

[For immediate release]



DIT Group Limited
(Stock code: 726. HK)

**DIT Group's revenue surged by 91.4% to HK\$2,085 million in 2021
New businesses of smart landscaping and smart decoration contributed to the
YoY double in contracted sales**

**Accelerated implementation of supportive government policies on the
development of the prefabricated construction industry against the backdrop of
“dual carbon” goals
Brought in Glodon as a strategic shareholder to speed up digital transformation in
the construction industry**

Financial Highlights:

HK\$ '000	For the year ended 31 December		Changes
	2021	2020	
Revenue	2,085,226	1,089,284	+91.4%
Gross profit	524,155	345,204	+51.8%
Operating profit	244,945	247,639	-1.1%
Profit attribute to owners of the Company	132,375	158,833	-16.7%
Basic and diluted earnings per share (HK cents)	4.66	5.67	-17.8%
Final dividend per share (HK cents)	1.00	--	N/A

(31 March 2022, Hong Kong) DIT Group Limited (“DIT” or the “Group”, SEHK stock code: 726), an innovative high-tech company specializing businesses in the whole value chain of prefabricated construction (“PC”) in China, is pleased to announce its audited annual results for the year ended 31 December 2021 (the “Year”).

In 2021, the Group has adhered to its development strategies of “Smart Home” and “driving development with leading technology”, engaging in prefabricated construction and continuously strengthening its production capacity layout to steadily increase its business scale and efficiency. Meanwhile, the Group accelerated its product and technological innovation and expanded its brand influence, achieving a steady growth in all core indicators. During the Year, the Group recorded sales revenue of HK\$2,085 million, representing a year-on-year surge of 91.4%; while it recorded gross profit of HK\$524 million, a year-on-year growth of 51.8%. Profit attribute to owners of the Company was HK\$132 million. Specifically, revenue from PC components and self-developed patents, the Group’s core businesses, amounted to approximately HK\$1,323 million, an increase of 44.5% compared with 2020. With the comprehensive coverage of the entire industry chain, the new businesses of smart landscaping and smart decoration achieved a revenue of approximately HK\$552 million in the first year. The Board of Directors has recommended payment of a final dividend of HK\$0.01 per share for the year ended 31 December 2021.

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Business Review

Comprehensive coverage of the entire industry chain to achieve a double in contracted sales

In 2021, the Group has deeply engaged in prefabricated construction, committed to technological innovation and the development of collaborative business model across the entire industry chain, and actively explored the businesses of smart landscaping and smart decoration, achieving a double in contracted sales. During the Year, the contracted sales soared approximately 119.0% to RMB4,669 million, in which the contracted sales of PC components amounted to RMB2,501 million, representing a year-on-year increase of approximately 74.4% while the new businesses of smart landscaping and smart decoration achieved contracted sales of approximately HK\$2,168 million.

Deepen the business footprint in major areas and speed up the expansion of asset-light model

During the Year, the Group continued to deepen its PC business layout, especially in Yangtze River Delta and Greater Bay Area, with the Greater Bay Area leading the market in terms of market share, laying the foundation for the Group's business orders. As of 31 December 2021, the Group has 19 self-operated smart PC plants in operation, with a design capacity of 1.16 million square meters; while the overall capacity utilization rate of production capacity is about 47%. Besides, the Group accelerated the expansion of its PC components business by means of franchise, joint venture and asset-light model. During the year, the Group successfully signed with a rental factory, an asset-light factory and four franchise factories, and continued to improve its layout of production capacity across China.

Strategic cooperation to explore new business growth

The Group won the bid in the category of PC component in the 11th Joint Procurement of CURA in June 2021 which provided the Group with the opportunity to speed up project signing and implementation in the businesses of prefabricated construction services and PC components supply. The Group also signed strategic cooperation agreements with a number of institutions during the Year, including the Eastern China branch of The Fifth Bureau of China State Construction Engineering Corporation, the 23rd Metallurgical Construction Group Co., Ltd of Minmetals, Shanxi Interior Decoration Association and Shanxi Jinduofu Real Estate Co. Ltd, to further expand the network of major clients and drive the soaring of the annual contracted sales. In addition, the Group set up a joint venture company with Dongzhu Ecological at the end of September 2021, namely, Henan Dongzhu Drawin Ecological Environment Protection Co., Ltd, to accelerate the development of smart landscaping business.

Bring in Glodon as a strategic shareholder, stepping into the digitalization in PC industry

In August 2021, the Group signed a share subscription agreement with Glodon Company Limited ("Glodon") and completed the share subscription in November. Glodon subscribed for 300 million subscription shares, accounting for 9.67% of the issued share capital of the Group, through its subsidiaries. Net proceeds from the transaction was approximately HK\$288 million, of which HK\$90 million will be applied for the development of SaaS software in the prefabricated construction industry while the remaining amount will be used in working capital and the operation of PC plants. With Glodon's market leadership in the construction digitalization in China, as well as the Group's years of practical experience in the prefabricated construction industry, both parties will jointly develop the SaaS software in the prefabricated construction industry, empowering the Group's entire industry chain with Glodon's digital intelligence technology to achieve an integrated development and create an industrial vertical integration platform in the entire industry chain, accelerating the transformation of digital intelligence in the construction industry.

