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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)**

**ANNOUNCEMENT OF INTERIM RESULTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

The board of directors (the “**Board**” or the “**Directors**”) of D&G Technology Holding Company Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2024 together with the comparative figures for the same period of last year, as follows:

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
	<i>Note</i>	<b>2024</b>	<b>2023</b>
		<b>RMB'000</b>	<b>RMB'000</b>
<b>Revenue</b>	5	<b>141,811</b>	118,965
Cost of sales		<b>(92,443)</b>	(75,090)
<b>Gross profit</b>		<b>49,368</b>	43,875
Other income and other gains, net	6	<b>422</b>	2,385
Distribution costs		<b>(33,537)</b>	(32,414)
Administrative expenses		<b>(31,598)</b>	(31,054)
Net reversal of impairment losses on trade receivables		<b>3,350</b>	3,920
<b>Operating loss</b>	7	<b>(11,995)</b>	(13,288)
Finance income, net		<b>5,714</b>	6,246
Share of profit of an associate		<b>1,066</b>	901
<b>Loss before income tax</b>		<b>(5,215)</b>	(6,141)
Income tax expense	8	<b>(468)</b>	(767)
<b>Loss for the period attributable to owners of the Company</b>		<b>(5,683)</b>	(6,908)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
	<i>Note</i>	<b>2024</b>	2023
		<b>RMB'000</b>	<b>RMB'000</b>
<b>Loss per share attributable to owners of the Company during the period</b>			
– Basic and diluted (RMB cents)	9	<u>(0.89)</u>	<u>(1.08)</u>
<b>Loss for the period</b>		<b>(5,683)</b>	<b>(6,908)</b>
<b>Other comprehensive (loss)/income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Currency translation differences		<u>(1,060)</u>	<u>1,376</u>
<b>Other comprehensive (loss)/income for the period, net of tax</b>		<u>(1,060)</u>	<u>1,376</u>
<b>Total comprehensive loss attributable to owners of the Company for the period</b>		<u><b>(6,743)</b></u>	<u><b>(5,532)</b></u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 30 JUNE 2024*

	<i>Note</i>	<b>Unaudited 30 June 2024 RMB'000</b>	Audited 31 December 2023 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>102,531</b>	103,582
Intangible assets		<b>1,769</b>	2,147
Investment in an associate		<b>63,322</b>	62,256
Deferred tax assets		<b>11,790</b>	12,258
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>179,412</b>	180,243
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Current assets</b>			
Inventories		<b>259,225</b>	211,933
Financial asset at fair value through profit or loss		–	19,760
Trade and bills receivables	<i>10</i>	<b>110,008</b>	96,557
Prepayments, deposits and other receivables		<b>106,284</b>	84,355
Pledged bank deposits		<b>23,738</b>	22,625
Cash and cash equivalents		<b>95,148</b>	161,654
		<hr/>	<hr/>
<b>Total current assets</b>		<b>594,403</b>	596,884
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Total assets</b>		<b>773,815</b>	777,127
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
<b>EQUITY</b>			
Share capital	<i>13</i>	<b>5,059</b>	5,059
Other reserves		<b>525,988</b>	566,946
Retained earnings		<b>25,834</b>	31,517
		<hr/>	<hr/>
<b>Total equity</b>		<b>556,881</b>	603,522
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 30 JUNE 2024*

	<i>Note</i>	<b>Unaudited 30 June 2024 RMB'000</b>	Audited 31 December 2023 RMB'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		632	661
Deferred tax liabilities		4,500	4,500
<b>Total non-current liabilities</b>		<b>5,132</b>	5,161
<b>Current liabilities</b>			
Borrowings	<i>11</i>	–	909
Trade and other payables	<i>12</i>	128,238	106,370
Contract liabilities	<i>12</i>	82,270	58,165
Lease liabilities		1,294	899
Income tax payable		–	2,101
<b>Total current liabilities</b>		<b>211,802</b>	168,444
<b>Total liabilities</b>		<b>216,934</b>	173,605
<b>Total equity and liabilities</b>		<b>773,815</b>	777,127

## **NOTES**

### **1 GENERAL INFORMATION**

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

The interim condensed consolidated financial information is presented in thousands of Renminbi ("**RMB'000**"), unless otherwise stated.

### **2 BASIS OF PREPARATION**

This interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34, "**Interim financial reporting**" issued by the Hong Kong Institute of Certified Public Accountants.

The interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

### **3 ACCOUNTING POLICIES**

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2023, except for the adoption of new and amended standards as set out below.

