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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)

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

INVESTMENT, JOINT VENTURE AND TECHNICAL COOPERATION AND ASSEMBLY AND SUPPLY ARRANGEMENTS

The Board is pleased to announce that, on 3 November 2026 (after trading hours), the relevant members of the Group entered into the Transaction Agreements with Beijing Youjun and, where applicable, the other parties thereto.

(1) Investment in Beijing Youjun

Pursuant to the Capital Increase and Share Subscription Agreement, the Group agreed to invest RMB5,000,000 in Beijing Youjun. Upon BJYJ Completion, the Hainan Subsidiary will hold 4% of the enlarged equity interest of Beijing Youjun. On the same date as the Capital Increase and Share Subscription Agreement, the relevant parties also entered into the BJYJ Shareholders' Agreement to govern their relationship as shareholders of Beijing Youjun following BJYJ Completion.

(2) Formation of DGAI joint venture

Pursuant to the DGAI JVA, Infinite Galaxy, Beijing Youjun and DGAI agreed on the joint venture arrangements under which DGAI will be held as to 60% by Infinite Galaxy and 40% by Hong Kong Youjun upon DGAI Completion. DGAI will remain a non-wholly owned subsidiary of the Company.

(3) Technical cooperation and assembly and supply arrangements

Pursuant to the Technical Cooperation Agreement, the Company will provide the production and assembly base at the Group's facilities and undertake production and assembly work for Beijing Youjun's modular data centre pod, with Beijing Youjun providing necessary technical support. Pursuant to the Assembly and Supply Agreement, DG Machinery will assemble and supply the infrastructure and associated systems for a demonstration modular data centre pod to Beijing Youjun for a contract sum of RMB3,300,000.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Transactions, when aggregated, exceed 5% but is or are less than 25%, the Transactions together constitute a discloseable transaction for the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Beijing Youjun, the BJYJ Original Shareholders and their ultimate beneficial owners (where applicable) were Independent Third Parties at the time of entering into the Transaction Agreements.

Upon DGAI Completion, Hong Kong Youjun will hold 40% of the issued shares of DGAI, and Beijing Youjun and Hong Kong Youjun will become connected persons of the Company.

The Board are of the view that the terms of the Transaction Agreements are on normal commercial terms or better, are fair and reasonable, and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

1 INTRODUCTION

The Board is pleased to announce that, on 3 November 2026 (after trading hours), the relevant members of the Group entered into the Capital Increase and Share Subscription Agreement, the BJYJ Shareholders' Agreement, the DGAI JVA, the Technical Cooperation Agreement and the Assembly and Supply Agreement (collectively, the "**Transaction Agreements**") with Beijing Youjun and, where applicable, the other parties thereto. The transactions contemplated under the Transaction Agreements (the "**Transactions**") comprise an investment by the Company in Beijing Youjun, the formation of a joint venture between the Company and Beijing Youjun through DGAI, and related technical cooperation and assembly and supply arrangements.

Pursuant to the Capital Increase and Share Subscription Agreement, the Group agreed to invest RMB5,000,000 in Beijing Youjun. Upon BJYJ Completion, the Hainan Subsidiary will hold 4% of the enlarged equity interest of Beijing Youjun. The BJYJ Shareholders' Agreement sets out the governance arrangements and shareholder rights in respect of Beijing Youjun following BJYJ Completion.

Pursuant to the DGAI JVA, DGAI will be held as to 60% by Infinite Galaxy (a wholly-owned subsidiary of the Company) and 40% by Hong Kong Youjun (a wholly-owned subsidiary of Beijing Youjun) upon DGAI Completion and will remain a non-wholly owned subsidiary of the Company.

Pursuant to the Technical Cooperation Agreement, the Company will provide the production and assembly base at the Group's facilities and undertake production and assembly work for Beijing Youjun's modular data centre pod, with Beijing Youjun providing necessary technical support. Pursuant to the Assembly and Supply Agreement, DG Machinery will assemble and supply the infrastructure and associated systems for a demonstration modular data centre pod to Beijing Youjun for a contract sum of RMB3,300,000.

The Transaction Agreements are not inter-conditional, and any transaction contemplated thereunder may proceed to completion irrespective of whether any or all of the other transactions proceed.

The principal terms of each agreement are set out below.

