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DL HOLDINGS GROUP LIMITED

德林控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1709)

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF REMAINING EQUITY INTEREST IN DL FAMILY OFFICE (HK) LIMITED INVOLVING THE ISSUE OF PROMISSORY NOTE

Financial Adviser to the Company



THE ACQUISITION

The Board is pleased to announce that on 14 September 2023 (after trading hours of the Stock Exchange), the Purchaser (a direct wholly-owned subsidiary of the Company) and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares, which represent approximately 55.00% of the entire equity interest of the Target Company at the Consideration of HK\$220,000,000.00, which will be satisfied by cash and the issue of the Promissory Note.

As at the date of this announcement, the Purchaser legally and beneficially owns 8,195,441 shares of the Target Company, representing approximately 45.00% of the entire issued share capital of the Target Company, and the Vendor legally and beneficially owns the Sale Shares (i.e. 10,016,651 shares of the Target Company), representing approximately 55.00% of the entire issued share capital of the Target Company.

Upon the Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the Target Company's financial results will be consolidated into the financial statements of the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, one of the shareholders of the Vendor is Ms. Jiang Xinrong, a non-executive Director until her resignation on 28 April 2023 and the spouse of Mr. Chen Ningdi (an executive Director), and she owns approximately 36.60% of the issued share capital of the Vendor. Therefore, the Vendor is an associate of each of Ms. Jiang Xinrong and Mr. Chen Ningdi, and accordingly, the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

On a standalone basis, with more than one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition exceed 5% but all of them are less than 25%, the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder (on a standalone basis) constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules.

As disclosed in the Prior Announcements dated 23 May 2022, 18 October 2022 and 17 January 2023, the EW Acquisition was completed on 18 October 2022 and the Prior Acquisition was completed on 17 January 2023. With (A)(i) the Acquisition; and (ii) the completion of each of the EW Acquisition and the Prior Acquisition took place within a 12-month period; (B) the vendor of the sales of the entire issued share capital of Emerald Wealth Management Limited is the wholly-owned subsidiary of the Vendor; and (C) the vendor of the sales of shares in the Target Company is the same in both the Prior Acquisition and the Acquisition, the Acquisition, the Prior Acquisition and the EW Acquisition shall be aggregated as if they were one transaction pursuant to Rule 14.22 and Rule 14A.81 of the Listing Rules.

As more than one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition, the Prior Acquisition and EW Acquisition exceed 5% but all of them are less than 25%, the EW Acquisition, the Prior Acquisition, the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules. In view of the above, the Acquisition is subject to the reporting, announcement, the circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Independent Board Committee, comprising all the independent non-executive Directors (i.e. Mr. Chang Eric Jackson, Mr. Chen Cheng-Lien (also known as Chen Cheng-Lang and Chen Stanley) and Mr. Liu Chun) has been established to consider, and make recommendations to the Independent Shareholders regarding, amongst other things, whether the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

None of the members of the Independent Board Committee has any interest or involvement in the transactions contemplated under the Sale and Purchase Agreement. The Independent Board Committee will form its view in respect of the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder after obtaining and considering the advice from the Independent Financial Adviser. The Independent Financial Adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in the same respect.

The EGM will be convened and held for the Independent Shareholders to consider, and if thought fit, to approve the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder.

A circular containing, amongst other things, (i) further information of the Acquisition; (ii) the recommendations of the Independent Board Committee to the Independent Shareholders in relation to the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder; (iii) the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder; (iv) notice of the EGM; and (v) other information required under the Listing Rules, is expected to be despatched to the Shareholders on or before 6 October 2023.

Completion of the Acquisition is subject to fulfillment of the conditions precedent set out in the Sale and Purchase Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

BACKGROUND – THE PRIOR ACQUISITION

References are made to the Prior Announcements dated 23 May 2022, 26 May 2022 and 17 January 2023. As disclosed, the Purchaser and the Vendor entered into the Prior SPA, pursuant to which the Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to sell 8,195,441 shares of the Target Company, at the Prior Consideration of HK\$63,000,000.00. Upon completion of the Prior Acquisition, which took place on 17 January 2023, and as at the date of this announcement, the Purchaser legally and beneficially owns 8,195,441 shares of the Target Company, representing approximately 45.00% of the entire issued share capital of the Target Company, and the Vendor legally and beneficially owns the Sale Shares (i.e. 10,016,651 shares of the Target Company), representing approximately 55.00% of the entire issued share capital of the Target Company.

