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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 FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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 2025 together with the comparative figures for the previous year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue	4	377,309	370,559
Cost of sales		(249,549)	(246,682)
Gross profit		127,760	123,877
Other income and other gains/(losses), net	5	2,835	169
Distribution costs		(90,031)	(72,310)
Administrative expenses		(66,192)	(66,106)
Net reversal of provision for impairment losses on financial assets		391	8,749
Operating loss		(25,237)	(5,621)
Finance income, net	6	7,157	10,164
Share of profit of associates, net		2,133	1,816
(Loss)/profit before income tax		(15,947)	6,359
Income tax expense	7	(37)	(1,946)
(Loss)/profit attributable to owners of the Company for the year		(15,984)	4,413
(Loss)/profit per share attributable to owners of the Company for the year			
– Basic (<i>RMB cents</i>)	9	(2.55)	0.69
– Diluted (<i>RMB cents</i>)	9	(2.55)	0.69

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
	RMB'000	RMB'000
(Loss)/profit for the year	(15,984)	4,413
Other comprehensive (loss)/income:		
<i>Item that may be reclassified to profit or loss</i>		
Exchange differences on translation of subsidiaries	15,625	(12,411)
<i>Item that will not be reclassified to profit or loss</i>		
Exchange differences on translation of the Company	<u>(17,712)</u>	<u>14,486</u>
Other comprehensive (loss)/income for the year, net of tax	<u>(2,087)</u>	<u>2,075</u>
Total comprehensive (loss)/income attributable to owners of the Company for the year	<u><u>(18,071)</u></u>	<u><u>6,488</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	<i>Note</i>	2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		101,391	100,080
Intangible assets		1,122	1,485
Investments in associates		60,839	64,072
Deferred tax assets		11,613	11,094
Total non-current assets		174,965	176,731
Current assets			
Inventories	<i>10</i>	217,065	212,960
Trade and bills receivables	<i>11</i>	219,171	169,189
Prepayments, deposits and other receivables		84,715	108,198
Income tax recoverable		–	2
Pledged bank deposits		12,304	21,672
Cash and cash equivalents		32,149	48,926
Total current assets		565,404	560,947
Total assets		740,369	737,678
EQUITY			
Equity attributable to owners of the Company			
Share capital	<i>13</i>	4,961	5,059
Other reserves		520,920	524,856
Retained earnings		18,365	35,364
Total equity		544,246	565,279
LIABILITIES			
Non-current liabilities			
Lease liabilities		2,429	338
Deferred tax liabilities		4,500	4,500
Total non-current liabilities		6,929	4,838
Current liabilities			
Trade and other payables	<i>12</i>	134,983	125,302
Contract liabilities	<i>12</i>	52,911	41,320
Lease liabilities		746	939
Income tax payable		554	–
Total current liabilities		189,194	167,561
Total liabilities		196,123	172,399
Total equity and liabilities		740,369	737,678

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 HKFRS Accounting Standards (“**HKFRSs**”), which collectively includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention.

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 judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

3 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

(a) Amended standards adopted by the Group

The Group has adopted the following amendments to standards which are relevant to the Group’s operations and are mandatory for the financial year beginning on 1 January 2025:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability
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The adoption of the above amended standards did not have any significant financial impact on these consolidated financial statements.

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

Certain new and amended standards and interpretations have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to 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

Management is in the process of assessing potential impact of the above new and amended standards and interpretations that are relevant to the Group upon initial application. It is not yet in a position to state whether these new and 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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of asphalt mixing plants	298,916	274,850
Sales of spare parts and modified equipment	63,694	53,657
Sales of other asphalt specialty equipment	14,699	42,052
	<u>377,309</u>	<u>370,559</u>

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers recognised – at a point in time	<u>377,309</u>	<u>370,559</u>

(a) Revenue from external customers by country

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Mainland China	346,316	301,575
Outside Mainland China	30,993	68,984
	<u>377,309</u>	<u>370,559</u>

(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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Mainland China	113,100	112,580
Outside Mainland China	50,252	53,057
	<u>163,352</u>	<u>165,637</u>

(c) Information about major customer

No customer with whom transactions exceeded 10% of the Group's revenue for the years ended 31 December 2025 and 2024.

5 OTHER INCOME AND OTHER GAINS/(LOSSES), NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Other income		
Government grants (<i>Note</i>)	1,408	1,257
Others	1,307	–
	<u>2,715</u>	<u>1,257</u>
Other gains/(losses), net		
Fair value gain on a financial asset at fair value through profit or loss	–	240
Interest income from a financial asset at fair value through profit or loss, net of tax	–	409
Loss on disposal of property, plant and equipment	(72)	(315)
Net foreign exchange gains/(losses)	192	(1,957)
Others	–	535
	<u>120</u>	<u>(1,088)</u>
Other income and other gains/(losses), net	<u>2,835</u>	<u>169</u>

Note:

