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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 WARNING**

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 wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the Group’s unaudited consolidated management accounts for the year ended 31 December 2015 and the preliminary assessment made by the management of the Group based on the information currently available to the Group, the Group expects to record a decrease in turnover as compared to that for the year ended 31 December 2014. It will result in the decrease in profit attributable to the equity shareholders of the Company, excluding listing expenses, of approximately 15%, whereas the decrease in the profit attributable to the equity shareholders of the Company is expected to be approximately 30% as compared to that for the year ended 31 December 2014.

Based on the information currently available to the Group and the preliminary assessment made by the management of the Group, the decrease in the unaudited profit attributable to the equity shareholders of the Company on a year-on-year basis is mainly attributable to (i) the fact that although China has continued its plan to increase the investment in infrastructure projects, the funds for such infrastructure projects have not been available as planned in recent months, resulting in the decrease in turnover of the Group from the sales of asphalt mixing plants, spare parts and components and the provision of equipment modification services in China in the fourth quarter of 2015 and (ii) the recognition of listing expenses.

The annual results announcement of the Company for the year ended 31 December 2015 is expected to be released in March 2016 which is around two months from the date hereof. Prior to the release of the annual results announcement of the Company, the Group will have to assess, among other things, the amount of the non-cash accounting provision for impairment losses of outstanding trade receivables based on such factors as the amount of settlement to be made by the customers and their repayment schedules. As the funds for the infrastructure projects have not been available as planned in recent months, the Group has noted that the capital and cash flow in the road construction and maintenance industry has become tighter and slower than expected. Therefore, the collection of outstanding trade receivables from the customers of the Group has been slower than that for the year ended 31 December 2014. As a result, the Group may have to increase the amount of the non-cash accounting provision for impairment losses of trade receivables according to its provision policy which may result in a decrease in the profit attributable to the equity shareholders of the Company for the year ended 31 December 2015 of more than 30% mentioned above.

The Company is in the process of finalising the annual results of the Group for the year ended 31 December 2015. The information contained in this announcement is only a preliminary assessment made by the management of the Company based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2015, which is not based on any figures or information audited or reviewed by the Company's auditors.

**Shareholders and investors are reminded 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, 29 January 2016

*As of 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, Mr. Lao Kam Chi and Mr. Yu Ronghua; the non-executive director of the Company is Mr. Chan Lewis; and the independent non-executive directors of the Company are Mr. Law Wang Chak, Waltery, Mr. Li Zongjin, Mr. Lee Wai Yat, Paco and Mr. Fok Wai Shun, Wilson.*