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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 DECLARATION AND PAYMENT OF SPECIAL DIVIDEND
OUT OF SHARE PREMIUM ACCOUNT
AND
CLOSURE OF REGISTER OF MEMBERS**

Reference is made to the announcement of D&G Technology Holding Company Limited (the “**Company**”) dated 29 February 2024 (the “**Announcement**”) in relation to the notice of meeting of the board of directors (the “**Board**”) of the Company, which was held on 28 March 2024.

**PROPOSED DECLARATION AND PAYMENT OF THE SPECIAL DIVIDEND OUT
OF SHARE PREMIUM ACCOUNT**

The Board is pleased to announce that at the Board meeting held on 28 March 2024, the Board resolved to recommend the declaration and payment of the Special Dividend of approximately HK\$0.07 per ordinary share of the Company (each, a “**Share**”). The Special Dividend will be paid on Friday, 14 June 2024 to the Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 31 May 2024 (the “**Record Date**”), subject to the Shareholders’ approval at the annual general meeting of the Company (the “**AGM**”) to be held on Thursday, 23 May 2024. A circular containing further information about the Special Dividend and the notice of the AGM will be despatched to the Shareholders and published on the website of Hong Kong Exchanges and Clearing Limited and the website of the Company as soon as practicable.

This year marks the 25th anniversary of the Group after its principal subsidiary, Langfang D&G Machinery was officially established in Beijing. In order to reward the shareholders of the Company (the “**Shareholder(s)**”) for their continued support, the Board, at its meeting held today, has unanimously resolved to distribute a one-off special dividend (the “**Special Dividend**”) of approximately HK\$0.07 per ordinary share of the Company. The Special Dividend will be paid in cash on Friday, 14 June 2024 to the Shareholders whose names appear on the register of members of the Company on Friday, 31 May 2024. After taking into account a number of factors including the cash flow of the Company, the Board considers that it is appropriate to declare and pay the Special Dividend out of the share premium account of the Company (the “**Share Premium Account**”) pursuant to Article 134 of the articles of association of the Company (the “**Articles**”) and in accordance with the laws of the Cayman Islands. The Board is of the view that such arrangement is in the interests of the Company and its Shareholders as a whole.

Based on 639,408,000 ordinary Shares in issue as at the date of this announcement, the Special Dividend would amount to an aggregate amount of approximately HK\$43.9 million (equivalent to approximately RMB40.0 million). As at 31 December 2023, the amount standing to the credit of the Share Premium Account was approximately RMB427.1 million based on the audited consolidated financial statements of the Company as at that date. Subject to the fulfilment of the conditions set out in the paragraph headed “Conditions of the Payment of the Special Dividend out of Share Premium Account” below, the Special Dividend is intended to be paid out of the Share Premium Account pursuant to Article 134 of the Articles and in accordance with the laws of the Cayman Islands. Following the payment of the Special Dividend, there will be a remaining balance of approximately RMB387.1 million standing to the credit of the Share Premium Account.

The Board believes that the payment of the Special Dividend will not have any material adverse effect on the underlying assets, business, operations or financial position of the Group and does not involve any reduction in the authorised or issued share capital of the Company or reduction in the nominal value of the Shares or result in any change in the trading arrangements in respect of the Shares. The Directors are also satisfied that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately after the date on which the Special Dividend is paid.

Shareholders should seek professional advice with their own tax advisers regarding the possible tax implications of the payment of the Special Dividend. The Board is not aware of any Shareholders who have waived or agreed to waive any dividends.

CONDITIONS OF THE PAYMENT OF THE SPECIAL DIVIDEND OUT OF SHARE PREMIUM ACCOUNT

The payment of the Special Dividend out of the Share Premium Account is conditional upon the satisfaction of the following conditions:

- (a) the passing of an ordinary resolution by the Shareholders approving the declaration and payment of the Special Dividend out of the Share Premium Account pursuant to Article 134 of the Articles; and
- (b) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, immediately following the date on which the Special Dividend is paid, unable to pay its debts as they fall due in the ordinary course of business.

Subject to the fulfilment of the above conditions, it is expected that the Special Dividend will be paid in cash on Friday, 14 June 2024 to those Shareholders whose names appear on the register of members of the Company at close of business on the Record Date.

The conditions set out above cannot be waived. If the conditions set out above are not satisfied, the Special Dividend shall not be paid.

CLOSURES OF REGISTER OF MEMBERS

For the purpose of determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 20 May 2024 to Thursday, 23 May 2024 (both dates inclusive), during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the AGM, all transfer of Shares accompanied by the relevant Share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 17 May 2024.

If the proposed declaration and payment of the Special Dividend is approved by the Shareholders at the AGM, for determining the Shareholders' entitlements to receive the Special Dividend, the register of members of the Company will be closed from Wednesday, 29 May 2024 to Friday, 31 May 2024 (both dates inclusive) and no transfer of Shares will be registered during that period. In order to be eligible to receive the Special Dividend, all transfer of Shares accompanied by the relevant share certificates and transfer forms 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 Tuesday, 28 May 2024.

CLARIFICATION

The Company wishes to clarify that, due to an inadvertent error, the Special Dividend was incorrectly described in the Announcement as a 'final' dividend. The Company apologises for any inconvenience caused by such error.

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

Hong Kong, 28 March 2024

As at the date of this announcement, the executive directors of the Company are Mr. Choi Hung Nang, Ms. Choi Kwan Li, Glendy, Mr. Choi Hon Ting, Derek, Mr. Liu Tom Jing-zhi and Mr. Lao Kam Chi; the non-executive directors of the Company are Mr. Chan Lewis and Mr. Alain Vincent Fontaine; and the independent non-executive directors of the Company are Mr. O'Yang Wiley, Mr. Li Zongjin, Mr. Lee Wai Yat, Paco and Mr. Fok Wai Shun, Wilson.