2 THE CAPITAL INCREASE AND SHARE SUBSCRIPTION AGREEMENT

Date: 3 November 2026 (after trading hours)

Parties:

(a) The Company
(b) The Co-Investor
(c) Sun Qiang (孫強)
(d) Zheng Zhi (鄭志)
(e) Liang Hailin (梁海林)
(f) Lin Jialiang (林佳亮)
(g) Chengdu Yuandun Xinglang Artificial Intelligence Technology Center (Limited Partnership) (成都元沌星朗人工智能科技中心(有限合夥))
(h) Chengdu Cangyan Jizhou Artificial Intelligence Technology Center (Limited Partnership) (成都蒼衍極宙人工智能科技中心(有限合夥))
(i) Beijing Youjun

The parties listed in (c) to (h) above are referred to collectively as the ("**BJYJ Original Shareholders**").

The Co-Investor is principally engaged in the supply of electricity and the provision of electricity trading-related services.

Each of Chengdu Yuandun Xinglang Artificial Intelligence Technology Center (Limited Partnership) 成都元沌星朗人工智能科技中心(有限合夥) and Chengdu Cangyan Jizhou Artificial Intelligence Technology Center (Limited Partnership) 成都蒼衍極宙人工智能科技中心(有限合夥) is principally engaged in investment holding.

The principal business activities of Beijing Youjun are set out in section 8 headed 'Information on Beijing Youjun' of this announcement.

Capital Increase:

With effect from BJYJ Completion, the registered capital of Beijing Youjun will be increased from RMB10,000,000 (equivalent to approximately HK$11,764,000) to RMB10,526,315.79 (equivalent to approximately HK$12,383,158), of which RMB421,052.63 (equivalent to approximately HK$495,326) of the registered capital will be owned by the Hainan Subsidiary, representing 4% of the enlarged equity interest of Beijing Youjun and RMB105,263.16 (equivalent to approximately HK$123,832) of the registered capital will be owned by the Co-Investor, representing 1% of the enlarged equity interest of Beijing Youjun.

Consideration:

The Company will pay RMB5,000,000 (equivalent to approximately HK$5,882,000) to Beijing Youjun, of which RMB421,052.63 (equivalent to approximately HK$495,326) will represent the registered capital of Beijing Youjun and the balance of RMB4,578,947.37 (equivalent to approximately HK$5,386,674) will constitute capital reserves of Beijing Youjun.

At the same time, the Co-Investor will pay RMB1,250,000 (equivalent to approximately HK$1,470,500) to Beijing Youjun, of which RMB105,263.16 (equivalent to approximately HK$123,832) will represent the registered capital of Beijing Youjun and the balance of RMB1,144,736.84 (equivalent to approximately HK$1,346,668) will constitute capital reserves of Beijing Youjun.

The investment by the Company and the investment by the Co-Investor are not conditional upon each other. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Co-Investor and its ultimate beneficial owner(s) are independent third parties of the Company and its connected persons.

The consideration to be paid by the Company was determined after arm's-length negotiations among the parties, reflecting an agreed pre-investment equity valuation of RMB120,000,000 and a post-investment equity valuation of RMB125,000,000. In assessing the consideration, the Board considered Beijing Youjun's early stage of development and the characteristics of the emerging data centre technology sector, in which companies may initially focus on technology development and concept validation before establishing a meaningful revenue and profit track record.

The Group reviewed publicly available information on early-stage financings of companies engaged in related fields and identified three companies in China and the US operating in high-performance cloud computing, advanced computing infrastructure and modular data centre solutions. Selected seed-round or angel-round valuation references were US$46 million, RMB188 million and over US$50 million, respectively, exceeding Beijing Youjun's post-investment equity valuation of RMB125 million. The Board considered these references relevant to understanding financing valuations in related technology businesses, while recognising that, given limited public disclosure and differences in technology, commercial progress, business models, financing terms and market conditions, they served as contextual references rather than directly comparable valuation benchmarks.

The Group also reviewed listed companies in related sectors. Given their more established operations and substantial revenue, the Board considered their revenue-based valuation benchmarks not directly applicable to Beijing Youjun's present stage of development.

