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)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

The board of directors (the "**Board**" or the "**Directors**") of D&G Technology Holding Company Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2023 together with the comparative figures for the previous year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	**2023** *RMB'000*	2022 *RMB'000*
Revenue	*4*	**277,861**	345,387
Cost of sales		**(192,597)**	(241,526)
Gross profit		**85,264**	103,861
Other income and other gains, net	*5*	**7,509**	5,678
Distribution costs		**(73,240)**	(77,594)
Administrative expenses		**(63,211)**	(62,401)
Net reversal of provision for/(provision for) impairment losses on financial assets		**11,299**	(29,769)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	**2023** **RMB'000**	2022 *RMB'000*
Operating loss		**(32,379)**	(60,225)
Finance income, net	*6*	**10,552**	14,940
Share of profit of an associate		**1,997**	1,379
Loss before income tax		**(19,830)**	(43,906)
Income tax (expense)/credit	*7*	**(4,034)**	3,118
Loss attributable to owners of the Company for the year		**(23,864)**	(40,788)
Loss per share attributable to owners of the Company for the year			
– basic (RMB cents)	*9*	**(3.73)**	(6.38)
– diluted (RMB cents)	*9*	**(3.73)**	(6.38)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	RMB'000	*RMB'000*
Loss for the year	**(23,864)**	(40,788)
Other comprehensive income:		
Item that may be reclassified to profit or loss:		
Currency translation differences	**1,651**	5,888
Other comprehensive income for the year, net of tax	**1,651**	5,888
Total comprehensive loss attributable to owners of the Company for the year	**(22,213)**	(34,900)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	**2023** **RMB'000**	2022 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**103,582**	109,423
Intangible assets		**2,147**	2,892
Investment in an associate		**62,256**	60,259
Deferred tax assets		**12,258**	14,418
Financial asset at fair value through profit or loss		**–**	19,040
Total non-current assets		**180,243**	206,032
Current assets			
Inventories	*10*	**211,933**	223,885
Trade and bills receivables	*11*	**96,557**	124,827
Prepayments, deposits and other receivables		**84,355**	56,533
Income tax receivables		**–**	258
Financial asset at fair value through profit or loss		**19,760**	–
Pledged bank deposits		**22,625**	44,777
Cash and cash equivalents		**161,654**	199,942
Total current assets		**596,884**	650,222
Non-current assets classified as assets held for sale		**–**	1,844
Total assets		**777,127**	858,098

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	**2023** **RMB'000**	2022 RMB'000
EQUITY			
Equity attributable to owners of the Company			
Share capital	*14*	**5,059**	5,059
Other reserves		**566,946**	578,634
Retained earnings		**31,517**	42,042
Total equity		**603,522**	625,735
LIABILITIES			
Non-current liabilities			
Lease liabilities		**661**	1,085
Deferred tax liabilities		**4,500**	4,500
Total non-current liabilities		**5,161**	5,585
Current liabilities			
Borrowings	*12*	**909**	11,506
Trade and other payables	*13*	**106,370**	140,146
Contract liabilities	*13*	**58,165**	73,878
Lease liabilities		**899**	1,248
Income tax payables		**2,101**	–
Total current liabilities		**168,444**	226,778
Total liabilities		**173,605**	232,363
Total equity and liabilities		**777,127**	858,098

***NOTES*:**

1 GENERAL INFORMATION

D&G Technology Holding Company Limited (the "**Company**") is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company and its subsidiaries (together, the "**Group**") are principally engaged in manufacturing, distribution, research and development of asphalt mixing plants, other asphalt specialty equipment and sales of spare parts and modified equipment.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 27 May 2015.

The consolidated financial statements are presented in thousands of Renminbi ("**RMB'000**"), unless otherwise stated.

2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") and the requirements of the Hong Kong Companies Ordinance Cap.622. The consolidated financial statements have been prepared under the historical cost basis, except for the following:

- financial asset at fair value through profit or loss

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

3 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

(a) New and amended standards adopted by the Group

The Group has adopted the following revised framework and amendments to standards which are relevant to the Group's operations and are mandatory for the financial year beginning on 1 January 2023:

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
HKFRS 17 and Amendments to HKFRS 17	Insurance Contracts
HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information

The adoption of the above new and amended standards did not have any significant financial impact on these consolidated financial statements.

(b) New standards and interpretations not yet adopted

Certain amended standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group.

		Effective for accounting periods beginning on or after
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to HKAS 1	Non-current Liabilities with Covenants	1 January 2024
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Management is in the process of assessing potential impact of the above amended standards and interpretations that are relevant to the Group upon initial application. It is not yet in a position to state whether these amended standards and interpretations will have a significant impact on the Group's results of operations and financial position.

4 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company who make strategic decisions.

The executive directors of the Company have determined that the Group only has one major operating segment which is the sales of asphalt mixing plants, spare parts, other asphalt specialty equipment and modified equipment.

Revenue consists of the following:

	2023	2022
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of asphalt mixing plants	**184,044**	301,644
Sales of spare parts and modified equipment	**69,898**	36,898
Sales of other asphalt specialty equipment	**23,919**	6,845
	277,861	345,387
Revenue from contracts with customers recognised – at a point in time	**277,861**	345,387

(a) Revenue from external customers by country

	2023	2022
	RMB'000	*RMB'000*
Mainland China	**200,158**	308,472
Outside Mainland China	**77,703**	36,915
	277,861	345,387

(b) Non-current assets

The geographical location of the non-current assets, excluding deferred tax assets, based on the physical location of the assets is analysed as follows:

	2023	2022
	RMB'000	*RMB'000*
Mainland China	**122,444**	141,066
Outside Mainland China	**45,541**	50,548
	167,985	191,614

(c) Information about major customer

No customer with whom transactions have exceeded 10% of the Group's revenue for the years ended 31 December 2023 and 2022.

