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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)

PROPOSED BONUS ISSUE OF SHARES

Reference is made to the announcement of the Company dated 26 June 2024 relating to the annual results of the Company for the year ended 31 March 2024 (the “**Announcement**”).

The Board is pleased to announce that on 28 June 2024 (after trading hours), it has resolved to recommend the Bonus Issue on the basis of one Bonus Share for every 50 existing Shares held by the Shareholders whose names appear on the register of members of the Company on the Record Date. Particulars of the Bonus Issue are set out below:

BASIS OF THE BONUS ISSUE

Subject to the conditions set out under the paragraph headed “Conditions of the Bonus Issue” below having been fulfilled, the Bonus Shares will be issued and credited as fully paid at par on the basis of one Bonus Share for every 50 existing Shares held by Shareholders whose names appear on the register of members of the Company on the Record Date. On the basis of 1,518,326,350 Shares in issue as at the date of this announcement, and assuming no further Shares will be issued or bought back before the Record Date, it is anticipated that a total of 30,366,527 Bonus Shares would be allotted and issued under the Bonus Issue. Immediately upon completion of the Bonus Issue, there will be a total of 1,548,692,877 Shares in the enlarged issued share capital of the Company. The Bonus Shares will be credited as fully paid at par by way of capitalisation of an amount of HK\$303,665.27 standing to the credit of the share premium account of the Company pursuant to the Bonus Issue.

STATUS OF THE BONUS SHARES AND FRACTIONAL ENTITLEMENTS

The Bonus Shares, upon issuance, will rank pari passu in all respects with the existing Shares from their date of issue except that they are not entitled to the proposed final dividend for the year ended 31 March 2024 and will not rank for the Bonus Issue. The Bonus Shares are not renounceable. There will not be any fractional entitlements to the Bonus Shares. Bonus Shares representing fractional entitlement will be aggregated and issued to a nominee to be nominated by the Board. Such Bonus Shares (if any) will be sold and the net proceeds, after deducting the related expenses therefrom, will be retained by the Company for its own benefits.

CONDITIONS OF THE BONUS ISSUE

The Bonus Issue is conditional upon: (i) the approval of the Bonus Issue by the Shareholders at the AGM; (ii) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Bonus Shares; and (iii) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of the Cayman Islands and the articles of association of the Company to effect the Bonus Issue.

REASONS FOR AND BENEFITS OF THE BONUS ISSUE

In recognition of the Shareholders' continuous support to the Company, the Board proposes the Bonus Issue in addition to the proposed payment of a final dividend for the year ended 31 March 2024. The Board considers that the Bonus Issue, which is in effect a re-investment in the Company by its existing Shareholders, would generate additional returns to the Shareholders when future distributions and/or dividends are being declared and made by the Company after the Bonus Shares are issued to the existing Shareholders. Furthermore, the Board expects the Bonus Issue will afford the Shareholders with more flexibility in managing their own investment portfolios by giving them an option in disposing of a portion of their Shares and realising a cash return to meet the individual Shareholders' financial needs under good market conditions. Therefore, the Board believes that the Bonus Issue, in combination with distribution of cash dividends, will not only enlarge the capital base of the Company but also represent an appropriate and balanced way to respond to the support of the Shareholders throughout the years.

LISTING, DEALINGS AND SHARE CERTIFICATES FOR THE BONUS SHARES

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares. The Shares are not listed or dealt in on any stock exchange other than the Stock Exchange. The Directors do not intend to apply for listing of and permission to deal in the Bonus Shares on any stock exchange other than the Stock Exchange. It is expected that share certificates for the Bonus Shares will be posted by ordinary post on or before 10 October 2024, after all the conditions of the Bonus Issue have been fulfilled, at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company on the Record Date. Subject to fulfillment of all conditions of the Bonus Issue, dealings in the Bonus Shares on the Stock Exchange are expected to commence on 14 October 2024.

ARRANGEMENT ON ODD LOT TRADING

In order to facilitate the trading of odd lots of the Bonus Shares, the Company will procure an arrangement with an agent to stand in the market to provide matching service for the odd lots of the Bonus Shares on a best effort basis. Further details in respect of the odd lot arrangement will be set out in a circular to be despatched to the Shareholders.

