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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in D&G Technology Holding Company Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

PROPOSED RE-ELECTION OF RETIRING DIRECTORS AND PROPOSED GRANTING OF GENERAL MANDATES TO BUY BACK SHARES AND TO ISSUE SHARES AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting of D&G Technology Holding Company Limited to be held at 20/F, OfficePlus @sheungwan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong on Friday, 26 May 2017 at 10:30 a.m. is set out on pages 15 to 19 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.dgtechnology.com>).

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting (i.e. not later than 10:30 a.m. on Wednesday, 24 May 2017). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting if they so wish.

20 April 2017

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Annual General Meeting”	the annual general meeting of the Company to be held at 20/F, OfficePlus @sheungwan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong on Friday, 26 May 2017 at 10:30 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 15 to 19 of this circular, or any adjournment thereof
“Articles of Association”	the articles of association of the Company currently in force
“Board”	the board of Directors
“Company”	D&G Technology Holding Company Limited 德基科技控股有限公司, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuance Mandate”	a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting as set out on pages 16 to 17 of this circular
“Latest Practicable Date”	12 April 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“PRC” or “China”	The People’s Republic of China
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Share Buy-back Mandate”	a general mandate proposed to be granted to the Directors to buy back Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting as set out on pages 15 to 16 of this circular
“Shareholder(s)”	holder(s) of Share(s)
“Share Option Scheme”	the share option scheme adopted by the Company on 6 May 2015
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time
“%”	per cent

Reference to time and dates in this circular are to Hong Kong time and dates.



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)

Executive Directors:

Mr. Choi Hung Nang (*Chairman*)
Ms. Choi Kwan Li, Glendy (*Chief Executive Officer*)
Mr. Choi Hon Ting, Derek
Mr. Liu Tom Jing-zhi
Mr. Lao Kam Chi
Mr. Yu Ronghua

Non-executive Directors:

Mr. Chan Lewis
Mr. Alain Vincent Fontaine

Independent Non-executive Directors:

Mr. Law Wang Chak, Waltery
Mr. Li Zongjin
Mr. Lee Wai Yat, Paco
Mr. Fok Wai Shun, Wilson

Registered Office:

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

*Principal Place of Business in
the PRC:*

No. 12 Yinghua Road
Yongqing Industrial Park
Yongqing County
Langfang City
Hebei Province
PRC

*Principal Place of Business in
Hong Kong:*

7/F, Hing Lung
Commercial Building
68-74 Bonham Strand
Sheung Wan
Hong Kong

20 April 2017

To the Shareholders

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND
PROPOSED GRANTING OF GENERAL MANDATES TO
BUY BACK SHARES AND TO ISSUE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting to be held on 26 May 2017.

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 84 of the Articles of Association, Mr. Choi Hung Nang, Mr. Choi Hon Ting, Derek, Mr. Liu Tom Jing-zhi and Mr. Law Wang Chak, Waltery shall retire from office by rotation at the Annual General Meeting. In addition, Mr. Alain Vincent Fontaine who has been appointed by the Board on 15 August 2016 shall hold office until the Annual General Meeting pursuant to Article 83(3) of the Articles of Association. All of the above retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

Details of the retiring Directors are set out in Appendix I to this circular.

3. PROPOSED GRANTING OF GENERAL MANDATE TO BUY BACK SHARES

At the annual general meeting of the Company held on 25 May 2016, a general mandate was granted to the Directors to buy back Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to buy back Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Share Buy-back Mandate to the Directors to buy back Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting as set out on pages 15 to 16 of this circular (i.e. a total of 62,023,800 Shares on the basis that no Shares are issued or bought back before the Annual General Meeting). The Directors wish to state that they have no immediate plan to buy back any Shares pursuant to the Share Buy-back Mandate.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Buy-back Mandate is set out in Appendix II to this circular.

4. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 25 May 2016, a general mandate was granted to the Directors to issue Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting as set out on pages 16 to 17 of this circular (i.e. a total of 124,047,600 Shares on the basis that no Shares are issued or bought back before the Annual General Meeting). An ordinary resolution to extend the Issuance Mandate by adding the number of Shares bought back by the Company pursuant to the Share Buy-back Mandate will also be proposed at the Annual General Meeting.

The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the Issuance Mandate.

LETTER FROM THE BOARD

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 15 to 19 of this circular.

Pursuant to the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.dgtechnology.com>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting (i.e. not later than 10:30 a.m. on Wednesday, 24 May 2017). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

6. RECOMMENDATION

The Directors consider that the proposed re-election of retiring Directors and granting of the Share Buy-back Mandate and the Issuance Mandate are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of the Board
D&G Technology Holding Company Limited
Choi Hung Nang
Chairman

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

(1) Mr. Choi Hung Nang

Mr. Choi Hung Nang (蔡鴻能), aged 78, is our co-founder, and was appointed as our chairman and executive Director on 11 September 2014. He also serves as the chairman of the nomination committee of the Board. He is primarily responsible for supervising the operations and planning the business and marketing strategies of our Group. Mr. Choi established our Group in February 1999 and has been the chairman and director of Langfang D&G Machinery Technology Co., Ltd* (廊坊德基機械科技有限公司) (“Langfang D&G”) since June 2011. He also holds directorship in other members of the Group.

Mr. Choi graduated from the Changsha Railway Institute, Hunan Province (currently known as Central South University) with a bachelor’s degree in railway construction in July 1963. In April 2012, he was awarded the outstanding alumni award from Central South University. Since April 2012, Mr. Choi has also been appointed as a guest professor at the Central South University for a term of five years.

Prior to founding our Group, Mr. Choi had been engaged in the import and distribution of European and American branded specialized engineering equipment in Hong Kong and the PRC for over 12 years.

Mr. Choi is the father of Ms. Choi Kwan Li, Glendy, our executive Director and chief executive officer and Mr. Choi Hon Ting, Derek, our executive Director. Mr. Choi is the brother of the father-in-law of Mr. Liu Tom Jing-zhi, our executive Director and chief operating officer. Mr. Choi is also the husband of Ms. Tin Suen Chu, a substantial shareholder of the Company (as defined in the Listing Rules).

Mr. Choi has entered into a service agreement with the Company for an initial term of three years commencing from 27 May 2015. His appointment is subject to the termination at any time by either party giving to the other not less than three months’ notice in writing and retirement by rotation and re-election pursuant to the Articles of Association and the Listing Rules. The emolument of Mr. Choi, which was determined with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group, is HK\$15,000 and HK\$110,000 per month, for acting as the executive Director and for handling the Company’s operations matters respectively, plus discretionary bonus, with effect from 27 May 2015.

In accordance with the meaning of Part XV of the SFO, as at the Latest Practicable Date, Mr. Choi directly holds 6,392,000 Shares and is deemed to be interested in 345,696,000 Shares held by Prima DG Investment Holding Company Limited (翰名投資控股有限公司) (“Prima DG”), which is directly held as to 40% by Mr. Choi and 20% by his spouse, Ms. Tin Suen Chu. Mr. Choi also has interest in the share options granted by the Company under the Share Option Scheme to subscribe for a total of 4,000,000 new Shares. Details of the said granting of share options were set out in the Company’s announcement dated 20 April 2016.

* For identification purpose only

Save as disclosed above, Mr. Choi does not (1) hold any other position in the Company or other members of the Group; (2) hold any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (3) have any relationships with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company; (4) have any interests in shares and underlying shares of the Company and any associated corporation of the Company (within the meaning of Part XV of the SFO); or (5) have any other information that needs to be disclosed pursuant to any of the requirements as set out in Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

(2) Mr. Choi Hon Ting, Derek

Mr. Choi Hon Ting, Derek (蔡翰霆) (formerly known as Choi Kwan Wai, Derek (蔡群威)), aged 48, was appointed as our executive Director on 11 September 2014. Mr. Derek Choi has over 25 years of experience in the trading of specialized engineering equipment. He is primarily responsible for overseeing the strategic business development of our Group. Mr. Derek Choi has been appointed as a director of Langfang D&G since June 2011. He also holds directorship in other members of the Group.