5 OTHER INCOME AND OTHER GAINS, NET

	2023	2022
	RMB'000	*RMB'000*
Other income		
Government grants *(Note)*	**4,612**	4,275
Others	**–**	16
	4,612	4,291
Other gains, net		
Fair value gain on a financial asset at fair value through profit or loss	**720**	677
Interest income from a financial asset at fair value through profit or loss	**1,132**	1,132
Gain on disposal of non-current asset classifies as asset held for sale, net of tax	**558**	1,049
Gain on disposal of property, plant and equipment	**261**	–
Net foreign exchange loss	**(99)**	(1,615)
Others	**325**	144
	2,897	1,387
	7,509	5,678

Note: The amount mainly represents operating subsidies. There were no unfulfilled conditions or other contingencies attached to these grants.

6 FINANCE INCOME, NET

	2023	2022
	RMB'000	*RMB'000*
Finance cost		
Interest expenses on bank borrowings	**(510)**	(365)
Interest expenses on lease liabilities	**(91)**	(104)
	(601)	(469)
Finance income		
Interest income on bank deposits	**4,301**	5,320
Interest income from a joint venture	**–**	5
Unwinding discount interest on trade receivables not expected to be settled within one year	**6,852**	10,084
	11,153	15,409
Finance income, net	**10,552**	14,940

7 INCOME TAX EXPENSE/(CREDIT)

	2023	2022
	RMB'000	*RMB'000*
Current income tax:		
– PRC corporate income tax	**1,958**	1,158
– Overseas tax	**–**	72
– Over provision in prior years	**(84)**	(633)
	1,874	597
Deferred income tax	**2,160**	(3,715)
	4,034	(3,118)

The change in weighted average applicable tax rates is mainly caused by a change in mix of profit/loss of different group companies which are subject to different tax rates.

(a) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

No provision for Hong Kong profits tax for the subsidiaries incorporated or operated in Hong Kong was made as the subsidiaries did not have assessable profits subject to Hong Kong profits tax (2022: Nil).

No provision for Singapore, India and Pakistan income tax was made for the subsidiaries incorporated in these countries, as the subsidiaries did not have assessable profits subject to Singapore, India and Pakistan income tax (2022: Nil).

The Group's Mainland China subsidiaries are subject to PRC corporate income tax rate of 25% (2022: 25%).

(b) A wholly-owned subsidiary of the Company, Langfang D&G Machinery Technology Company Limited ("Langfang D&G"), is qualified as a "high new technology enterprise" under the PRC corporate income tax law and relevant regulations and it is entitled to a preferential income tax rate of 15% (2022: 15%).

(c) Under the PRC corporate income tax law and relevant regulations, a 100% additional tax deduction is allowed for qualified research and development expenses.

(d) The withholding tax rate was 5% on the remittance of dividends from the subsidiary in the Mainland China during the year and unremitted earnings of that subsidiary.

8 DIVIDENDS

The directors of the Company have recommended the payment of a special dividend of approximately HK$0.07 per ordinary share (2022: have not recommended the payment of dividend) in respect of the year ended 31 December 2023. The proposed special dividends are subject to approval by shareholders at the forthcoming annual general meeting of the Company and have not been recognised as dividends payable in the consolidated financial statements of the Group for the year ended 31 December 2023.

9 LOSS PER SHARE

Basic

The calculation of basic loss per share is based on the loss attributable to owners of the Company and on the weighted average number of ordinary shares in issue during the year.

	2023	2022
Loss attributable to owners of the Company *(RMB'000)*	**(23,864)**	(40,788)
Weighted average number of ordinary shares in issue	**639,408,000**	639,408,000
Basic loss per share *(expressed in RMB cents per share)*	**(3.73)**	(6.38)

For the years ended 31 December 2023 and 2022, diluted loss per share is the same as basic loss per share as there were no potential dilutive shares.

10 INVENTORIES

	2023	2022
	RMB'000	*RMB'000*
Raw materials	**57,345**	81,367
Work in progress	**133,113**	138,268
Finished goods	**21,475**	4,250
	211,933	223,885

The cost of inventories recognised as expense and included in "cost of sales" amounted to approximately RMB175,212,000 (2022: RMB213,499,000). The inventories as at 31 December 2023 and 2022 were stated at the lower of cost and net realisable value. The net provision for impairment of inventories of RMB1,973,000 (2022: RMB6,018,000) has been included in "cost of sales" in the consolidated statement of profit or loss for the year ended 31 December 2023.

11 TRADE AND BILLS RECEIVABLES

	2023	2022
	RMB'000	*RMB'000*
Trade receivables from third-parties	**170,250**	215,135
Loss allowance	**(72,389)**	(83,688)
Discounting impact	**(6,794)**	(7,560)
	91,067	123,887
Bills receivables	**5,490**	940
Total trade and bills receivables	**96,557**	124,827

Trade receivables under credit sales arrangement are due for payment in accordance with specific payment terms as agreed with individual customers on a case-by-case basis, subject to the fulfilment of conditions as stipulated in the respective sales contracts. Credit terms up to 18 months were generally granted to the Group's customers.

The ageing analysis of the trade receivables as at the end of the year based on the date of revenue recognition is as follows:

	2023	2022
	RMB'000	*RMB'000*
Within 1 year	**94,862**	87,512
1 to 2 years	**3,878**	46,452
2 to 3 years	**31,324**	40,789
Over 3 years	**40,186**	40,382
	170,250	215,135

The carrying amounts of the Group's gross trade receivables were denominated in the following currencies:

	2023	2022
	RMB'000	*RMB'000*
RMB	**169,922**	214,737
PKR	**328**	398
	170,250	215,135

The carrying amounts of the Group's bills receivables were all denominated in RMB.

