

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.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agents



DL Securities (HK) Limited



**Soochow Securities International
Brokerage Limited**

PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 21 March 2024 (after trading hours), the Company entered into the Placing Agreement with the Placing Agents pursuant to which the Placing Agents conditionally agreed to place as the Company's placing agents on a best effort basis the Placing Shares of up to an aggregate of 100,000,000 new Shares to not less than six Places at the Placing Price of HK\$3.50 per Placing Share. The Placing Shares will be allotted and issued pursuant to the General Mandate.

The maximum number of the Placing Shares represents (i) approximately 6.88% of the existing total number of issued Shares as at the date of this announcement; and (ii) approximately 6.44% of the total number of issued Shares as enlarged by the allotment and issue of the Placing Shares in full, assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Closing Date.

Assuming that all the Placing Shares are successfully placed by the Placing Agents, the maximum gross proceeds from the Placing are estimated to be HK\$350.0 million, and the maximum net proceeds, after deducting the placing commission, professional fees and all related expenses which may be borne by the Company, from the Placing are estimated to be approximately HK\$347.8 million.

The maximum net proceeds from the Placing of approximately HK\$347.8 million are intended to be used as to (i) approximately HK\$180 million for repayment of debt including but not limited to the outstanding HK\$150 million promissory note issued by the Company for the acquisition of DL Family Office (HK) Limited, other bank loans and payables; (ii) approximately HK\$45 million for indirect investment in DL Tower; (iii) approximately HK\$40 million for investment in funds including but not limited to multi-strategy funds and limited partnership funds in Hong Kong; (iv) approximately HK\$25 million for investment in our ONE Carmel premier residential project located in United States; (v) approximately HK\$20 million for setting branch office and investment in Japan; (vi) approximately HK\$15 million for further investment, research and development of our AI family office system (DL-GPT); (vii) approximately HK\$5 million for investment in IT facilities and upgrading the IT system; and (viii) the remaining balance of approximately HK\$17.8 million for replenishing the working capital of the Group.

Completion of the Placing is subject to the satisfaction of the conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

The Board is pleased to announce that on 21 March 2024 (after trading hours), the Company entered into the Placing Agreement with the Placing Agents pursuant to which the Placing Agents conditionally agreed to place as the Company's placing agents on a best effort basis the Placing Shares of up to an aggregate of 100,000,000 new Shares to not less than six Places at the Placing Price of HK\$3.50 per Placing Share.

THE PLACING AGREEMENT

The principal terms and conditions of the Placing Agreement are as follows:

Date

21 March 2024

Parties

Issuer: The Company

Placing Agents: DL Securities; and
Soochow Securities

DL Securities is an indirect wholly-owned subsidiary of the Company.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Soochow Securities and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

Number of Placing Shares

The maximum number of the Placing Shares of an aggregate of 100,000,000 Shares, represents (i) approximately 6.88% of the existing total number of issued Shares as at the date of this announcement; and (ii) approximately 6.44% of the total number of issued Shares as enlarged by the allotment and issue of the Placing Shares in full, assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Closing Date. The aggregate nominal value of the maximum of 100,000,000 Placing Shares under the Placing will be HK\$1,000,000.

Placing Commission

The Placing Agents will charge the Company a placing commission of 0.5% of the amount equal to the Placing Price multiplied by the number of Placing Shares actually placed by the relevant Placing Agent. The placing commission was negotiated on an arm's length basis between the Company and the Placing Agents, and determined with reference to, amongst other things, the market rate and the price performance of the Shares.

Placees

Pursuant to the Placing Agreement, the Placing Agents will procure the Placing Shares to be placed to not less than six Placees, who/which will be professional, institutional, corporate and/or individual investors selected and procured by or on behalf of the Placing Agents on a best effort basis.