Mr. Derek Choi was awarded a bachelor's degree in agricultural engineering from Purdue University in May 1991. Mr. Derek Choi has been an executive council member of the China New Energy Chamber of Commerce since 2012 and is the Immediate Past Chairman and Executive Subcommittee Member of the International Society of Trenchless Technologies. Mr. Derek Choi is a founding member of the China Hong Kong Society of Trenchless Technologies and served as vice-chairman, chairman, and executive secretary from 2002 to 2004. Mr. Derek Choi has been admitted as a fellow member of the Hong Kong Institute of Directors since February 2005. Mr. Derek Choi has been an independent non-executive director of IPE Group Limited 國際精密集團有限公司* (Hong Kong stock code: 929) since June 2004. He was also appointed as an independent non-executive director of HM International Holdings Limited (listed on the Stock Exchange on 11 January 2017, stock code: 8416) on 15 December 2016.

Mr. Derek Choi is the son of Mr. Choi Hung Nang, our chairman and executive Director and Ms. Tin Suen Chu, a substantial shareholder of the Company (as defined in the Listing Rules). He is also the brother of Ms. Choi Kwan Li, Glendy, our executive Director and chief executive officer and the cousin-in-law of Mr. Liu Tom Jing-zhi, our executive Director and chief operating officer.

Mr. Derek Choi has entered into a service agreement with the Company for an initial term of three years commencing from 27 May 2015. His appointment is subject to the termination at any time by either party giving to the other not less than three months' notice in writing and retirement by rotation and re-election pursuant to the Articles of Association and the Listing Rules. The emolument of Mr. Derek Choi, which was determined with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group, is HK\$15,000 per month with effect from 27 May 2015 plus discretionary bonus and additional HK\$70,000 per month for handling the Company's operations matters with effect from 1 April 2016.

* For identification purpose only

In accordance with the meaning of Part XV of the SFO, as at the Latest Practicable Date, Mr. Derek Choi directly holds 150,000 Shares. He also holds 20% of the issued share capital of Prima DG. Mr. Derek Choi also has interest in the share options granted by the Company under the Share Option Scheme to subscribe for a total of 4,000,000 new Shares. Details of the said granting of share options were set out in the Company's announcement dated 20 April 2016.

Save as disclosed above, Mr. Derek Choi does not (1) hold any other position in the Company or other members of the Group; (2) hold any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (3) have any relationships with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company; (4) have any interests in shares and underlying shares of the Company and any associated corporation of the Company (within the meaning of Part XV of the SFO); or (5) have any other information that needs to be disclosed pursuant to any of the requirements as set out in Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

(3) Mr. Liu Tom Jing-zhi

Mr. Liu Tom Jing-zhi (劉敬之), aged 47, was appointed as our executive Director and chief operating officer on 11 September 2014. He also serves as the member of the risk management committee of the Board (the "Risk Management Committee"). He is primarily responsible for overseeing daily operations of manufacturing facilities and the implementation of business strategies and plans of our Group. Mr. Liu has over 13 years of experience in corporate management and business operations. He joined our Group in August 2006 as the director and deputy general manager of Langfang D&G. He also holds directorship in other members of the Group.

In September 1999, Mr. Liu was awarded a graduate diploma in business administration from the University of Technology Sydney. Mr. Liu was recognized as a Person of Innovation* (創新人物) by the Equipment Management Institute of Hebei Province Innovation Development Committee (河北省工業設備管理創新發展峰會組委會) in June 2012. Since April 2013, Mr. Liu has been appointed as a member of the Sixth Committee of Chinese People's Political Consultative Conference – Langfang city (中國人民政治協商會議廊坊市第六屆委員會) for a term of five years.