12 BORROWINGS

Borrowings are analysed as follows:

	2023	2022
	RMB'000	*RMB'000*
Secured bank loans	**909**	11,506

As at 31 December 2023 and 2022, all bank borrowings of the Group were at floating rates.

As at 31 December 2023, the Group's bank loans were secured by the corporate guarantee provided by the Company, pledged bank deposits and property, plant and equipment (2022: same). Borrowings of RMB909,000 (2022: RMB11,506,000) were secured by the Group's pledged bank deposits of RMB4,614,000 (2022: RMB24,239,000) and property, plant and equipment of RMB36,836,000 (2022: RMB36,045,000).

At 31 December 2023, the Group's borrowings, without considering the repayment on demand clause, were repayable within 1 year.

The carry amounts of the Group's borrowings were denominated in HK$.

The effective interest rates per annum of the Group's borrowings was 5.96% (2022: 3.30%).

As at 31 December 2023, the Group had undrawn borrowing facilities amounting to RMB47,066,000 (2022: RMB27,461,000).

13 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	2023	2022
	RMB'000	*RMB'000*
Current:		
Trade payables *(i)*	**19,839**	34,851
Bills payables *(i)*	**60,058**	68,780
	79,897	103,631
Amount due to a related party	**266**	281
Other payables and accruals	**26,207**	36,234
	26,473	36,515
Total trade and other payables	**106,370**	140,146
Contract liabilities	**58,165**	73,878
	164,535	214,024

(i) The ageing analysis of trade and bills payables as at the end of the year based on invoice date is as follows:

	2023	2022
	RMB'000	*RMB'000*
Within 3 months	**30,601**	40,009
After 3 months but within 6 months	**35,052**	53,235
After 6 months but within 1 year	**12,093**	8,147
Over 1 year	**2,151**	2,240
	79,897	103,631

(ii) As at 31 December 2023, bills payables of RMB60,058,000 (2022: RMB68,459,000) were secured by the Group's pledged bank deposits of RMB18,011,000 (2022: RMB20,538,000), buildings of RMB5,063,000 (2022: RMB5,949,000) and land use right of RMB4,311,000 (2022: RMB4,442,000).

(iii) The carrying amounts of the Group's trade and other payables and contract liabilities are denominated in the following currencies:

	2023	2022
	RMB'000	*RMB'000*
RMB	**130,739**	180,055
HK$	**33,641**	33,761
Others	**155**	208
	164,535	214,024

14 SHARE CAPITAL

Authorised:

	Number of Ordinary shares of HK$0.01 each	**Nominal value of ordinary shares**
		HK$
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	2,000,000,000	20,000,000

Issued and fully paid:

	Number of shares	**Nominal value of ordinary shares**	**Nominal value of ordinary shares**	**Share Premium**
	('000)	*HK$'000*	*RMB'000*	*RMB'000*
At 1 January 2022	639,408	6,395	5,059	433,689
Dividend paid	–	–	–	(6,555)
At 31 December 2022, 1 January 2023 and 31 December 2023	639,408	6,395	5,059	427,134

Under the Companies Law of the Cayman Islands, the share premium account of the Company is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company would be in a position to pay off its debts as they fall due in the ordinary course of business.

BUSINESS REVIEW

General Review

For the year ended 31 December 2023, D&G Technology Holding Company Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") continued to be a leading market player in the road construction and maintenance machinery industry in the People's Republic of China ("**PRC**", "**China**" or "**Mainland China**") and overseas markets. It provided smart road construction and conservation solution for different clients by offering a full range of asphalt mixing plants from small to large-scale, recycled asphalt pavement ("**RAP**") crushing equipment and sand manufacturing machine, as well as modification services of adding recycling and environmental protection functions, such as bitumen foaming device for warm mix asphalt to existing plants.

The asphalt mixing plants, being the core products are divided into two main categories: (i) conventional hot-mix asphalt mixing plant ("**Conventional Plant**") and (ii) recycling hot-mix asphalt mixing plant ("**Recycling Plant**"). The asphalt mixtures produced by the asphalt mixing plants of the Group can be used in the construction and maintenance of all levels of roads and highways. The Recycling Plants of the Group, in addition to producing regular asphalt mixtures, can also produce recycled asphalt mixtures which contain a combination of reclaimed asphalt pavement and new materials such as bitumen, aggregates and fillers. The use of Recycling Plants achieves the objectives of resources recycling and cost saving in the production of asphalt mixtures. In addition, RAP crushing equipment and sand manufacturing machine are newly developed products, which combined with our existing advanced asphalt mixture technology to be a comprehensive solution for our customers.

During the year, the Group continued to participate in top-tier highways construction and maintenance projects in the PRC (it's major market), including Ürümqi Ring Expressway (烏魯木齊環城高速), Nanchang West Outer Ring Expressway (南昌西外環高速公路), Wuxuan Expressway Wuhu to Xuancheng Section Expansion Project (蕪宣高速蕪湖至宣城段改擴建工程), etc.. Twenty-eight (2022: thirty-three) sales contracts of asphalt mixing plants were completed. Revenue from sales of asphalt mixing plants decreased by approximately 39.0% during the year, whereas, the sales of asphalt mixing plants accounted for approximately 66.2% (2022: 87.3%) of the total revenue of the Group. The Group's gross profit decreased to RMB85,264,000 (2022: RMB103,861,000) which was mainly attributable to the decrease in sales of asphalt mixing plants. Such a decrease in revenue and profit was mainly attributable to the less active number of projects in the market due to cautious project investment and project delays during the post-COVID period, together with the intense competition in the industry, as well as the depreciation of Renminbi which dragged down the price of our products sold overseas.