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

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

6 FINANCE INCOME, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Finance cost		
Interest expenses on bank borrowings	–	(162)
Interest expenses on lease liabilities	(78)	(93)
	<u>(78)</u>	<u>(255)</u>
Finance income		
Interest income on bank deposits	518	3,507
Unwinding discount interest on trade receivables not expected to be settled within one year	6,717	6,912
	<u>7,235</u>	<u>10,419</u>
Finance income, net	<u>7,157</u>	<u>10,164</u>

7 INCOME TAX EXPENSE

(a) Income tax expense

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
PRC corporate income tax	–	30
Withholding tax	556	618
Under-provision in prior years	–	134
	<u>556</u>	<u>782</u>
Deferred income tax	(519)	1,164
	<u>37</u>	<u>1,946</u>

(b) Reconciliation of tax expense and the accounting (loss)/profit before income tax multiplied by domestic tax rate for 2025 and 2024

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(Loss)/profit before income tax	<u>(15,947)</u>	<u>6,359</u>
Notional tax on (loss)/profit before income tax, calculated at the rates applicable to the jurisdictions concerned (i)	(672)	2,477
Effect of preferential tax rate (ii)	(968)	919
Tax losses and other temporary differences for which no deferred tax asset was recognised	3,989	2,797
Income not subject to tax	(134)	(2,649)
Additional deduction for qualified research and development expenses (iii)	(2,734)	(2,350)
Withholding tax in respect of dividend declared by the subsidiaries in Mainland China (iv)	–	618
Withholding tax in respect of dividend declared by an associate in Mainland China (v)	556	–
Under-provision in prior years	–	134
	<u>37</u>	<u>1,946</u>

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

- (i) 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 (2024: Nil).

No provision for Singapore and Pakistan income tax was made for the subsidiaries incorporated in these countries, as the subsidiaries did not have assessable profits subject to Singapore and Pakistan income tax (2024: Nil).

The Group's Mainland China subsidiaries are subject to PRC corporate income tax rate of 25% (2024: 25%).

- (ii) 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% (2024: 15%).
- (iii) Under the PRC corporate income tax law and relevant regulations, a 100% additional tax deduction is allowed for qualified research and development expenses.
- (iv) The withholding tax rate was 5% on the remittance of dividends from the subsidiaries in the Mainland China during the year.
- (v) The withholding tax rate was 10% on the remittance of dividends from an associate in the Mainland China during the year.

8 DIVIDEND

The Directors do not recommend the payment of final dividend for the year ended 31 December 2025 (2024: Same).

9 (LOSS)/PROFIT PER SHARE

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

	2025	2024
(Loss)/profit attributable to owners of the Company (<i>RMB '000</i>)	<u>(15,984)</u>	<u>4,413</u>
Weighted average number of ordinary shares in issue	<u>626,745,638</u>	<u>638,800,142</u>
Basic (loss)/profit per share (expressed in RMB cents per share)	<u>(2.55)</u>	<u>0.69</u>

For the years ended 31 December 2025 and 2024, diluted (loss)/profit per share is the same as basic (loss)/profit per share as there were no potential dilutive shares.

10 INVENTORIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Raw materials	62,133	64,179
Work in progress	154,932	142,285
Finished goods	—	6,496
	<u>217,065</u>	<u>212,960</u>

The carrying amount of the inventories is presented as net of provision. The cost of inventories recognised as expense and included in “cost of sales” amounted to approximately RMB235,627,000 (2024: RMB240,871,000). The inventories as at 31 December 2025 and 2024 were stated at the lower of cost and net realisable value. The provision for impairment of inventories of RMB5,560,000 (2024: net reversal of provision for impairment of inventories of RMB2,727,000) has been included in “cost of sales” in the consolidated statement of profit or loss for the year ended 31 December 2025.

11 TRADE AND BILLS RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables from third-parties	285,037	230,749
Loss allowance	(63,249)	(63,640)
Discounting impact	(3,990)	(3,984)
	<u>217,798</u>	<u>163,125</u>
Bills receivables	<u>1,373</u>	<u>6,064</u>
Total trade and bills receivables	<u>219,171</u>	<u>169,189</u>

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.

The ageing analysis of the trade receivables as at the end of the year is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	205,410	147,779
1 to 2 years	17,745	19,022
2 to 3 years	1,489	3,282
Over 3 years	60,393	60,666
	<u>285,037</u>	<u>230,749</u>

12 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current:		
Trade payables	44,438	26,307
Bills payables	40,745	64,091
	<hr/>	<hr/>
Trade and bills payables (<i>Note (i)</i>)	85,183	90,398
	<hr/>	<hr/>
Amount due to an associate	6,473	–
Amount due to a related party	83	252
Other payables and accruals	43,244	34,652
	<hr/>	<hr/>
	49,800	34,904
	<hr/>	<hr/>
Total trade and other payables	134,983	125,302
Contract liabilities	52,911	41,320
	<hr/>	<hr/>
Trade and other payables and contract liabilities (<i>Note (iii)</i>)	187,894	166,622
	<hr/> <hr/>	<hr/> <hr/>

Notes:

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 months	61,661	56,814
After 3 months but within 6 months	13,853	28,082
After 6 months but within 1 year	7,377	3,342
Over 1 year	2,292	2,160
	<hr/>	<hr/>
	85,183	90,398
	<hr/> <hr/>	<hr/> <hr/>

- (ii) As at 31 December 2025, bills payables of RMB40,745,000 (2024: RMB64,091,000) were secured by the Group's pledged bank deposits of RMB7,471,000 (2024: RMB16,729,000), buildings of RMB22,491,000 (2024: RMB24,749,000) and land use right of RMB4,049,000 (2024: RMB4,180,000).

