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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 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 (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 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 management of the Company with reference to the unaudited management accounts of the Group for the five months ended 31 May 2021, the Group expects the revenue for the six months ended 30 June 2021 to increase by approximately 50% to 60% as compared with the last corresponding period. Such increase was mainly attributable to the increase in sales of the Group amidst the gradual recovery of the economy from the impact of the Coronavirus Disease 2019 (“**COVID-19**”) pandemic.

The Group is expected to record a net profit attributable to owners of the Company of not less than RMB8 million for the six months ended 30 June 2021, as compared with a net loss attributable to owners of the Company of approximately RMB27 million in the last corresponding period. The expected turnaround from a net loss position to a net profit was mainly attributable to the increase in revenue recognition; the decrease in provision for impairment of inventories; the absence of impairment of property, plant and equipment; and partially offset by the decrease in net reversal of impairment losses on financial assets.

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 the five months ended 31 May 2021 and information currently available to the Company, and is not based on any figures or information which have been audited or reviewed by the Company's auditors. Figures and information mentioned in this announcement are in the course of being considered and verified and are therefore subject to adjustments. The Shareholders and potential investors of the Company should refer to the Group's interim results announcement for the six months ended 30 June 2021, which is expected to be published by the end of August 2021, 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, 12 July 2021

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.