The Board also considered Beijing Youjun's progress towards commercialisation. On 1 September 2026, Beijing Youjun entered into a cooperation agreement with a county-level government bureau for the phased development of a local data centre comprising five modular data centre pods. The first approximately 200PetaFLOP pod, with a planned investment of approximately RMB60 million, is scheduled to begin implementation by the end of 2026, subject to the agreed site, power and initial demand conditions being met. Subsequent phases require the initial phase to reach 80% utilisation and further agreement based on market demand. The Board recognised this as an indication of commercial progress, while recognising that the timing and extent of implementation remain uncertain and that the planned investment does not represent assured revenue for Beijing Youjun.

The Board also noted that the investment amount of RMB5,000,000 represents approximately 0.92% of the consolidated net assets of the Group of approximately RMB544,678,000 as at 30 June 2026. Accordingly, the investment is relatively small in scale compared with the overall financial position of the Group.

Taking into account Beijing Youjun's stage of development, its commercial progress, the financing references and limitations, the risks of technology deployment, commercialisation and project execution, and the strategic benefits of access to Beijing Youjun's technology and technical support, and opportunities to apply and broaden the Group's manufacturing and engineering capabilities to new business opportunities for a limited initial investment, the Board considers that the consideration is fair and reasonable.

The Company intends to finance such capital contribution by internal resources.

Conditions Precedent: Completion of the Capital Increase and Share Subscription Agreement is conditional upon satisfaction of certain conditions precedent, including but not limited to:

- the representations and warranties given by Beijing Youjun and the warrantors being true and accurate at the date of execution and BJYJ Completion;

- Beijing Youjun having not suffered any material adverse effect in its business, technology, legal, or financial aspects;

- all necessary internal authorisations for the execution, delivery and performance of the Capital Increase and Share Subscription Agreement and all transaction documents having been obtained;

- all legal documents necessary to obtain financing in form and substance satisfactory to the Company, including but not limited to Beijing Youjun's amended and restated articles of association, having been obtained;

- no litigation, arbitration, administrative proceeding or other action having resulted in any decision that would have a material adverse effect on the BJYJ Completion;

- no court judgment, governmental order, or applicable law restricting, prohibiting, delaying or otherwise preventing the closing of this transaction;

- key employees of Beijing Youjun having entered into employment agreements, confidentiality agreements, non-competition agreements, and intellectual property assignment and transfer undertakings with Beijing Youjun, all in a form satisfactory to the Company;

- due diligence investigation of the Company having been completed, and the results are satisfactory to the Company;

- no event having occurred, or being reasonably likely to occur, that would have a material adverse effect on the financial condition, operating results, assets or business of Beijing Youjun;

- all consents, approvals, notifications, filings and registrations necessary having been obtained from the market regulation authorities;

- the Company having completed the incorporation and establishment of the Hainan Subsidiary, obtained the necessary regulatory approvals, and completed the remittance of funds to the Hainan Subsidiary; and

- the Company having obtained all approvals and completed all disclosures, announcements, filings, registrations and other compliance procedures required under applicable laws, regulatory rules and the Listing Rules (if applicable).

BJYJ Completion: BJYJ Completion shall take place within ten business days after all conditions precedent have been fulfilled or waived, and on the date of BJYJ Completion, the Company shall pay the investment amount of RMB5,000,000 to Beijing Youjun's designated account.

Within 30 days after receipt of the investment funds, Beijing Youjun shall complete the relevant industrial and commercial registration procedures and shareholder registration formalities.

Right to Make Further Investment: The Company has a right, but not an obligation, within 12 months after BJYJ Completion and before the next financing round of Beijing Youjun, to invest further or acquire existing shares in Beijing Youjun, on the same terms and valuation. The amount of such further investment is capped at RMB5,000,000 (equivalent to approximately HK$5,882,000). No premium or other fee is payable by the Company for such right.

The Co-Investor has a right, but not an obligation, within 12 months after BJYJ Completion and before the next financing round of Beijing Youjun, to invest further or acquire existing shares in Beijing Youjun, on the same terms and valuation. The amount of such further investment is capped at RMB1,250,000 (equivalent to approximately HK$1,470,500). No premium or other fee is payable by the Co-Investor for such right.

