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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)

POSITIVE PROFIT ALERT REDUCTION IN LOSS

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 (as defined in the Listing Rules) 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 year ended 31 December 2023 (“**FY2023**”) and the information currently available to the management of the Company, it is expected that the Group will record a net loss attributable to the owners of the Company of between approximately RMB20 million and RMB25 million for FY2023, as compared with a net loss attributable to the owners of the Company of approximately RMB41 million for the year ended 31 December 2022 (“**FY2022**”).

The Board considered that the expected decrease in net loss attributable to the owners of the Company for FY2023 was primarily due to the reversal of provision for impairment losses on financial assets due to the settlement of long overdue trade receivables and decrease in trade receivables balances, but partially offset by the decrease in gross profit. During FY2023, our sales of spare parts, components, and modified equipment have experienced a notable increase, along with a substantial boost in sales of other specialty equipment while we acknowledge a decrease in sales of asphalt mixing plants. Overall, it leads to a reduced loss and reflects the effectiveness of our strategic efforts.

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 FY2023 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, which is expected to be published by the end of March 2024, 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, 19 March 2024

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. Alain Vincent Fontaine; 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.