THE ACQUISITION

The Board is pleased to announce that on 14 September 2023 (after trading hours of the Stock Exchange), the Purchaser (a direct wholly-owned subsidiary of the Company) and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares, which represent approximately 55.00% of the entire equity interest of the Target Company at the Consideration of HK\$220,000,000.00, which will be satisfied by cash and the issue of the Promissory Note.

THE SALE AND PURCHASE AGREEMENT

Principal terms of the Sale and Purchase Agreement are set out as follows:

Date

14 September 2023 (after trading hours of the Stock Exchange)

Parties to the Sale and Purchase Agreement

- (i) DL Asset Management Limited, as the Purchaser; and
- (ii) DL Global Holdings Limited, as the Vendor.

Subject Matter

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire from the Vendor the Sale Shares (i.e. 10,016,651 shares of the Target Company), representing approximately 55.00% of the entire issued share capital of the Target Company.

Consideration

The Consideration for the Acquisition is HK\$220,000,000.00 in aggregate, which shall be payable by the Purchaser partially in cash to the Vendor's designated bank account by wire transfer and partially settled by the issue of Promissory Note by the Company and will be satisfied in the following manner:

- (a) an initial refundable deposit in the sum of HK\$22,000,000.00 shall be paid by the Purchaser in cash to the Vendor's designated bank account by wire transfer within 5 Business Days from the date of the Sale and Purchase Agreement; and
- (b) the remaining total balance of the Consideration in the sum of HK\$198,000,000.00 shall be, upon Completion, paid and settled by having:
 - (1) part of the remaining total balance of the Consideration in the sum of HK\$48,000,000.00 paid by the Purchaser in cash to the Vendor's designated bank account by wire transfer; and
 - (2) the remainder, in the sum of HK\$150,000,000.00, settled by the Company's issue of Promissory Note to the Vendor.

As at the date of this announcement, it is anticipated that the total consideration for the Acquisition will be satisfied by the internal resources of the Group.

The Consideration was arrived at after arm's length negotiations between the parties to the Sale and Purchase Agreement with reference to (i) the value of the Sale Shares in the amount of HK\$235,400,000.00 as at 30 June 2023 according to the preliminary valuation report prepared by the Independent Valuer, adopting the market approach; (ii) the audited net assets of the Target Company amounted to approximately HK\$41.99 million as at 31 December 2022; (iii) the unaudited net assets of the Target Company amounted to approximately HK\$54.07 million as at 30 June 2023; (iv) the financial position and track record as demonstrated from the key financial metrics of the Target Company; and (v) the existing synergies as a result of the Prior Acquisition and are anticipated to be enhanced between the Group and the Target Company as detailed in, and the factors further contemplated under the section headed "Reasons for and Benefits of the Acquisition" below. Given the Consideration represents a discount of approximately 6.54% to the preliminary valuation of the Sale Shares, the Directors (other than (i) the members of the Independent Board Committee who will express their view after considering the advice from the Independent Financial Adviser; and (ii) Mr. Chen Ningdi, Mr. Lang Joseph Shie Jay, Mr. Ai Kuiyu and Ms. He Zhiying who abstained from voting at the Board meeting with respect to the resolutions relevant to the Acquisition due to their respective material interest in the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder) consider that the Consideration is fair and reasonable and on normal commercial terms and the entering into of the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

The Company will include the valuation report of the Sale Shares prepared by the Independent Valuer in the circular to be despatched to the Shareholders.

Conditions precedent

The Acquisition are conditional upon fulfillment (or waiver, as the case may be) of all the following conditions precedent of the Sale and Purchase Agreement on or before the Long Stop Date:

