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D&G Technology Holding Company Limited
德基科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1301)

PROFIT ALERT

This announcement is made by D&G Technology Holding Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company hereby informs the shareholders and potential investors of the Company that, based on the information currently available to the Board and a preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the eleven months ended 30 November 2021, the Group is expected to record a net profit attributable to the owners of the Company of not less than RMB10 million for the year ended 31 December 2021, as compared with a net loss attributable to the owners of the Company of approximately RMB17 million for the year ended 31 December 2020.

The expected turnaround from a net loss position to a net profit was mainly attributable to: (i) the increase in revenue due to the gradual recovery of the economy from the impact of the Coronavirus Disease 2019 pandemic; (ii) the decrease in provision for impairment of inventories; (iii) the absence of impairment of property, plant and equipment; which were partially offset by (iv) the decrease in net reversal of impairment losses on financial assets and (v) the decrease in gain on disposal of property, plant and equipment under operating lease business.

The information contained in this announcement is based only on a preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the eleven months ended 30 November 2021 and information currently available to the Board, and is not based on any figures or information which have been audited or reviewed by the Company's auditor. Figures and information mentioned in this announcement are in the course of being considered and verified and are therefore subject to adjustments. Shareholders and potential investors of the Company should refer to the Group's annual results announcement for the year ended 31 December 2021, which is expected to be published by the end of March 2022, for details of the performance of the Group.

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
D&G Technology Holding Company Limited
Choi Hung Nang
Chairman

Hong Kong, 11 January 2022

As at the date of this announcement, the executive directors of the Company are Mr. Choi Hung Nang, Ms. Choi Kwan Li, Glendy, Mr. Choi Hon Ting, Derek, Mr. Liu Tom Jing-zhi and Mr. Lao Kam Chi; the non-executive directors of the Company are Mr. Chan Lewis and Mr. Fontaine Alain Vincent; and the independent non-executive directors of the Company are Mr. O'Yang Wiley, Mr. Li Zongjin, Mr. Lee Wai Yat, Paco and Mr. Fok Wai Shun, Wilson.