As market expansion, the Group increased efforts to tap into the Eastern European and Indian markets, whilst expanding its business along the "Belt and Road" countries. Among the completed sales contracts, a notable number of performance model (PM) of Conventional Plant were accomplished in overseas countries such as Thailand, Nigeria and Uganda which provide cost and space saving solution without comprising on output quality. To further penetrate developing markets, the Group introduced a new series of compact mobile asphalt plants to its product line to cater to the demand of the new markets.

To ensure the smooth functioning of our operations, effective internal management is of utmost importance. As part of our cautious approach, we have thoroughly evaluated the recoverability of our trade receivables. In the current year, we are pleased to report a net reversal of provision instead of an additional net provision for impairment loss. This reversal amounts to RMB11,299,000, signifying a positive development compared to the previous year's additional net provision for impairment loss of RMB29,769,000. Nevertheless, the Group's dedication to upholding its credit policy and continuously strengthening internal control procedures remains unwavering. These efforts aim to enhance the efficiency of the receivable collection cycle and reduce the number of days debtors take to settle their obligations.

Development of Upstream and Downstream Asphalt Related Business

Asphalt mixture, the vital material for asphalt road construction, holds great importance for the Group. With a strong emphasis on diversifying income sources and increasing profits, the Group is dedicated to the development of asphalt-related businesses along the supply chain. To harness the power of local expertise and maximize synergies, the Group actively seeks potential strategic partners to collaborate on the production and sale of asphalt mixtures. By forging these strategic alliances, the Group aims to create a robust and thriving asphalt mixture business.

Development of combustion technology

During the Year, the Group continued to conduct research on the combustion technology in order to develop the business of manufacturing and sale of burner combustion equipment and the provision of related technical support services. The burner combustion equipment can be applied in a wide spectrum including asphalt mixing plants, furnace, heating system, etc. As at 31 December 2023, forty (31 December 2022: forty) patents of combustion technology were registered.

*Investment in a convertible bond (the "**Convertible Bond**")*

On 10 August 2020, the Group's wholly owned subsidiary, Langfang D&G Machinery Technology Company Limited* ("**Langfang D&G**") (as the lender), has entered into a convertible bond agreement with Zhejiang Zhengfang Asphalt Concrete Technology Limited* (the "**Zhengfang ACT**") (as the borrower). It is a wholly owned subsidiary of Zhejiang Zhengfang Holding Limited, as a guarantor in the convertible bond agreement, a road construction company in Zhejiang, China which is an existing customer of Langfang D&G.

The principal amount of the Convertible Bond is in a total amount of RMB20 million. The Convertible Bond is interest bearing at 6% per annum and the maturity date is 30 April 2024.

During the tenure of the Convertible Bond, the Zhengfang ACT shall purchase no less than five sets of asphalt mixing plants from Langfang D&G. During the year, 2 asphalt mixing plants sales contracts have been completed (2022: 3).

Pursuant to the convertible bond agreement, at 30 April 2024, Langfang D&G has the right to exercise its equity conversion option at the conversion ratio of the higher of (i) 1.5 times of the net assets of the Zhengfang ACT as at 31 December 2023 or (ii) 6 times of the weighted average of its net profits for the years ended 31 December 2022 and 2023, both of which are calculated with reference to its audited accounts prepared in accordance with the PRC generally accepted accounting principles.

Strategic Partnership

Partnership with LiuGong Wuxi Road Equipment Co., Ltd. (“**LiuGong Road Equipment**”)*

In May 2021, the Group has entered into an agreement with LiuGong Road Equipment to become the exclusive supplier of asphalt mixing plant for LiuGong Road Equipment. The Group will research and develop, design and manufacture products under the label of “LiuGong”, by leveraging its technical strength, as well as LiuGong Road Equipment’s well-established distribution network and strong financial services capabilities, to sell the products to domestic and overseas markets. The Group expects this strategic partnership will further penetrate the mid-end asphalt mixing plant market to win more orders and expand its revenue stream. Furthermore, the collaboration enables LiuGong Road Equipment to enrich and improve its one-stop road construction equipment solution to achieve a win-win situation. Furthermore, the Company is in the progress to collaborate with LiuGong Road Equipment and its subsidiary to form a strategic partnership for local manufacturing of asphalt mixing plants in the Indian market.

Research and Development

The Group continued to maintain its strong research and development capabilities to maintain its position as a leading market player in the road construction and maintenance machinery industry focusing on medium to large-scale asphalt mixing plants. As at 31 December 2023, the Group owns two hundred and twenty-seven registered patents in the PRC (of which nine were invention patents and seven were appearance patents) and twenty-eight software copyrights. In addition, the registration of forty patents were pending approval as at 31 December 2023.

Marketing and Awards

The Group places great emphasis on the marketing and promotion of its brands, products and services offered and leverages different online platforms, including global trading B2B online platforms, mobile websites, LinkedIn and the WeChat platform to offer better services to customers and establish a better brand image in both the PRC and overseas markets.