3 THE BJYJ SHAREHOLDERS' AGREEMENT

Date: 3 November 2026 (after trading hours)

Parties:
(a) The Company
(b) The Co-Investor
(c) Beijing Youjun
(d) Each of the BJYJ Original Shareholders

Corporate structure: The board of directors of Beijing Youjun shall comprise three directors. The Company shall be entitled to nominate one of the three directors. The chairman of the board shall be elected by the directors.

Director reserved Matters: The following matters require the approval of at least two of the three directors of Beijing Youjun including the director nominated by the Company:

- change of control, principal business or core assets or intellectual property;

- material related party transactions with any of the BJYJ shareholders or their affiliates;
- mergers, amalgamations, winding-up, liquidation, dissolution or disposal of substantially all of Beijing Youjun's assets; and
- amendments to Beijing Youjun's articles of association.

Shareholder reserved matters:

Certain material matters shall be approved by at least two-thirds of the voting rights held by the shareholders of Beijing Youjun, such as but not limited to:

- amendments to Beijing Youjun's constitutional documents;
- approval of any capital restructuring, mergers, separations or change of company structure of Beijing Youjun's or any of its subsidiaries;
- approval of bankruptcy, liquidation, major acquisitions and disposals of Beijing Youjun or any of its subsidiaries;
- approval of matters relating to the proposed listing of Beijing Youjun, including the listing venue, timing, valuation, underwriter, and any substantive terms or conditions relating to the listing;
- review and approval of reports of the board of directors;
- approval of the business policies and investment plans of Beijing Youjun and its subsidiaries;
- review and approval of annual financial budgets, final accounts, capital expenditure plans, financing plans, remuneration plans and annual profit distribution plans of Beijing Youjun and its subsidiaries;
- approval of the issuance of bonds by Beijing Youjun or any of its subsidiaries;
- approval of the issuance of any securities by Beijing Youjun or any of its subsidiaries, including equity securities, convertible securities, any change in the class of securities, or any change to Beijing Youjun's capital structure;

- approval of any increase or decrease in the number of directors, supervisors or members of any board committee of Beijing Youjun or any of its subsidiaries;

- approval of any change in the principal business activities of Beijing Youjun or any of its subsidiaries;

- approval of any sale of equity interests, material assets, businesses, mergers, reorganizations or acquisitions by Beijing Youjun or any of its subsidiaries.;

- approval of any change of control of Beijing Youjun or any of its subsidiaries;

- determination of dividend distribution policies and profit distribution plans of Beijing Youjun and its subsidiaries;

- review and approval of any acquisition of any entity, assets or business by Beijing Youjun;

- review and approval of any establishment of an equity joint venture or partnership by Beijing Youjun or any of its subsidiaries with any person (except strategic partnerships that do not involve equity investment);

- review and approval of any amendment, disposal, pledge or other disposition of shares of Beijing Youjun or any of its subsidiaries, and the approval of any external guarantee provided by Beijing Youjun or any of its subsidiaries; and

- review and approval of the repurchase or redemption by Beijing Youjun or any of its subsidiaries of any of its equity interests or securities convertible into equity interests.

Right of first refusal and tag along rights:

If any shareholder (except the Investors) proposes to transfer any shares in Beijing Youjun, the Investors shall have a right of first refusal to acquire their pro rata portion of the proposed shares to be transferred on the same terms and conditions before the shares are offered to the proposed transferee.

If the Investors elect not to exercise its right of first refusal, the Investors has a tag-along right to require the transferring shareholder to procure the proposed transferee to purchase the Investors' shares on the same terms and conditions.

Pre-emption rights: Prior to listing of Beijing Youjun, if Beijing Youjun proposes to increase its registered capital or issue any shares or any securities convertible into shares in Beijing Youjun, such transaction requires the written consent of the Company. Such securities or new shares shall be offered to the existing shareholders of Beijing Youjun pro-rata their shareholdings before offering any such securities to third parties.

Right to sell equity: If certain triggering events occur, such as founder's departures, material adverse changes, breach of warranties, disputes regarding intellectual property, the Investors shall be entitled to require Beijing Youjun or its founders to repurchase all or part of the Investors' shares at the original price plus 10% annual return.

Liquidation preference: Upon the occurrence of a liquidation event, after creditors and liquidation expenses are paid, the Investors are entitled to receive an amount equal to one time its original investment amount (in addition to declared but unpaid dividends) before distributions are made to other shareholders.

