 2021, the Group's cash and bank balances amounted to approximately HK\$53.2 million (as at 31 March 2021: HK\$63.6 million). The Group has sufficient resources to satisfy its working capital and sustain its business.

As at 30 September 2021, overall interest bearing liabilities of the Group are nil (as at 31 March 2021: 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 2021 and 31 March 2021 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> <i>HK\$'000</i> <i>(Unaudited)</i>	<b>Facilitation Expenses/ (Gain)</b> <i>HK\$'000</i> <i>(Unaudited)</i>
April 2021	–	(21)
May 2021	–	59
June 2021	–	14
July 2021	–	22
August 2021	–	81
September 2021	–	97

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 2021. To manage liquidity risk, the Group monitors the liquidity position daily to ensure that the liquidity structure of the Group's assets, liabilities and other commitment can meet the funding and SFC regulatory requirement.

## **CAPITAL STRUCTURE**

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

As at the date of this announcement, the Company's issued share capital was HK\$8 million divided into 800,000,000 ordinary Shares of HK\$0.01 each. During the six months ended 30 September 2021, there was no movement of the issued capital of the Company.

## **CAPITAL COMMITMENT**

As at 30 September 2021, the Group has capital commitment amounted to approximately HK\$25,000 (31 March 2021: HK\$25,000) in respect of the acquisitions of property and equipment contracted for but not provided in the condensed consolidated financial statements.

## **SIGNIFICANT INVESTMENT**

The Group did not acquire or hold any significant investment during the period under review.

## **EVENT AFTER THE REPORTING DATE**

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 2021 and up to the date of this announcement.

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

As at 30 September 2021, the Group did not have other plans for material investments and capital assets save as disclosed in the section headed “Future Plans and Use of Proceeds”.

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

During the six months ended 30 September 2021, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

## **CONTINGENT LIABILITIES**

As at 30 September 2021 and 30 September 2020, 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 2021 and 30 September 2020, the Group did not pledge any of its assets.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 September 2021, the Group had 27 staff (as at 30 September 2020: 29) 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 2021.

## COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the prospectus of the Company dated 14 August 2018 (the “**Prospectus**”) and the announcement of the Company dated 20 August 2021 in relation to the change in use of proceeds with the Group’s actual business progress for the period from the listing date of the Company (the “**Listing Date**”) to 30 September 2021 is set out below:

Objectives	Implementation plan	Actual business progress up to 30 September 2021
To use for office expansion plan	– To repay the loan used for payment of rental deposit and advances of the new office, decoration of new office and purchase of furniture and fixture, paying removal cost of existing equipment, reinstate our existing office, pay IT infrastructure cost, employing IT consultant and developing in-house software	– Approximately HK\$6.0 million of the net proceeds has been utilised for office expansion plan
To introduce Eurex MSCI derivatives products	– To employ two senior licensed brokers and one junior licensed broker for the business development of OTC Eurex MSCI derivatives market	– Approximately HK\$6.5 million of the net proceeds has been utilised for employing three senior licensed brokers for the development of OTC Eurex MSCI derivatives market
To apply for becoming a Clearing Participant	– To fulfill the liquid capital deposit requirement, fulfill the capital requirement for being a futures Clearing Participant, fulfill the capital requirement for being a stock options Clearing Participant, fulfill the cash flow requirement, employ two operation officers, one software engineer and one external expert	– Approximately HK\$1.0 million of net proceeds has been utilised for employing one operation officer
To introduce OTC KOSPI 200 derivatives products	– To employ one senior licensed broker for the business development of OTC KOSPI 200 derivatives market	– Approximately HK\$0.8 million of the proceeds has been utilised for employing one junior broker for business development of KOSPI 200 derivatives market

<b>Objectives</b>	<b>Implementation plan</b>	<b>Actual business progress up to 30 September 2021</b>
To enhance the business development of HKEx segment	– To employ one senior licensed broker for replacement of one junior licensed broker in HKEx segment	– Approximately HK\$2.0 million of net proceeds has been utilised for employing one senior broker for HKEx segment
To use for the additional deposit to existing clearing service provider	– To ensure undisturbed business operations of the Group	– Approximately HK\$9.5 million of net proceeds has been utilised for increasing the deposit to the aforementioned existing clearing service provider
To use for general working capital	– To increase its financial flexibility to cope with the future economic uncertainty and potential business opportunities in the future	– Approximately HK\$1.7 million of net proceeds has been utilised as normal working capital for September 2021

## **USE OF PROCEEDS**

The Shares were listed on GEM on 27 August 2018. The net proceeds from the initial public offering and placing of new Shares were approximately HK\$27.3 million after deduction of listing related expenses.

Since the Listing Date and up to 30 September 2021, the Group has utilised all of the net proceeds in accordance with the designated uses set out in the Prospectus and the announcement of the Company dated 20 August 2021 in relation to the change in use of proceeds as follows:

	Allocation of total net proceeds designated in the Prospectus <i>HK\$'000</i>	Revised allocation of the total net proceeds designated in the announcement dated 20 August 2021 <i>HK\$'000</i>	Actual usage of net proceeds up to 30 September 2021 <i>HK\$'000</i>	Unutilised net proceeds as at 30 September 2021 <i>HK\$'000</i>
To apply for becoming a Clearing Participant	12,000	802	802	–
To expand our OTC product coverage	7,257	7,257	7,257	–
To use for office expansion plan	6,028	6,028	6,028	–
To expand our licensed broker team	1,995	1,995	1,995	–
To use for the additional deposit to existing clearing service provider	–	9,500	9,500	–
To use for general working capital	–	1,698	1,698	–
	<u>27,280</u>	<u>27,280</u>	<u>27,280</u>	<u>–</u>

Please refer to the announcement of the Company dated 20 August 2021 for the details of the change in use of the net proceeds.

