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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)

STREAMLINING THE EQUITY INCENTIVE SCHEMES OF THE COMPANY

References are made to the announcements of the Company dated 8 September 2020 and 15 September 2020 in relation to the adoption of the share award scheme (the “**Share Award Scheme**”), the announcements dated 29 September 2023, 17 April 2024 and 24 April 2024 in relation to the grant of share awards under the Share Award Scheme, the announcements dated 27 October 2017, 27 April 2018, 15 August 2019, 17 August 2020, 19 November 2020 and 24 March 2023 in relation to the grant of share options under the share option scheme of the Company (the “**Share Option Scheme**”), and the announcement dated 6 August 2024 in relation to the amendments to the rules of the Share Award Scheme and the Share Option Scheme (collectively, the “**Announcements**”). Unless otherwise stated, capitalised terms used herein shall have the same meaning as those defined in the Announcements.

As at the date of this announcement, the Company had two subsisting share schemes, namely the Share Option Scheme and the Share Award Scheme (collectively as the “**Share Schemes**”). The purpose of the Share Schemes is to incentivise, retain and attract suitable personnel for the development of the Group, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the selected participants of the Share Schemes to the Shareholders through ownership of Shares.

The Share Option Scheme was adopted by the Company on 22 September 2015 (as amended from time to time) and is valid for a period of 10 years commencing from the date of adoption, subject to early termination. As at the date of this announcement, the Company had 26,600,000 share options outstanding under the Share Option Scheme (representing approximately 1.75% of the issued shares as at the date of this announcement).

The Share Award Scheme was adopted by the Company on 8 September 2020 (as amended from time to time) and is valid for a period of 10 years commencing from the date of adoption, subject to early termination. As at the date of this announcement, the Company had 554,484 outstanding unvested share awards granted under the Share Award Scheme (representing approximately 0.04% of the issued shares as at the date of this announcement).

For illustrative purposes, since the adoption of the Share Award Scheme on 8 September 2020 and up to the date of this announcement, only a total of 1,329,484 Award Shares have been granted under the Share Award Scheme while there have been 79,600,000 share options granted under the Share Option Scheme during the same period.

Having considered (i) the Company historically granted far more share options under the Share Option Scheme than share awards under the Share Award Scheme and (ii) the costs for administering the Share Option Scheme were lower than the costs for administering the Share Award Scheme; and (iii) the cash flow requirement to maintain the Share Award Scheme is more onerous than that compared to the Share Option Scheme. Against this background, in order to save administrative costs and for the purpose of streamlining the management of the Share Schemes, consistent with the recommendation of the Remuneration Committee, the Board resolved to retain the Share Option Scheme and terminate the Share Award Scheme with effect from 2 September 2024.

Pursuant to the rules of the Share Award Scheme, the Share Award shall terminate on the earlier of such date of early termination as determined by the Board, provided that such termination shall not affect any subsisting rights of any Selected Participants who have been granted any award Shares pursuant to the Share Award Scheme. Upon termination of the Share Award Scheme, no further Award Shares may be granted thereunder, while the Award Shares already granted before the termination shall remain valid and continue to be held by the Trustee and become vested according to the conditions of the Awards and in accordance with the Share Award Scheme. The Shares remaining in the Trust Fund (except for the number of treasury shares as the Board may direct) shall be sold by the Trustee within 28 Business Days, and net proceeds of such sale and such other funds and properties remaining in the Trust Fund (after making appropriate deductions in respect of all disposal costs, liabilities and expenses) shall be remitted to the Company forthwith. The Company will arrange with the Trustee as to the remittance of the funds in the Trust after the termination of the Share Award Scheme and will comply with the relevant disclosure requirement under the Listing Rules should such Shares be held as treasury shares.

The remuneration committee of the Company will continue to review and make recommendations to the Board on the overall remuneration policy and structure of the Group. The Company will endeavor to maintain an appropriate level of share incentive system from time to time to continue to incentivise, retain and attract suitable personnel for the development of the Group, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the selected participants of the Share Schemes to the Shareholders through ownership of Shares in compliance with the Listing Rules.

By order of the Board

DL Holdings Group Limited

Chen Ningdi

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 2 September 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.