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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 SUBSCRIPTION AGREEMENT FOR SHARES IN DL DIGITAL FAMILY OFFICE (CAYMAN) LIMITED**

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 Board is pleased to announce that on 17 December 2024 (after trading hours), DL Digital Family Office (Cayman) (a wholly-owned subsidiary of the Company) entered into the Subscription Agreement with Qraft Technologies, in connection with DL Digital Family Office (Cayman)'s proposed issue and allotment of the Subscription Shares to Qraft Technologies at an aggregate Subscription Price of USD3,000,000, which shall be settled by way of, as a non-cash contribution, Qraft Technologies' provision of services and technologies to DL Digital Family Office (Cayman) (or its Affiliate) pursuant to a cooperation agreement.

### **PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT**

#### **Subscription Shares**

DL Digital Family Office (Cayman) agreed to issue and allot and Qraft Technologies agreed to subscribe for, an aggregate of 1,111 Subscription Shares, representing approximately 10% of all the issued share capital of DL Digital Family Office (Cayman) as enlarged by the issue and allotment of the Subscription Shares, free from any encumbrances. DL Digital Family Office (Cayman) will remain as a subsidiary of the Company upon completion of the Subscription.

## **Consideration**

The Subscription Price shall be settled by way of, as a non-cash contribution, Qraft Technologies' provision of services and technologies to DL Digital Family Office (Cayman) (or its Affiliate) pursuant to the cooperation agreement including but not limited to assisting and contributing to the developing of intellectual property rights of the Group (as the sole owner of such intellectual property rights) (the "**Contribution-in-Kind**") which shall be valued at USD3,000,000 and is equivalent to the aggregate subscription price for the Subscription Shares that amounts to USD3,000,000 (i.e. USD2,700.27 per Subscription Share).

DL Digital Family Office (Cayman) (or its affiliate) shall enter into a cooperation agreement with Qraft Technologies which sets out the detailed cooperation between the parties on the development and enhancement of an AI-driven digital advisory services platform.

## **Conditions Precedent**

Completion is conditional on (i) the adoption of the articles of association of DL Digital Family Office (Cayman) amended to reflect class B ordinary shares as new class of shares of DL Digital Family Office (Cayman); and (ii) completion of the issuance and allotment of additional 9,999 ordinary shares of DL Digital Family Office (Cayman) to the Company Immediately (following such issuance and allotment, the Company directly holds 10,000 ordinary shares of DL Digital Family Office (Cayman) and continues to wholly own DL Digital Family Office (Cayman) until Completion) (collectively, the "**Completion Conditions**").

## **Completion**

Completion shall take place on the fifth (5th) business day after the date upon which the last of the Completion Conditions has been satisfied or on such other date as the parties shall agree in writing.

## **Anti-dilution**

DL Digital Family Office (Cayman) agrees that, save for the issuance and allotment of shares to the Company as one of the Completion Conditions, it shall not create, issue or allot additional shares of DL Digital Family Office (Cayman), or issue additional warrants or convertible securities exercisable or convertible into shares of DL Digital Family Office (Cayman) after the date of the Subscription Agreement at the price per share of DL Digital Family Office (Cayman) lower than USD2,700.27 (being the Subscription Price per Share) (as adjusted for any stock splits, stock dividends, reclassifications, reorganisations or other similar transactions of DL Digital Family Office (Cayman)), unless DL Digital Family Office (Cayman) obtains prior consent of Qraft Technologies.

## **Put Option**

In the event that an Qualified IPO has not been consummated on or before the third (3rd) anniversary of Completion (the “**Exercise Date**”), Qraft Technologies shall have the right (but not obligation) within one month after the Exercise Date, to request DL Digital Family Office (Cayman) to procure its majority shareholder(s) to purchase all of the Subscription Shares at a price at USD1,280,000, payable in the form of cash or other form of consideration as agreed between the parties (the “**Put Option**”).

The right of Qraft Technologies under the Put Option shall be terminated and be of no further force or effect immediately prior to the consummation of a Qualified IPO. Qraft Technologies further agrees that the right of Qraft Technologies under the Put Option shall be suspended and not exercisable from the date on which a sponsor is appointed for an Qualified IPO of DL Digital Family Office (Cayman) (or an Affiliate of DL Digital Family Office (Cayman) then holding all or substantially all the business or assets of DL Digital Family Office (Cayman)) until the day after application of such Qualified IPO is withdrawn or otherwise terminated (for the avoidance of doubt, the Exercise Date shall remain unchanged despite the suspension and/or resumption, as the case may be, of such right).

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

The Company and Qraft Technologies are initiating a collaborative project aimed at developing and enhancing an AI-driven digital advisory services platform, namely the DLiFO platform (DLiFO), that will offer refined investment strategies and client interactions, leveraging cutting-edge artificial intelligence.