## 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 2021, 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 <sup>+</sup> of shareholding in the Company
Mr. Ng Yu Fai	Interest of controlled corporation	54,000,000 (Note 1)	6.75%
	Beneficial interest	14,000,000 (Note 2)	1.75%
		<hr/> 68,000,000	<hr/> 8.50%
Mr. Choi Man Ho	Interest of controlled corporation	36,000,000 (Note 3)	4.50%
	Beneficial interest	16,800,000 (Note 4)	2.10%
		<hr/> 52,800,000	<hr/> 6.60%
Mr. Shiu Kam Man	Beneficial interest	39,200,000 (Note 5)	4.90%
Mr. Lau Ming Yeung, Lambert	Interest of controlled corporation	32,000,000 (Note 6)	4.00%

#### Notes:

1. These Shares are held by Dense Jungle Limited, which is wholly owned by Mr. Ng Yu Fai. By virtue of the SFO, Mr. Ng Yu Fai is deemed to be interested in these Shares held by Dense Jungle Limited.
2. These represent Shares granted to Mr. Ng Yu Fai pursuant to the share award scheme of the Company adopted on 4 April 2019, which were held on trust by the trustee until the Shares have vested. As at 30 September 2021, all 14,000,000 of these Shares have vested. For details about the scheme, please refer to the paragraph headed "Share award scheme".
3. These Shares are held by Beyond Delta Limited, which is wholly owned by Mr. Choi Man Ho. By virtue of the SFO, Mr. Choi Man Ho is deemed to be interested in these Shares held by Beyond Delta Limited.

4. These represent Shares granted to Mr. Choi Man Ho pursuant to the share award scheme of the Company adopted on 4 April 2019, which were held on trust by the trustee until the Shares have vested. As at 30 September 2021, 8,400,000 of these Shares have vested. For details about the scheme, please refer to the paragraph headed “Share award scheme”.
  5. These represent Shares granted to Mr. Shiu Kam Man pursuant to the share award scheme of the Company adopted on 4 April 2019, which were held on trust by the trustee until the Shares have vested. As at 30 September 2021, all 39,200,000 of these Shares have vested. For details about the scheme, please refer to the paragraph headed “Share award scheme”.
  6. These Shares are held by Ocean Lead Holdings Limited, which is wholly owned by Mr. Lau Ming Yeung, Lambert. By virtue of the SFO, Mr. Lau Ming Yeung, Lambert is deemed to be interested in these Shares held by Ocean Lead Holdings Limited.
- + The percentage represents the number of ordinary Shares involved divided by the number of issued Shares of the Company as at 30 September 2021.

Save as disclosed above, as at 30 September 2021, 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 2021, 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 <sup>+</sup> of shareholding in the Company
Oasis Green Ventures Limited	Beneficial owner	278,000,000 ( <i>Note 1</i> )	34.75%
Pacific Asset Limited	Interest of controlled corporation	278,000,000 ( <i>Note 1</i> )	34.75%
Mr. Yu Kwok Tung	Interest of controlled corporations	278,000,000 ( <i>Note 1</i> )	34.75%
	Interest of spouse	16,000,000 ( <i>Note 2</i> )	2.00%
		294,000,000	36.75%

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

*Notes:*

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

<sup>+</sup> The percentage represents the number of ordinary Shares involved divided by the number of issued Shares as at 30 September 2021.

Save as disclosed above, as at 30 September 2021, 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 2021.

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 2021.

## **INTERESTS OF THE COMPLIANCE ADVISER**

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Red Sun Capital Limited to be the compliance adviser. Red Sun Capital Limited has resigned from its position as compliance adviser of the Company with effect from 1 July 2021. As notified by Red Sun Capital Limited, during its appointment, neither Red Sun Capital Limited, nor its directors, employees and close associates had any interest in relation to the Group which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

## **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 2021.

## **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 2021.

## **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 2021.

## **SHARE OPTION SCHEME**

The Company conditionally adopted a share option scheme on 30 July 2018 (the “**Share Option Scheme**”). The purpose of the Share Option Scheme is to enable the Company to grant share options to the eligible participants as incentive or reward for their contribution to the Group to subscribe for the Shares thereby linking their interest with that of the Group.

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

No share option has been granted by the Company under the Share Option Scheme since its adoption.

## **SHARE AWARD SCHEME**

The Company adopted a share award scheme on 4 April 2019 (the “**Share Award Scheme**”). The purpose of the Share Award Scheme is to recognise and reward the contribution of eligible participants to the growth and development of the Group, to give incentives to eligible participants in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

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. 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). As at 30 September 2021, 79,600,000 awarded shares have vested in the relevant grantees. For details about the movement of awarded shares, please refer to the notes to the condensed consolidated financial statements.

## 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 2021.

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

Hong Kong, 29 October 2021

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

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