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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in D&G Technology Holding Company Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

PROPOSED RE-ELECTION OF DIRECTORS AND PROPOSED GRANTING OF GENERAL MANDATES TO BUY BACK SHARES AND TO ISSUE SHARES AND NOTICE OF ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting of D&G Technology Holding Company Limited to be held at 20/F, OfficePlus @Sheungwan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong on Wednesday, 29 May 2019 at 11:00 a.m. is set out in this circular.

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy for use at the Annual General Meeting in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 11:00 a.m. on Monday, 27 May 2019) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting if they so wish.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.dgtechnology.com>).

References to time and dates in this circular are to Hong Kong time and dates.

18 April 2019

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Annual General Meeting”	the annual general meeting of the Company to be held at 20/F, OfficePlus @Sheungwan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong on Wednesday, 29 May 2019 at 11:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 16 to 20 of this circular, or any adjournment thereof
“Articles of Association”	the articles of association of the Company currently in force
“Board”	the board of Directors
“Company”	D&G Technology Holding Company Limited 德基科技控股有限公司, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuance Mandate”	a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting
“Latest Practicable Date”	11 April 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“PRC” or “China”	The People’s Republic of China

DEFINITIONS

“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Share Buy-back Mandate”	a general mandate proposed to be granted to the Directors to buy back Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 4 of the notice of the Annual General Meeting
“Shareholder(s)”	holder(s) of Share(s)
“Share Option Scheme”	the share option scheme adopted by the Company on 6 May 2015
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time
“%”	per cent



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)

Executive Directors:

Mr. Choi Hung Nang (*Chairman*)
Ms. Choi Kwan Li, Glendy (*Chief Executive Officer*)
Mr. Choi Hon Ting, Derek
Mr. Liu Tom Jing-zhi
Mr. Lao Kam Chi

Non-executive Directors:

Mr. Chan Lewis
Mr. Alain Vincent Fontaine

Independent Non-executive Directors:

Mr. Law Wang Chak, Waltery
Mr. Li Zongjin
Mr. Lee Wai Yat, Paco
Mr. Fok Wai Shun, Wilson

Registered Office:

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

*Principal Place of Business in
the PRC:*

No. 12 Yinghua Road
Yongqing Industrial Park
Yongqing County
Langfang City
Hebei Province
PRC

*Principal Place of Business in
Hong Kong:*

7/F, Hing Lung
Commercial Building
68-74 Bonham Strand
Sheung Wan
Hong Kong

18 April 2019

To the Shareholders

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF DIRECTORS
AND
PROPOSED GRANTING OF GENERAL MANDATES TO
BUY BACK SHARES AND TO ISSUE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting to be held on 29 May 2019.

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Article 84 of the Articles of Association, Ms. Choi Kwan Li, Glendy, Mr. Liu Tom Jing-zhi, Mr. Alain Vincent Fontaine and Mr. Li Zongjin shall retire from office by rotation at the Annual General Meeting. All of the above Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

The Nomination Committee has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company's Board Diversity Policy and Director Nomination Policy and the Company's corporate strategy, and the independence of all independent non-executive Directors. The Nomination Committee has recommended to the Board on re-election of all the retiring Directors including Mr. Li Zongjin, an independent non-executive Director who is due to retire at the Annual General Meeting. The Company considers that the retiring independent non-executive Director is independent in accordance with the independence guidelines set out in the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity.

Details of the Directors proposed for re-election at the Annual General Meeting are set out in Appendix I to this circular.

3. PROPOSED GRANTING OF GENERAL MANDATE TO BUY BACK SHARES

At the annual general meeting of the Company held on 30 May 2018, a general mandate was granted to the Directors to buy back Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to buy back Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Share Buy-back Mandate to the Directors to buy back Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 4 of the notice of the Annual General Meeting (i.e. a total of 62,180,800 Shares on the basis that no Shares are issued or bought back before the Annual General Meeting). The Directors wish to state that they have no immediate plan to buy back any Shares pursuant to the Share Buy-back Mandate.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Buy-back Mandate is set out in Appendix II to this circular.

LETTER FROM THE BOARD

4. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 30 May 2018, a general mandate was granted to the Directors to issue Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting (i.e. a total of 124,361,600 Shares on the basis that no Shares are issued or bought back before the Annual General Meeting). An ordinary resolution to extend the Issuance Mandate by adding the number of Shares bought back by the Company pursuant to the Share Buy-back Mandate will also be proposed at the Annual General Meeting.