OVERSEAS SHAREHOLDERS

As at the date of this announcement and based on information provided by Boardroom Share Registrars (HK) Limited, the Hong Kong branch share registrar of the Company, none of the Shareholders as recorded on the register of members of the Company has an address which is outside Hong Kong. Should there be any Overseas Shareholders on the Record Date, the Company will make enquiry regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange for considering whether to exclude such Overseas Shareholders from the Bonus Issue and it may only exclude such Overseas Shareholders on the basis that, having made such enquiry, it would be necessary or expedient to do so. If any such Overseas Shareholder is excluded, arrangements will be made for the Bonus Shares which would otherwise have been issued to the Overseas Shareholders to be sold in the market as soon as practicable after dealings commence. Any net proceeds of such sale for each Overseas Shareholder, after deduction of expenses, of HK\$100 or more will be distributed in Hong Kong dollars to the relevant Overseas Shareholders, by post at his/her/its own risk, unless the amount falling to be distributed to any such person is less than HK\$100 in which case it will be retained for the benefit of the Company.

GENERAL

The Company will despatch a circular on or about 31 July 2024 to provide information relating to the notice of the AGM and the details regarding the resolutions to be proposed at the AGM, which includes, among other things, the details of the Bonus Issue.

EXPECTED TIMETABLE

The expected timetable for proposed Bonus Issue is set out below:

Latest time for lodging transfer of Shares for entitlement to attend and vote at the AGM	4:30 p.m.on Monday, 9 September 2024
Closure of register of members of the Company for the entitlement to attend and vote at the AGM	Tuesday, 10 September 2024 to Friday, 13 September 2024 (both days inclusive)
Record date for entitlement to attend and vote at the AGM	Friday, 13 September 2024
AGM	Friday, 13 September 2024
Announcement of poll results of the AGM	Friday, 13 September 2024
Last day of dealings in Shares cum-entitlement to the final dividend and the Bonus Shares	Tuesday, 17 September 2024
First day of dealings in Shares ex-entitlement to the final dividend and the Bonus Shares	Thursday, 19 September 2024.
Latest time for lodging transfer of shares for entitlement to the final dividend and the Bonus Shares	4:30 p.m.on Friday, 20 September 2024
Closure period of the register of members of the Company for the final dividend and the Bonus Issue	Monday, 23 September 2024 to Wednesday, 25 September 2024 (both days inclusive)

Record Date for entitlement to the final dividend
and the Bonus Shares Wednesday, 25 September 2024

Final dividend payment date. Wednesday, 9 October 2024

Despatch of the share certificates of the Bonus Shares Thursday, 10 October 2024

First date of dealings in the Bonus Shares Monday, 14 October 2024

Designated broker starts to stand in the market to
provide matching services for the sale and
purchase of odd lots of Shares 9:00 a.m. on
Monday, 14 October 2024

Designated broker ceases to stand in the market to
provide matching services for the sale and
purchase of odd lots of Shares 4:10 p.m. on
Friday, 1 November 2024

The above timetable is subject to change and to the fulfilment of the conditions of the Bonus Issue. The Company will announce in compliance with the Rules Governing the Listing of Securities on the Stock Exchange if the above timetable changes.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

- “AGM” the annual general meeting of the Company to be held on 13 September 2024, or any adjournment thereof, for the Shareholders to consider, with or without modifications and if appropriate, to approve, among other things, the Bonus Issue
- “Board” the board of Directors
- “Bonus Issue” the proposed issue of Bonus Shares to the Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date on the basis of one Bonus Share for every 50 existing Shares held by the Shareholders on the Record Date
- “Bonus Share(s)” new Share(s) proposed to be issued by way of Bonus Issue on the terms set out in this announcement

“Company”	DL Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1709)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as shown on the register of members of the Company on the Record Date are outside Hong Kong
“Record Date”	25 September 2024, being the record date by reference to which entitlements to the Bonus Share will be determined
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 28 June 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.