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Strengthen R&D to accelerate digital transformation

As of 31 December 2021, the Group has a total of 1,908 self-developed patents, ranking first in the industry. In April, the Group's "Flexible manufacturing technology and demonstration of complex-shaped concrete parts and components based on a standard production line transformation", one of the key R&D programs in the national 13th Five-Year, was accepted by a panel of experts and assessed to reach the international advanced level. The PC components produced by this production line have been widely applied in prefabricated construction projects in areas such as Zhengzhou, Jiaozuo and Luoyang. In July, the Group set up a national post-doctoral research station to recruit and train technological talents. In December, the Group's self-developed "Application of DIT Group Double-cycle Prefabricated Concrete Component Production Line in Jiaozuo Factory of Drawin Group" was successfully selected as the first batch of typical cases of innovative services for new technologies and products of intelligent construction by the Ministry of Housing and Urban-Rural Development.

Prospects and Development Strategy

The year 2021 coincides with the first year of the "14th Five-Year Plan". In December, the Central Economic Work Conference proposed to "promote the construction of affordable housing and support the commercial housing market to better meet the reasonable housing needs of home buyers", insisting on high-quality development and seeking progress while maintaining stability. The role of the construction industry as a pillar industry of the national economy has been continuously enhanced. Besides, under the strategic guidance of "dual carbon goals" and "construction industrialization", China is driving the green transformation and high-quality development of the construction industry with policies. The "14th Five-Year Plan" for Development of Building Industry once again clearly emphasized that by 2025, the proportion of prefabricated buildings in new buildings will reach more than 30%. As an important solution for energy conservation and carbon reduction in the construction industry, the green building method, mainly prefabricated construction, will usher in significant development opportunities and bring huge growth potential to the Group.

The digital intelligence of prefabricated construction has become a new track in the building industry during the "14th Five-Year Plan" period. In the future, the Group's R&D focus will shift from technology to product. Through the R&D of products based on the two major structural systems in terms of construction period, cost and quality, the Group will aim to reduce costs and increase efficiency, and take advantages of its entire industry chain to create competitive core products. With the Group's digital intelligence platform, it will focus on the breakthrough of data-driven business, and through the iteration of digital intelligence system applications and the continuous accumulation of data, the Group will initially form an influential overall solution for digital intelligence in prefabricated construction. Furthermore, the Group will formulate plans to reduce carbon emission and integrate its own technologies to provide comprehensive and sustainable green construction for property developers. In addition, Glodon's share subscription and cooperation in the R&D of digital intelligence products will speed up the implementation of the Group's strategy of "Smart Home", forming an overall solution for digital intelligence in the prefabricated construction industry.

Mr. Liu Weixing, Chairman and Executive Director of DIT Group said, "The Group has established a business layout that covers the entire industry chain, and the newly developed businesses of smart landscaping and smart decoration will contribute much to the Group's profit growth in the future. Looking forward, the Group will continue to focus on prefabricated construction technology and set up intelligent-digital factories in various provinces and cities across China to improve the production capacity and expand third-party clients for PC components, smart landscaping and smart decoration. Meanwhile, the Group will accelerate the expansion of layout of PC factories through direct-operation, franchise and asset-light models and actively explore new projects to achieve new business growth and expand its market share across China, leading the Group into stable growth and creating great returns for shareholders."

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About DIT Group Limited

Headquartered in Changsha and Zhengzhou, the PRC, DIT Group is an innovative high-tech enterprise that specializes in businesses throughout the entire value chain of prefabricated construction (PC). The main business of the Group covers smart prefabricated manufacturing, landscaping services and decoration. The Group has already set up several smart PC plants nationwide. It runs 19 self-operated PC plants and several plants owned and operated by franchisees.

With the consistent adherence to its development strategy of “driving development with leading technology”, the Group is equipped with the five most advanced core technology systems specific to the industry of prefabrication construction in the world with the Group’s possession of a plenitude of core technologies ranging from BIM in the context of intelligent construction, the Internet of Things, Big Data to artificial intelligence. The number of the Company’s patents has been continuously ranking first in the prefabricated construction industry.

DIT Group is committed to becoming a leading service provider of integrated solutions in smart building. In 2020, it announced a new strategy of “Smart Home” to create an innovative value chain-wide collaboration model. It is committed to making technological innovation in the entire value chain such as smart homes to help promote the development of the prefabricated construction industry.

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