#### **(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 2024:

- Classification of Liabilities as Current or Non-current – Amendments to HKAS 1
- Non-current Liabilities with Covenants – Amendments to HKAS 1
- Lease Liability in a Sale and Leaseback – Amendments to HKFRS 16
- Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause – Hong Kong Interpretation 5 (Revised)
- Supplier Finance Arrangements – Amendments to HKAS 7 and HKFRS 7

The adoption of the above revised framework and amendments to standards did not have any significant financial impact on this interim condensed consolidated financial information.

**(b) New standards and interpretations not yet adopted**

The following are amendments to standards and interpretations that have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2025 or later periods, but have not been early adopted by the Group.

<b>Standards</b>	<b>Subject</b>	<b>Effective for accounting periods beginning on or after</b>
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
New standard – HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
New standard – HKFRS 19	Subsidiaries without Public Accountability: Disclosures (new standard)	1 January 2027
Amendments to HK Int 5	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

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

**4 ESTIMATES**

The preparation of the interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of the Group for the year ended 31 December 2023.

**5 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 Group has determined that it only has one major operating segment which is the sales of asphalt mixing plants, spare parts, modified equipment and other asphalt specialty equipment.

Revenue consists of the followings:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Sales of asphalt mixing plants	112,578	67,270
Sales of spare parts and modified equipment	21,906	32,990
Sales of other asphalt specialty equipment	7,327	18,705
	<u>141,811</u>	<u>118,965</u>
<b>Revenue from contracts with customers recognised – at a point in time</b>	<u>141,811</u>	<u>118,965</u>

**(a) Revenue from external customers by country**

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Mainland China	97,388	67,797
Outside Mainland China	44,423	51,168
	<u>141,811</u>	<u>118,965</u>

**(b) Non-current assets**

The geographical location of the non-current assets, excluding deferred tax assets, is based on the physical location of the assets.

	<b>Unaudited</b>	<b>Audited</b>
	<b>At</b>	<b>At</b>
	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Mainland China	114,605	122,444
Outside Mainland China	53,017	45,541
	<u>167,622</u>	<u>167,985</u>

**(c) Information about major customer**

During the six months ended 30 June 2024, revenue from customer A of the Group's outside the Mainland China segment amounting to approximately RMB34,018,000, which represented approximately 24.0% of the Group's consolidated revenue in continuing operations.

Other than disclosed above, no customer with whom transactions have exceeded 10% of the Group's revenue for the six months ended 30 June 2024 and 2023.

## 6 OTHER INCOME AND OTHER GAINS, NET

	Unaudited	
	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Other income</b>		
Government grants ( <i>Note</i> )	1,034	1,760
Others	31	6
	<u>1,065</u>	<u>1,766</u>
<b>Other gains, net</b>		
Fair value gain on a financial asset at fair value through profit or loss	240	923
Interest income from a financial asset at fair value through profit or loss	409	566
Loss on disposal of property, plant and equipment	(260)	–
Exchange loss, net	(1,187)	(943)
Others	155	73
	<u>(643)</u>	<u>619</u>
	<u>422</u>	<u>2,385</u>

*Note:* Government grants mainly represent operating subsidies. There were no unfulfilled conditions and other contingencies attached to these grants.

## 7 OPERATING LOSS

Operating loss is stated after charging/(crediting) the followings:

	Unaudited	
	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of inventories	87,607	66,087
Employee benefit expenses	33,511	37,706
Depreciation and amortisation		
– Property, plant and equipment	3,885	4,376
– Intangible assets	424	417
Net reversal of impairment losses on trade receivables	(3,350)	(3,920)
(Reversal of provision)/provision for impairment of inventories	(3,199)	415



## 8 INCOME TAX EXPENSE

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Current income tax		
– Over-provision in prior period	–	(238)
Deferred income tax	<u>468</u>	<u>1,005</u>
	<u>468</u>	<u>767</u>

No provision for Hong Kong profits tax was made for the current period (2023: Nil) as the Group had no assessable profits subject to Hong Kong profits tax for the period.

No provision for PRC enterprise income tax was made for the current period (2023: Nil) as the Group had no assessable profits subject to PRC enterprise income tax for the period.

The Group's operations in the Mainland China are subject to PRC enterprise income tax at a statutory rate of 25% (2023: 25%).

According to the PRC enterprise income tax law and its relevant regulations, a wholly-owned subsidiary of the Company, Langfang D&G Machinery Technology Company Limited (“**Langfang D&G**”) is qualified as a “high and new technology enterprise” under the tax law and entitled to a preferential income tax rate of 15% (2023: 15%).

Under the PRC enterprise income tax law and its relevant regulations, a 100% (2023: 100%) additional tax deduction is allowed for qualified research and development expenses.