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
RMB	185,671	165,148
HK\$	2,074	1,315
Others	149	159
	<hr/>	<hr/>
	187,894	166,622
	<hr/> <hr/>	<hr/> <hr/>

13 SHARE CAPITAL, SHARE PREMIUM AND CAPITAL RESERVE

Authorised:

	Number of ordinary shares of HK\$0.01 each	Nominal value of ordinary shares HK\$
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>2,000,000,000</u>	<u>20,000,000</u>

Issued and fully paid:

	Number of shares '000	Nominal value of ordinary shares HK\$'000	Nominal value of ordinary shares RMB'000	Share Premium (Note (ii)) RMB'000	Capital reserve (Note (iii)) RMB'000
At 1 January 2024	639,408	6,395	5,059	427,134	65,290
Shares repurchased (Note (i))	–	–	–	–	(4,833)
Dividend paid	–	–	–	(39,898)	–
At 31 December 2024	<u>639,408</u>	<u>6,395</u>	<u>5,059</u>	<u>387,236</u>	<u>60,457</u>
At 1 January 2025	639,408	6,395	5,059	387,236	60,457
Shares repurchased (Note (i))	–	–	–	–	(2,962)
Cancellation of shares repurchased (Note (i))	(12,424)	(125)	(98)	–	98
At 31 December 2025	<u>626,984</u>	<u>6,270</u>	<u>4,961</u>	<u>387,236</u>	<u>57,593</u>

Notes:

- (i) During the year ended 31 December 2025, the Company repurchased a total of 5,184,000 of its own shares at an aggregated cost of approximately RMB2,962,000. In addition, the Company cancelled a total of 12,424,000 repurchased shares with an aggregated cost of approximately RMB7,795,000 during the year. Such amount includes the balance of 7,240,000 shares repurchased with an aggregated cost of approximately RMB4,833,000 which were yet to be cancelled as at 1 January 2025.
- (ii) 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.
- (iii) Capital reserve comprises contributions by the controlling shareholder arising from transactions with owners in their capacity as the equity owners.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

General Review

For the year ended 31 December 2025 (the “**Year**”), D&G Technology Holding Company Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) continued to maintain leading position in the road construction and maintenance machinery industry, supported by our strong presence in the People’s Republic of China (the “**PRC**”, “**China**”, or “**Mainland China**”) and an expanding footprint in overseas markets. The Group remained focused on providing smart road construction and conservation solutions, offering a comprehensive product portfolio that includes asphalt mixing plants of varying scales and recycled asphalt pavement (RAP) crushing equipment. In addition to new plant sales, the Group also provides modification services to existing facilities, integrating advanced recycling and environmental protection functions such as bitumen foaming devices for warm mix asphalt and upgrading traditional AMP with RAP feeding and recycling modules to enable hot and warm mix asphalt production using reclaimed materials. This diversified offering reflects the Group’s commitment to innovation, sustainability, and operational efficiency, allowing it to meet the evolving needs of infrastructure development.

The Group’s product portfolio is divided into two major categories of asphalt mixing plants: conventional hot-mix asphalt mixing plants (“**Conventional Plants**”) and recycling hot-mix asphalt mixing plants (“**Recycling Plants**”). Conventional Plants are widely applied in the construction and maintenance of roads and highways, providing reliable and efficient asphalt mixtures for large-scale infrastructure projects. Recycling Plants are designed to produce recycled asphalt mixtures by combining reclaimed asphalt pavement with new materials such as bitumen and aggregates, thereby achieving both resource recovery and cost reduction. This dual product mix enables the Group to serve diverse customer needs, from traditional road construction to projects emphasising sustainability and environmental protection. By integrating advanced technologies such as RAP crushing equipment, the Group is able to enhance the performance and versatility of its plants, reinforcing its competitive edge in both domestic and international markets.

During the Year, China’s domestic market continued to see strong demand with the support of government-led infrastructure investments, which emphasise transportation expansion, rural road development, and green, low-carbon construction practices. China’s transportation sector is still expanding at a global-leading scale in 2025, with expressway mileage exceeding 190,000 kilometres and national highway network exceeding 5.49 million kilometres this year. These achievements have highlighted the long-term demand for advanced road construction and maintenance equipment, as well as the Chinese government’s commitment to strengthening connectivity and modernising its national transportation system. As a result, the Group actively aligned its strategy with government priorities, particularly through its development and upgrades of Recycling Plants, which complement the Ministry of Transport’s November 2025 policy shift toward optimising existing assets and promoting smart, low-carbon technologies. Beyond policy alignment, the Group had also strengthened its domestic position through county-level market penetration, supported by expanding sales and servicing team and proactive project acquisitions. The rising underlying demand, the expanding product portfolio, and the growing servicing network have essentially laid a solid foundation for the Group’s growing market share in China.