Non-compete: The founders must devote their principal business efforts to Beijing Youjun. The non-compete restriction shall continue for 24 months after cessation of the founder's tenure or shareholding.

Anti-dilution: The Investors shall be entitled to anti-dilution protection if Beijing Youjun issues new shares at a price below the Investors' original investment price. The Investors shall be entitled to an adjustment through additional issuance of shares, transfer of shares or cash compensation to maintain its economic interest.

4 THE DGAI JVA

Date: 3 November 2026 (after trading hours)

Parties:

(a) Infinite Galaxy
(b) Beijing Youjun
(c) DGAI

Business:	The business of DGAI is to serve as the operating platform for the deployment and commercialisation of modular data centre infrastructure and integrated computing, energy and networking technologies and solutions in markets outside the PRC, combining Beijing Youjun's technology and know-how with the Group's manufacturing and engineering expertise, supply chain capabilities, international networks and market access, together with such other activities as may be mutually agreed in writing by Infinite Galaxy and Beijing Youjun from time to time.
Condition precedent:	Beijing Youjun shall have incorporated Hong Kong Youjun in Hong Kong as a wholly-owned subsidiary of Beijing Youjun.
DGAI Completion:	DGAI Completion will take place within five business days after Hong Kong Youjun has been incorporated. At DGAI Completion, DGAI shall allot and issue additional 2,000 and 8,000 shares to Infinite Galaxy and Hong Kong Youjun respectively, such that, immediately after such allotments, Infinite Galaxy shall hold 60% of the issued shares of DGAI and Hong Kong Youjun shall hold 40% of the issued shares of DGAI. Infinite Galaxy and Hong Kong Youjun shall each subscribe for the additional shares allotted to them at a subscription price of HK$1.00 per share, payable in cash upon DGAI Completion. Other than the subscription amounts payable for the additional shares, neither Infinite Galaxy nor HKYJ has undertaken any further capital commitment under the DGAI JVA. DGAI shall continue to be a subsidiary of the Company. As at the date of this announcement, DGAI has 10,000 shares in issue.
Board of directors:	The board of directors of DGAI shall comprise five directors. Infinite Galaxy shall be entitled to nominate three directors and Hong Kong Youjun shall be entitled to nominate two directors.
Director reserved matters:	Resolutions relating to certain director reserved matters require the approval of at least one director nominated by Hong Kong Youjun and at least one director nominated by Infinite Galaxy, including but not limited to the issuance of shares, alteration of share capital, issuance of any debentures or securities convertible into shares or debentures, material acquisitions or disposals, material contracts or agreements, financing, dissolution and winding up.

Proceedings of the shareholders:	Resolutions related to certain shareholders reserved matters require the approval of both Infinite Galaxy and Hong Kong Youjun, including but not limited to the issuance of shares, alteration of share capital, issuance of any debentures or securities convertible into shares or debentures, material acquisitions or disposals of material assets or intellectual property, material contracts or agreements, financing, dissolution and winding up.
Intellectual property:	Each shareholder retains ownership of its pre-existing intellectual property. Intellectual property developed by DGAI belongs to DGAI. Beijing Youjun shall grant DGAI an exclusive licence to develop its business within the agreed territory at nil consideration.
Non-compete and non-solicitation:	During its shareholding period and for two years thereafter, neither shareholder, as well as Beijing Youjun may compete with DGAI's business within the agreed territory, subject to certain carve-outs for existing businesses.
Issuance of new relevant securities:	If DGAI proposes to issue new shares or securities, existing shareholders are entitled to subscribe for such securities in proportion to their existing shareholding before they are offered to third parties.
Rights of first refusal:	If a shareholder proposes to transfer shares to a third party, the other shareholder shall have a right of first refusal to acquire such shares on the same terms and conditions before the transfer can proceed.
Drag-along right:	If a shareholder proposes to sell more than 50% of the issued shares to a bona fide third-party purchaser, it may require the other shareholder to sell its shares to such purchaser on the same terms and conditions.
Tag-along right:	If a shareholder proposes to sell shares to a third-party purchaser, the non-selling shareholder may require the purchaser to acquire some or all of its shares on the same terms and conditions.
Financial effects of the deemed disposal of DGAI	DGAI is a company incorporated in Hong Kong with limited liability on 16 May 2016 and is, as at the date of this announcement, an indirect wholly-owned subsidiary of the Company. DGAI previously engaged in burner research and development, and has not carried on any business activities since October 2024. Beijing Youjun and the Company have agreed to use DGAI as the joint venture company for the cooperation contemplated under the DGAI JVA.