The Placing Agents will, to the extent practicable and lawful, use its reasonable endeavours to ensure that the Placees (if applicable, together with their respective ultimate beneficial owners) will be (i) Independent Third Parties; and (ii) independent from, not connected or associated with, and not acting in concert with one another or any of the Directors, chief executive or substantial shareholders of the Company and any of its subsidiaries and their respective associates. The Placing Agents shall also use their best endeavours to ensure that no Placee shall become a substantial shareholder of the Company as a result of the Placing (taking into account any other securities held by such Placee(s) at the time of his/her/its subscription of the Placing Shares).

Placing Price

The Placing Price of HK\$3.50 per Placing Share represents:

- (i) a discount of approximately 14.43% to the closing price of HK\$4.09 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 17.76% to the average closing price of approximately HK\$4.256 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price and the recent trading volume of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agents.

The net issue price per Placing Share (after deduction of the placing commission, professional fees and all related expenses) is approximately HK\$3.48, assuming that the Placing is completed in full. The Directors consider that the Placing is on normal commercial terms and the terms of the Placing are fair and reasonable, having considered the current market conditions, and, so far as the Company and the Shareholders are concerned, in the interests of the Company and the Shareholders as a whole.

Ranking of the Placing Shares

The Placing Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the other existing Shares in issue on the date of allotment and issue of the Placing Shares.

Conditions of the Placing

Completion of the Placing is conditional upon the satisfaction or waiver (where permissible) of the following conditions:

- (a) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Placing Shares (and such listing approval and permission not subsequently revoked);
- (b) all necessary consents and approvals having been obtained by the Company and the Placing Agents to effect the execution, completion and performance of the obligations and other terms of Placing Agreement;
- (c) the representations, warranties and undertakings of the Company and the Placing Agents under the Placing Agreement being true and correct in all material respects as of the Closing Date as though made on and as of such date except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date; and
- (d) each of the Placing Agents and the Company shall have performed or complied in all material respects with all agreements and covenants required by Placing Agreement to be performed or complied with by it on or prior to the Closing Date.

The conditions set out in paragraphs (a) and (b) cannot be waived by the Company or the Placing Agents. Each of the Company and the Placing Agents shall use their respective best endeavours to procure the satisfaction of the conditions set out above.

Completion of the Placing

Completion of the Placing shall take place on the third (3rd) Business Day following satisfaction or waiver (where permissible) of all the conditions of the Placing or such other time or date as the Company and the Placing Agents shall agree in writing on which Completion shall take place.

Termination of the Placing Agreement

During the period from the date of the Placing Agreement to the Closing Date:

- (a) if any of the conditions of the Placing shall not have been satisfied to the satisfaction of or waived by the Placing Agents and the Company by the Long Stop Date, the Placing Agreement and the respective obligations of the Placing Agents and the Company thereunder shall cease and terminate immediately at that time (without any further action of any party required); or

- (b) the Placing Agreement may be terminated by the mutual agreement of the Placing Agents and the Company in writing; or
- (c) if there develops, occurs or comes into force any of the following during the period from the date of the Placing Agreement to 8:00 a.m on the Closing Date:
 - (i) any new law or regulation or any change in existing laws or regulations which in the reasonable opinion of the Placing Agents has or may be or is likely to have a material adverse effect on the financial position of the Company or any of its subsidiaries as a whole;
 - (ii) any event or circumstances in the nature of force majeure (including, without limitation, acts of government, strikes, labour disputes, lock-outs, fire, explosion, flooding, civil commotion, economic sanctions, epidemic, terrorism, acts of war and acts of God), in each case involving or affecting Hong Kong or any jurisdiction relevant to any member of the Group;
 - (iii) a general moratorium on commercial banking activities declared by relevant authorities in Hong Kong or any jurisdiction relevant to any member of the Group or a material disruption in commercial banking or foreign exchange trading or securities settlement or clearance services in any of Hong Kong or any jurisdiction relevant to any member of the Group;
 - (iv) any prohibition on the Company for whatever reason from offering, allotting or issuing any of the Placing Shares pursuant to the terms of the Placing Agreement;
 - (v) any order or petition for the winding up of any member of the Group or any composition or arrangement being made by any member of the Group with its creditors or any scheme of arrangement being entered into by any member of the Group or any resolution for the winding up of any member of the Group being entered into by any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group;
 - (vi) any material adverse change (whether or not permanent) in local, national or international financial, political, economic conditions, financial, banking, capital markets, currency exchange rates, credit default swap prices, secondary bond prices, exchange controls, or the occurrence of any event or series of events outside of the Placing Agents' or the Company's control;