Regarding its overseas venture, the Group's overseas sales recorded a decline during the Year, largely due to growing geopolitical risks and trade uncertainties. Despite the short-term fluctuations, the Group continued to see the international market as a much larger marketplace, with diversified and stable product demand, quicker receivable turnover, lower provision risk, and higher margins. Hence, to accelerate business growth, the Group is targeting to raise its overseas sales to a meaningful level in the next five years, through our dedicated overseas sales personnel and strategic partnerships with local distributors.

Notable breakthroughs have already been made in Saudi Arabia, where the Group has secured sales through an established local partner during the Year, marking its entry into the Middle East. The Group is also targeting regions in Central Asia, Africa, and Southeast Asia, where infrastructure investment is accelerating. These initiatives align closely with the Belt and Road strategy, which continues to drive cross-border connectivity and create demand for advanced road construction technologies.

With strong domestic sales offsetting the short-term weakness from the overseas market, the Group has completed 34 sales contracts of asphalt mixing plants during the Year. The Group completed several landmark highway construction projects in the PRC, including Wuhan–Tianmen Expressway (武天高速), Reconstruction and Expansion Project of the Changfu–Jinyu (Gantuo Border) Section of the Shanghai–Kunming Expressway (昌金高速改擴建), Xichang–Ningnan Expressway (西昌到寧南高速), Bama–Qiangxu Expressway (廣西巴馬–羌圩(新建高速公路)) and Widening Project of the G4 Beijing–Hong Kong–Macau Expressway (京港澳高速四改八擴建工程). Internationally, there were also breakthroughs in Liberia, as well as other regional connectivity projects under the Belt and Road Initiative.

In addition to the sales of asphalt mixing plants, the Group recorded increasing demand for its modification services during the year. With downstream customers becoming more price-sensitive, modifications and upgrades were, in some cases, regarded as a more economical means of meeting infrastructure needs. While promotion of its own brand remained the Group's key priority, this trend enabled the Group to broaden its target market to the domestic installed base of other brands that are not currently served by D&G, thereby capturing business opportunities in the secondary market.

Overall, the Group has achieved stable revenue performance during the Year, with revenue increasing by 1.8% year-on-year to RMB377.3 million (2024: RMB370.6 million). In line with the growth in revenue, gross profit increased by 3.1% year-on-year to RMB127.8 million (2024: RMB123.9 million), with gross profit margin improving by 0.5 percentage points to 33.9% (2024: 33.4%), as a result of improved product mix and better cost control over key raw materials. Along with rising distribution costs which arose from contract-specific logistics and service costs, the Group reported a loss for the Year of RMB16.0 million (2024: profit for the year of RMB4.4 million).

Innovation and Research and Development (“R&D”)

Innovation and research remain at the heart of the Group’s strategy, and 2025 marked a year of significant progress in product development. The Group has placed particular emphasis on combustion technology, recognising its critical role in both environmental compliance and operational efficiency. New combustion systems have been designed to optimise fuel use, reduce emissions, and meet increasingly stringent regulatory standards. By embedding combustion upgrades into both new plants and modification services, the Group is able to provide tangible cost savings and sustainability benefits to its customers, thus reinforcing its leadership in green road construction solutions.

In addition, the Group is also working on sustainable energy solutions to further boost the performance of its asphalt plants. While still in its early-stage development, the move aims to enhance energy efficiency, reduce carbon footprints, and support the transition toward greener infrastructure.

Alongside the combustion and green energy innovation, the Group has also invested in AI-enabled batching plant systems, which integrate intelligent feed matching, temperature control, and energy monitoring. These systems will allow real-time optimisation of the production processes, enhancing precision, reducing waste, and improving energy efficiency. The adoption of AI technologies reflects the broader industry trend toward digitalisation and smart manufacturing, positioning the Group at the forefront of intelligent infrastructure solutions. For customers, these upgrades translate into greater reliability and compliance with evolving environmental standards, making the Group’s plants more competitive in both domestic and overseas markets.

The Group is also exploring the development of mobile continuous plants, which offer higher mobility and cost efficiency. Mobile continuous plants complement the Group’s established strength in large-scale stationary batching plants, which remain its core product and are valued for their superior quality control and advanced recycling capabilities. Yet, mobile continuous plants are particularly relevant for overseas markets where infrastructure projects are often dispersed and require flexible, transportable solutions. By diversifying its product mix to include both stationary and mobile solutions, the Group is able to address a wider range of customer needs and project requirements, opening new market opportunities across different geographies, laying the foundation for sustainable growth.

These R&D initiatives not only highlight the Group’s determination to continuously expand and improve its product offerings, they also expand the Group’s potential serviceable market, strengthen its reputation for sustainability and efficiency, and ensure that these innovations reach not only our existing customers but also plant buyers and operators currently using other brands.