Qraft Technologies, a fintech leader headquartered in Seoul, specializes in using AI to revolutionize traditional investment management, making it more accessible and efficient for asset and wealth managers. Qraft Technologies develops and operates deep learning-based algorithms that generate portfolio weight signals with alpha-generating potential. Following a USD146 million investment from SoftBank Group Corp. in 2022, Qraft Technologies has showcased the performance of its proprietary AI engine through its NYSE-listed ETFs.

The Board considers that the entering into of the Subscription Agreement will provide the parties with a commercial framework to facilitate the collaboration between the parties. This cooperation will allow the Company to benefit from Qraft Technologies' advanced research and development capabilities. The initiative will significantly enhance DLiFO's ability to develop proprietary AI models, with Qraft Technologies serving as both co-leader and project management consultant. By tailoring its AI technology to DLiFO's specific needs, Qraft Technologies aims to improve DLiFO operational efficiency and offer innovative AI-powered investment strategies to potential clients.

Accordingly, the Directors are of the view that the term of the Subscription Agreement and the transactions contemplated thereunder, which were determined after arm's length negotiations among the parties thereto, are on normal commercial terms and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **INFORMATION ON RELEVANT PARTIES**

### **The Company**

The Company is an investment holding company and the Group is principally engaged in (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 family office services; (iii) provision of money lending services to customers; (iv) sales of apparel products with the provision of supply chain management total solutions to customers; and (v) provision of enterprise solutions services. The Group is licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.

### **DL Digital Family Office (Cayman)**

As at the date of this announcement and prior to Completion, DL Digital Family Office (Cayman) is a directly wholly-owned subsidiary of the Company, and is principally engaged in the business of investment holding.

## **Qraft Technologies**

Based on information available to the Company, Qraft Technologies is a cutting-edge startup that operates in the financial technology (fintech) sector, specializing in the development of artificial intelligence (AI)-powered investment solutions. Founded in 2016, Qraft Technologies is well-known for its AI-driven investment strategies, AI exchange-traded funds (ETFs), and financial technology solutions aimed at modernizing investment processes. Qraft Technologies's team is a blend of data scientists, engineers, and investment experts, who work together to create innovative tools for the investment industry.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Qraft Technologies and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company.

## **IMPLICATIONS UNDER THE LISTING RULES**

The allotment and issue of the Subscription Shares by DL Digital Family Office (Cayman) to Qraft Technologies will result in a reduction of the Company's percentage of equity interests in DL Digital Family Office (Cayman) for approximately 10.0% (after rounding adjustments), and therefore constitute a deemed disposal pursuant to Rule 14.29 of the Listing Rules.

As all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Subscription as contemplated under the Subscription Agreement are less than 5%, the Subscription does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

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

## **DEFINITIONS**

“Affiliate”	means, in relation to a person, any other person which, directly or indirectly, controls, is controlled by or is under the common control of the first mentioned person
“Board”	the board of Directors

“Company”	DL Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange (stock code: 1709)
“Completion”	the completion of the Subscription in accordance with the Subscription Agreement
“Completion Conditions”	has the meaning given to it under the subsection headed “Conditions Precedent” under the section headed “Principal Terms of the Subscription Agreement”
“Contribution-in-Kind”	has the meaning given to it under the subsection headed "Consideration" under the section headed "Principal Terms of the Subscription Agreement" of this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company from time to time
“DL Digital Family Office (Cayman)”	DL Digital Family Office (Cayman) Limited, a company incorporated in the Cayman Islands with limited liability and is a direct wholly-owned subsidiary of the Company as at the date of this announcement and prior to Completion
“ETF”	Exchange-traded fund
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NYSE”	The New York Stock Exchange

“PRC”	the People’s Republic of China excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement
“Put Option”	has the meaning given to it under the subsection headed "Put Option" under the section headed "Principal Terms of the Subscription Agreement" of this announcement
“Qraft Technologies”	Qraft Technologies, Inc., a company incorporated under the laws of the Republic of Korea
“Qualified IPO”	the first offering of the shares or shares of a listing vehicle of DL Digital Family Office (Cayman) on any stock exchange; or the acquisition of the shares or shares of a listing vehicle of DL Digital Family Office (Cayman) by any third party through merger or consolidation, reorganisation, sale of shares or any other means of transaction
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription by Qraft Technologies of the Subscription Shares to be allotted and issued by DL Digital Family Office (Cayman) pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 17 December 2024 entered into between DL Digital Family Office (Cayman) (as issuer) and Qraft Technologies (as subscriber) in respect of the Subscription
“Subscription Price”	a total of USD3,000,000 (i.e. USD2,700.27 per Subscription Share)

“Subscription Shares”	an aggregate of 1,111 class B ordinary shares of DL Digital Family Office (Cayman) to be issued to and subscribed by Qraft Technologies under the Subscription
“USD”	United States dollars, the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, 17 December 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.*