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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)

SUPPLEMENTAL ANNOUNCEMENT

**(1) SUBSCRIPTION IN EQUITY INTERESTS IN
ASSETO HOLDINGS LIMITED; AND
(2) SUBSCRIPTION OF SHARES
IN PANGU SOFTWARE PTE LTD
BY A FUND MANAGED BY THE GROUP**

Reference is made to the announcement of the Company dated 31 July 2025 in relation to the subscription in equity interests in Asseto Holdings Limited and the announcement of the Company dated 4 August 2025 in relation to the subscription of shares in Pangu Software Pte Ltd by a fund managed by the Group (collectively, the “**Announcements**”). Unless defined otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements. The Company would like to provide additional information in relation to the Announcements.

1. SUBSCRIPTION IN EQUITY INTERESTS IN ASSETO

Business Activities and Project Overview of Asseto

Asseto is a fintech company at the forefront of digital asset innovation, specializing in the tokenisation of RWA through a dual-layer platform that integrates TradFi with DeFi. The core projects of Asseto include the Asseto Orient Arbitrage Strategy (AoABT), which targets approximately 10% annualised returns with low drawdowns and is available both as traditional off-chain and tokenized on-chain products. The key underlying investment of AoABT employs a market-neutral approach specifically designed to mitigate exposure to market volatility and maximise risk-adjusted returns for investors. Subject to necessary regulatory approvals, the Company in the future could directly participate in the distribution of AoABT to its client base and potentially earn placement and distribution fees. Asseto is also developing money market funds, Bitcoin arbitrage strategies, and stablecoin yield products, while scaling its TVL and providing compliant tokenisation services to a range of institutional asset managers.

The management team of Asseto combines deep expertise in global finance, fintech, and blockchain technology. Leadership includes highly experienced professionals with extensive backgrounds in leading financial institutions, asset management, and digital asset development. The team is equipped to bridge regulated finance with innovative blockchain solutions, supporting the company's growth in regulated tokenisation of financial assets and DeFi/TradFi integration.

Asseto partners with prominent financial entities such as HashKey Group, CMS Asset Management (HK), Standard Chartered, and Orient Asset Management (HK). The cooperation framework with the Company aims to jointly develop and distribute tokenised investment products and establish compliant DeFi and TradFi bridging solutions, leveraging respective strengths and networks.

Asseto has established a strong network of strategic industry partners in the stablecoin sector, including two entities preparing to apply for the Hong Kong stablecoin license. These partners are among the early participants in the Hong Kong Monetary Authority's stablecoin sandbox initiative. One has actively worked on cross-border pilot projects with a Hong Kong virtual bank to advance programmable payments and settlement solutions. The other is the fintech arm of a leading Chinese e-commerce group that plays a major role in developing stablecoin solutions in Hong Kong, prioritising transparency, robust custody, and reserve disclosure. Through these partnerships, Asseto gains access to critical stablecoin infrastructure and regulatory expertise, supporting its involvement in the development and future offering of regulated stablecoins and compliant digital asset solutions in Hong Kong's expanding tokenised finance market.

Overview and Basis of Subscription Price

The total consideration for the Subscription reflects a post-money valuation of approximately USD40 million for Asseto. The total consideration was agreed upon through fair negotiations with Asseto, considering Asseto's expected business growth and revenue in 2026. The Company compared this valuation to similar publicly traded companies in digital finance and blockchain, like Coinbase, Bit Digital, WonderFi, Defi Technologies, Galaxy Digital, Core Scientific, Applied Digital Corporation and CoinShares International. These comparable companies have forward EV/Revenue multiples ranging from approximately 3.0 to 11.2 times, with an average of approximately 5.7 times. The implied forward price-to-sales multiple of Asseto fits well within this range and is therefore considered consistent with prevailing market levels. The Board believes the total consideration is fair and reasonable and in the interest of the Company and its shareholders as a whole.

Shareholding Structure and Shareholder Rights

Upon completion of the Subscription, the Company will hold 77,352 Class A ordinary shares, representing approximately 3.23% of the enlarged issued share capital of Asseto. Class A ordinary shares confer one vote per share on both general and reserved matters. In contrast, Class B ordinary shares, held solely by the founders, carry ten votes per share on general matters but only one vote per share on reserved matters, equal to Class A ordinary shares. Both class of share rank equally in respect of dividends and liquidation proceeds.

2. SUBSCRIPTION OF SHARES IN PANGU

Reasons for and Benefits of the Investment

Pangu operates a decentralised Web3 gaming platform that creates digital assets such as NFTs representing in-game items, virtual land, equipment, and tokens. These on-chain assets possess liquidity, assetisation potential, and the ability to transfer value across platforms. This aligns directly with the Company's strategic ambitions to expand virtual asset management, trading, and tokenisation, enhancing the Company's capabilities in digital asset ecosystems. Pangu's experience in developing and managing digital assets, designing economic incentives, and engaging users helps the Company develop its virtual asset and DeFi businesses. Pangu also has a large international user base and active community, which can help promote and distribute new digital asset products. Additionally, gaming serves as a powerful tool to educate users about stablecoins and digital finance by simplifying complex concepts and encouraging frequent interaction, which Pangu has successfully demonstrated.

Although Pangu's decentralised Web3 gaming platform and the Group's RWA tokenisation business serve different markets, they share the same blockchain and tokenisation technology as a foundation. This common technology allows seamless integration and cooperation potential. The platform Pangu operates issues digital game assets like NFTs and utility tokens using blockchain, which can be adapted to help tokenise RWAs such as commercial properties and funds that the Group manages. Pangu also has a large overseas user network and strong blockchain communities that can help promote and distribute tokenised RWAs and digital asset products across borders, enhancing liquidity and uptake. The gamified token economics and incentive models developed by Pangu can guide approaches to enhance user engagement and participation in Group's digital asset platform, driving growth and retention.

Moreover, Pangu is led by a highly experienced management team with strong expertise in gaming, technology, and blockchain industries. The team combines deep technical knowledge, extensive experience in developing large-scale online games, and proven capabilities in blockchain integration and digital marketing. This robust leadership equips Pangu to successfully execute pioneering Web3 gaming projects and supports the Group's strategic growth in the virtual asset sector.

Through working with Pangu, the Group aims to grow its virtual asset business and build a broad digital asset platform covering both virtual and real-world tokenised assets by leveraging Pangu's innovative gaming technology and blockchain expertise.

Investment Consideration and the Call Options

The consideration of US\$1 million for the Subscription in Pangu was agreed after thorough negotiations between the Fund and Pangu. Pangu's valuation has steadily grown from about US\$30 million in 2022 to nearly US\$100 million in the latest round of funding. Comparable Web3 gaming companies, such as Sky Mavis (Axie Infinity) and Mythical Games, also had early funding rounds valued at around US\$100 million. The Fund believes Pangu's valuation is fair and reasonable given its strong business progress and market potential.

The Fund will continue to monitor Pangu's performance and will consider exercising the Call Options when Pangu demonstrates satisfactory operational and financial results.

Shareholders and potential investors of the Company should exercise caution when dealing in the Shares and other securities of the Company.

By order of the Board

DL Holdings Group Limited

Chen Ningdi

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 1 September 2025

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 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) and Mr. Liu Chun.