Mr. Liu is the son-in-law of elder brother of Mr. Choi Hung Nang, our chairman and executive Director and the cousin-in-law of Ms. Choi Kwan Li, Glendy, our executive Director and chief executive officer and Mr. Choi Hon Ting, Derek, our executive Director.

Mr. Liu has entered into a service agreement with the Company for an initial term of three years commencing from 27 May 2015. His appointment is subject to the termination at any time by either party giving to the other not less than three months' notice in writing and retirement by rotation and re-election pursuant to the Articles of Association and the Listing Rules. The emolument of Mr. Liu, which was determined with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the

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Group, is HK\$15,000 and HK\$70,000 per month, for acting as the executive Director and as our chief operating officer respectively, plus discretionary bonus, with effect from 27 May 2015.

In accordance with the meaning of Part XV of the SFO, as at the Latest Practicable Date, Mr. Liu is deemed to be interested in 13,500,000 Shares held by Zacks Vroom Investment Company Limited (鴻豐隆投資有限公司), a company wholly-owned by him, and 150,000 Shares held by his spouse, Ms. Thai Vanny. Mr. Liu also has interest in the share options granted by the Company under the Share Option Scheme to subscribe for a total of 2,000,000 new Shares. Details of the said granting of share options were set out in the Company's announcement dated 20 April 2016.

Save as disclosed above, Mr. Liu does not (1) hold any other position in the Company or other members of the Group; (2) hold any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (3) have any relationships with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company; (4) have any interests in shares and underlying shares of the Company and any associated corporation of the Company (within the meaning of Part XV of the SFO); or (5) have any other information that needs to be disclosed pursuant to any of the requirements as set out in Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

(4) Mr. Alain Vincent Fontaine

Mr. Alain Vincent Fontaine, aged 62, was appointed as our non-executive Director on 15 August 2016. Mr. Fontaine is responsible for providing advice on corporate governance and internal control matters of the Group. Mr. Fontaine obtained a bachelor's degree in Electrical Engineering from the University of Sherbrooke in Canada in June 1979. He has been a member of the Order of Engineers of Québec since January 1980.

Mr. Fontaine serves as an executive director of Hong Kong Venture Capital and Private Equity Association. In 2000, he founded Investel Asia, a venture capital and private equity firm and served as its managing director from January 2004 to December 2006. He was the chief executive officer of Newcom LLC from January 2007 to September 2008. Mr. Fontaine served various positions within the BCE Inc. group, a communications group in Canada, including Bell Canada, Bell Ardis and Tata Cellular, for approximately 16 years of his career. Since September 2012, Mr. Fontaine has also been a member of the advisory board of Ocean Equity Partners Fund L.P., an indirect substantial shareholder interested in 50,304,000 Shares, representing approximately 8.11% of the issued share capital of the Company. Mr. Fontaine has also been acting as a non-executive director of Tsaker Chemical Group Limited, a company listed on the Stock Exchange (stock code: 1986) since April 2015 and as an independent director of China Lending Corporation, a company listed on NASDAQ (ticker: CLDC) since July 2016.

Mr. Fontaine has entered into a service agreement with the Company for an initial term of three years commencing from 15 August 2016. His appointment is subject to the termination at any time by either party giving to the other not less than three months' notice in writing and retirement by rotation and re-election pursuant to the Articles of Association and the Listing Rules. The emolument of Mr. Fontaine, which was determined with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group, is HK\$15,000 per month plus discretionary bonus with effect from 15 August 2016.