During the year, the Group participated in various promotional events, technical seminars and corporate social responsibility events. These activities include hosting large customer training seminars in Ningbo, Zhejiang, and distributor technical exchange conferences in Deqing, Zhejiang. Additionally, the Group participated in industry conferences such as the low-carbon green technology exchange conference in Xi'an, Shaanxi, and the asphalt pavement maintenance forum in Guangzhou. International exhibitions, including the Mining & Construction Indonesia Exhibition in Jakarta, provided opportunities to showcase the products. Moreover, the Group actively organized and regularly sponsored events by the Green Council focused on environmental awareness, safety, and employee engagement at the Langfang factory and various locations. These marketing activities have helped strengthen customer relationships, promote the products and technologies, increase our brand awareness and demonstrate the Group commitment to sustainability and corporate social responsibility.

In March 2024, the Group was awarded the "5 Years Plus Caring Company" which was organised by the Hong Kong Council of Social Service. In August 2023, the Group was awarded as an "EcoChallenger" and "5 Years+ EcoPioneer" in the BOCHK Corporate Environmental Leadership Awards which was organised by the Federation of Hong Kong Industries and Bank of China (Hong Kong). The awards indicate the recognition of the Group's contribution to the promotion of environmental protection. In September 2023, the Group was awarded the Industry Cares 2023 by the Federation of Hong Kong Industries. In November 2023, the Group was awarded the "T50 Construction Machinery Best Application Award", "China Top 10 Specialised Construction Machinery Manufacturer" and "World Top 100 (Plus 50) Construction Machinery Manufacturer" by the T50 Summit of World Construction Machinery Industry. In December 2023, the Group was awarded the "Hong Kong Green Awards 2023 – Corporate Green Governance Award" which was organised by the Green Council. The Group has won this award for eight consecutive years which symbolise a high recognition of the Group's commitment to green governance.

Outlook

Looking ahead, China's economy is expected to face various challenges and changes, including ongoing or escalating global geopolitical conflicts, fluctuating consumer sentiment, industrial restructuring, and the increasing influence of environmental sustainability trends on industry development. The World Bank anticipates that China's overall GDP growth is expected to reach 4.5% in 2024, lower than the GDP growth of 5.2% in 2023, which was mainly due to the stabilising growth momentum resulting from the gradual recovery of consumer sentiment and the impact of policy measures. Early this year, China's provincial-level governments have unveiled their growth targets in 2024, ranging from 4.5% to 8%, with emphasis on boosting consumption and improving business environment. Despite the anticipated positive growth for the Chinese economy, both internal provincial government and external organisations have prudent estimates for the Chinese economic development in 2024.

Under such backdrop, the Group maintains a cautious approach to prepare for future opportunities in the PRC region. It will prioritise allocating resources on the areas with greater development potential, such as green transportation infrastructure solutions. Various municipal governments including Shenzhen and Guangzhou unveiled the plan in 2023 to promote the low-carbonisation of transportation equipment, strengthening the construction of green transportation infrastructure. As such, the Group will continue to promote the production and sales of RAP crushing and screening equipment which helps improve the utilisation rate of recycled materials, as well as joining hands with Tsinghua University to promote a new generation of low-nitrogen burner products. It is expected that Group's green road solution will get greater market recognition in the foreseeable future.

In addition, the Group will capitalise on business prospects in overseas markets. Road and infrastructure construction are important for the overseas countries which are experiencing conflicts, or undergoing growth, and those along the Belt and Road which are seeking sustainable development. The Group is poised to broaden its business reach to the overseas countries with good potential. Leveraging on the strengthened sales and extensive network, it will optimise the comprehensive road construction solution and advanced equipment to cater to clients' diversified needs.

Moreover, the Group will uphold stringent cost-control measures and optimise operational efficiency to ensure consistent and effective business growth. By capturing the marketing opportunities in both domestic and international markets, the Group is committed to maximising long-term profitability, prioritising the interests and benefits of its shareholders.

With the established overseas network and high-technology asphalt mixing plants, the Group is prepared to grasp the opportunities of upgrading asphalt mixing plant technology and equipment in the ASEAN region. To utilise the Group's wide clientele base of over 600 asphalt plants spreading across the PRC and 35 nations overseas, the Group is also exploring business opportunities in developing business upstream into road construction and maintenance materials supply chain and downstream into the asphalt mixture provision. The Group will however manage its business development strategies cautiously due to the relatively volatile international economic and political conditions.

Financial Review

During the year ended 31 December 2023, the Group recorded a total revenue of RMB277,861,000 (2022: RMB345,387,000), representing a decrease of approximately 19.6% as compared to last year. The gross profit of the Group decreased from RMB103,861,000 for the year ended 31 December 2022 to RMB85,264,000 for the year ended 31 December 2023, representing a decrease of approximately 17.9%. The overall gross profit margin increased by 0.6 percentage points from 30.1% to 30.7%. The Group recorded a net loss attributable to owners of the Company of RMB23,864,000 compared with a net loss of RMB40,788,000 last year.

	2023	2022	Change
	RMB'000	*RMB'000*	
Sales of asphalt mixing plants	**184,044**	301,644	-39.0%
Sales of spare parts and modified equipment	**69,898**	36,898	89.4%
Sales of other asphalt specialty equipment	**23,919**	6,845	249.4%
	277,861	345,387	-19.6%

Sales of Asphalt Mixing Plants

	2023	2022	Change
	RMB'000	*RMB'000*	
Revenue	**184,044**	301,644	-39.0%
Gross profit *(Note)*	**49,354**	94,130	-47.6%
Gross profit margin	**26.8%**	31.2%	-4.4pp
Number of contracts	**28**	33	-5
Average contract value	**6,573**	9,141	-28.1%

Revenue from the sales of asphalt mixing plants decreased as a result of the decrease in number of contracts completed and the decrease in the average contract value. The decrease in number of contracts completed was mainly due to that following the full lifting of epidemic prevention measures in the PRC, local governments have been focused on restoring economic and livelihood activities, resulting in cautious projects investments. In addition, intense competition within the industry has created obstacles for our Group in securing additional orders. The decrease in average contract value was due to more small-scale plants were sold in the current year. The decrease in the gross profit margin was primarily due to the proportional decrease in the number of sales with higher capacity (usually with higher gross profit margin).

