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 CHANGE OF AUDITOR

The board of directors of the Company (the "**Board**"), together with the audit committee of the Company (the "**Audit Committee**"), has from time to time reviewed the Group's external audit arrangements in light of the Group's business development, strategic direction, the length of the incumbent auditor's tenure, prevailing regulatory expectations and market practice. In conducting that review, the Board and the Audit Committee have taken into account, among other things, the importance of maintaining a high standard of audit quality, the benefits of periodically refreshing a long-serving external audit appointment, and the engagement of an audit firm with the appropriate capabilities and experience to support the Group's development.

PricewaterhouseCoopers ("**PwC**") has served as the independent auditor of the Company since 2016. Having regard to the length of PwC's tenure, the Board and the Audit Committee consider that it is an appropriate time for the Company to rotate its external audit appointment. The Board wishes to emphasise that PwC has provided professional and high-quality services to the Group throughout its tenure as auditor of the Company, and the proposed change of auditor does not arise from any disagreement with PwC, nor does it reflect any concern regarding the quality of PwC's audit work.

Rather, being mindful of the length of PwC's tenure, prevailing regulatory guidance and market practice, the Board and the Audit Committee have been carefully assessing suitable successor firms, with a view to identifying one with the appropriate capabilities, experience and professional fee level to meet the Group's needs. After considering different options and obtaining a fuller understanding of Deloitte Touche Tohmatsu ("**Deloitte**"), the Board and the Audit Committee consider Deloitte to be a suitable firm to act as the new auditor of the Company. In reaching this view, the Board and the Audit Committee have considered Deloitte's professional standing, experience with Hong Kong listed issuers, industry knowledge, proposed engagement team, resources and audit approach, and are of the view that Deloitte is capable of providing services of a standard commensurate with the Group's requirements and may bring a refreshed professional perspective to the external audit process.

The Board also considers that Deloitte's broad exposure and market focus in areas relating to technology and innovation-led businesses are relevant to the Group's continuing development. As disclosed in the annual report of the Company for the year ended 31 December 2025, the Group continues to advance a number of innovation and research initiatives, including combustion technology, sustainable energy solutions, AI-enabled batching plant systems, mobile continuous plants, product adaptability for different markets and broader overseas expansion. As the Group continues its strategic initiatives in smart road construction and conservation solutions, low-carbon and energy-related applications, intelligent systems and international market expansion, the Board believes that Deloitte is suitably positioned to support the Group's external audit needs and to complement the Group's evolving business profile and strategic direction for the next stage of its development.

Based on the above, the Board and the Audit Committee consider that the proposed change of auditor represents an opportunity to refresh the Company's external audit arrangements after a long period of service, while continuing to uphold a high standard of audit work and supporting the Group's long-term development. Accordingly, the Board and the Audit Committee are of the view that the proposed removal of PwC and the proposed appointment of Deloitte are in the interests of the Company and its shareholders as a whole.

Proposed removal and proposed appointment

The Board announces that, with the recommendation of the Audit Committee, it has resolved to propose to the shareholders of the Company (the "**Shareholders**") at an extraordinary general meeting of the Company (the "**EGM**") that:

1. PwC be removed as auditor of the Company with effect from the date of passing of the relevant ordinary resolution at the EGM; and

2. Subject to the passing of the relevant ordinary resolution at the EGM and Deloitte's completion of its acceptance procedures, Deloitte be appointed as the new auditor of the Company with effect from the date of passing of the relevant ordinary resolution at the EGM and to hold office until the conclusion of the next annual general meeting of the Company.

The proposed removal of PwC and the proposed appointment of Deloitte are subject to the approval of the Shareholders by way of ordinary resolutions at the EGM.

Assessment by the Audit Committee

In considering the proposed appointment of Deloitte, the Audit Committee has taken into account, among other things:

1. Deloitte's audit proposal, including its proposed audit scope and audit approach;

2. Deloitte's experience, industry knowledge and technical competence in providing audit services to companies listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**");

3. Deloitte's market reputation, professional standing, resources and capabilities;

4. the background, seniority and composition of Deloitte's proposed engagement team;

5. Deloitte's understanding of the Group's business operations, reporting requirements and development direction;

6. the proposed audit fee and the basis upon which it was determined; and

7. the guidance published by the Accounting and Financial Reporting Council ("**AFRC**") regarding the selection, appointment and change of auditors.