## 9 LOSS PER SHARE

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

The calculations of the basic loss per share are as follows:

	Unaudited	
	Six months ended 30 June	
	2024	2023
Loss attributable to owners of the Company (RMB'000)	<u>(5,683)</u>	<u>(6,908)</u>
Weighted average number of ordinary shares in issue	<u>639,408,000</u>	<u>639,408,000</u>
Basis loss per share (expressed in RMB cents per share)	<u>(0.89)</u>	<u>(1.08)</u>

For the periods ended 30 June 2024 and 2023, diluted loss per share is the same as basic loss per share as there were no potential dilutive shares.

## 10 TRADE AND BILLS RECEIVABLES

	<b>Unaudited</b>	Audited
	At	At
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>RMB'000</b>	<b>RMB'000</b>
Trade receivables from third parties	<b>159,684</b>	170,250
Less: loss allowance	<b>(69,039)</b>	(72,389)
Less: discounting impact	<b>(5,264)</b>	(6,794)
	<u>85,381</u>	<u>91,067</u>
Bills receivables	<b>24,627</b>	5,490
	<u>110,008</u>	<u>96,557</u>

- (a) 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.
- (b) The ageing analysis of the trade receivables as at the end of the reporting period based on the date of revenue recognition as follows:

	<b>Unaudited</b>	Audited
	At	At
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>RMB'000</b>	<b>RMB'000</b>
Within 1 year	<b>71,755</b>	94,862
1 to 2 years	<b>12,225</b>	3,878
2 to 3 years	<b>6,056</b>	31,324
Over 3 years	<b>69,648</b>	40,186
	<u>159,684</u>	<u>170,250</u>

Certain trade receivables relating to customers with known financial difficulties or significant doubt on settlement of receivables are assessed individually for provision for impairment allowance. Expected credit losses are estimated by grouping the remaining trade receivables based on shared credit risk characteristics and collectively assessed for likelihood of recovery, taking into account the nature of the customer and its ageing category, and applying the expected credit loss rates to the respective gross carrying amounts of the trade receivables.

## 11 BORROWINGS

Borrowings repayable within one year or repayable beyond one year but with repayment on demand clause are analysed as follows:

	<b>Unaudited</b>	Audited
	<b>At</b>	At
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 1 year	<u>          -</u>	<u>          909</u>

As at 31 December 2023, borrowings of RMB909,000 were secured by pledged bank deposits of RMB4,614,000 and property, plant and equipment of RMB36,836,000.

Movements of borrowings are analysed as follows:

	<b><i>RMB'000</i></b>
<b>Unaudited:</b>	
<b>Balance at 1 January 2024</b>	<b>909</b>
Repayments of borrowings	(922)
Exchange difference	13
	<u>          -</u>
<b>Balance at 30 June 2024</b>	<b>-</b>
	<i>RMB'000</i>
<b>Unaudited:</b>	
<b>Balance at 1 January 2023</b>	11,506
Repayments of borrowings	(3,974)
Exchange difference	370
	<u>          7,902</u>
<b>Balance at 30 June 2023</b>	<b>7,902</b>

## 12 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	<b>Unaudited</b>	Audited
	At	At
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>RMB'000</b>	<b>RMB'000</b>
Trade payables	<b>33,927</b>	19,839
Bills payables ( <i>Note</i> )	<b>67,181</b>	60,058
	<b>101,108</b>	79,897
Amount due to a related party	<b>266</b>	266
Other payables and accruals	<b>26,864</b>	26,207
	<b>27,130</b>	26,473
Total trade and other payables	<b>128,238</b>	106,370
Contract liabilities	<b>82,270</b>	58,165
	<b>210,508</b>	164,535

*Note:* The Group's bills payables of RMB67,181,000 (31 December 2023: RMB60,058,000) were secured by the Group's pledged bank deposits of approximately RMB18,903,000 (31 December 2023: RMB18,011,000), property, plant and equipment of RMB4,621,000 (31 December 2023: RMB5,063,000) and land use right of RMB4,246,000 (31 December 2023: RMB4,311,000).

The ageing analysis of trade and bills payables as at the end of the reporting period based on invoice date is as follows:

	<b>Unaudited</b>	Audited
	At	At
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>RMB'000</b>	<b>RMB'000</b>
Within 3 months	<b>61,580</b>	30,601
After 3 months but within 6 months	<b>35,575</b>	35,052
After 6 months but within 1 year	<b>247</b>	12,093
Over 1 year	<b>3,706</b>	2,151
	<b>101,108</b>	79,897

## 13 SHARE CAPITAL, SHARE PREMIUM AND OTHER RESERVES

### (a) Share capital

Authorised:

	Number of ordinary shares of HK\$0.01 each	Nominal value of ordinary shares HK\$
At 1 January 2023, 30 June 2023, 1 January 2024 and 30 June 2024	<u>2,000,000,000</u>	<u>20,000,000</u>

Issued and fully paid:

	Number of shares ( <i>'000</i> )	HK\$ <i>'000</i>	RMB <i>'000</i>
At 30 June 2023, 1 January 2024 and 30 June 2024	<u>639,408</u>	<u>6,395</u>	<u>5,059</u>

### (b) Share premium

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.