Save as disclosed above, Mr. Fontaine does not (1) hold any other position in the Company or other members of the Group; (2) hold any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (3) have any relationships with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company; (4) have any interests in shares and underlying shares of the Company and any associated corporation of the Company (within the meaning of Part XV of the SFO); or (5) have any other information that needs to be disclosed pursuant to any of the requirements as set out in Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

(5) Mr. Law Wang Chak, Waltery

Mr. Law Wang Chak, Waltery (羅宏澤), aged 53, was appointed as our independent non-executive Director on 24 April 2015. He also serves as the chairman of the audit committee of the Board and the member for each of the remuneration committee and the risk management committee of the Board. Mr. Law graduated from the University of London with a bachelor's degree in economics in August 1991 and a master's degree in financial economics in December 1995. Mr. Law is a fellow of both the Association of Chartered Certified Accountants in the United Kingdom and the Hong Kong Institute of Certified Public Accountants. Mr. Law is also an associate of The Institute of Chartered Accountants in England and Wales. Mr. Law has over 29 years of experience in the accounting, financial auditing, corporate financing and corporate restructuring profession. Mr. Law served in different key roles such as chief financial officer and vice president of the finance department in four other Hong Kong Main Board listed companies for over 12 years. Prior to that, Mr. Law had worked in the audit division of Coopers & Lybrand, now PricewaterhouseCoopers, for more than five years.

Mr. Law is currently an executive partner of Profundas Capital Limited, a private equity and investment advisory firm. Mr. Law was the chief financial officer and non-executive director of Nine Dragons Paper (Holdings) Limited 玖龍紙業(控股)有限公司* (Hong Kong stock code: 2689) from June 2004 to July 2008 and from August 2008 to October 2008, respectively. Mr. Law has been an independent non-executive director of Orient Victory China Holdings Limited 東勝中國控股有限公司 (Hong Kong stock code: 265) since September 2014.

Mr. Law has entered into a service agreement with the Company for an initial term of three years commencing from 27 May 2015. His appointment is subject to the termination at any time by either party giving to the other not less than three months' notice in writing and retirement by rotation and re-election pursuant to the Articles of Association and the Listing Rules. The emolument of Mr. Law, which was determined with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group, is HK\$15,000 per month plus discretionary bonus with effect from 27 May 2015.

* For identification purpose only

In accordance with the meaning of Part XV of the SFO, as at the Latest Practicable Date, Mr. Law directly holds 1,850,000 Shares. He also has interest in the share options granted by the Company under the Share Option Scheme to subscribe for a total of 270,000 new Shares. Details of the said granting of share options were set out in the Company's announcement dated 20 April 2016.

Save as disclosed above, Mr. Law does not (1) hold any other position in the Company or other members of the Group; (2) hold any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (3) have any relationships with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company; (4) have any interests in shares and underlying shares of the Company and any associated corporation of the Company (within the meaning of Part XV of the SFO); or (5) have any other information that needs to be disclosed pursuant to any of the requirements as set out in Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Buy-back Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 620,238,000 Shares.

Subject to the passing of the ordinary resolution set out in item 5 of the notice of the Annual General Meeting in respect of the granting of the Share Buy-back Mandate and on the basis that no Shares are issued or bought back before the Annual General Meeting, i.e. being 620,238,000 Shares, the Directors would be authorized under the Share Buy-back Mandate to buy back, during the period in which the Share Buy-back Mandate remains in force, a total of 62,023,800 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

2. REASONS FOR SHARE BUY-BACK

The Directors believe that the granting of the Share Buy-back Mandate is in the best interests of the Company and the Shareholders.

Shares buy-back may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a buy-back will benefit the Company and the Shareholders.

3. FUNDING OF SHARE BUY-BACK

The Company may only apply funds legally available for share buy-back in accordance with its memorandum of association and Articles of Association, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

4. IMPACT OF SHARE BUY-BACK

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2016) in the event that the Share Buy-back Mandate was to be carried out in full at any time during the proposed buy-back period. However, the Directors do not intend to exercise the Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the previous 12 months up to and including the Latest Practicable Date were as follows:

Month	Highest HK\$	Lowest HK\$
2016		
April	0.964	0.826
May	1.033	0.860
June	0.950	0.800
July	0.900	0.840
August	0.900	0.800
September	1.170	0.850
October	1.290	1.090
November	1.240	1.010
December	1.080	0.860
2017		
January	1.040	0.930
February	1.040	0.900
March	1.010	0.920
April (up to the Latest Practicable Date)	1.120	0.930

