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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)**

## **(1) CHANGE IN USE OF PROCEEDS; (2) SHARE REPURCHASE PLAN; AND (3) SUPPLEMENTAL INFORMATION IN RELATION TO RWA TOKENISATION OF DL TOWER LPF**

### **(1) CHANGE IN USE OF PROCEEDS**

References are made to the announcements of DL Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 7 August 2025, 12 August 2025, 14 August 2025, 21 October 2025, 31 October 2025 and 3 November 2025 (the “**Announcements**”) in relation to the two top-up placings of existing shares and subscription of new shares under general mandate (the “**Placings**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless otherwise specified.

The Board wishes to inform the Shareholders and potential investors that, after careful consideration of the Group’s operations, business development needs and overall strategic direction, the Board has resolved to change the use of the unutilised net proceeds from the Placings in the manner set out below (the “**Proposed Change**”), including, among others, the intended allocation of approximately HK\$145.5 million for investment in electricity sites, AI data center, inference graphics processing unit (GPU), and related projects and approximately HK\$117.0 million for the Share Repurchase Plan (as defined below).

As at the date of this announcement, approximately HK\$1,166.4 million of the net proceeds of the Placings (the “**Net Proceeds**”) has been utilised for the intended uses and approximately HK\$371.0 million remains unutilised (the “**Unutilised Net Proceeds**”). Details of (i) the original intended use of Net Proceeds, (ii) the utilised Net Proceeds as at the date of this announcement, (iii) the Unutilised Net Proceeds as at the date of this announcement, (iv) the revised allocation of the Unutilised Net Proceeds, and (v) the expected timeline for full utilisation of the Unutilised Net Proceeds are set out below:

Intended use of Net Proceeds as disclosed	Intended use of Net Proceeds <i>HK\$ million</i>	Utilised Net Proceeds as at date of this announcement <i>HK\$ million</i>	Unutilised Net Proceeds as at the date of this announcement <i>HK\$ million</i>	Revised allocation of the Unutilised Net Proceeds <i>HK\$ million</i>	Expected timeline for full utilisation of the Unutilised Net Proceeds
(i) Strategic development of digital finance business of the Group					
a) Strategic acquisition and expansion in RWA tokenisation initiatives/ Development and tokenisation of RWA products	403.9	327.3	76.6	-	-
b) Proposed Bitcoin mining business/ Expansion of Bitcoin mining and digital reserve operations	622.4	476.9	145.5	-	-
c) Setting up licensed VA OTC trading and retail network in Hong Kong	40.7	-	40.7	-	-
d) Developing digital asset, cryptocurrency, and stablecoin businesses by hiring blockchain experts or forming strategic JVs with leading global players	46.5	6.3	40.2	10.0	31 December 2026
e) Investment in the ONE Carmel premier residential project	58.2	58.2	-	-	-
f) Investment in electricity sites, AI data center, inference GPU, and related projects	-	-	-	145.5	31 March 2027
(ii) Development of ETFs and quantitative investment products	58.2	57.8	0.4	-	-
(iii) IT facilities and system upgrades	58.2	1.2	57.0	7.0	31 December 2026
(iv) Strategic and diversified investments	95.6	85.0	10.6	10.6	31 December 2026
(v) Share Repurchase Plan (as defined below)	-	-	-	117.0	31 March 2027
(vi) Development and operation of the securities, margin financing and money lending businesses	-	-	-	30.0	31 December 2026
(vii) Setting up SFC Type 2 and Type 5 licences in Hong Kong	-	-	-	5.0	31 March 2027
(viii) General working capital of the Group	153.7	153.7	-	45.9	31 March 2027
	<u>1,537.4</u>	<u>1,166.4</u>	<u>371.0</u>	<u>371.0</u>	

## **REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS**

Having assessed the Group's business development plan, the Board has conducted a strategic review of the deployment of the Unutilised Net Proceeds. The Board considers that the Proposed Change represents a prudent and strategic reallocation of capital in response to the latest market environment and the Group's current business development priorities, while remaining consistent with the overall direction previously disclosed by the Company in relation to the development of its digital finance and broader financial services businesses.

Since the fourth quarter of 2025, the cryptocurrency market, including Bitcoin, has experienced notable price volatility amid changes in macroeconomic conditions, market sentiment and regulatory developments, which has affected the pace and risk-return profile of certain virtual asset-related initiatives. In light of these development, the Board considers it is appropriate to adopt a more selective and prudent approach to capital deployment to the virtual asset sector, so as to preserve flexibility and manage execution risk while maintaining the Group's exposure to digital finance opportunities with long term strategic value, including RWA tokenisation.

The Board remains optimistic about the medium- to long-term prospects of the AI sector. As AI technologies continue to gain broader commercial adoption and attract increasing market attention and capital commitment across financial services, data analytics, automation and investment management, the Board believes that selective AI-related infrastructure investments may offer favourable growth prospects and potential long-term returns.

The Board considers that the Group is well positioned to explore AI compute capacity build-out by leveraging its existing experience in digital infrastructure, energy-intensive computing operations and digital asset operations, together with its access to the global mining-farm cooperation ecosystem and related power resources developed through its strategic relationships, including those within the Bitmain ecosystem. In particular, the Group is reviewing selective opportunities to convert suitable mining and power infrastructure into AI compute and inference-oriented facilities, and to engage with leading GPU suppliers and ecosystem participants, including those relating to NVIDIA-class inference hardware, in order to support modular and phased deployment of AI inference capacity.