The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the Issuance Mandate.

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 16 to 20 of this circular.

Pursuant to the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.dgtechnology.com>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 11:00 a.m. on Monday, 27 May 2019) or the adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

LETTER FROM THE BOARD

6. RECOMMENDATION

The Directors consider that the proposed re-election of Directors and granting of the Share Buy-back Mandate and the Issuance Mandate are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of the Board
D&G Technology Holding Company Limited
Choi Hung Nang
Chairman

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

(1) Ms. Choi Kwan Li, Glendy

Ms. Choi Kwan Li, Glendy (蔡群力), aged 48, was appointed as our executive Director and chief executive officer on 11 September 2014. She also serves as the chairman of the risk management committee and the member of the remuneration committee of the Board. She is primarily responsible for overseeing the corporate management of our Group and the overall management and implementation of business and marketing strategies and plans. Ms. Glendy Choi has over 20 years of experience in the trading and manufacturing of specialized engineering equipment. She was appointed as a director and general manager of Langfang D&G Machinery Technology Company Limited (“**Langfang D&G**”) in June 2009. She was also appointed as the legal representative of Langfang D&G in June 2011. She is also a director of certain entities of the Group.

Ms. Glendy Choi was awarded a master of business administration in marketing. She is a Fellow Certified Risk Planner of The Institute of Crisis and Risk Management. In November 2014, Ms. Glendy Choi was admitted as a fellow member of The Hong Kong Institute of Directors. In November 2015, Ms. Glendy Choi was admitted as a member of the Young Presidents’ Organization (“**YPO**”) – World Presidents’ Organization and was appointed as the Executive Committee Member of YPO Sea Dragon Chapter in July 2016. She was appointed as the Learning Officer of YPO Sea Dragon Chapter for 2018 to 2019. In April 2016, Ms. Glendy Choi was admitted as a member of the Hong Kong Professionals and Senior Executives Association and was appointed as a Voting Member in November 2017. In December 2016, Ms. Glendy Choi was admitted as a member of the Hong Kong Young Industrialists Council and was appointed as a Committee Member in October 2017. In April 2018, Ms. Glendy Choi was appointed as a Vice President of the China Construction Machinery Association Road Machine Chapter* (中國工程機械工業協會築養路機械分會) for a term of five years.

Ms. Glendy Choi is one of the awardees of the Young Industrialist Awards Hong Kong 2016 and has been awarded the 7th Asia Pacific Entrepreneurship Awards 2016, Hong Kong Chapter by Enterprise Asia. She was titled by the Hebei Committee of the Communist Party of China and the Hebei Provincial People’s Government as one of the Hundred High-tech Private Entrepreneurs in Hebei Province in December 2014 and was titled as “100 Most Influential Persons of China Construction Machinery Industry” in 2017 and 2018.

* For identification purpose only

Ms. Glendy Choi is the daughter of Mr. Choi Hung Nang, our chairman and executive Director and Ms. Tin Suen Chu, a substantial shareholder of the Company (as defined in the Listing Rules). She is also the sister of Mr. Choi Hon Ting, Derek, our executive Director and the cousin-in-law of Mr. Liu Tom Jing-zhi, our executive Director and chief operating officer.

Ms. Glendy Choi has entered into a service agreement with the Company for an initial term of three years commencing from 27 May 2015 and the term has been renewed for a further period of three years commencing from 27 May 2018. Her appointment is subject to the termination at any time by either party giving to the other not less than three months' notice in writing and retirement by rotation and re-election pursuant to the Articles of Association and the Listing Rules. The emolument of Ms. Glendy Choi, which was determined with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group, is HK\$16,000 and HK\$120,000 per month, for acting as the executive Director and as our chief executive officer respectively, plus discretionary bonus.

In accordance with the meaning of Part XV of the SFO, as at the Latest Practicable Date, Ms. Glendy Choi is interested in 150,000 Shares. She also holds 20% of the issued share capital of Prima DG Investment Holding Company Limited ("**Prima DG**"), an associated corporation of the Company. Ms. Glendy Choi also has interest in the share options granted by the Company under the Share Option Scheme to subscribe for a total of 8,000,000 new Shares. Details of the said share options granted were set out in the Company's announcements dated 20 April 2016 and 5 June 2018 respectively.

