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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)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

This announcement is made voluntarily by DL Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to inform the shareholders and potential investors of the Company of the latest business development of the Group.

INTENTION ON THE INCORPORATION OF AI STRATEGY

DL Digital Family Office (HK) Limited (hereafter referred to as “**DL Digital FO**”), a wholly-owned subsidiary of the Company, is licensed by the Securities and Futures Commission to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (the “**SFO**”).

DL Securities (HK) Limited (hereafter referred to as “**DL Securities**”), a wholly-owned subsidiary of the Company, is licensed by the Securities and Futures Commission 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.

DL Digital FO intends to upgrade and enhance its service offerings through the introduction of face-to-face AI digital humans as its brand representatives, targeting professional investors as its core clientele with a self-built database, who may provide registered users with 24/7 access to global macroeconomic analysis, market insights, and other services. In the future, it will also gradually introduce a selection of 150,000 top-performing funds for investors to choose from, with a goal of reaching over 100,000 high-net-worth professional investors across the Asia-Pacific region.

Established in 2011, DL Securities is committed to offering a comprehensive suite of financial services to high-net-worth individuals and corporate clients in Asia, including securities trading, financial advisory, investment research and professional investment advisory services. At present, DL Securities serves 700 enterprise clients and ultra-high-net-worth individuals and has taken part in numerous IPOs, financing, placements and other investment banking activities, which has earned it a good reputation and growth potential in the Hong Kong capital market.

To further leverage on the AI capability of DL Digital FO, it is proposed that DL Digital FO will comprehensively empower DL Securities subject to fulfillment of the necessary regulatory requirements and/or the obtainment of regulatory approvals where necessary: First, DL Securities' existing clients will have free access to DL Digital FO's AI digital human services, which is equivalent to having a dedicated digital family office for each securities client. Second, the range of investment products available to existing clients of DL Securities will be significantly expanded to encompass global financial products for family office clients. Third, DL Digital FO will leverage digital technology to help DL Securities significantly streamline the account opening process, reduce customer acquisition costs and substantially enhance customer loyalty and engagement.

With the growing competition in the traditional securities sector, it has become increasingly difficult to attract customers through cost reduction. DL Securities intends to take a different approach by providing clients with premium products and services that are traditionally available only to family offices, allowing every individual to access their own family office through AI technology. With the empowerment of AI technology, DL Securities will experience a significant improvement in customer loyalty, service capabilities and customer base.

Through unwavering efforts, DL Digital FO strives to differentiate itself from other market players by developing face-to-face AI digital humans, which focuses not on intelligent investment advisory but rather on intelligent customer service, which is the most time-consuming, labor-intensive and costly aspect of the traditional financial industry. As DL Digital FO's fellow subsidiary, subject to compliance with all relevant regulatory requirements, it is intended that DL Securities will be the first to reap the benefits, streamlining the account opening process of DL Securities and clients will have access to investment products for family offices and will also be able to use the AI digital humans developed by DL Digital FO. Investors in fund products will also receive trailer commission rebates as a reward.

REASONS AND BENEFITS FOR AI SERVICES UPGRADE IN SECURITIES

The board (the “**Board**”) of directors (the “**Directors**”) of the Company believes that, upon successful implementation of the intended business strategy, DL Digital FO's AI technology and digital human services will hold a leading position in the industry. When combined with the current scale and service demands of the securities business, this will not only greatly enhance customer experience and service offerings with reduced communication costs and increased customer loyalty, but also provide securities clients with higher-end family office products, creating a distinctive investment bank with added value. In addition, DL Securities will share resources with DL Digital FO. By expanding the database, the AI performance of DL Digital FO will be further enhanced, which will showcase the Group's ability to unify and integrate internally, improve service quality, reduce costs and expand presence, enabling a faster increase in both customer base and management scale.

The intended business strategy outlined in this announcement is subject to DL Digital FO' and DL Securities' compliance with the necessary regulatory requirements and/or the obtainment of regulatory approvals where necessary, and the said entities of the Group will engage in ongoing communication with the relevant regulatory authorities to facilitate the effective implementation of the plan.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
DL Holdings Group Limited
Chen Ningdi

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 4 October 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.