In line with the Group’s commitment to sustainability, the energy transition and the continued expansion of our supply chain and ecosystem, on 24 March 2026, the Group formed a new company with a strategic partner, in which the Group holds a 60% equity interest. The new company will leverage on the Group’s expertise in specialised machinery and sustainable solutions to initially explore and develop energy-efficient and new energy storage solutions for different industry applications.

The Group has consistently upheld its robust research and development competencies to reinforce its status as a leading market participant in the road construction and maintenance machinery sector, with an emphasis on medium to large-scale asphalt mixing plants. As at 31 December 2025, the Group owns 270 registered patents in the PRC (of which 19 were invention patents and 8 were appearance patents) and 33 software copyrights. In addition, the registration of 33 patents were pending approval as at 31 December 2025.

Marketing and Awards

The Group prioritises the marketing and promotion of its brands, products, and services, utilising a range of digital platforms, including global B2B e-commerce platforms, websites, LinkedIn, and WeChat, to enhance customer experiences and establish a strong brand presence in both domestic and international markets. During the year, the Group participated in various promotional events, technical seminars and corporate social responsibility events, including the East China Reclaimed Asphalt Mixture Mixing Equipment Technology Exchange Seminar in Changshu, Jiangsu, the Malaysia International Construction & Infrastructure Technology Exhibition (MBAM OneBuild 2025) in Kuala Lumpur, Mining Indonesia 2025 in Jakarta, the 17th China (Beijing) International Construction Machinery, Building Material Machines and Mining Machines Exhibition & Seminar (BICES 2025) and related expert salon and group standard promotion activities in Beijing, the International Technical Fair 2025 in Plovdiv, Bulgaria, the Thailand Highway Department Pavement Recycling Technology Exchange Seminar, and the 2025 Inner Mongolia Highway Maintenance High-Quality Development Forum in Hohhot.

In 2025, the Group continued to receive significant recognition for its commitment to sustainability, corporate governance and operational excellence. It was honoured at the BOCHK Corporate Lower-Carbon Environmental Leadership Awards 2024 with the “EcoChallenger”, the “10 Years+ Eco-Pioneer”, and the “Low-Carbon Commitment”, reflecting its long-term dedication to low-carbon and environmentally responsible practices. The Group was also recognised by the Green Council at the UNSDG Achievement Awards Hong Kong 2025 with the “Sustainable Organisation Merit Award” and the “SDG Leader” awards, underscoring its alignment with the United Nations Sustainable Development Goals and its leadership in sustainable development. In Mainland China, the Group obtained the “Certificate of Enterprise Credit Rating Grade AAA” from Beijing Lianxin Credit Consulting Co., Ltd., was accredited as a “Hebei Province Specialised, Sophisticated, Distinctive and Innovative SMEs”, and received the “Hebei Science and Technology Achievement Certificate – Intelligent Mixing Equipment for High Content Recycled Asphalt Pavement Materials” for its intelligent mixing equipment for high-recycled-content asphalt pavement materials, which affirmed its technological innovation and industry influence. In addition, the Group received the “Hong Kong Green Awards 2025 – Corporate Green Governance Award (Corporate Vision)” and “Hong Kong Green Awards 2025 – Sustainable Performance (10 Years+)” from the Green Council, and was recognised as an “2024-2025 Outstanding Enterprises in Engineering Machinery Equipment Production and Supply” by the Guangdong Asphalt Concrete Supply Chain Association, further demonstrating its leading position and reputation in the construction machinery and green governance fields.

ESG Development and Awards

The Group continued to strengthen its ESG framework, striving to integrate sustainability into operations and product innovation. In 2025, the Group won the Corporate Green Governance Award – Corporate Vision at the Hong Kong Green Awards for the tenth consecutive year, reflecting its dedication in pursuing sustainability and governance excellence. The award is widely regarded as a benchmark for corporate responsibility in Hong Kong, and its repeated recognition demonstrates the Group’s long-standing commitment to environmental stewardship and transparent governance practices.

Outlook

Looking ahead, the Group remains confident in its ability to capture growth opportunities by aligning closely with national policies and market development trends. China’s continued emphasis on infrastructure investment under the 15th Five-Year Plan, particularly in transportation expansion, rural road development, and green, low-carbon construction, provides strong underlying demand for advanced road construction and maintenance equipment. Asphalt mixing plants will remain essential to the current and potential business, and the Group’s strategy of product innovation and development ensures its products are well-positioned to meet evolving policy requirements.

Domestically, the Group will continue to strengthen its market presence by expanding its sales and servicing teams, with a particular focus on penetrating county-level markets. These regions represent significant untapped potential, as local governments and contractors have shown increasing demand for modern and environmentally compliant solutions. Internationally, the Group is committed to diversifying its revenue base and reducing reliance on single-market exposure. The Group will grow its overseas business through strategic local partnerships and the ongoing expansion of our dedicated sales team, focusing on regions such as Central Asia, the Middle East, Southeast Asia, and Australia. These regions are experiencing rapid infrastructure investment, often under the Belt and Road Initiative, and present strong demand for both stationary and mobile plant solutions. By working with local distributors and service providers, the Group aims to establish a stronger international footprint and deliver meaningful contributions from its overseas business.