- (vii) any material adverse change in or affecting any taxation, exchange controls, currency exchange rates or foreign exchange regulations or the implementation of any exchange control in Hong Kong or any jurisdiction relevant to any member of the Group; or
- (viii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or other similar reasons,

which, in the reasonable opinion of the Placing Agents, (i) is likely to or does prejudice materially (A) the success of the offering and distribution of the Placing Shares or (B) dealings in the Placing Shares in the secondary market, or (ii) make it (A) impractical or (B) inadvisable, to market the Placing Shares, then and in any such case, the Placing Agents may terminate the Placing Agreement without liability to the Company by giving reasonable notice in writing to the Company, and the Company shall not be liable to pay any commission pursuant to the Placing Agreement.

Lock-up undertaking

The Placing Agents have undertaken to the Company to procure each of the Placees to unconditionally and irrevocably undertake, to the Company that, for the period of 12 months from the Closing Date, each of the Placees will not, directly or indirectly, sell, give, transfer, assign or dispose of the corresponding Placing Shares held by each of them in any manner.

General Mandate to allot and issue the Placing Shares

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM pursuant to which up to 290,791,270 Shares were allowed to be issued and allotted.

As at the date of this announcement, no new Shares have been issued under the General Mandate. Accordingly, the allotment and issue of the Placing Shares is not subject to further approval of the Shareholders.

Application for Listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The principal business of the Group comprises (i) provision of financial services of licensed businesses including financial advisory services; securities research services; securities trading and brokerage services; margin financing services; referral services; investment management and advisory services; and insurance brokerage services to customers; (ii) provision of money lending services to customers; (iii) sales of apparel products with the provision of supply chain management total solutions to customers; and (iv) provision of enterprise solutions services. The Group is licensed to carry out the regulated activities of dealing in securities (Type 1), advising on securities (Type 4), advising on corporate finance (Type 6) and asset management (Type 9) under the SFO. Assuming that all the Placing Shares are fully placed, the maximum gross proceeds from the Placing are estimated to be HK\$350.0 million, and the maximum net proceeds, after deducting the placing commission, professional fees and all related expenses which may be borne by the Company, from the Placing are estimated to be approximately HK\$347.8 million.

The maximum net proceeds from the Placing of approximately HK\$347.8 million are intended to be used as to (i) approximately HK\$180 million for repayment of debt including but not limited to the outstanding HK\$150 million promissory note issued by the Company for the acquisition of DL Family Office (HK) Limited, other bank loans and payables; (ii) approximately HK\$45 million for indirect investment in DL Tower; (iii) approximately HK\$40 million for investment in funds including but not limited to multi-strategy funds and limited partnership funds in Hong Kong; (iv) approximately HK\$25 million for investment in our ONE Carmel premier residential project located in United States; (v) approximately HK\$20 million for setting branch office and investment in Japan; (vi) approximately HK\$15 million for further investment, research and development of our AI family office system (DL-GPT); (vii) approximately HK\$5 million for investment in IT facilities and upgrading the IT system; and (viii) the remaining balance of approximately HK\$17.8 million for replenishing the working capital of the Group.