The Board intends to allocate approximately HK\$145.5 million from the Unutilised Net Proceeds for potential investment in electricity sites, AI data center, inference graphics processing unit (GPU), and related projects. In particular, the Board is reviewing selective opportunities to leverage available power capacity, site resources and digital asset infrastructure capabilities as a basis for participating in the AI inference and high performance computing (“HPC”) space, where demand continues to grow alongside the proliferation of generative AI applications and inference workloads. The Group intends to evaluate these opportunities in a prudent and phased manner, with a focus on investments that offer recurring revenue characteristics, long-term capital appreciation, and strategic synergies with the Group’s existing digital finance operations. The Board is of the view that the convergence of Bitcoin mining infrastructure and AI compute represents an emerging and significant trend in the global digital economy, and that early and selective participation in this sector is consistent with the Group’s strategic objective of developing into a diversified and technology-driven financial and digital asset services platform. The Group will make further announcements as and when there are material developments in relation to its AI-related investment initiatives.

The Board also intends to allocate approximately HK\$30.0 million from the Unutilised Net Proceeds for development and operation of the securities, margin financing and money lending businesses, and approximately HK\$117.0 million from the Unutilised Net Proceeds for the Share Repurchase Plan. Given the fluctuation in the virtual asset sector, the Board further considers that it is in the interests of the Company and its shareholders as a whole to reallocate part of the Unutilised Net Proceeds toward the expansion of the Group’s TradFi businesses, including its securities, financing, investment management and related licensed financial services operations, as well as to provide the Company with additional flexibility in its capital management through potential share repurchases. The Board believes such reallocation will allow the Group to capture business opportunities arising from increasing demand for more established and recurring financial services, broaden its revenue base, and achieve a better balance between growth potential and earnings visibility; and that, if the Shares are trading at a level which does not fully reflect the underlying value and future prospects of the Group, share repurchases may represent an efficient use of capital, demonstrate the Board’s confidence in the long-term prospects and intrinsic value of the Company, and be beneficial to the Company and the Shareholders as a whole. In light of the above, the Board considers the Proposed Change will enhance the Group’s overall capital allocation efficiency, improve its resilience against sector-specific volatility, and support the Group’s long-term objective of developing into a diversified financial services platform with exposure to both innovative and traditional segments of the market.

The Board will continue to monitor market conditions and the Group's business development needs, and may further refine its deployment plans where appropriate in order to enhance the Company's overall performance. The Board considers that the Proposed Change is fair and reasonable, in the interests of the Company and its shareholders as a whole, and will enable the Group to improve the efficiency of its resource allocation while maintaining flexibility in response to evolving market conditions.

The Company will provide update regarding the progress of the use of the Unutilised Net Proceeds to its shareholders through disclosures in its annual report and interim report going forward. Further announcements will be made in accordance with the Listing Rules as and when appropriate.

## **(2) SHARE REPURCHASE PLAN**

The Board hereby announces that the Board intends to repurchase the Shares of the Company on the open market (the "**Share Repurchases**") with intended value of approximately HK\$117.0 million to be funded from the Unutilised Net Proceeds and, where appropriate, other available cash reserves of the Group, within the next 12 months from the date of this announcement using the prevailing share repurchase mandate of the Company (the "**Share Repurchase Plan**").

Pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting held on 12 September 2025, the Directors have been granted a general mandate to repurchase the Shares, in an amount not exceeding 10% of the total number of issued Shares of the Company (excluding treasury shares) as of 12 September 2025, i.e., not exceeding 148,329,238 issued Shares of the Company (the "**Existing Share Repurchase Mandate**"). For further details of the Existing Share Repurchase Mandate, please refer to the circular of Company dated 31 July 2025.

The Company will carry out the Share Repurchase Plan, if materialises, in accordance with the Existing Share Repurchase Mandate (or the then prevailing share repurchase mandate), memorandum and articles of association of the Company, the Listing Rules, the Codes on Takeovers and Mergers and Share Buy-backs, the Companies Act of the Cayman Islands, and all other applicable laws and regulations.

The Board believes that the execution of the Share Repurchase Plan in the present market conditions will demonstrate the Company's confidence in its own business outlook and prospects and would, ultimately, benefit the Company and create value to the Shareholders. The Share Repurchases will be conducted under circumstances which the Board considers to be appropriate and in the interests of the Company and the Shareholders as a whole.

### **(3) SUPPLEMENTAL INFORMATION IN RELATION TO RWA TOKENISATION OF DL TOWER LPF**

Reference is made to the announcement of the Company dated 26 February 2026 in relation to the latest development regarding the Group’s RWA tokenisation initiatives (the “**Update Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Update Announcement unless otherwise specified.

As disclosed in the Update Announcement, the SFC has indicated that it has no further comment on the proposed plan in connection with the tokenisation and distribution of interests in fund products by DL Securities and DLDFO, including but not limited to the DL Tower LPF and the Animoca Brands LPF. Following such indication from the SFC, and after completion of the technical/tokenisation stage, the Board will consider and determine, having regard to the then prevailing business, regulatory and market conditions, whether, when, in what amount and on what terms any distribution in specie of the tokenised fund interests in the DL Tower LPF owned by the Group will be made to the shareholders of the Company (the “**Distribution in Specie**”). As at the date of this announcement, the Board has not yet determined the specific timetable for the Distribution in Specie. The Company will make further announcements as and when concrete plans are finalised.

**Shareholders and potential investors 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, 16 March 2026

*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. Qiao Linjian 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.*