On the technology front, continuous investment in R&D will remain key to the Group’s strategy. Combustion technology, AI-enabled batching systems, and sustainable energy integration are all areas of focus, ensuring that the products deliver superior performance, efficiency, and compliance with global environmental standards. At the same time, the Group is taking proactive steps to improve inventory management, cost control, and cash conversion. With the support of external consultants, measures are being implemented to optimise procurement discipline, streamline assembly schedules, and strengthen distribution efficiency. These operational improvements will safeguard margins, providing a solid foundation for sustainable financial performance.

FINANCIAL REVIEW

During the year ended 31 December 2025, the Group recorded a total revenue of RMB377,309,000 (2024: RMB370,559,000), representing an increase of approximately 1.8% as compared to last year. The gross profit of the Group increased from RMB123,877,000 for the year ended 31 December 2024 to RMB127,760,000 for the year ended 31 December 2025, representing an increase of approximately 3.1%. The overall gross profit margin increased by 0.5 percentage points from 33.4% to 33.9%. The Group recorded a net loss attributable to owners of the Company of RMB15,984,000 compared with a net profit of RMB4,413,000 last year.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	Change
Sales of asphalt mixing plants	298,916	274,850	8.8%
Sales of spare parts and modified equipment	63,694	53,657	18.7%
Sales of other asphalt specialty equipment	14,699	42,052	-65.0%
	377,309	370,559	1.8%

Sales of Asphalt Mixing Plants

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	Change
Revenue	298,916	274,850	8.8%
Gross profit (<i>Note</i>)	98,754	87,969	12.3%
Gross profit margin	33.0%	32.0%	1.0pp
Number of contracts	34	30	4
Average contract value	8,792	9,162	-4.0%

Revenue from the sales of asphalt mixing plants increased in 2025, primarily driven by a higher number of sales contracts. The lower average contract value reflected a shift in sales mix towards a greater number of small to medium-sized projects during the year. The increase in the number of contracts was broadly in line with market demand amid continued project investments by local governments. Furthermore, overall segment profitability improved, as reflected by the higher gross profit and an increase in gross profit margin from 32.0% in 2024 to 33.0% in 2025.

Note: Provision for impairment of inventories of RMB5,560,000 was made for the year ended 31 December 2025 (2024: Reversal of provision for impairment of inventories of RMB2,727,000) 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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	Change
Recycling Plants			
Revenue	103,544	190,467	-45.6%
Gross profit	34,969	62,096	-43.7%
Gross profit margin	33.8%	32.6%	1.2pp
Number of contracts	9	16	-7
Average contract value	11,505	11,904	-3.4%
Conventional Plants			
Revenue	195,372	84,383	131.5%
Gross profit	63,785	25,873	146.5%
Gross profit margin	32.6%	30.7%	1.9pp
Number of contracts	25	14	11
Average contract value	7,815	6,027	29.7%

Revenue from the sales of Recycling Plants decreased by 45.6% to RMB103,544,000 in 2025 (2024: RMB190,467,000), mainly due to a lower number of contracts during the year. The gross profit margin increased from 32.6% in 2024 to 33.8% in 2025. The average contract value remained relatively stable, reflecting that the decrease in revenue was primarily volume-driven rather than price-driven.

Revenue from the sales of Conventional Plants increased by 131.5% to RMB195,372,000 in 2025 (2024: RMB84,383,000), attributable to a rise in the number of contracts from 14 to 25 during the year. Gross profit also increased to RMB63,785,000 (2024: RMB25,873,000), with gross profit margin expanding from 30.7% to 32.6%, mainly as a result of higher average contract value and an increased proportion of larger-capacity models sold. This strong performance of Conventional Plants net off the decline in Recycling Plants contributed positively to the Group's overall gross profit and gross profit margin.

By Geographical Location

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	Change
The PRC			
Revenue	284,550	218,798	30.1%
Gross profit	92,960	71,436	30.1%
Gross profit margin	32.7%	32.6%	0.1pp
Number of contracts	32	23	9
Average contract value	8,892	9,513	-6.5%
Overseas			
Revenue	14,366	56,052	-74.4%
Gross profit	5,794	16,533	-65.0%
Gross profit margin	40.3%	29.5%	10.8pp
Number of contracts	2	7	-5
Average contract value	7,183	8,007	-10.3%

Revenue from the PRC sales increased by 30.1% to RMB284,550,000 in 2025 (2024: RMB218,798,000), mainly driven by an increase in the number of contracts from 23 to 32 during the year and solid underlying demand for asphalt mixing plants in the domestic market. Gross profit from the PRC rose to RMB92,960,000 (2024: RMB71,436,000), and gross profit margin increased from 32.6% in 2024 to 32.7% in 2025. The average contract value decreased modestly to RMB8,892,000 (2024: RMB9,513,000), indicating that the growth in revenue was primarily volume-driven.