- (a) the Directors passing the ordinary resolutions approving the Acquisition, the Sale and Purchase Agreement and the transactions contemplated hereunder (including but not limited to the issue of the Promissory Note) in accordance with the requirements of the Listing Rules, the Company's constitutional documents and all applicable laws and regulations in Hong Kong and the Cayman Islands;
- (b) the passing of all resolution(s) by the Independent Shareholders in the EGM approving the entering into the Sale and Purchase Agreement by the Company and the performance of the transactions contemplated hereunder in accordance with the relevant provisions in the Listing Rules, the constitutional documents of the Company and all applicable laws and regulations in Hong Kong and the Cayman Islands;
- (c) the Purchaser having completed the due diligence on the Target Company's assets, legal conditions and conditions regarding its businesses and operations and being and remaining satisfied with the same in all material respects;
- (d) the DL Family Office License being valid, enforceable and operative as at the date of the Sale and Purchase Agreement, remains valid, enforceable and operative on Completion Date, and there being no statutes, statutory provisions, regulations, instruments, subordinate legislation, rules, orders, judgments, decisions, conditions and/or notices whatsoever proposed, granted or enforced by the SFC or any other applicable authority which prohibit, restrict, revoke or threaten to prohibit, restrict, revoke, the DL Family Office License entitlement by the Target Company on Completion Date;
- (e) the representations, warranties and undertaking provided each of the parties under the Sale and Purchase Agreement being true, accurate, valid and not misleading on the execution of the Sale and Purchase Agreement in all material respects and remain true, accurate, valid and not misleading in all material respects as at the Completion Date;

- (f) no material adverse change regarding the assets, financial position, business or prospects or results of operations of the Target Company up to the Completion Date; and
- (g) all authorisations, approvals, consents, waivers and permits which are necessary or relevant to give effect to the Sale and Purchase Agreement and the transactions contemplated hereunder having been complied, granted, received or obtained by the Purchaser and the Vendor and remain in full force and effect and not revoked up to the Completion Date.

As at the date of this announcement, (i) the ordinary resolutions required under sub-paragraph (a) are passed; and (ii) the respective representations, warranties and undertakings made by the Purchaser and the Vendor are true, accurate and not misleading with respect to the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder.

Save for the conditions precedent set out under sub-paragraphs (c) and (e) above by written notice, none of the above conditions precedent can be waived. If any of the conditions is not fulfilled (or as the case may be, waived) on or before 31 December 2023 (i.e. the long stop date contemplated under the Sale and Purchase Agreement for the fulfillment of the above conditions for the Acquisition), or such later date as the parties to the Sale and Purchase Agreement may agree in writing, the Sale and Purchase Agreement shall be terminated, and all rights, obligations and liabilities of the parties thereto shall cease and determine and neither party shall have any claim against the other, save for any antecedent breaches of the Sale and Purchase Agreement.

Completion

Subject to all the conditions precedent under the Sale and Purchase Agreement being fulfilled (or waived, as the case may be), the Completion shall take place at or before 2:30 p.m. on the Business Day falling on the fifth Business Day upon the fulfillment (or, as the case may be, the waiver) of the conditions set out above (or such later date as may be agreed between the parties to the Sale and Purchase Agreement in writing), at the office of the Purchaser or such other place as may be agreed in writing by the parties to the Sale and Purchase Agreement.

Upon the Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the Target Company's financial results will be consolidated into the financial statements of the Company.

ISSUE OF THE PROMISSORY NOTE

Subject to the terms and conditions of the Sale and Purchase Agreement, the Company shall issue the Promissory Note to the Vendor for settlement of part of the Consideration. The principal terms and conditions of the Promissory Note are as follows:

Parties to the Promissory Note

- (i) the Company, as the issuer of the Promissory Note; and
- (ii) the Vendor, as the noteholder of the Promissory Note.

Terms of the Promissory Note

Principal Amount	:	HK\$150,000,000
Interest	:	Nil
Maturity Date	:	The Company shall repay the outstanding principal sum on the date falling two years from the date of issue of the Promissory Note (or if that is not a Business Day, the first Business Day thereafter).
Security	:	The obligations of the Company under the Promissory Note are unsecured.
Transferability	:	The Promissory Note may be transferred or assigned by the noteholder(s) to any persons (except for connected persons of the Company) provided that the noteholder(s) shall serve a prior written notice to the Company of not less than ten (10) Business Days.

INFORMATION OF THE COMPANY AND THE GROUP

The Company is an investment holding company incorporated in the Cayman Islands with limited liability, whose issued shares are listed on the main board of the Stock Exchange (stock code: 1709).

The Group is principally engaged in (A) provision of financial services of licensed businesses including (i) financial advisory services; (ii) securities research services; (iii) securities trading and brokerage services; (iv) margin financing services; (v) referral services; (vi) asset management services; and (vii) investment management and advisory services to customers; (B) provision of money lending services; (C) sales of apparel products with the provision of supply chain management total solutions to customers; and (D) provision of enterprise solutions services.

INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated in the British Virgin Islands with limited liability. The Purchaser is principally engaged in the business of investment holding, and it is directly wholly-owned by the Company.