Having considered the above factors, the Audit Committee is satisfied that Deloitte has the appropriate professional qualifications, experience, resources and capabilities to act as the new auditor of the Company, and has recommended the proposed appointment of Deloitte to the Board for consideration and approval.

Proposed audit remuneration

The proposed audit remuneration payable to Deloitte for the audit of the consolidated financial statements of the Group for the year ending 31 December 2026 is expected to be approximately RMB1.25 million which was determined after arm's length negotiations between the Company and Deloitte with reference to the scale and complexity of the Group's business and operations, the audit scope, the expected timetable, and the time and resources expected to be committed by Deloitte's engagement team.

For reference, the audit remuneration paid to PwC for the year ended 31 December 2025 were RMB1.25 million. The Board considers the proposed audit fee to be fair and reasonable having regard to the expected scope of work and the interests of the Company and the Shareholders as a whole.

Confirmation in relation to PwC

The Company is incorporated under the laws of the Cayman Islands and, to the best knowledge of the Board, there is no requirement under the laws of the Cayman Islands for an outgoing auditor to confirm whether there are any circumstances connected with its ceasing to hold office that need to be brought to the attention of the Shareholders. PwC has accordingly not issued such a confirmation. The Board has reviewed the letter from PwC dated 3 August 2026 setting out the circumstances in respect of the removal of PwC as the auditor. Save as the circumstances as mentioned in the letter from PwC, there is no other matter in respect of the proposed change of auditor that need to be brought to the attention of the shareholders. The Board and the Audit Committee confirm that there is no other disagreement between the Company and PwC.

The Board further confirms that, as of the date of this announcement, PwC has not commenced any review or audit work in respect of the financial year ending 31 December 2026.

The Board would like to take this opportunity to express its sincere appreciation to PwC for the professional services rendered to the Group during its tenure as auditor of the Company.

Implications under the Listing Rules and the Articles of Association

Pursuant to Article 152(2) of the articles of the Company (the "**Articles**"), the Shareholders may, at any general meeting convened and held in accordance with the Articles, by ordinary resolution remove the auditor of the Company at any time before the expiration of its term of office and shall by ordinary resolution at that meeting appoint another auditor in its stead for the remainder of its term.

Pursuant to Rule 13.88 of the Listing Rules, (a) the Company must at each annual general meeting appoint an auditor to hold office from the conclusion of that meeting until the next annual general meeting; (b) the Company must not remove its auditor before the end of the auditor's term of office without first obtaining Shareholders' approval at a general meeting; (c) the Company must send a circular proposing the removal of the auditor to Shareholders with any written representations from the auditor, not less than 10 business days before the general meeting; and (d) the Company must allow the auditor to attend the general meeting and make written and/or verbal representations to Shareholders at the general meeting.

In compliance with the Articles and the Listing Rules, the Proposed Removal and the Proposed Appointment will each be proposed at the EGM as an ordinary resolution. Accordingly, the Company will despatch a circular to the Shareholders who request printed copies, containing, among other things, further information on the Proposed Removal and the Proposed Appointment together with the notice of EGM, and will also despatch a copy of the same to PwC to invite them to attend the EGM and make written or verbal representations (if any) to the Shareholders at the EGM.

The EGM

A circular containing, among other things, further details of the proposed removal of PwC and the proposed appointment of Deloitte, together with a notice convening the EGM, will be despatched to the Shareholders in due course.

At the EGM, ordinary resolutions will be proposed to approve (i) the removal of PwC as auditor of the Company; and (ii) the appointment of Deloitte as the new auditor of the Company and the authorisation of the Board to fix its remuneration.

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

Hong Kong, 3 August 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 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. Lee Wai Yat, Paco and Ms. Hu Bingbing.