With respect to items (ii), (iv) and (v) above, the Group has not formed any specific investment terms or proposals in connection thereto as at the date of this announcement. However, after considering the current financial market and macroeconomic conditions, it is expected that such investment opportunities would be materialised in the forthcoming six to twelve months. With respect to item (iii) above, the Group has not identified any specific target for such investment funds as at the date of this announcement. The Company will closely monitor the business of the Group and the market conditions for any such investment(s) and will make announcement(s) in respect of any such investment(s) or acquisition(s) in compliance with the requirements of the Listing Rules as and where appropriate.

As set out in the interim report of the Company for the six months ended 30 September 2023 and the business update announcements of the Company dated 9 August 2023, 10 October 2023 and 15 November 2023, it is the Group's strategic plan to create a global ecosystem for AI asset management and wealth inheritance, expanding the range of financial services the Group provides, diversifying income sources, and enhancing shareholder returns. On the other hand, global property investment will help raise the profile of the Group, accelerate the business development of the Group's global property segment, and further expand the source of income of the Group. Under the current economic and market conditions, Japan will likely remain a popular destination for overseas capital for the coming few years. The establishment of the branch office in Japan represents an excellent opportunity for the Group to expand into Japan financial market. Leveraging on the experiences in multi-family office, asset management and investment services of the Group, it is expected that the Group is able to benefit from it to build up a solid platform and to further explore other valuable business and investment opportunities in Japan market.

The proceeds of the Placing will be utilised in accordance with the nature of the Group's principal business and fulfill the needs of the ordinary and usual course of business of the Group which are capital-intensive in nature. It is the Group's primary goal to ensure the profitability of the Group's businesses and continuously maximise value for the Shareholders by making timely assessment of the Group's strategy in allocation of its resources among its business segments. The Directors consider that continue investment and expansion are crucial to maintain the Group's competitiveness in the financial business segment. On the other hand, the global economy uncertainty and international conflict had been imposing pressure on the general prospects of apparel industry and overall trading environment. In face of such pressure, the Group adopted a conservative strategy in the apparel business with the view to lowering the risk exposure of the Group amid such turbulent market situation. The Board is of the view that the Placing represents an opportunity to raise additional funding for the business operations and development of the Group and will further broaden the Group's shareholders and capital base, providing working capital to the Group to meet any financial needs of the Group without additional interest burden under current market sentiment.

Having considered above, the Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement and the transactions contemplated thereunder (including the Placing, the Placing Price and the placing commission payable to the Placing Agents) are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST TWELVE MONTHS

The Company has not conducted any other fund raising activities involving the issue of its equity securities in the 12 months immediately preceding the date of this announcement.

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement, and (ii) immediately after the Completion, assuming that all of the Placing Shares are placed in full and no further Shares have been issued or repurchased before the Completion and there will be no change in the issued share capital of the Company between the date of this announcement and the Closing Date:

	As at the date of this announcement		Immediately after Completion	
	Number of shares	Approximate % ⁽³⁾	Number of shares	Approximate % ⁽³⁾
DA Wolf Investments I Limited ⁽¹⁾	535,808,134	36.85%	535,808,134	34.48%
Rapid Raise Investments Limited ⁽²⁾	226,124,966	15.55%	226,124,966	14.55%
Mr. Chen Ningdi, an executive Director ⁽¹⁾	17,791,666	1.22%	17,791,666	1.14%
Ms. Jiang Xinrong ⁽²⁾	203,333	0.01%	203,333	0.01%
Mr. Ai Kuiyu (an executive Director) and his spouse	6,667,299	0.46%	6,667,299	0.43%
Mr. Lang Joseph Shie Jay (an executive Director) and his spouse	1,427,400	0.10%	1,427,400	0.09%
Ms. He Zhiying, an executive Director	3,544,874	0.24%	3,544,874	0.23%
Mr. Chan Kwan, a non-executive Director	35,666,667	2.45%	35,666,667	2.30%
Mr. Li Xiaoxiao, an independent non-executive Director	210,000	0.01%	210,000	0.01%
The Places	–	–	100,000,000	6.44%
Other public Shareholders	<u>626,512,011</u>	<u>43.09%</u>	<u>626,512,011</u>	<u>40.32%</u>
Total	<u>1,453,956,350</u>	<u>100.00%</u>	<u>1,553,956,350</u>	<u>100.00%</u>

