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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO DISCLOSEABLE TRANSACTION (1) INVESTMENT IN BEIJING YOUJUN; (2) FORMATION OF JOINT VENTURE; AND (3) TECHNICAL COOPERATION AND ASSEMBLY AND SUPPLY ARRANGEMENTS

Reference is made to the announcement of D&G Technology Holding Company Limited (the "**Company**") dated 3 November 2026 in relation to the Transactions (the "**Announcement**"). Unless otherwise defined, capitalised terms used herein have the same meanings as in the Announcement.

The Company provides the following supplemental information on the Transactions.

BASIS OF THE INVESTMENT CONSIDERATION

As referred to the Announcement, the consideration was determined having regard to the list of factors considered collectively by the Board, including (i) Beijing Youjun's stage of development and commercial progress; (ii) the financing references and their limitations; (iii) technology deployment, commercialisation and project-execution risks; (iv) access to technology and technical support; and (v) opportunities to apply and broaden the Group's manufacturing and engineering capabilities for a limited initial investment.

The investment of RMB5 million for 4% of Beijing Youjun's enlarged equity implies a post-investment equity valuation or value of RMB125 million. The "valuation" referred to in the Announcement represents the equity value implied by the negotiated subscription price and equity interest obtained, rather than a separate business valuation or an input from which the consideration was determined. No external valuer was engaged, having regard to (i) the limited size of the investment, representing approximately 0.92% of the Group's consolidated net assets as at 30 June 2026; (ii) the acquisition of a 4% non-controlling interest which will not be consolidated; and (iii) Beijing Youjun's early stage of development and absence of a revenue track record, which would render a formal valuation under the income or market approach of limited reliability.

Further, as explained in the Announcement, the Board considered the revenue-based valuation benchmarks of more established listed companies not directly applicable to Beijing Youjun, given its early, pre-revenue stage of development, compared with the more advanced development stage and larger operating scale of those listed companies. No profit forecast, financial projection, discounted cash flow model or financial pricing multiple was used to determine the consideration, and no separately calculated liquidity or minority discount or other numerical adjustment was applied to a computed base value. The financing references were contextual, rather than inputs to a formula or directly comparable valuation benchmarks.

The Group reviewed publicly available information on early-stage financings since around 2020 in high-performance cloud computing, advanced computing infrastructure and modular data centre solutions, being fields related to Beijing Youjun's business. Public disclosure concerning these privately held businesses was limited, and some financings disclosed only investment amounts without sufficient information to establish the implied equity values. The selected seed- or angel-stage financings provided context for equity pricing during technology development or initial commercialisation, rather than subsequent substantial expansion. Their relevance was assessed alongside Beijing Youjun's own commercial progress, including its county-level cooperation agreement for the phased development of a local data centre. As disclosed in the Announcement, the planned project investment does not represent assured revenue for Beijing Youjun. The following references are not exhaustive:

(i) Company A develops modular data centres integrating computing, connectivity and supporting systems. Its containerised product is the closest of the three references to Beijing Youjun's solution in physical form. The reported valuation of Company A in connection with its seed financing in 2023 was over US$50 million.

(ii) Company B develops AI computing cluster products combining computing, networking and software, relevant to Beijing Youjun's advanced computing and systems-integration activities. The disclosed post-money valuation in connection with its angel financing in 2023 was approximately RMB188 million.

(iii) Company C develops distributed cloud-computing infrastructure and services, relevant to Beijing Youjun's provision and management of computing resources. The disclosed post-money valuation in connection with its angel financing in 2021 was approximately US$46 million.

As disclosed in the Announcement, the Board considered these references relevant to understanding financing valuations in related technology businesses, while recognising the limited public disclosure and differences in technology, commercial progress, business models, financing terms, stages of business development and market conditions. Accordingly, they were contextual references rather than directly comparable valuation benchmarks.

In determining the consideration, the Board considered the matters set out above together with the following factors on a collective basis: (i) Beijing Youjun's development stage and commercial progress; (ii) the financing references and their limitations; (iii) technology deployment, commercialisation and project-execution risks; (iv) access to technology and technical support, including DGAI's exclusive licence within the agreed territory at nil consideration; (v) opportunities to broaden the Group's manufacturing and engineering capabilities and the RMB3.3 million demonstration assembly and supply agreement; (vi) the limited initial investment and the right, but not the obligation, to invest a further RMB5 million on the same terms and at the same valuation, without any premium or fee payable for that right; and (vii) shareholder protections, including the right to nominate one of three directors with voting rights, specified reserved-matter protections, pre-emption and anti-dilution rights, a liquidation preference and repurchase rights at the original investment price plus a 10% annual return upon specified triggering events.