Save as disclosed above, Ms. Glendy Choi does not (1) hold any other position in the Company or other members of the Group; (2) hold any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (3) have any relationships with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company; (4) have any interests in shares and underlying shares of the Company and any associated corporation of the Company (within the meaning of Part XV of the SFO); or (5) have any other information that needs to be disclosed pursuant to any of the requirements as set out in Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

(2) Mr. Liu Tom Jing-zhi

Mr. Liu Tom Jing-zhi (劉敬之), aged 49, was appointed as our executive Director and chief operating officer on 11 September 2014. He also serves as the member of the risk management committee of the Board. He is primarily responsible for overseeing daily operations of manufacturing facilities and the implementation of business strategies and plans of our Group. Mr. Liu has over 15 years of experience in corporate management and business operations. He joined our Group in August 2006 as the director and deputy general manager of Langfang D&G. He is also a director of certain entities of the Group.

In September 1999, Mr. Liu was awarded a graduate diploma in business administration from the University of Technology Sydney. Mr. Liu was recognized as a Person of Innovation* (創新人物) by the Equipment Management Institute of Hebei Province Innovation Development Committee (河北省工業設備管理創新發展峰會組委會) in June 2012. Mr. Liu has been appointed as a member of the Sixth Committee of Chinese People's Political Consultative Conference, Langfang city (中國人民政治協商會議廊坊市第六屆委員會) for a term of 5 years from April 2013 to April 2018.

Mr. Liu is the son-in-law of elder brother of Mr. Choi Hung Nang, our chairman and executive Director and the cousin-in-law of Ms. Choi Kwan Li, Glendy, our executive Director and chief executive officer and Mr. Choi Hon Ting, Derek, our executive Director.

Mr. Liu has entered into a service agreement with the Company for an initial term of three years commencing from 27 May 2015 and the term has been renewed for a further period of three years commencing from 27 May 2018. His appointment is subject to the termination at any time by either party giving to the other not less than three months' notice in writing and retirement by rotation and re-election pursuant to the Articles of Association and the Listing Rules. The emolument of Mr. Liu, which was determined with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group, is HK\$16,000 and HK\$80,000 per month, for acting as the executive Director and as our chief operating officer respectively, plus discretionary bonus.

In accordance with the meaning of Part XV of the SFO, as at the Latest Practicable Date, Mr. Liu is interested in 13,650,000 Shares. Of these Shares, Mr. Liu is deemed to be interested in 13,500,000 Shares held by Zacks Vroom Investment Company Limited, a company wholly-owned by him. He is also deemed to be interested in 150,000 Shares held by his spouse, Ms. Thai Vanny. Mr. Liu also has interest in the share options granted by the Company under the Share Option Scheme to subscribe for a total of 4,000,000 new Shares. Details of the said share options granted were set out in the Company's announcements dated 20 April 2016 and 5 June 2018 respectively.

* For identification purpose only

Save as disclosed above, Mr. Liu does not (1) hold any other position in the Company or other members of the Group; (2) hold any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (3) have any relationships with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company; (4) have any interests in shares and underlying shares of the Company and any associated corporation of the Company (within the meaning of Part XV of the SFO); or (5) have any other information that needs to be disclosed pursuant to any of the requirements as set out in Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

(3) Mr. Alain Vincent Fontaine

Mr. Alain Vincent Fontaine, aged 64, was appointed as our non-executive Director on 15 August 2016. Mr. Fontaine is responsible for providing advice on corporate governance and internal control matters of the Group. Mr. Fontaine obtained a bachelor's degree in electrical engineering from the University of Sherbrooke in Canada in June 1979. He has been a member of the Order of Engineers of Québec since January 1980.