Note: Impairment of inventories of RMB1,973,000 was made for the year ended 31 December 2023 (2022: RMB6,018,000) and charged to the "cost of sales". The gross profit of the sales of asphalt mixing plants presented above and this section has excluded the provision for impairment of inventories for analysis purpose.

By Types of Plants

	2023	2022	Change
	RMB'000	*RMB'000*	
Recycling Plants			
Revenue	**88,710**	134,759	-34.2%
Gross profit	**22,949**	41,744	-45.0%
Gross profit margin	**25.9%**	31.0%	-5.1pp
Number of contracts	**10**	11	-1
Average contract value	**8,871**	12,251	-27.6%
Conventional Plants			
Revenue	**95,334**	166,885	-42.9%
Gross profit	**26,405**	52,386	-49.6%
Gross profit margin	**27.7%**	31.4%	-3.7pp
Number of contracts	**18**	22	-4
Average contract value	**5,296**	7,586	-30.2%

Revenue from the sales of Recycling Plants decreased by 34.2% which was mainly due to the decrease in the number of contracts completed during the year. The gross profit margin decreased by 5.1 percentage points due to smaller model with lower gross profit margin were sold during the year. The decrease in average contract value was due to the proportional decrease in the number of sales with higher capacity as compared to last year.

Revenue from the sales of Conventional Plants decreased by 42.9% primarily because of the decrease in the number of contracts and the decrease in the average contract value during the year. The gross profit margin decreased by 3.7 percentage points to 27.7% was mainly due to proportional decrease in the number of sales with higher capacity (i.e. 4000 model series or above which have higher gross profit margin than lower capacity series) as compared to last year.

By Geographical Location

	2023	2022	Change
	RMB'000	*RMB'000*	
PRC			
Revenue	**122,777**	269,465	-54.4%
Gross profit	**32,803**	86,034	-61.9%
Gross profit margin	**26.7%**	31.9%	-5.2pp
Number of contracts	**15**	26	-11
Average contract value	**8,185**	10,364	-21.0%
Overseas			
Revenue	**61,267**	32,179	90.4%
Gross profit	**16,551**	8,096	104.4%
Gross profit margin	**27.0%**	25.2%	1.8pp
Number of contracts	**13**	7	6
Average contract value	**4,713**	4,597	2.5%

Revenue from the PRC sales decreased primarily because of the decrease in the number of contracts completed and decrease in the average contract value. The gross profit margin decreased by 5.2 percentage points to 26.7% was mainly due to the decrease in the number of sales with higher capacity sold during the year.

Revenue from the overseas sales increased mainly because of the increase in the number of contracts completed and increase in the average contract value. The gross profit margin increased by 1.8 percentage points to 27.0% as the PM model series of asphalt mixing plant ("AMP") continued to be performing exceptionally well, driving impressive sales and achieving a remarkable doubling of revenue in the current year.

Sales of Spare Parts and Components and Modified Equipment

	2023	2022	Change
	RMB'000	*RMB'000*	
Revenue	**69,898**	36,898	89.4%
Gross profit	**32,936**	16,194	103.4%
Gross profit margin	**47.1%**	43.9%	3.2pp

The Group sold spare parts and components for the asphalt mixing plants to its customers as value-added services. The Group also sold modified equipment, including modifying the Conventional Plants, installing key components with recycling functions, upgrading control systems and other customised services.

The revenue from sales of spare parts and components amounted to RMB34,094,000 (2022: RMB22,535,000). The revenue from sales of modified equipment amounted to RMB35,804,000 (2022: RMB14,363,000). The increase in revenue was mainly due to the increase in the number of customers demand for modification of Conventional Plants and increase in sales order of spare parts and components. The gross profit margin increased by 3.2 percentage points because several modified equipment orders were with high gross profit margin during the year.

Sales of other Asphalt Speciality Equipment

	2023	2022	Change
	RMB'000	*RMB'000*	
Revenue	**23,919**	6,845	249.4%
Gross profit	**4,947**	-445	-1,211.7%
Gross profit margin	**20.7%**	-6.5%	27.2pp
Number of contracts	**8**	3	5
Average contract value	**2,990**	2,282	31.0%

The Group published several new series of brand of asphalt specialty equipment since 2021 which included the LiuGong Asphalt Plant ("**LAP**") series asphalt mixing plants, the RAP crushing equipment and the sand manufacturing machine. All the revenue, gross profit margin and average contract value increased as customers are recognizing the value and benefits offered by our products, leading to larger and more lucrative contracts. It is a testament to the growing trust and satisfaction of our customers in the performance and reliability of our asphalt specialty equipment.

Other Income and Other Gains, Net

During the year, other income and other gains, net, mainly represented government grants, fair value gain on a financial asset at fair value through profit or loss, net gain on disposal of non-current asset classified as asset held for sale, net off with the net foreign exchange loss. The increase was mainly due to decrease in loss on exchange difference.

Distribution Costs

Distribution costs mainly consisted of staff costs of our sales and marketing staff, distribution fees to our distributors, freight and transportation expenses, and marketing expenses. Distribution costs decrease in line with the sales of asphalt mixing plants and offset by the decrease in distribution fee and the increase in freight and transportation as more oversea orders were made during the year.