For the two financial years ended 31 December 2024 and 2025, DGAI recorded net losses both before and after taxation of HK$6,408 and HK$6,312, respectively.

Upon DGAI Completion, DGAI will allot and issue 2,000 new shares to Infinite Galaxy and 8,000 new shares to Hong Kong Youjun at a subscription price of HK$1.00 per share, and the Group's equity interest in DGAI will be diluted from 100% to 60%. The allotment and issue of new shares to Hong Kong Youjun constitutes a deemed disposal of the Group's equity interest in DGAI under Rule 14.29 of the Listing Rules. As DGAI will remain a subsidiary of the Company following DGAI Completion and the Group will retain control over DGAI, the deemed disposal will be accounted for as an equity transaction in accordance with Hong Kong Financial Reporting Standard 10 "Consolidated Financial Statements". Accordingly, no gain or loss on the deemed disposal is expected to be recognised in the consolidated statement of profit or loss of the Group.

Based on the unaudited net liabilities of DGAI of approximately HK$2.07 million as at 30 September 2026 and the subscription monies of HK$8,000 payable by Hong Kong Youjun, the Group is expected to recognise an increase in equity attributable to the owners of the Company of approximately HK$0.83 million, being the difference between the subscription monies received and the 40% share of the net liabilities of DGAI attributable to Hong Kong Youjun, with a corresponding debit to non-controlling interests. The actual amount to be recorded will depend on the net liabilities of DGAI as at the date of DGAI Completion and is subject to review and audit by the auditors of the Company. The subscription monies of HK$8,000 to be received by DGAI from Hong Kong Youjun will be applied by DGAI as its general working capital.

5 TECHNICAL COOPERATION AGREEMENT

Date: 3 November 2026 (after trading hours)

Parties:
(a) Beijing Youjun
(b) The Company

Subject Matter: The Company will utilise its existing production facilities in Langfang, Hebei Province, the PRC, and its electrical, mechanical and manufacturing capabilities for the assembly and integration of infrastructure and associated systems for modular data centre pods.

Technical Support and Training: Beijing Youjun shall provide the Company with all necessary technical documentation, production assembly processes, training and technical support required for the production and assembly of the products.

Intellectual Property and Ownership: All products, materials and resulting intellectual property remain with Beijing Youjun. The Company is granted a non-transferable, non-sublicensable right to use Beijing Youjun's technical documents, assembly processes, and related intellectual property for the purpose of assembling Beijing Youjun's modular data centre pods for Beijing Youjun or its designated customers.

6 THE ASSEMBLY AND SUPPLY AGREEMENT

Date: 3 November 2026 (after trading hours)

Parties:
(a) DG Machinery
(b) Beijing Youjun

Subject Matter: DG Machinery shall supply to Beijing Youjun the infrastructure and associated systems for one modular data centre pod and related assembly services.

The assembly work includes procurement of coordination, modular assembly, electrical and mechanical integration and factory acceptance testing in accordance with Beijing Youjun 's technical specifications.

Consideration: RMB3,300,000 (equivalent to approximately HK$3,882,120)

The consideration shall be paid by Beijing Youjun to DG Machinery in cash as follows: (a) 70% within 14 business days after the Assembly and Supply Agreement becomes effective; and (b) the remaining 30% after the equipment has passed the factory acceptance test and before delivery. The consideration was determined after arm's-length negotiations among the parties by reference to the Group's estimated labour and material cost and other manufacturing overheads.

The Company intends to apply the proceeds under the Assembly and Supply Agreement towards its general working capital.

Delivery, Risk Transfer and Retention of Title: Products must be completed within 60 days after satisfaction of delivery conditions. Risk transfers upon factory acceptance testing completion and delivery, while title remains with DG Machinery until full payment.