Having considered the above factors collectively, the Board is of the view that the consideration and the Transactions are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

SHAREHOLDING INFORMATION OF BEIJING YOUJUN

The shareholding information of Beijing Youjun immediately before and upon BJYJ Completion is set out below:

	Immediately before BJYJ Completion		**Upon BJYJ Completion**	
Shareholders	**Registered Capital** *(RMB)*	**Shareholding percentage**	**Registered Capital** *(RMB)*	**Shareholding percentage**
Sun Qiang	1,500,000	*15.00%*	1,500,000	*14.25%*
Zheng Zhi	1,000,000	*10.00%*	1,000,000	*9.50%*
Liang Hailin	750,000	*7.50%*	750,000	*7.12%*
Lin Jialiang	300,000	*3.00%*	300,000	*2.85%*
Chengdu Yuandun Xinglang Artificial Intelligence Technology Center (Limited Partnership) *(Note 1)*	4,350,000	*43.50%*	4,350,000	*41.32%*
Chengdu Cangyan Jizhou Artificial Intelligence Technology Center (Limited Partnership) *(Note 2)*	2,100,000	*21.00%*	2,100,000	*19.95%*
The Group	–	*0.00%*	421,053	*4.00%*
The Co-Investor *(Note 3)*	–	*0.00%*	105,263	*1.00%*
Total	**10,000,000**	*100.00%*	**10,526,316**	*100.00%*

* *Percentage figures are rounded and may not add up to the total shown.*

Note:

1. The interests in Chengdu Yuandun Xinglang Artificial Intelligence Technology Center (Limited Partnership) are held as to 89.66% by Sun Qiang (including a 57.47% interest reserved for allocation under future employee incentive scheme of Beijing Youjun) and 10.34% by Lin Jialiang.

2. The interests in Chengdu Cangyan Jizhou Artificial Intelligence Technology Center (Limited Partnership) are held as to 95.24% by Zheng Zhi and 4.76% by Sun Qiang.

3. The Co-Investor is controlled by Cai Jingpeng, with the remaining interests held by 11 other individuals, each of whom owns less than one-third of the interests in the Co-Investor. As disclosed in the Announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Co-Investor and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

ASSEMBLY AND SUPPLY ARRANGEMENTS AND LISTING RULES IMPLICATIONS

The Assembly and Supply Agreement is for the one-off supply of a single demonstration modular data centre pod for RMB3.3 million, rather than an ongoing supply arrangement. Preparatory work commenced upon signing on 3 November 2026. Parts and components are expected to be delivered during November 2026, with completion expected within 60 days after satisfaction of the delivery conditions as disclosed in the Announcement. Subsequent orders are not assured.

The Group's existing activities include manufacturing and assembly, and the transaction contemplated under the Assembly and Supply Agreement is of a revenue nature. Nevertheless, given the new product category and arrangements with the same counterparty under the other Transactions, the Company included and aggregated it with the other Transactions under Chapter 14 to provide more comprehensive disclosure of the overall arrangements. As one or more applicable percentage ratios in respect of all the transactions contemplated under the Transaction Agreements, when aggregated, exceed 5% but is or are less than 25%, the Transactions constitute a discloseable transaction.

Upon DGAI Completion, Beijing Youjun and Hong Kong Youjun will become connected persons of the Company at the subsidiary level. The Company will assess any further orders or ongoing supply arrangements and comply with the applicable requirements for connected or continuing connected transactions under the Listing Rules, as appropriate.

BACKGROUND TO AND REASONS FOR THE TRANSACTIONS

As disclosed in the Announcement, the Board considered the Transactions a phased opportunity to broaden the application of the Group's manufacturing and engineering capabilities. While Beijing Youjun has a limited operating history and recorded an initial loss, the Board considered that the Transactions were not premised on established earnings and were justified by the following reasons and potential benefits:

(i) In the emerging technology sector, technology development and concept validation may precede meaningful revenue and profits. Beijing Youjun's county-level cooperation agreement demonstrates commercial progress, subject to its conditions and limitations, and does not assure revenue.

(ii) The arrangements enable the Group to apply its existing production facilities and electrical, mechanical and manufacturing capabilities for a new product category. The cooperation can also draw on the Group's international networks, commercial resources and market-development capabilities to identify and assess opportunities outside Chinese Mainland.

(iii) Access to Beijing Youjun's technology and technical support, together with the RMB3.3 million demonstration assembly and supply agreement, provides the Group with a practical means of developing production, assembly and systems integration experience, and allows the Group to assess market demand before deciding on the scope and pace of further development.

(iv) The limited initial investment of RMB5 million represents approximately 0.92% of the Group's consolidated net assets as at 30 June 2026. The Group also has a right, but not an obligation, to invest a further RMB5 million on the same terms and at the same valuation, with no premium or other fee payable for that right. The Board balanced the limited initial commitment and potential development benefits against technology deployment, commercialisation and project execution risks, including the associated uncertainties.

The Board considers this phased, exploratory participation to be in the interests of the Company and its Shareholders as a whole. It does not change the Group's principal business of manufacturing, distributing, researching and developing asphalt mixing plants and other asphalt specialty equipment, and selling spare parts and modified equipment.

GENERAL

This announcement supplements and should be read together with the Announcement. Save as supplemented herein, the information in the Announcement remains unchanged.

By order of the Board
D&G Technology Holding Company Limited
Choi Kwan Li, Glendy
Chairman

Hong Kong, 19 November 2026

As at the date of this announcement, the executive directors of the Company 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.