Administrative Expenses

Administrative expenses mainly included staff costs, research and development expenses, and legal and professional fees. Decreased in administrative expenses was mainly due to the decrease in salary and staff allowance of RMB2.3 million from company reorganization efforts. However, this decrease was partially offset by an increase of RMB1.0 million in telecommunication and utility expenses following the resumption of economic activities post-COVID.

Net (Reversal of Provision for)/Provision for Impairment Losses on Financial Assets

The amount represented the net reversal of provision for impairment losses on trade receivables of RMB11,299,000 (2022: net provision for impairment losses on trade receivables of RMB29,769,000). The reversal of provision for impairment loss was mainly due to the settlement of long overdue trade receivables and decrease in gross trade receivables of the Group during the year.

Share of Profit of an Associate

The amount represented the share of the profit of Topp Financial Leasing (Shanghai) Co., Ltd.* ("**Shanghai Topp**") of RMB1,997,000 (2022: RMB1,379,000).

Finance Income, Net

Finance income, net mainly included bank interest income and interest income on unwinding discounted trade receivables, offset by interest expenses on interest-bearing bank borrowings. The decrease in net finance income during the year was mainly due to the decrease in interest income on reduced interest rate on deposit.

Income Tax (Expense)/Credit

Income tax (expense)/credit for the year ended 31 December 2023 was mainly attributable to the deferred tax expenses arisen from the net reversal of provision for impairment losses on trade receivables, the profit tax incurred by a PRC subsidiary of the Company which is a "high and new technology enterprise" entitled to a preferential tax rate of 15%, and the withholding tax provided for the dividend declared by a PRC subsidiary of the Company.

Loss Attributable to Owners of the Company

Loss attributable to owners of the Company amounted to RMB23,864,000 for the year ended 31 December 2023 (2022: RMB40,788,000). The decrease in loss for the year was mainly due to the net reversal of provision for impairment losses on trade receivables provided as discussed above.

Working Capital Management

Net current assets of the Group amounted to RMB428,594,000 (31 December 2022: RMB423,444,000) with a current ratio of 3.5 times (31 December 2022: 2.9 times) as at 31 December 2023.

Inventories decreased by RMB11,952,000 from RMB223,885,000 as at 31 December 2022 to RMB211,933,000 as at 31 December 2023. Inventory turnover days was 413 days for the year ended 31 December 2023, representing an increase of 77 days as compared to 336 days for the year ended 31 December 2022. The decrease in inventory was mainly due to the completion of some major orders in FY2023. The increase in inventory turnover days was due to decrease in sales and deteriorating inventory aging. We are actively addressing these challenges through strategic initiatives aimed at improving demand forecasting, optimizing inventory levels, and enhancing supply chain efficiency.

* *For identification purpose only*

Trade and bill receivables decreased by RMB28,270,000 from RMB124,827,000 as at 31 December 2022 to RMB96,557,000 as at 31 December 2023. Trade and bill receivables turnover days was 148 days for the year ended 31 December 2023, representing a decrease of 22 days as compared to 170 days for the year ended 31 December 2022. The decrease in trade and bill receivables was primarily due to the decrease in sales and proper customer repayment during the year. The decrease in trade and bills receivables turnover days during the year was primarily due to the decrease in number of sales contracts completed during the year.

The Group will continue to cautiously monitor the trade receivables collection process so as to improve the collection cycle.

Trade and bill payables decreased by RMB23,734,000 from RMB103,631,000 as at 31 December 2022 to RMB79,897,000 as at 31 December 2023. Trade and bill payables turnover days was 174 days for the year ended 31 December 2023, representing a decrease of 5 days as compared to 179 days for the year ended 31 December 2022. The decrease in trade and bills payables and turnover days was mainly because of less purchases were made in view of less sales orders.

Liquidity and Financial Resources

The Group generally finances its operations with internally generated cash flows and facilities granted by its principal bankers. The treasury policies and objectives of the Group are to lower finance costs while enhancing returns on financial assets under a prudent and conservative approach.

As at 31 December 2023, the Group had cash and cash equivalents of RMB161,654,000 (31 December 2022: RMB199,942,000) and pledged bank deposits of RMB22,625,000 (31 December 2022: RMB44,777,000). In addition, the Group had interest-bearing bank borrowings of RMB909,000 (31 December 2022: RMB11,506,000). The Group's cash and cash equivalents, pledged bank deposits and borrowings were mostly denominated in Renminbi, Hong Kong dollars and United States dollars. The borrowings were mainly arranged on a floating rate basis. The gearing ratio, calculated as total borrowings divided by equity attributable to the owners of the Company, amounted to 0.2% (31 December 2022: 1.8%).

During the year ended 31 December 2023, the Group recorded a net cash used in operating activities of RMB52,145,000 (2022: net cash generated from operating activities of RMB12,476,000). Net cash generated from investing activities amounted to RMB6,130,000 (2022: RMB3,218,000) for the year ended 31 December 2023. Net cash generated from financing activities for the year ended 31 December 2023 amounted to RMB7,140,000 (2022: net cash used in financing activities RMB19,352,000).

Capital Commitments and Contingent Liabilities

Capital commitments as at 31 December 2023 not provided for in the consolidated financial statements were as follows:

	At 31 December 2023	At 31 December 2022
	RMB'000	*RMB'000*
Contracted for		
– Property, plant and equipment	**778**	382

As at 31 December 2023, there were no capital commitments authorised but not contracted for (31 December 2022: Same).

Certain customers of Langfang D&G, a principal operating subsidiary of the Group, financed their purchases of the Group's plants through finance leases provided by Shanghai Topp. Under the leasing arrangements, Langfang D&G provided guarantee to Shanghai Topp that in the event of customer default, Shanghai Topp has the rights to demand Langfang D&G to repay the outstanding lease payments due from the customers for the repossession of the leased plants. As at 31 December 2023, the Group's maximum exposure to such guarantees was approximately RMB112,771,000 (2022: RMB109,530,000).