INFORMATION OF THE VENDOR

The Vendor is a company incorporated in the British Virgin Islands with limited liability. The Vendor is principally engaged in the business of investment holding.

As at the date of this announcement, one of the shareholders of the Vendor is Ms. Jiang Xinrong, a non-executive Director until her resignation on 28 April 2023 and the spouse of Mr. Chen Ningdi (an executive Director), and she owns approximately 36.60% of the issued share capital of the Vendor. Therefore, the Vendor is an associate of each of Mr. Chen Ningdi and Ms. Jiang Xinrong, and accordingly, the Vendor is a connected person of the Company under Chapter 14A of the Listing Rules.

The remaining shareholders of the Vendor and their respective shareholding in the issued share capital of the Vendor are as follows:

Remaining shareholders of the Vendor	Approximate shareholding (%) in the Vendor
(1) Ms. He Zhiying, an executive Director	11.41%
(2) Mr. Lang Joseph Shie Jay, an executive Director	1.87%
(3) Mr. Ai Kuiyu, an executive Director and a director of the Purchaser	1.87%
(4) Ms. Xu Wen, a director of the Purchaser	1.87%
(5) Mr. Zhou Xuxiang, a director of a subsidiary of the Company	5.74%
(6) Mr. Kiow Wei Hao, a director of a subsidiary of the Company	1.87%
(7) Mr. Sun Yu, a director of a subsidiary of the Company	0.94%
(8) Ms. Wu Mengnan, a director of a subsidiary of the Company	0.63%
(9) Mr. Lam Siu Hong, a director of the Target Company	27.04%
(10) Mr. Huang Zhiying	5.76%
(11) Mr. Li Jialin	2.71%
(12) Mr. Cui Weixing	1.69%

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, Mr. Li Jialin, Mr. Cui Weixing and Mr. Huang Zhiying are all Independent Third Parties as at the date of this announcement.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong with limited liability and is principally engaged in provision of financial services of licensed businesses including securities advisory services and asset management services. The Target Company is a licensed corporation under the SFO permitted to carry on Type 4 regulated activity (advising on securities) and Type 9 regulated activity (asset management). As at the date of this announcement and immediately prior to the Completion, the Purchaser legally and beneficially owns 8,195,441 shares of the Target Company, representing approximately 45.00% of the entire issued share capital of the Target Company, and the Vendor legally and beneficially owns the Sale Shares (i.e. 10,016,651 shares of the Target Company), representing approximately 55.00% of the entire issued share capital of the Target Company.

Financial information of the Target Company

Set out below is extract of the audited financial information of the Target Company for the two years ended 31 December 2021 and 31 December 2022 and the unaudited financial information for the six months ended 30 June 2023 respectively:

	For the year ended 31 December 2021 <i>(audited)</i> (HK\$)	For the year ended 31 December 2022 <i>(audited)</i> (HK\$)	For the six months ended 30 June 2023 <i>(unaudited)</i> (HK\$)
Revenue	23,821,861	40,689,215	25,468,811
Profit/(loss) before tax	10,709,605	24,153,773	12,606,881
Profit/(loss) after tax	9,490,605	20,258,819	12,081,370

As at 31 December 2022, the audited net assets of the Target Company amounted to approximately HK\$41.99 million and as at 30 June 2023, the unaudited net assets of the Target Company amounted to approximately HK\$54.07 million.

REASONS FOR AND BENEFITS OF THE ACQUISITION

In view of the Group's principal business and the businesses carried out by the Target Company, being the Type 4 regulated activity (advising on securities) and Type 9 regulated activity (asset management) permitted under the SFO and the DL Family Office License granted, the Group entered into the Prior SPA to proceed with the Prior Acquisition in order to expand, strengthen and direct toward its development as a service provider with full-range and integrated financial services available. Throughout the past financial year since the completion of the Prior Acquisition and up to the date of this announcement, there has been significant growth and development in the Group's businesses with such regulated activities in connection with the Target Company. In view of the favourable track record in terms of the key financial metric stipulated in the section headed "Financial information of the Target Company" above and the business collaboration with the Target Company, the Company believes that the Acquisition proposed to acquire the Sale Shares, which represent the remaining approximately 55.00% of the entire issued share capital of the Target Company will be a meaningful step in realizing the Group's strategy of creating greater value for the Shareholders and also further strengthening the industry position of the Group. In addition, with the view to further expand its relevant financial services, the Company is of the view that the Acquisition enables the Group to explore and leverage the synergy between the Target Company and the Group, and will be complementary to the Group's existing operation and business layout, consolidate its existing advantageous position, generate synergies and accelerate the Group's development.