Mr. Fontaine serves as an executive director and the vice-chairman of Hong Kong Venture Capital and Private Equity Association. In 2000, he founded Investel Asia, a venture capital and private equity firm and served as its managing director from January 2004 to December 2006. He was the chief executive officer of Newcom LLC from January 2007 to September 2008. Mr. Fontaine served various positions within the BCE Inc. group, a communications group in Canada, including Bell Canada, Bell Ardis and Tata Cellular, for approximately 16 years of his career. Since September 2012, Mr. Fontaine has also been a member of the advisory board of Ocean Equity Partners Fund L.P., an indirect substantial shareholder interested in 50,304,000 shares of the Company, representing approximately 8.09% of the issued share capital of the Company as at the Latest Practicable Date. Mr. Fontaine has also been acting as a non-executive director of Tsaker Chemical Group Limited (Hong Kong stock code: 1986) since April 2015. He was an independent director of China Lending Corporation, a company listed on NASDAQ (ticker: CLDC) from July 2016 to 29 December 2017.

Mr. Fontaine has entered into a service agreement with the Company for an initial term of three years commencing from 15 August 2016. His appointment is subject to the termination at any time by either party giving to the other not less than three months' notice in writing and retirement by rotation and re-election pursuant to the Articles of Association and the Listing Rules. The emolument of Mr. Fontaine, which was determined with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group, is HK\$16,000 per month plus discretionary bonus.

In accordance with the meaning of Part XV of the SFO, as at the Latest Practicable Date, Mr. Fontaine has interest in the share options granted by the Company under the Share Option Scheme to subscribe for a total of 300,000 new Shares. Details of the said share options granted were set out in the Company's announcement dated 5 June 2018.

Save as disclosed above, Mr. Fontaine does not (1) hold any other position in the Company or other members of the Group; (2) hold any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (3) have any relationships with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company; (4) have any interests in shares and underlying shares of the Company and any associated corporation of the Company (within the meaning of Part XV of the SFO); or (5) have any other information that needs to be disclosed pursuant to any of the requirements as set out in Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

(4) Mr. Li Zongjin

Mr. Li Zongjin (李宗津), aged 66, was appointed as our independent non-executive Director on 24 April 2015. He also serves as the member for each of the audit committee and the nomination committee of the Board. Mr. Li has been the Chair Professor of the Institute of Applied Physics and Materials Engineering at the University of Macau since January 2017. Mr. Li graduated from Zhejiang University, China with a bachelor's degree in structure engineering in 1982. Mr. Li further obtained his master of science in December 1990 and his Ph.D. in December 1993 from Northwestern University, United States of America. Mr. Li is a fellow of the American Concrete Institute and was a member of the Hong Kong Institute of Engineers.

Mr. Li has over 29 years of experience in the field of civil and structural engineering and has published 6 books in the area of materials engineering. In August 2008, Mr. Li was appointed as a chief scientist under the National Basic Research Program of China (973 Project). Mr. Li's research project on geopolymer-based structural materials preparation technology was awarded second prize by the PRC Ministry of Education in January 2010. Mr. Li received the Arthur R. Anderson Medal from American Concrete Institute in 2017. In July 2017, Mr. Li retired from the Department of Civil and Environmental Engineering of the Hong Kong University of Science and Technology where he was a professor for 24 years.

Mr. Li has entered into a service agreement with the Company for an initial term of three years commencing from 27 May 2015 and the term has been renewed for a further period of three years commencing from 27 May 2018. His appointment is subject to the termination at any time by either party giving to the other not less than three months' notice in writing and retirement by rotation and re-election pursuant to the Articles of Association and the Listing Rules. The emolument of Mr. Li, which was determined with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group, is HK\$16,000 per month plus discretionary bonus.

In accordance with the meaning of Part XV of the SFO, as at the Latest Practicable Date, Mr. Li has interest in the share options granted by the Company under the Share Option Scheme to subscribe for a total of 600,000 new Shares. Details of the said share options granted were set out in the Company's announcements dated 20 April 2016 and 5 June 2018 respectively.

Save as disclosed above, Mr. Li does not (1) hold any other position in the Company or other members of the Group; (2) hold any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (3) have any relationships with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company; (4) have any interests in shares and underlying shares of the Company and any associated corporation of the Company (within the meaning of Part XV of the SFO); or (5) have any other information that needs to be disclosed pursuant to any of the requirements as set out in Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Buy-back Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 621,808,000 Shares.

Subject to the passing of the ordinary resolution set out in item 4 of the notice of the Annual General Meeting in respect of the granting of the Share Buy-back Mandate and on the basis that no Shares are issued or bought back before the Annual General Meeting, i.e. being 621,808,000 Shares, the Directors would be authorized under the Share Buy-back Mandate to buy back, during the period in which the Share Buy-back Mandate remains in force, a total of 62,180,800 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

2. REASONS FOR SHARE BUY-BACK

The Directors believe that the granting of the Share Buy-back Mandate is in the best interests of the Company and the Shareholders.

