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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

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 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 (the “**Management Accounts**”) for the six months ended 30 June 2017 and the preliminary assessment made by the management of the Group based on the information currently available to the Group and subject to the final review of provision of impairment losses of trade receivables, management expects the profit attributable to the equity shareholders of the Company for the six months ended 30 June 2017 to increase by approximately 53% as compared to that for the six months ended 30 June 2016.

The expected increase in profit attributable to equity shareholders of the Company as compared to the corresponding period in 2016 is mainly due to the increase in revenue by approximately 46% and partly offset by the increase in distribution costs and research and development expenses. The increase in revenue during the period is primarily attributable to the increase in demand of asphalt mixing plants resulting from the increase in road construction projects both in China and overseas countries. In particular, the demand for recycling asphalt mixing plants in China increased significantly due to the advocacy of national environmental protection policies in China.

The Group is still in the process of finalizing the results for the six months ended 30 June 2017, the information contained in this announcement is only based on the Management Accounts which are being reviewed by the Company's auditors. The interim results of the Group for the six months ended 30 June 2017 are expected to be published on or before 31 August 2017.

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, 27 July 2017

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, 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.