Revenue from overseas sales declined by 74.4% to RMB14,366,000 in 2025 (2024: RMB56,052,000), mainly due to a reduction in the number of contracts from 7 to 2 amid weaker demand and project delays in certain export markets. Gross profit decreased to RMB5,794,000 (2024: RMB16,533,000); however, gross profit margin improved significantly from 29.5% to 40.3%, supported by a more selective order intake and a focus on higher-margin projects. The average contract value fell to RMB7,183,000 (2024: RMB8,007,000), reflecting the smaller scale of projects completed during the year.

Sales of Spare Parts and Components and Modified Equipment

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	Change
Revenue	63,694	53,657	18.7%
Gross profit	30,365	24,919	21.9%
Gross profit margin	47.7%	46.4%	1.3pp

Revenue from sales of spare parts and components and modified equipment amounted to RMB63,694,000 in 2025 (2024: RMB53,657,000), representing a notable year-on-year increase driven by recurring replacement demand from customers and stable after-sales activities. Gross profit from this business rose to RMB30,365,000 (2024: RMB24,919,000), with gross profit margin improving slightly from 46.4% to 47.7%, reflecting a relatively favourable product mix and effective cost management.

The revenue from sales of spare parts and components amounted to RMB34,772,000 (2024: RMB30,868,000). The revenue from sales of modified equipment amounted to RMB28,922,000 (2024: RMB22,789,000).

Revenue from modified equipment mainly comprised projects such as modifying Conventional Plants, installing key components with recycling functions, upgrading control systems and providing other customised solutions to enhance the performance and efficiency of customers' existing plants. The Group's modification projects, which convert conventional plants, of both the Group's own models and those of other brands, into recycling plants using both the Group's own models and those of other brands, continued to broaden its our addressable market, support the our spare parts and components business, strengthen customer relationships and enhance its our value-added service positioning, and strengthen our relationship with customers.

Sales of other Asphalt Speciality Equipment

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	Change
Revenue	14,699	42,052	-65.0%
Gross profit	4,201	8,262	-49.2%
Gross profit margin	28.6%	19.6%	9.0pp
Number of contracts	9	15	-6
Average contract value	1,633	2,803	-41.7%

Other asphalt specialty equipment, including the Liugong Asphalt Plant ("LAP") series asphalt mixing plants, RAP crushing equipment and sand manufacturing machines, has revenue and gross profit in 2025 decreased by 65.0% and 49.2% respectively. At the same time, the gross profit margin improved by 9.0 percentage points to 28.6%, illustrating a higher-margin product mix.

Other Income and Other Gains/(Losses), Net

During the year, other income and other gains/(losses), net mainly represented government grants, exchange gains and sundry income. The increase was mainly due to the increase in government grants, increase in foreign exchange gains and technical support service provided to the external parties.

Distribution Costs

Distribution costs, which mainly include the salaries of our sales and marketing personnel, fees paid to distributors, freight and transportation expenses, and marketing expenditures, were higher this year. This increase was mainly driven by higher sales and marketing headcount, increased distribution fees arising from the expansion of our PRC sales, and increased freight and transportation expenses for certain long distance overseas sales.

Administrative Expenses

Administrative expenses, which primarily included staff costs, research and development expenses, and legal and professional fees, increased slightly mainly due to the increase in staff costs, net off by the decrease in legal and professional fee.

Net reversal of provision for impairment losses on trade receivables

The amount represented the net reversal of provision for impairment losses on trade receivables of approximately RMB391,000 (2024: RMB8,749,000). The decrease in reversal of provision for impairment loss was mainly due to more repayment of fully impaired receivables from customers in 2024.

Share of Profit of Associates, Net

The amount represented the share of profit of Topp Financial Leasing (Shanghai) Co., Ltd.* (“**Shanghai Topp**”) of RMB2,177,000 (2024: RMB1,816,000), net off by share of loss of Hangzhou Honglian Intelligent Technology Co., Ltd. of RMB44,000 (2024: Nil).

Finance Income, Net

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

Income Tax Expense

Income tax expense for the year ended 31 December 2025 was mainly attributable to the deferred tax expenses arisen from the provision for impairment losses on trade receivables, and the withholding tax in respect of the dividend declared by an associate in the Mainland China of the Group.

* *For identification purpose only*

Loss/(Profit) Attributable to Owners of the Company

Loss attributable to owners of the Company amounted to RMB15,984,000 for the year ended 31 December 2025 (2024: Profit attributable to owners of the Company amounted to RMB4,413,000). The loss for the year was mainly due to the increase in distribution costs and lower net reversal of provision for impairment losses on financial asset as discussed above.

Working Capital Management

Net current assets of the Group amounted to RMB376,210,000 (31 December 2024: RMB393,386,000) with a current ratio of 3.0 times (31 December 2024: 3.3 times) as at 31 December 2025.

Inventories increased by RMB4,105,000 from RMB212,960,000 as at 31 December 2024 to RMB217,065,000 as at 31 December 2025. Inventory turnover days remained as 314 days for the year ended 31 December 2025 (2024: 314 days).