### (c) Capital reserve

Capital reserve comprises contributions by the controlling shareholder arising from transactions with owners in their capacity as the equity owners.

### (d) Statutory reserves

Statutory general reserve is established in accordance with the relevant PRC rules and regulations and the articles of association of the companies comprising the Group which are incorporated in the Mainland China. Appropriations to the reserves were approved by the respective companies' boards of directors.

For the entities concerned, statutory general reserves can be used to make good previous years' losses, if any, and may be converted into capital in proportion to the existing equity interests of investors, provided that the balance of the reserve after such conversion is not less than 25% of the entity's registered capital.

### *Specific reserve for maintenance and production funds*

Pursuant to the relevant PRC regulations, the Mainland China companies comprising the Group are required to transfer maintenance and production funds at fixed rates based on production volume to a specific reserve accounts. The production and maintenance funds could be utilised when expenses or capital expenditures on maintenance, production and safety measures are incurred. The amount of maintenance and production funds utilised would be transferred from the specific reserve account to retained earnings.

## **14 Dividend**

At a board meeting held on 23 May 2024, the directors of the Company recommended the payment of a special dividend of approximately HK\$0.07 per ordinary share, totalling HK\$43.9 million (equivalent to RMB40.0 million) for the year ended 31 December 2023, which was paid in June 2024.

No interim dividend was paid, declared or proposed during the six months ended 30 June 2024 (2023: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### General Review

D&G Technology Holding Company Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) is 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 provides smart road construction and conservation solution catering 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 hotmix asphalt mixing plant (“**Recycling Plant**”). The asphalt mixtures produced by the asphalt mixing plants of the Group can be applied 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.

For the six months ended 30 June 2024, China’s road construction industry has been steadily gaining momentum and making progress, driven by increased efforts from regional governments in PRC towards building a strong transportation hub in China. Plans for trillions of yuan in transportation investments were launched across the country, aiming to provide strong support for sustaining domestic demand and stabilizing the overall economy.

Under such backdrop, the Group participated in several landmark highways construction and maintenance projects in the PRC, including Xianning to Jiujiang Expressway (咸九高速公路), Hebei Qugang Expressway Cangzhou Section (河北曲港高速滄州段) and Mei County to Taibai Expressway (眉太高速路面第二標段), etc. As of 30 June 2024, the Group completed 10 (1H2023: 13) sales contracts of asphalt mixing plants during the six months period ended 30 June 2024, including a significant project in Hong Kong. Total revenue increased by approximately 19.2% to RMB141,811,000 during the six months period ended 30 June 2024 (1H2023: RMB118,965,000). Gross profit reached RMB49,368,000 (1H2023: RMB43,875,000).

In addition, the gross profit margin of asphalt mixing plants remained at 30.9% during the six months ended 30 June 2024. Despite facing intense market competition and high pressure to maintain optimal inventory levels, the Group was able to maintain profitability across the period.

Coping with the challenges, the Group strived to penetrate different market segments to expand sales. While PRC remained the major market, the Group has also capitalised on the development opportunities presented by the “Belt and Road Initiative” to expand into Hong Kong, Southeast Asia and Africa, as well as European region. In particular, the Group completed delivery of a highly intelligent, efficient and environmental friendly recycling plant for a key development project in Hong Kong, further demonstrating our products’ capabilities. In May 2024, the Group visited Xinjiang with other economic and trade representatives from Hong Kong and PRC. It signed agreements with local companies to cooperate on the development of comprehensive green and intelligent solutions.

In addition, the Group has consistently invested in research and development to diversify its product offering, as well as showcasing our steadfast commitment to driving industry innovation and business growth. During the period, the Group introduced a drying drum featuring a “self-cleaning” capability, which surpasses traditional products in terms of economic efficiency and sustainability. Traditionally, conventional drying drums require regular internal residue cleaning, which hampers operational efficiency. The new product extends the cleaning interval, enhancing energy conservation, reducing emissions and improving operational efficiency. The development of this product underscores D&G’s dedication to scientific research and reaffirms our leading position in recycling equipment sector.