In particular, (i) with the DL Family Office License, by bringing the Target Company (and its business) into the Group, the Group can streamline and integrate its existing and future business collaborations with the Target Company and the Acquisition would enable the enlarged Group to expand into new business opportunities in the future; and (ii) with the revenue of the Target Company increased by approximately HK\$16.87 million or 70.81% from approximately HK\$23.82 million for the year ended 31 December 2021 to approximately HK\$40.69 million for the year ended 31 December 2022, and the profit before tax increased by approximately HK\$13.44 million or 125% from approximately HK\$10.71 million to HK\$24.15 million for the same period, the Board is optimistic about the business development of the Target Company, taking into account of the speedy recovery of the global economy and the capital markets of both Hong Kong and the PRC, together with the revival of investors' confidence thereto, and considers that the Acquisition could broaden the income sources and strengthen the financial position of the Group as a whole.

Moreover, by satisfying part of the Consideration with the Promissory Note, the immediate burden to the Company's financial resources can be reduced since the issue of the Promissory Note lowers the cash amount required to be paid by the Group for the Consideration upon Completion and such arrangement of payment by Promissory Note would not cause immediate material cash outflow pressure on the Group.

Taking into account of the above and together with the Consideration being an approximately 6.54% discount to the value of the Sale Shares according to the preliminary valuation report prepared by the Independent Valuer of the Sale Shares of HK\$235,400,000.00 as at 30 June 2023, the Directors (other than (i) the Independent Board Committee who will express their view after considering the advice from the Independent Financial Adviser; and (ii) Mr. Chen Ningdi, Mr. Lang Joseph Shie Jay, Mr. Ai Kuiyu and Ms. He Zhiying who abstained from voting at the Board meeting in respect of the resolutions approving the Acquisition due to their respective material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder) consider that the Acquisition is on normal commercial terms, and the terms of the Sale and Purchase Agreement (including the Consideration) are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, one of the shareholders of the Vendor is Ms. Jiang Xinrong, a non-executive Director until her resignation on 28 April 2023 and the spouse of Mr. Chen Ningdi (an executive Director), and she owns approximately 36.60% of the issued share capital of the Vendor. Therefore, the Vendor is an associate of each of Ms. Jiang Xinrong and Mr. Chen Ningdi, and accordingly, the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

On a standalone basis, with more than one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition exceed 5% but all of them are less than 25%, the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder (on a standalone basis) constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules.

As disclosed in the Prior Announcements dated 23 May 2022, 18 October 2022 and 17 January 2023, the EW Acquisition was completed on 18 October 2022 and the Prior Acquisition was completed on 17 January 2023. With (A)(i) the Acquisition; and (ii) the completion of each of the EW Acquisition and the Prior Acquisition took place within a 12-month period; (B) the vendor of the sales of the entire issued share capital of Emerald Wealth Management Limited is the wholly-owned subsidiary of the Vendor; and (C) the vendor of the sales of shares in the Target Company is the same in both the Prior Acquisition and the Acquisition, the Acquisition, the Prior Acquisition and the EW Acquisition shall be aggregated as if they were one transaction pursuant to Rule 14.22 and Rule 14A.81 of the Listing Rules.

As more than one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition, the Prior Acquisition and EW Acquisition exceed 5% but all of them are less than 25%, the EW Acquisition, the Prior Acquisition, the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules. In view of the above, the Acquisition is subject to the reporting, announcement, the circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Independent Board Committee, comprising all the independent non-executive Directors (i.e. Mr. Chang Eric Jackson, Mr. Chen Cheng-Lien (also known as Chen Cheng-Lang and Chen Stanley) and Mr. Liu Chun) has been established to consider, and make recommendations to the Independent Shareholders regarding, amongst other things, whether the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

None of the members of the Independent Board Committee has any interest or involvement in the transactions contemplated under the Sale and Purchase Agreement. The Independent Board Committee will form its view in respect of the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder after obtaining and considering the advice from the Independent Financial Adviser. The Independent Financial Adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in the same respect.

The EGM will be convened and held for the Independent Shareholders to consider, and if thought fit, to approve the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder.

A circular containing, amongst other things, (i) further information of the Acquisition; (ii) the recommendations of the Independent Board Committee to the Independent Shareholders in relation to the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder; (iii) the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder; (iv) notice of the EGM; and (v) other information required under the Listing Rules, is expected to be despatched to the Shareholders on or before 6 October 2023.