Pledge of Assets

As at 31 December 2023, property, plant and equipment of RMB41,899,000 (31 December 2022: RMB41,994,000), land use right of RMB4,311,000 (31 December 2022: RMB4,442,000) and bank deposits of RMB22,625,000 (31 December 2022: RMB44,777,000) were pledged for borrowings and bills payables of the Group.

Foreign Exchange Risk

The reporting currency of the Group was Renminbi. The Group was exposed to foreign exchange risk through sales and purchases which were denominated in a foreign currency including United States dollars and Euros. The appreciation or depreciation of Renminbi against these foreign currencies would increase or decrease the price of the Group's products which were sold to overseas markets and might bring negative or positive impact on the Group's export sales. On the other hand, the appreciation or depreciation of Renminbi would also decrease or increase the cost of sales of the Group in respect of the purchases of raw materials from overseas. The management has continuously monitored the level of exchange rate exposure and shall adopt financial hedging instruments for hedging purpose when necessary. The Group did not use any financial instruments for hedging purpose for the year ended 31 December 2023.

Significant Investments and Material Acquisitions or Disposals

During the year ended 31 December 2023, the Group did not have any significant investments or material acquisitions or disposals.

EVENT AFTER THE REPORTING PERIOD

No significant event has taken place subsequent to 31 December 2023 and up to the date of this announcement.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2023, the Group had approximately 323 (2022: 384) employees. The total staff costs for the year ended 31 December 2023 amounted to approximately RMB73,520,000 (2022: RMB75,269,000).

The remuneration policy of the Group was based on performance of employees, market conditions, business demands and expansion plans. The Group offered different remuneration packages to the employees based on their positions, which includes salaries, discretionary bonuses, contributions to pension schemes, housing and other allowances and benefits in kind subject to applicable laws, rules and regulations. The Group also provided training to employees on a regular basis. In accordance with the relevant requirements, the Group made contributions to pension and provided other employees benefits.

The Group has adopted a share option scheme pursuant to which employees and the Directors may be granted options to subscribe for shares of the Company as incentives or rewards for their service rendered to the Group. No option has been granted during the years ended 31 December 2023 and 2022.

SPECIAL DIVIDEND

The Directors recommended the payment of a special dividend of approximately HK$0.07 per ordinary share for the year ended 31 December 2023 to shareholders of the Company (the "**Shareholders**") whose names are listed on the register of members of the Company on Friday, 31 May 2024 as a special celebration of the 25th Anniversary of the Group after its principal subsidiary, Langfang D&G Machinery was officially established in Beijing. The total dividend to be paid is in an aggregate amount of HK$43.9 million (equivalent to approximately RMB40.0 million). Subject to the passing of the relevant resolution of the Shareholders at the forthcoming annual general meeting ("**AGM**") of the Company, the special dividend is expected to be paid to the Shareholders on or around Friday, 14 June 2024.

ANNUAL GENERAL MEETING

The 2024 AGM will be held on Thursday, 23 May 2024, and the notice of the 2024 AGM will be published and despatched in the manner as required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2024 AGM, the register of members of the Company will be closed from Monday, 20 May 2024 to Thursday, 23 May 2024, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2024 AGM, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 17 May 2024.

Entitlement to the proposed special dividend

The record date for entitlement to the proposed special dividends is Friday, 31 May 2024. For determining the entitlement to the proposed special dividends, the register of members of the Company will be closed from Wedensday, 29 May 2024 to Friday, 31 May 2024, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed special dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, for registration not later than 4:30 p.m. on Tuesday, 28 May 2024.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2023.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. During the year ended 31 December 2023, the Company, in the opinion of the Directors, complied with the code provisions set out in the Corporate Governance Code as contained in Appendix C1 to the Listing Rules.

SUSTAINABILITY

Under the "Belt and Road initiative", vast opportunities arise for the development of infrastructural facilities. These facilities connect communities, promote economic progress, and cultivate ideas and cultural exchanges. In light of this spirit of connectivity, and seizing the opportunity to partake in the "Belt and Road initiative", the Group wishes to connect its sustainable business model to the stakeholders.

The sustainability report (the "**Sustainability Report**") of the Group demonstrated the integration of environmental, social and governance considerations in its business approach. The innovative technology and sustainable products carry a strong message: with every segment of road paved with asphalt mixtures from our asphalt mixing plants, we leave an imprint of sustainability. The Sustainability Report will be published on the website of Hong Kong Exchanges and Clearing Limited and the website of the Company in due course, which provides the sustainability performance of the Group for the year ended 31 December 2023, and sets out the sights and plans of the Group for the future.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct for dealings in securities of the Company by the Directors. Specific enquiry was made to all the Directors and all the Directors confirmed that they complied with the Model Code throughout the year ended 31 December 2023.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Company has an audit committee (the "**Audit Committee**") which was established in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting system, risk management and internal control systems. The Audit Committee comprises four members, namely Mr. O'Yang Wiley (Chairman), Mr. Li Zongjin, Mr. Lee Wai Yat, Paco and Mr. Fok Wai Shun, Wilson. All of them are independent non-executive Directors. The final results of the Group for the year ended 31 December 2023 have been reviewed by the Audit Committee.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on this announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This final results announcement is published on the website of Hong Kong Exchanges and Clearing Limited and the website of the Company.

The 2023 annual report will also be published on the website of Hong Kong Exchanges and Clearing Limited and the website of the Company and will be despatched to the Shareholders in due course.

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

Hong Kong, 28 March 2024

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.