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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)

INSIDE INFORMATION MEMORANDUM OF UNDERSTANDING IN RELATION TO POSSIBLE ACQUISITION OF THE TARGET COMPANY

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

THE MOU

The Board wishes to announce that on 19 September 2024 (after trading hours of the Stock Exchange), the Company entered into a non-legally binding MOU with the Vendor in relation to the Possible Acquisition. Subject to the satisfaction of due diligence result on the Target Company, the Company will consider further negotiation with the Vendor to acquire certain shares of the Target Company from the Vendor and the other shareholder(s) of the Target Company procured by the Vendor (collectively, the “**Vendors**”).

THE TARGET COMPANY

The Target Company is a company incorporated in Singapore with limited liability. As at the date of this announcement, the Target Company is owned as to approximately 68.6% by the Vendor. The Target Company is a fully integrated wealth management firm established in 2008, based in Singapore and with offices also in Dubai, serving global wealth management firms, high net-worth individuals and institutional clients with a full suite of comprehensive multi-family office services and wealth management solutions. Based on the information provided by the Target Company and the Vendor, the Target Company has an asset under management/advisory (“**AUM**”) of approximately USD2.6 billion and over 400 clients as at the date of this announcement.

CONSIDERATION

Based on the preliminary negotiations between the Vendor and the Company, the preliminary equity valuation of the Target Company is expected to be approximately US\$50 million and the consideration of the Sale Shares shall be subject to further negotiations between the Vendors and the Company and be determined by reference to the valuation report to be issued by a valuer to be appointed by the Company. The final valuation of the Target Company shall be based on, inter alia, the due diligence results to be conducted by the Group and other valuation assessments.

The consideration of the Sale Shares is expected to be settled by a combination of cash and allotment and issuance of shares of the Company to the Vendors.

THE VENDOR

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, as at the date of this announcement, the Vendor is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

SALE AND PURCHASE AGREEMENT

The Vendors and the Company will initiate negotiations for the entering into of the Sale and Purchase Agreement and agree on specific terms in relation to the Possible Acquisition. The Sale and Purchase Agreement shall include customary terms for similar transactions.

DUE DILIGENCE

For a period of two (2) months commencing from the date of the execution of the MOU (the "**DD Period**") (or such other extended period(s) as may be agreed by the parties in writing), the Company and its agents and/or professional advisors shall be given all reasonable opportunities upon prior written notice to conduct due diligence in respect of the Target Company including any access to, and review of the records and affairs of the Target Company and the Target Company shall, and shall procure its advisers and the directors, officers, employees and agents of the Target Company to, provide all reasonable assistance in this respect.

EXCLUSIVITY

For the duration of the DD Period (or such other extended period(s) as may be agreed by the parties in writing), the Vendor shall provide exclusivity to the Company, and the Vendor will not, directly or indirectly through its directors, officers, employees, shareholders, their respective advisors, agents, brokers and/or any other parties, solicit or respond to (other than to reject) any inquiry, discussion or proposal for or to continue, propose to negotiate with or hold discussions with respect to, and/or enter into any agreement or understanding (i) providing for any transactions in respect of Possible Acquisition; or (ii) which may directly or indirectly conflict with the transaction contemplated by the MOU.

CONDITIONS PRECEDENT

Completion of the Possible Acquisition will depend on the following conditions being satisfied:

- (a) completion of the due diligence exercise on the Target Company (and its subsidiaries) to be undertaken by the Company to the Company's satisfaction;
- (b) the Company having received a valuation report issued by an independent valuer to be appointed by the Company and shall be in such form and substance acceptable to the Company, showing that the fair equity value of the Target Company on post-money basis as at the valuation date is not less than US\$50,000,000;
- (c) all necessary consents, authorisations, approval, licence, permission, order (or, as the case may be, relevant waiver) in connection with the Possible Acquisition having been obtained by the respective parties (including compliance with the Listing Rules and approval of all regulatory authorities in Hong Kong, Singapore and the United Arab Emirates including the Monetary Authority of Singapore and the Dubai Financial Services Authority);
- (d) if necessary, (in respect of the allotment and issue of consideration shares by the Company) the approval for the listing of, and permission to deal in such consideration shares by the Stock Exchange having been obtained by the Company, and such approval not having been revoked or withdrawn prior to the date of the completion;
- (e) other conditions customary to transactions of this kind to be mutually agreed between the parties and to the reasonable satisfaction of the parties to the Sales and Purchase Agreement.