D&G Technology, as a benchmark enterprise in the industry, has always regarded giving back to society and supporting educational initiatives as crucial components of its corporate culture. It has made positive contributions to fostering social responsibility and enhancing educational standards. During the period, the Group has donated generous assistance to Chang’an University in Xian, supporting continuous collaboration with the University in areas such as student employment, scientific research and development, and technology transfer. Both parties also aim to achieve resources sharing and mutually drive high-quality development.

#### *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 period, 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 30 June 2024, 57 (31 December 2023: 40) patents of combustion technology were registered, 2 patents were pending registration.



### *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.

As at 30 April 2024, the companies have mutually agreed that in lieu of exercising the equity conversion option, Langfang D&G will instead elect to receive the full repayment of the RMB20 million principal amount from Zhengfang ACT.

### **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 30 June 2024, the Group owns 245 registered patents in the PRC (of which 13 were invention patents and 7 were appearance patents) and 30 software copyrights. In addition, the registration of 28 patents were pending approval as at 30 June 2024.

### **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 to offer better services to customers and establish a better brand image in both the PRC and overseas markets.

During the period, the Group participated in various promotional events, technical seminars and corporate social responsibility events such as the 9th Asphalt Pavement Maintenance Technology Forum in Zhengzhou, Xinjiang exchange program organised by the Hong Kong Belt and Road Office, the 1st Highway Maintenance Equipment and Intelligent Safety Facilities Exhibition and Technical Exchange Conference of Hubei Province and the 2024 Paving and Maintenance Machinery Branch Annual Meeting and Development Forum.

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 July 2024, the Group was awarded the UNSDG Achievement Awards Hong Kong 2024 – Merit Award for Sustainable Development Organization” which was organised by the Green Council. In August 2024, 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) Limited. The awards are recognition of the Group’s contribution to the promotion of environmental protection.

## **Outlook**

In the second half of 2024 and beyond, China’s economy is expected to continue its recovery, with GDP growth projected at around 5%, driven by increased consumer spending, sustained infrastructure investments, and improved export conditions. According to reports from Goldman Sachs and UBS, the Chinese government’s focus on green and smart construction, as part of the 14th Five-Year Plan, will bolster the infrastructure sector. Investments in transportation networks, renewable energy projects, and urban utilities are anticipated to grow, providing substantial opportunities for the road construction industry. The emphasis on sustainable development and technological advancements will further support the industry’s expansion, ensuring a steady demand for road construction equipment and services.

The Group will actively capitalize on the opportunities presented by the Chinese market, which has consistently been the largest contributor to our growth. Leveraging on the partnerships with state-owned enterprises and other key industry players, the Group will proactively pursue tenders for road construction projects across various provinces. In response to the increasing market demand for environmentally friendly solutions, the Group will enhance the promotion and research of its eco-friendly recycling products.

On overseas market, the Group will actively seek opportunities in Europe, Africa, and Southeast Asia, including the “Belt and Road” countries. Key markets in Southeast Asia, including Thailand, India, and Malaysia, are our target markets, where there has been strong demand for recycling plants driven by government policies emphasizing sustainable development. The Group looks forward to introducing its quality products, especially the recycling plants to the regions, thereby showing our advanced product capabilities in the field of recycling plant, while increasing market share following the participations of more landmark projects in the potential markets.

While driving business growth, the Group will comprehensively strengthen accounts receivable management to ensure that financial conditions remain stable and healthy alongside increasing revenues. By tightening credit controls and improving collection processes, the Group will mitigate risks associated with outstanding payments and enhance cash flow. Regular assessments of customers’ creditworthiness will further bolster our financial stability, allowing for strategic investments in growth opportunities without compromising fiscal health. This balanced approach aims to create a sustainable foundation for long-term performance and deliver superior returns to our shareholders.

## Financial Review

During the six months ended 30 June 2024, the Group recorded a total revenue of RMB141,811,000 (2023: RMB118,965,000), representing an increase of approximately 19.2% as compared to the last corresponding period. Gross profit increased from RMB43,875,000 for the six months ended 30 June 2023 to RMB49,368,000 for the six months ended 30 June 2024, representing an increase of approximately 12.5%. Gross profit margin decreased by 2.1 percentage points from 36.9% to 34.8%. The Group recorded a net loss attributable to owners of the Company of RMB5,683,000 compared with a net loss of RMB6,908,000 in the last corresponding period.