7 INFORMATION ON THE COMPANY

The Company is a company incorporated in the Cayman Islands and whose shares are listed on the Main Board of the Stock Exchange (stock code: 1301). The Company is principally engaged in manufacturing, distribution, research and development of asphalt mixing plants, other asphalt specialty equipment and sales of spare parts and modified equipment.

8 INFORMATION ON BEIJING YOUJUN

Beijing Youjun is a company incorporated under the laws of the PRC. Beijing Youjun is principally engaged in software development, cloud computing equipment technology services, data processing and storage support, and information system integration.

Based on the unaudited management accounts of Beijing Youjun, the unaudited net asset value of Beijing Youjun as at 30 September 2026 was approximately RMB2,712,015 (equivalent to approximately HK$3,190,414), and Beijing Youjun recorded an unaudited net loss (both before and after taxation) of approximately RMB38,385 (equivalent to approximately HK$45,156) for the period from 26 August 2026 (date of incorporation) to 30 September 2026. As Beijing Youjun was newly incorporated, no financial information is available for the two financial years immediately preceding the date of this announcement. The equity holders of Beijing Youjun are the BJYJ Original Shareholders as at the date of this announcement.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Beijing Youjun, the BJYJ Original Shareholders and their ultimate beneficial owners (where applicable) are Independent Third Parties at the time of entering into the Transaction Agreements.

Upon DGAI Completion, Beijing Youjun and Hong Kong Youjun will become connected persons of the Company.

9 REASONS FOR AND BENEFITS OF THE TRANSACTIONS

A modular data centre pod is a prefabricated, transportable, self-contained data centre unit integrating computing, liquid cooling and power distribution, designed for high-performance computing workloads and rapid deployment. Compared with conventional on-site construction, this modular approach can facilitate faster deployment, reduce on-site assembly and installation work, and allow capacity to be expanded in phases according to customer requirements. Growing demand for AI computing capacity globally is expected to create demand and opportunities for modular data centre solutions and associated energy-efficient infrastructure.

As disclosed in the Company's 2025 Annual Report published on 29 April 2026 and the 2026 Interim Report published on 10 September 2026, the Group continues to pursue technological innovation and explore broader industrial applications to support its long-term development, while advancing research initiatives in areas including combustion technology, sustainable energy solutions, AI applications in batching plant systems, mobile continuous asphalt mixing plants, and enhancing product adaptability for different markets alongside overseas expansion. The cooperation with Beijing Youjun contemplated under the

Transactions Agreements represents an opportunity for the Group to apply its manufacturing and engineering capabilities to modular data centre pods and related infrastructure, with a view to broadening its business activities and potential sources of revenue over time.

This cooperation is intended to combine Beijing Youjun's technology, know-how and technical capabilities in modular data centre infrastructure and integrated computing, energy and networking solutions with the Group's production facilities, manufacturing and engineering experience and supply-chain resources. It will also draw on the Group's international networks, commercial resources and market development capabilities to identify and assess potential customers and projects outside Mainland China. DGAI, as a Hong Kong-incorporated operating platform, is intended to support the deployment and commercialisation of these solutions in such markets. DGAI will initially focus on preliminary market exploration and identifying potential business opportunities, with the scope and pace of further development to be determined as those opportunities are evaluated.

In particular, the demonstration project and the technical cooperation and assembly and supply arrangements will enable the Group to utilise its existing production facilities in Langfang, Hebei Province, the PRC, and its electrical, mechanical and manufacturing capabilities for the assembly and integration of infrastructure and associated systems for modular data centre pods in accordance with Beijing Youjun's technical specifications and with its technical support. The Group considers that these activities provide a practical means of applying its existing resources to a new product category and further developing its production, assembly and system-integration capabilities. These arrangements will also provide a platform to explore the integration of new energy and sustainable solutions, including energy storage, power management and thermal management, into the supporting energy infrastructure of modular data centre systems.

Taken together, the investment in Beijing Youjun, the demonstration project and the establishment of DGAI provide a phased approach to the Group's participation in the modular data centre pod and related infrastructure sector. This approach will allow the Group to develop relevant technical and operational experience and assess market demand before determining the scope and pace of further business development, and is consistent with the Group's stated focus on technological innovation, sustainable energy solutions and broader industrial applications.