Shares buy-back may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a buy-back will benefit the Company and the Shareholders.

3. FUNDING OF SHARE BUY-BACK

The Company may only apply funds legally available for share buy-back in accordance with its memorandum of association and Articles of Association, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

4. IMPACT OF SHARE BUY-BACK

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2018) in the event that the Share Buy-back Mandate was to be carried out in full at any time during the proposed buy-back period. However, the Directors do not intend to exercise the Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the previous 12 months up to and including the Latest Practicable Date were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2018		
April	1.19	1.07
May	1.14	1.07
June	1.18	1.02
July	1.13	0.95
August	1.02	0.89
September	0.96	0.83
October	0.95	0.88
November	1.04	0.89
December	1.22	0.96
2019		
January	1.20	0.99
February	1.22	1.11
March	1.30	1.14
April (up to the Latest Practicable Date)	1.36	1.22

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to buy back Shares pursuant to the Share Buy-back Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

7. TAKEOVERS CODE

If as a result of a buy-back of Shares pursuant to the Share Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Company, as at the Latest Practicable Date, Prima DG and Ms. Tin Suen Chu (both being substantial shareholders (as defined in the Listing Rules) of the Company) and Mr. Choi Hung Nang, Ms. Choi Kwan Li, Glendy and Mr. Choi Hon Ting, Derek (all being executive Directors), are taken as parties acting in concert and collectively treated as a single controlling shareholder of the Company under the term "Choi Family". The Choi Family together had an aggregate interest in 362,586,000 Shares representing approximately 58.31% of the issued share capital of the Company. In the event that the Directors exercise the proposed Share Buy-back Mandate in full, the aggregate shareholding of Choi Family would be increased to approximately 64.79% of the issued share capital of the Company. The Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors do not propose to exercise the Share Buy-back Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

8. SHARE BUY-BACK MADE BY THE COMPANY

During the 6 months prior to the Latest Practicable Date, the Company had not bought back any of the Shares (whether on the Stock Exchange or otherwise).

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (“**Annual General Meeting**”) of D&G Technology Holding Company Limited (the “**Company**”) will be held at 20/F, OfficePlus @Sheungwan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong on Wednesday, 29 May 2019 at 11:00 a.m. for the following purposes:

1. To receive the audited consolidated financial statements and the reports of the directors and auditor of the Company for the year ended 31 December 2018.
2. To re-elect the following directors of the Company and to authorize the board of directors of the Company to fix the respective directors’ remuneration:
 - (a) Ms. Choi Kwan Li, Glendy as executive director of the Company
 - (b) Mr. Liu Tom Jing-zhi as executive director of the Company
 - (c) Mr. Alain Vincent Fontaine as non-executive director of the Company
 - (d) Mr. Li Zongjin as independent non-executive director of the Company
3. To re-appoint PricewaterhouseCoopers as auditor of the Company and to authorize the board of directors of the Company to fix its remuneration.

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4. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to buy back its shares in accordance with all applicable laws, rules and regulations;
- (b) the total number of shares of the Company to be bought back pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers during or after the end of the Relevant Period (as defined below) in accordance with all applicable laws, rules and regulations;

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(b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:

- (i) a Rights Issue (as defined below);
- (ii) the exercise of options under a share option scheme of the Company; and
- (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

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6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 4 and 5 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 5 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of the number of shares bought back by the Company pursuant to the mandate referred to in resolution set out in item 4 of the Notice, provided that such number of shares shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution).”

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

Hong Kong, 18 April 2019

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy, or if a shareholder who is the holder of two or more shares may appoint more than one proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the meeting (i.e. not later than 11:00 a.m. on Monday, 27 May 2019) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the meeting, the Register of Members of the Company will be closed from Friday, 24 May 2019 to Wednesday, 29 May 2019, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 23 May 2019.

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5. References to time and dates in this Notice are to Hong Kong time and dates.

As at the date of this Notice, 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. Law Wang Chak, Waltery, Mr. Li Zongjin, Mr. Lee Wai Yat, Paco and Mr. Fok Wai Shun, Wilson.