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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 (as defined in the Listing Rules) 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 Board with reference to the unaudited management accounts of the Group for the year ended 31 December 2022 (the “**Year**”), it is expected that the Group will record a net loss attributable to the owners of the Company of between approximately RMB39 million and RMB44 million for the Year, as compared with a net profit attributable to the owners of the Company of approximately RMB11 million for the year ended 31 December 2021.

Such expected net loss was mainly attributable to the decrease in revenue and gross profit, the increase in provision for impairment loss on trade receivables and the increase in the marketing expenses. Due to the ongoing outbreak of the Coronavirus Disease 2019 (“**COVID-19**”) and the corresponding control measures in China, such measures not only affected the Group’s business activities and deliveries during the Year but also caused the postponement and delay of some of our customers’ projects which led to an increase in the recoverability risks of the trade receivables of the Group. During the Year, the Company has launched marketing activities in promoting its newly rolled out modular models to the market, which resulted in an increase in marketing expenses.

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 Year and information currently available to the Board, and is not based on any figures or information which have been audited or reviewed by the Company's auditor. Figures and information mentioned in this announcement are in the course of being considered and verified and are therefore subject to adjustments. Shareholders and potential investors of the Company should refer to the Group's annual results announcement for the Year, which is expected to be published by the end of March 2023, 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, 10 February 2023

*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.*