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to buy back Shares pursuant to the Share Buy-back Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

7. TAKEOVERS CODE

If as a result of a buy-back of Shares pursuant to the Share Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Company, as at the Latest Practicable Date, Prima DG and Ms. Tin Suen Chu (both being substantial shareholders (as defined in the Listing Rules) of the Company) and Mr. Choi Hung Nang, Ms. Choi Kwan Li, Glendy and Mr. Choi Hon Ting, Derek (all being executive Directors), are taken as parties acting in concert and collectively treated as a single controlling shareholder of the Company under the term "Choi Family". The Choi Family together had an aggregate interest in 352,388,000 Shares representing approximately 56.81% of the issued share capital of the Company. In the event that the Directors exercise the proposed Share Buy-back Mandate in full, the aggregate shareholding of Choi Family would be increased to approximately 63.13% of the issued share capital of the Company.

The Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not consider such increase would reduce the issued share capital in the public to less than 25% (or the relevant prescribed minimum percentage required by the Stock Exchange). The Directors do not propose to exercise the Share Buy-back Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

8. SHARE BUY-BACK MADE BY THE COMPANY

During the 6 months prior to the Latest Practicable Date, the Company had not bought back any of the Shares (whether on the Stock Exchange or otherwise).

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (“**Annual General Meeting**”) of D&G Technology Holding Company Limited (the “**Company**”) will be held at 20/F, OfficePlus @sheungwan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong on Friday, 26 May 2017 at 10:30 a.m. for the following purposes:

1. To receive the audited consolidated financial statements and the reports of the directors and auditor of the Company for the year ended 31 December 2016.
2. To declare a final dividend for the year ended 31 December 2016.
3. To re-elect the following retiring directors of the Company and to authorize the board of directors of the Company to fix the respective directors’ remuneration:
 - (a) Mr. Choi Hung Nang as executive director of the Company
 - (b) Mr. Choi Hon Ting, Derek as executive director of the Company
 - (c) Mr. Liu Tom Jing-zhi as executive director of the Company
 - (d) Mr. Alain Vincent Fontaine as non-executive director of the Company
 - (e) Mr. Law Wang Chak, Waltery as independent non-executive director of the Company
4. To re-appoint PricewaterhouseCoopers as auditor of the Company and to authorize the board of directors of the Company to fix its remuneration.
5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to buy back its shares in accordance with all applicable laws, rules and regulations;

NOTICE OF ANNUAL GENERAL MEETING

(b) the total number of shares of the Company to be bought back pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be bought back under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;
- (b) the mandate in paragraph (a) above shall authorize the directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the exercise of options under a share option scheme of the Company;
and
- (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be issued under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Right Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

NOTICE OF ANNUAL GENERAL MEETING

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 5 and 6 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 6 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of the number of shares bought back by the Company pursuant to the mandate referred to in resolution set out in item 5 of the Notice, provided that such amount shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution.”

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

Hong Kong, 20 April 2017

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy, or if a shareholder who is the holder of two or more shares may appoint more than one proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting (i.e. not later than 10:30 a.m. on Wednesday, 24 May 2017). Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the above meeting, the Register of Members of the Company will be closed from Tuesday, 23 May 2017 to Friday, 26 May 2017, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 22 May 2017.

NOTICE OF ANNUAL GENERAL MEETING

5. For determining the entitlement to the proposed final dividend (subject to approval by the shareholders at the Annual General Meeting), the Register of Members of the Company will be closed from Tuesday, 6 June 2017 to Thursday, 8 June 2017, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 5 June 2017.
6. Reference to time and dates in this Notice are to Hong Kong time and dates.

As at the date of this Notice, 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 directors of the Company are Mr. Chan Lewis and Mr. Alain Vincent Fontaine; 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.