NON-LEGALLY BINDING

The MOU does not create legally binding obligations on the parties in relation to the Possible Acquisition save for customary provisions relating to exclusivity, due diligence, legal costs, confidentiality, effective period, binding effect and governing law. The Possible Acquisition is subject to the negotiation and entering into of the Sale and Purchase Agreement and compliance with the Listing Rules.

EFFECTIVE PERIOD

The MOU shall be effective as from the date of execution and ending on the earlier of: (i) the signing of the Sale and Purchase Agreement by the parties which in any event no later than 31 December 2024; or (ii) termination by mutual agreement between the parties in writing.

GOVERNING LAW

The MOU, the negotiations between the parties in connection with the Possible Acquisition, the Sale and Purchase Agreement and all disputes and claims arising out of or in connection with them shall be governed by, and construed in accordance with, the laws of Hong Kong and the parties irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong.

REASONS FOR AND BENEFIT OF THE POSSIBLE ACQUISITION

As disclosed in the annual report of the Group for the year ended 31 March 2024, the Group aims to be a prominent asset management and financial services platform, with a core focus on family office in the Asia-Pacific and Middle East region. Leveraging on the sizeable AUM and clientele in Asia-Pacific regions of the Target Company, the Possible Acquisition will enable the Group to explore and leverage the synergy between the multi-family office and wealth management business of the Company and the Target Company, and will be complementary to the Group's existing operation, business layout, geographic coverage and client coverage, consolidate its existing advantageous position, generate synergies and accelerate the Group's development. Upon completion of the Possible Acquisition, it is expected that there will be close collaboration between the Company and the Target Company which on one hand could provide the Company and its clients immediate access to the markets in Southeast Asia and the Middle East, while on the other hand giving the Target Company and its clients access to the markets in Asia, Japan and North America, thereby further enhancing the business coverage of both parties and the range of products that could offer to the combined clientele.

The Directors believe that the Possible Acquisition, if materialised, will be a meaningful step in achieving the Group’s strategic and international growth in its multi-family office business which will create greater value for the Shareholders and also further strengthen the industry position of the Group. In light of the above, the Directors consider that the entering into the MOU is in the interest of the Company and its Shareholders as a whole.

GENERAL

The Possible Acquisition, if materialised, will constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. The Company will comply with the relevant requirements under the Listing Rules as and when appropriate.

Further announcement in respect of the Possible Acquisition will be made by the Company if any definitive agreement has been entered into by the Company.

The Board wishes to emphasise that the MOU is not legally binding and the Possible Acquisition may or may not proceed. If the Possible Acquisition materialises, it may constitute a notifiable transaction for the Company pursuant to the Listing Rules. Shareholders and investors of the Company are urged to exercise caution when dealing in the shares of the Company. Further announcement(s) in respect of the Possible Acquisition will be made by the Company as and when appropriate in compliance with the Listing Rules.

DEFINITION

In this announcement, the following expressions have the meanings set out below unless the context requires others:

“Board”	the board of Directors
“Company”	DL Holdings Group Limited, a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1709)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the non-legally binding memorandum of understanding dated 19 September 2024 and entered into between the Company and the Vendor in relation to the Possible Acquisition
“Possible Acquisition”	the possible acquisition of the Sale Shares by the Company as contemplated under the MOU, subject to the satisfaction of due diligence result on the Target Company
“Sale and Purchase Agreement”	the legally-binding agreement for the sale and purchase of the Sale Shares (in form and substance satisfactory to the Company and the Vendors) to be entered into between the Vendors and the Group in relation to the Possible Acquisition, subject to the satisfaction of due diligence results on the Target Company
“Sale Shares”	certain percentage of the issued share capital of the Target Company held by the Vendors
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	a company forming the subject of the Possible Acquisition which is principally engaged in wealth management and multi-family office business in Singapore and Dubai

“Vendor” a major shareholder of the Target Company holding approximately 68.6% of the issued share capital of the Target Company

“%” per cent.

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

Hong Kong, 19 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.