Completion of the Acquisition is subject to fulfillment of the conditions precedent set out in the Sale and Purchase Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	the acquisition of the Sale Shares pursuant to the Sale and Purchase Agreement
“associates(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the Board of Directors
“Business Day(s)”	day(s) (other than Saturdays, Sundays and public holidays in Hong Kong and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted or in effect between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are open for business
“Company”	DL Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange (stock code: 1709)
“Completion”	the completion of the Acquisition
“Completion Date”	the date of Completion, the Business Day falling on the fifth Business Day upon the fulfillment (or, as the case may be, the waiver) of the conditions set out in the Sale and Purchase Agreement (or such later date as may be agreed between the parties to the Sale and Purchase Agreement in writing), but in any event, no later than Long Stop Date
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Consideration”	the consideration in the amount of HK\$220,000,000.00 with respect to the Acquisition to acquire the Sale Shares (i.e. 10,016,651 shares of the Target Company), which will be satisfied by cash and the issue of the Promissory Note
“Director(s)”	the director(s) of the Company

“DL Family Office License”	such licenses granted by the SFC under the SFO for the Target Company to carry out Type 4 regulated activity (advising on securities) and Type 9 regulated activity (asset management)
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder
“EW Acquisition”	acquisition of the entire issued share capital of Emerald Wealth Management Limited, details of which are stipulated in the Prior Announcements dated 23 May 2022 and 18 October 2022, completion of which took place on 18 October 2022
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent board committee of the Company comprising all the independent non-executive Directors, namely Mr. Chang Eric Jackson, Mr. Chen Cheng-Lien (also known as Chen Cheng-Lang and Chen Stanley) and Mr. Liu Chun, which has been established to make recommendations to the Independent Shareholders in respect of the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Acquisition, Sale and Purchase Agreement and the transactions contemplated thereunder
“Independent Shareholder(s)”	the Shareholders who have no material interest in, and are not required under the Listing Rules to abstain from voting at the EGM to approve, the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder

“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons or any of their respective associates (as defined under the Listing Rules)
“Independent Valuer”	Vincorn Consulting and Appraisal Limited, a qualified independent valuer in Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on main board of the Stock Exchange
“Long Stop Date”	31 December 2023 or another later date agreed by the Vendor and the Purchaser in writing
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Prior Acquisition”	the acquisition of 8,195,441 shares of the Target Company (representing approximately 45.00% of its entire issued share capital), details of which are stipulated in the Prior Announcements dated 23 May 2022, 26 May 2022 and 17 January 2023, completion of which took place on 17 January 2023
“Prior Announcement(s)”	announcements dated 23 May 2022, 26 May 2022, 18 October 2022 and 17 January 2023 in relation to, amongst other things, the Prior Acquisition and the EW Acquisition
“Prior Consideration”	the consideration in the amount of HK\$63,000,000.00 for the acquisition of 8,195,441 shares of the Target Company pursuant to the terms of the Prior SPA
“Prior SPA”	the sale and purchase agreement dated 23 May 2022 in relation to the Prior Acquisition of the 8,195,441 shares of the Target Company

“Promissory Note”	the promissory note in the principal amount of HK\$150,000,000 to be issued by the Company to the Vendor on the Completion Date
“Purchaser”	DL Asset Management Limited, a company incorporated in the British Virgin Islands with limited liability, and a directly wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 14 September 2023 entered into between the Purchaser and the Vendor in respect of the Acquisition
“Sale Share(s)”	10,016,651 shares of the Target Company, representing approximately 55.00% of the entire issued share capital of the Target Company and the subject matter of the Acquisition
“SFC”	the Securities and Future Commission
“SFO”	Securities and Future Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	DL Family Office (HK) Limited, a company incorporated in Hong Kong with limited liability, which at the date of this announcement and immediately prior to the Completion, the Purchaser legally and beneficially owns approximately 45.00% of the entire issued share capital of the Target Company, and the Vendor legally and beneficially owns approximately 55.00% of the entire issued share capital of the Target Company

“Vendor”

DL Global Holdings Limited, a company incorporated in the British Virgin Islands with limited liability

“%”

per cent.

By order of the Board
DL Holdings Group Limited
Chen Ningdi
*Chairman, Chief Executive Officer
and Executive Director*

Hong Kong, 14 September 2023

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