Notes:

- (1) DA Wolf Investments I Limited (“**DA Wolf**”) directly owned 535,808,134 Shares, representing approximately 36.85% of all issued Shares as at the date of this announcement. Mr. Chen Ningdi (“**Mr. Chen**”), being the sole shareholder of DA Wolf was deemed to be interested in the total of 535,808,134 Shares held by DA Wolf. Mr. Chen also held 17,791,666 Shares as beneficial owner.
- (2) Rapid Raise Investments Limited (“**Rapid Raise**”), a company wholly owned by DL Global Holdings Limited (“**DL Global**”) as at the date of this announcement, of which approximately 30% of the issued share capital was held by Mr. Chen and approximately 36.6% of the issued share capital was held by Ms. Jiang Xinrong (“**Ms. Jiang**”), directly held 226,124,966 Shares, representing approximately 15.55% of all issued Shares as at the date of this announcement. Accordingly, Ms. Jiang was deemed to be interested in the 226,124,966 Shares held by Rapid Raise. Ms. Jiang also held 203,333 Shares as beneficial owner. By virtue of the SFO, Mr. Chen, being the spouse of Ms. Jiang, was deemed to be interested in all Shares held by Ms. Jiang.
- (3) Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

Completion of the Placing is subject to the satisfaction of the conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto in the Codes on Takeovers and Mergers and Share Buybacks issued by the Securities and Futures Commission
“AGM”	the annual general meeting of the Company held on 11 September 2023
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (other than a Saturday, a Sunday or a public holiday or a day on which a tropical cyclone warning No.8 or above or a “black rainstorm” warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which commercial banks are open for general banking business in Hong Kong
“Closing Date”	the date of Completion
“Company”	DL Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange (stock code: 1709)
“Completion”	the completion of the Placing pursuant to the Placing Agreement, which shall take place on the Closing Date
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“DL Securities”	DL Securities (HK) Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

“General Mandate”	the general mandate granted to the Directors to allot, issue and deal with not more than 290,791,270 new Shares by the Shareholders at the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Independent Third Party(ies)”	independent third parties who are not connected person(s) of the Company and are independent of and not connected with the Company or Directors, chief executive, or substantial Shareholders of the Company or any of its subsidiaries or their respective associates
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	10 April 2024 or such later date as may be agreed between the Company and the Placing Agents
“Placee(s)”	any professional, institutional and other investors selected and procured by or on behalf of the Placing Agents to subscribe any of the Placing Shares on the terms and subject to the conditions set out in the Placing Agreement
“Placing”	the placing, on a best effort basis, of a total of up to 100,000,000 new Shares to be allotted and issued under the General Mandate pursuant to the terms of the Placing Agreement
“Placing Agents”	DL Securities and Soochow Securities
“Placing Agreement”	the conditional placing agreement dated 21 March 2024 entered into among the Company and the Placing Agents in relation to the Placing
“Placing Price”	HK\$3.50 per Placing Share

“Placing Share(s)”	up to 100,000,000 new Shares to be placed under the Placing
“SFO”	Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Soochow Securities”	Soochow Securities International Brokerage Limited, a company which is licensed to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

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

Hong Kong, 21 March 2024

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, Mr. Chan Kwun Wah Derek and Mr. Wang Yiding; and the independent non-executive Directors are Mr. Chang Eric Jackson, Mr. Chen Cheng-Lien (also known as Chen Cheng-Lang and Chen Stanley), Mr. Liu Chun and Mr. Li Xiaoxiao.