	Six months ended 30 June		Change
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>	
Sales of asphalt mixing plants	<b>112,578</b>	67,270	67.4%
Sales of spare parts and modified equipment	<b>21,906</b>	32,990	-33.6%
Sales of other asphalt specialty equipment	<b>7,327</b>	18,705	-60.8%
	<b>141,811</b>	118,965	19.2%

### Sales of Asphalt Mixing Plants

	Six months ended 30 June		Change
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>	
Revenue	<b>112,578</b>	67,270	67.4%
Gross profit ( <i>Note</i> )	<b>34,773</b>	20,797	67.2%
Gross profit margin	<b>30.9%</b>	30.9%	0pp
Number of contracts	<b>10</b>	13	-3
Average contract value	<b>11,258</b>	5,175	117.5%

Revenue from the sales of asphalt mixing plants increased as a result of the increase in the average contract value despite a decrease in number of contracts completed. The increase in average contract value was due to a higher proportion of large scale plants being sold during the current period. The decrease in number of contracts was mainly due to intense competition within the industry, which has created obstacles for our Group in securing additional orders. The gross profit margin remained steady during the periods, indicating that the Group was able to maintain profitability despite facing intense market competition.

*Note:* Reversal of impairment of inventories of RMB3,199,000 was made during the six months ended 30 June 2024 (six months ended 30 June 2023: impairment of inventories of RMB415,000) and charged to the “Cost of sales”. The gross profit of the sales of asphalt mixing plants presented above and in this section has excluded the reversal of provision and provision for impairment of inventories for analysis purpose.

### ***By Types of Plants***

	<b>Six months ended 30 June</b>		
	<b>2024</b>	<b>2023</b>	<b>Change</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>	
<b>Recycling Plant</b>			
Revenue	<b>75,139</b>	18,681	302.2%
Gross profit	<b>23,773</b>	4,202	465.8%
Gross profit margin	<b>31.6%</b>	22.5%	9.1pp
Number of contracts	<b>5</b>	2	3
Average contract value	<b>15,028</b>	9,341	60.9%
<b>Conventional Plant</b>			
Revenue	<b>37,439</b>	48,589	-22.9%
Gross profit	<b>11,000</b>	16,595	-33.7%
Gross profit margin	<b>29.4%</b>	34.2%	-4.8pp
Number of contracts	<b>5</b>	11	-6
Average contract value	<b>7,488</b>	4,417	69.5%

Revenue from the sales of Recycling Plants increased by 302.2% which was mainly due to the increase in the number of contracts completed and the increase in the average contract value. The gross profit margin increased by 9.1 percentage points to 31.6% as one significant overseas contract having high gross profit margin has been completed during the period.

Revenue from the sales of Conventional Plants decreased by 22.9% primarily because of the decrease in the number of contracts completed. The decrease in the number of contracts completed mainly refer to the decrease in oversea sales. The gross profit margin decreased by 4.8 percentage points to 29.4% was mainly due to proportional decrease in the number of overseas sales which generally had higher gross profit margin as compared to the last corresponding period.

### ***By Geographical Location***

	<b>Six months ended 30 June</b>		<b>Change</b>
	<b>2024</b>	<b>2023</b>	
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>	
<b>PRC</b>			
Revenue	<b>73,800</b>	28,477	159.2%
Gross profit	<b>21,784</b>	8,197	165.8%
Gross profit margin	<b>29.5%</b>	28.8%	0.7pp
Number of contracts	<b>8</b>	3	5
Average contract value	<b>9,225</b>	9,492	-2.8%
<b>Overseas</b>			
Revenue	<b>38,778</b>	38,793	0.0%
Gross profit	<b>12,989</b>	12,600	3.1%
Gross profit margin	<b>33.5%</b>	32.5%	1.0pp
Number of contracts	<b>2</b>	10	-8
Average contract value	<b>19,389</b>	3,879	399.8%

Revenue from the PRC sales increased primarily because of the increase in the number of contracts completed. The gross profit margin increased by 0.7 percentage points to 29.5% was mainly due to the increase in the number of sales with higher capacity during the period.

Revenue from the overseas sales remain constant during the periods. The gross profit margin increased by 1.0 percentage points to 33.5% as one significant contract having high gross profit margin has been completed in the current period.

### **Sales of Spare Parts and Components and Modified Equipment**

	<b>Six months ended 30 June</b>		<b>Change</b>
	<b>2024</b>	<b>2023</b>	
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>	
Revenue	<b>21,906</b>	32,990	-33.6%
Gross profit	<b>9,989</b>	18,864	-47.0%
Gross profit margin	<b>45.6%</b>	57.2%	-11.6pp

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.

During the period, the revenue from sales of spare parts and components amounted to RMB13,439,000 (six months ended 30 June 2023: RMB17,136,000) and the revenue from sales of modified equipment amounted to RMB8,467,000 (six months ended 30 June 2023: RMB15,854,000). The decrease in revenue was mainly due to a drop of customers demand for modification of Conventional Plants. The gross profit margin decreased by 11.6 percentage points during the period was mainly due to less high gross profit margin overseas sales were made.