Trade and bills receivables increased by RMB49,982,000 from RMB169,189,000 as at 31 December 2024 to RMB219,171,000 as at 31 December 2025. Trade and bills receivables turnover days was 188 days for the year ended 31 December 2025, representing an increase of 57 days as compared to 131 days for the year ended 31 December 2024. The increase in trade and bills receivables and trade and bills receivables turnover days was primarily due to more sales towards the end of the year.

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

Trade and bills payables decreased from RMB90,398,000 as at 31 December 2024 to RMB85,183,000 as at 31 December 2025. Trade and bills payables turnover days increased from 126 days in 2024 to 128 days in 2025, reflecting the longer settlement period with suppliers.

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 2025, the Group had cash and cash equivalents of RMB32,149,000 (31 December 2024: RMB48,926,000) and pledged bank deposits of RMB12,304,000 (31 December 2024: RMB21,672,000). The Group had no outstanding borrowings (31 December 2024: Same). The Group's cash and cash equivalents and pledged bank deposits were mostly denominated in Renminbi, Hong Kong dollars and US dollars.

During the year ended 31 December 2025, the Group recorded net cash used in operating activities of RMB4.6 million (2024: net cash used in operating activities of RMB87.6 million). Net cash used in investing activities was RMB7.5 million (2024: net cash generated from investing activities of RMB21.7 million). Net cash used in financing activities was RMB4.4 million (2024: net cash used in financing activities of RMB47.6 million).

Capital Commitments and Contingent Liabilities

Capital commitments as at 31 December 2025 and 2024 not provided for in the consolidated financial statements were as follows:

	At 31 December 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Contracted for		
– Property, plant and equipment	<u>228</u>	<u>648</u>

As at 31 December 2025, there were no capital commitments authorised but not contracted for (31 December 2024: Same).

Certain customers financed their purchases of the Group's plants through finance leases provided by Shanghai Topp. With respect to these leasing arrangements, the Group provided guarantee to Shanghai Topp amounted up to RMB54,661,000 (2024: RMB85,756,000).

Pledge of Assets

As at 31 December 2025, buildings of RMB22,491,000 (31 December 2024: RMB24,749,000), land use right of RMB4,049,000 (31 December 2024: RMB4,180,000) and bank deposits of RMB12,304,000 (31 December 2024: RMB21,672,000) were pledged for banking facilities 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. 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 2025.

Significant Investments and Material Acquisitions or Disposals

During the year ended 31 December 2025, the Group did not have any significant investments or material acquisitions or disposals.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group had approximately 349 (2024: 330) employees. The total staff costs for the year ended 31 December 2025 amounted to approximately RMB74,517,000 (2024: RMB69,026,000).

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.

DIVIDEND

The Directors do not recommended the payment of final dividend for the year ended 31 December 2025 (2024: Same).

ANNUAL GENERAL MEETING

The 2026 AGM will be held on Thursday, 18 June 2026, and the notice of the 2026 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 2026 AGM, the register of members of the Company will be closed from Monday, 15 June 2026 to Thursday, 18 June 2026, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2026 AGM, 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, 12 June 2026.

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

During the year ended 31 December 2025, the Company repurchased a total of 5,184,000 shares through the Stock Exchange, all of which have been cancelled as follows:

Month of repurchases	No. of shares repurchased	Price per shares		Total consideration	Total consideration
		Highest HK\$	Lowest HK\$	(in HKD)	(in RMB)
January	116,000	0.75	0.71	85,000	77,000
April	5,068,000	0.72	0.60	3,175,000	2,885,000

The Directors considered that as the Company's shares were trading at a significant discount to its net asset value per share, the repurchase would increase its net asset value per share.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's shares during the year.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. During the year ended 31 December 2025, 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

In recent years, increasing investment in regional infrastructure and cross-border connectivity has created substantial opportunities for the development of sustainable transport and logistics networks. These projects not only connect communities and support economic development, but also facilitate the exchange of ideas, technology and culture. Building on this spirit of connectivity, the Group aims to link its sustainable business model with its stakeholders by focusing on low-carbon products, resource efficiency and responsible operations across the value chain.

Against the backdrop of ongoing regional connectivity initiatives such as the Belt and Road, the Group seeks to capture opportunities arising from infrastructure upgrading while embedding sustainability considerations into its business model and stakeholder relationships.

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 2025, 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 2025.

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. Lee Wai Yat, Paco and Ms. Hu Bingbing. All of them are independent non-executive Directors. The final results of the Group for the year ended 31 December 2025 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 2025 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 the preliminary 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 2025 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 Kwan Li Glendy
Chairman

Hong Kong, 27 March 2026

As at the date of this announcement, the executive Directors are Ms. Choi Kwan Li, Glendy, Mr. Choi Hon Ting, Derek, Mr. Liu Tom Jing-zhi and Mr. Lao Kam Chi; the non-executive Directors are Mr. Chan Lewis and Mr. Alain Vincent Fontaine; and the independent non-executive Directors are Mr. O’Yang Wiley, Mr. Lee Wai Yat, Paco and Ms. Hu Bingbing.