The realisation of the anticipated benefits will depend on, among other things, satisfactory technical performance, customer acceptance, commercial viability and compliance with applicable regulatory requirements. There is no assurance that the cooperation will result in further orders or make a material contribution to the Group's revenue or earnings.

In light of the above, the Board is of the view that the terms of the Transaction Agreements are fair and reasonable, on normal commercial terms or better, and the Transactions are in the interests of the Company and its Shareholders as a whole.

10 LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of all of the transactions contemplated under the Transaction Agreements, when aggregated, exceed 5% but is or are less than 25%, the Transactions constitute a discloseable transaction for the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Beijing Youjun, the BJYJ Original Shareholders and their ultimate beneficial owners (where applicable) were Independent Third Parties at the time of entering into the Transaction Agreements.

Upon DGAI Completion, Hong Kong Youjun will hold 40% of the issued shares of DGAI, and Beijing Youjun and Hong Kong Youjun will become connected persons of the Company.

The Board are of the view that the terms of the Transaction Agreements are on normal commercial terms or better, are fair and reasonable, and the transactions contemplated thereunder are in the interests of the Company and the shareholders as a whole.

11 DEFINITIONS

Unless the context otherwise requires, the following terms have the following meanings in this announcement:

"AI"	artificial intelligence
"Assembly and Supply Agreement"	the assembly and supply agreement dated 3 November 2026 entered into between DG Machinery and Beijing Youjun
"Beijing Youjun"	Beijing Youjun Intelligent Computing Technology Co., Ltd* 北京游鈞智算科技有限公司, a company incorporated under the laws of the PRC, with Unified Social Security Code 91110101MAKJN3WWXY
"BJYJ Completion"	completion under the Capital Increase and Share Subscription Agreement
"BJYJ Shareholders' Agreement"	the shareholders' agreement dated 3 November 2026 entered into by and among the Company, the Co-investor, Beijing Youjun and the BJYJ Original Shareholders
"Capital Increase and Share Subscription Agreement"	the capital increase and share subscription agreement dated 3 November 2026 entered into by and among the Company, the Co-investor, Beijing Youjun and the BJYJ Original Shareholders

"Co-Investor"	China Grid United (Beijing) Energy Services Co., Ltd. (中網聯合(北京)能源服務有限公司) a company incorporated under the laws of the PRC, with Unified Social Security Code 91110108MA018E3E3Q
"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
"Connected person(s)"	has the same meaning ascribed to it under the Listing Rules
"DGAI"	DG Aequiflux Intelligence Limited, a company incorporated in Hong Kong with business registration number 66160494, a wholly-owned subsidiary of the Company
"DGAI Completion"	completion under the DGAI JVA
"DGAI JVA"	the joint venture agreement dated 3 November 2026 entered into by and among Infinite Galaxy, Beijing Youjun and DGAI
"DG Machinery"	廊坊德基機械科技有限公司, a company incorporated under the laws of the PRC with Unified Social Security number 91131023791395044P and a wholly-owned subsidiary of the Company
"Directors"	the directors of the Company
"Hainan Subsidiary"	a company to be incorporated in Hainan, the PRC, as a wholly-owned subsidiary of the Company and which will hold the equity interest in Beijing Youjun upon BJYJ Completion
"HK$"	Hong Kong Dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Youjun"	a company to be incorporated in Hong Kong by Beijing Youjun as a wholly-owned subsidiary of Beijing Youjun and which will hold the shares in DGAI at DGAI Completion
"Independent Third Party(ies)"	a third party(ies) independent of, and not connected with, the Company and its connected persons

"Infinite Galaxy"	Infinite Galaxy Group Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
"Investors"	together, the Company and the Co-Investor
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Main Board"	the Main Board of the Stock Exchange
"Technical Cooperation Agreement"	the modular data centre pod assembly and technical cooperation agreement dated 3 November 2026 entered into between Beijing Youjun and the Company
"PetaFLOP"	A PetaFLOP (or PetaFLOPS) is a unit of computer execution speed equal to one quadrillion (10^{15}) floating-point operations per second
"PRC"	the People's Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	holders of shares of the Company from time to time
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

In this announcement, amounts denominated in RMB are converted into HK$ at the rate of RMB1.00 = HK$1.1764. Such conversion rate is for illustration purpose only and should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.

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

Hong Kong, 3 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 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.