### Sales of other Asphalt Specialty Equipment

	Six months ended 30 June		Change
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>	
Revenue	<b>7,327</b>	18,705	-60.8%
Gross profit	<b>1,407</b>	4,629	-69.6%
Gross profit margin	<b>19.2%</b>	24.7%	-5.5pp
Number of contracts	<b>3</b>	5	-2
Average contract value	<b>2,442</b>	3,741	-34.7%

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 recycled asphalt pavement (“**RAP**”) crushing equipment and the sand manufacturing machine.

The Group has become the exclusive supplier of the LAP series asphalt mixing plants since May 2021. This strategic partner will further penetrate the mid-end asphalt mixing plant market to win more orders and expand its revenue stream. There was one sales contract completed during the period. We continue to explore more business opportunities with the sales channel with LiuGong in our coming future.

The Group considered the sales of RAP crushing equipment and the sand manufacturing machine as the new source of revenue for domestic and overseas asphalt mixing plants markets and to its customers as value-added services as well as provided solutions to meet the diversified needs of the customers. Two RAP crushing equipment were sold during the period. As both equipment were new to the market, we expect to give proactive and determined effort to offer this comprehensive asphalt solution to the customers.

### Other Income and Other Gains, Net

During the period, 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 off with the net exchange loss. The decrease was mainly due to the increase in net foreign exchange loss to RMB1.2 million (2023: exchange loss of RMB0.9 million) and the decrease of approximately RMB0.8 million in interest income and fair value gain from a financial asset at fair value through profit or loss.

## **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. Increase in distribution costs was mainly due to the increase in sales of asphalt mixing plants through distributors net off with the decrease in marketing expenses, which accounted for a significant portion of expenses in the promotion of new products in comparative period.

## **Administrative Expenses**

Administrative expenses mainly included staff costs, research and development expenses and legal and professional fees. During the period, administrative expenses increased by approximately RMB0.5 million mainly due to the increase in marketing expenses and travelling expenses to expand our business network.

## **Net Reversal of Impairment Losses on Financial Assets**

The amount represented the net reversal of impairment losses on trade receivables of RMB3,350,000 (2023: RMB3,920,000). The reversal of provision for impairment loss was mainly due to the settlement of long overdue trade receivables during the period.

## **Share of Profit of an Associate**

The amount represented the share of the profit of Topp Financial Leasing (Shanghai) Co., Ltd.\* (“**Shanghai Topp**”) of RMB1,066,000 (2023: RMB901,000).

## **Finance Income, Net**

Finance income, net, mainly included bank interest income and interest income on unwinding discounted trade receivables offset by interest expenses on lease liabilities. The slightly decrease in finance income, net, during the period was mainly due to the decrease in interest income on bank deposits.

## **Income Tax Expense**

The income tax expense for the six months ended 30 June 2024 was mainly attributable to the deferred tax expense arisen from the reversal of impairment losses of trade receivables.

## **Loss Attributable to Owners of the Company**

Loss attributable to owners of the Company amounted to approximately RMB5,683,000 for the six months ended 30 June 2024 compared with the loss attributable to owners of the Company of approximately RMB6,908,000 for the six months ended 30 June 2023. The decrease in loss for the period was mainly due to the increase in revenue and gross profit as discussed above.

## **Working Capital Management**

Net current assets of the Group amounted to RMB382,601,000 (31 December 2023: RMB428,440,000) with a current ratio of 2.8 times (31 December 2023: 3.5 times) as at 30 June 2024.

Inventories increased by RMB47,292,000 from RMB211,933,000 as at 31 December 2023 to RMB259,225,000 as at 30 June 2024. Inventory turnover days was 461 days for the six months ended 30 June 2024, representing an increase of 48 days as compared to 413 days for the year ended 31 December 2023. The increase in inventories was mainly due to the increase in raw materials purchased and work in progress for sales contracts signed but not yet recognised.

Trade and bills receivables increased by RMB13,451,000 from RMB96,557,000 as at 31 December 2023 to RMB110,008,000 as at 30 June 2024. Trade and bills receivables turnover days was 132 days for the six months ended 30 June 2024, representing a decrease of 16 days as compared to 148 days for the year ended 31 December 2023. The decrease in trade and bills receivables turnover days during the period was primarily due to the settlement from some of the PRC customers and increase of sales during the period. The Group will continue to cautiously monitor the trade receivables collection process so as to improve the collection cycle.

Trade and bills payables increased by RMB21,211,000 from RMB79,897,000 as at 31 December 2023 to RMB101,108,000 as at 30 June 2024. Trade and bills payables turnover days was 177 days for the six months ended 30 June 2024, representing an increase of 3 days as compared to 174 days for the year ended 31 December 2023. The increase in trade payables and turnover days was mainly due to extended payment terms for suppliers and subcontractors, as well as increased sales orders, leading to a higher cost of goods sold.

