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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 (“**Management Accounts**”) for the six months ended 30 June 2016 and the preliminary assessment made by the management of the Group based on the information currently available to the Group, the Group expects the turnover recorded for the six months ended 30 June 2016 to decrease by approximately 17% as compared to that for the six months ended 30 June 2015.

The decrease in the turnover for the six months ended 30 June 2016 was mainly attributable to a decrease in revenue of the Group from the sales of asphalt mixing plants, spare parts and components and the provision of equipment modification services, and the effect was partially offset by an increase in revenue from operating leases of asphalt mixing plants during the six months ended 30 June 2016. For the six months ended 30 June 2016, the decrease in overall revenue was mainly attributable to the fact that although China has continued to implement its plan to increase investment in infrastructure projects, the funds for such infrastructure projects have not yet been made available as planned resulting in the decrease in demand for our asphalt mixing plants.

Subject to the finalization of the review of provision of impairment losses of trade receivables for the six months ended 30 June 2016 by the Company's auditors, the Group expects the profit attributable to the equity shareholders of the Company to decrease by approximately 45% as compared to that for the six months ended 30 June 2015 which is mainly attributable to a decrease in turnover as discussed above.

The Group is still in the process of finalizing the results for the six months ended 30 June 2016, the information contained in this announcement is only based on the Management Accounts which has not been reviewed by the Company's auditors. The interim results of the Group for the six months ended 30 June 2016 are expected to be published on or before 30 August 2016.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
D&G Technology Holding Company Limited
Choi Hung Nang
Chairman

Hong Kong, 10 August 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.