## **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 30 June 2024, the Group had cash and cash equivalents of RMB95,148,000 (31 December 2023: RMB161,654,000) and pledged bank deposits of RMB23,738,000 (31 December 2023: RMB22,625,000). In addition, the Group had no borrowings (31 December 2023: interest-bearing bank borrowings of RMB909,000). The Group's cash and cash equivalents, pledged bank deposits and borrowings were mostly denominated in Renminbi, Hong Kong dollars and US 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% as at 31 December 2023.



During the six months ended 30 June 2024, the Group recorded cash used in operating activities of RMB29,834,000 (six months ended 30 June 2023: cash generated from operating activities of RMB29,568,000). Net cash generated from investing activities amounted to RMB7,408,000 (six months ended 30 June 2023: RMB2,820,000) for the six months ended 30 June 2024. Net cash used in financing activities for the six months ended 30 June 2024 amounted to RMB42,231,000 which comprised (i) cash dividend paid during six months ended 30 June 2024 of RMB39,898,000; (ii) repayment of borrowings of RMB922,000; (iii) repayment of principal elements of lease payment of RMB738,000; (iv) interest paid on bank standby letter of credit of RMB486,000; and (v) others of RMB187,000 (six months ended 30 June 2023: RMB6,565,000).

### Capital Commitments and Contingent Liabilities

Capital commitments not provided for in the consolidated financial statements were follows:

	<b>At 30 June 2024 RMB'000</b>	<b>At 30 June 2023 RMB'000</b>
Contracted for		
– Property, plant and equipment	<b>306</b>	<b>658</b>

As at 30 June 2024, there is no capital commitments authorised but not contracted for (31 December 2023: 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 have 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 30 June 2024, the Group's maximum exposure to such guarantees was approximately RMB85,592,000 (31 December 2023: RMB112,771,000).

### Pledge of Assets

As at 30 June 2024, property, plant and equipment of RMB42,251,000 (31 December 2023: RMB41,899,000), land use right of RMB4,246,000 (31 December 2023: RMB4,311,000) and bank deposits of RMB23,738,000 (31 December 2023: RMB22,625,000) were pledged for bill payables (31 December 2023: 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 US 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 market 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 six months ended 30 June 2024.

## **Significant Investments and Material Acquisitions or Disposals**

During the six months ended 30 June 2024, the Group did not have any significant investments or material acquisitions or disposals.

## **Employees and Remuneration Policy**

As at 30 June 2024, the Group had approximately 323 employees (31 December 2023: 323). The total staff costs for the six months ended 30 June 2024 amounted to approximately RMB33,511,000 (six months ended 30 June 2023: RMB37,706,000).

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 Company has adopted a share option scheme of the Company pursuant to which employees may be granted options to subscribe for shares of the Company as incentives or rewards for their services rendered to the Group. No option has been granted during the six months ended 30 June 2024 and 2023.

## **Interim Dividend**

No interim dividend was paid, declared or proposed during the six months ended 30 June 2024 (2023: Nil).

## **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 six months ended 30 June 2024 (six months ended 30 June 2023: same).

## **CORPORATE GOVERNANCE CODE**

The Board recognises the importance of maintaining a high standard of corporate governance to protect and enhance the benefits of shareholders and has applied the principles and the code provisions of the Corporate Governance Code (the “**CG Code**”) contained in “Part 2 – Principles of Good Corporate Governance, Code Provisions and Recommended Best Practices” of Appendix C1 to the Listing Rules. During the six months ended 30 June 2024, the Company has complied with all code provisions of the CG Code.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

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 the code of conduct for its Directors dealing in securities of the Company. The Company has made specific enquiry to all Directors and all Directors have confirmed that they have complied with the Model Code throughout the six months ended 30 June 2024.

## **Review of Interim Results**

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 interim results of the Group for the six months ended 30 June 2024 have been reviewed by the Audit Committee.

## **Scope of Work of PricewaterhouseCoopers**

PricewaterhouseCoopers, certified public accountants and independent auditor of the Company, has reviewed the unaudited interim condensed consolidated financial information for the six months ended 30 June 2024 in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

## **Change of Directors’ Information**

There is no change of director’s information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.dgtechnology.com](http://www.dgtechnology.com).

The 2024 interim report will also be published on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.dgtechnology.com](http://www.dgtechnology.com) and will be despatched to the shareholders of the Company in due course.

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

Hong Kong, 29 August 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.*

*\* For identification purpose only*