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LEADWAY TECH

高維科技

Leadway Technology Investment Group Limited

高維科技投資集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2086)

POSITIVE PROFIT ALERT

This announcement is made by Leadway Technology Investment Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company and potential investors that based on the information available to the Board, and a preliminary assessment of the latest unaudited consolidated management accounts of the Group for the six months ended 30 June 2022 (the “**Reporting Period**”), the Group is expected to record a minor net profit, as compared to the net loss of HK\$10.9 million for the six months ended 30 June 2021 (the “**Prior Period**”). The Board considers that such turnaround from net loss to net profit position is mainly attributable to the following factors:

- (1) during the Reporting Period, there is improvement in the Group’s revenue to HK\$45.3 million (Prior Period: HK\$36.3 million) and increase in gross profit to HK\$23.5 million (Prior Period: HK\$20.3 million) generated from the sale of smart card products and provision of related service especially from the Europe region. This is mainly due to the improvement in global supply of integrated circuit chips, and the relieve of overseas control measures for novel coronavirus disease (COVID-19) so more national-based government projects resume normal operation;

- (2) there is net exchange gain during the Reporting Period of HK\$1.6 million (Prior Period: net exchange loss of HK\$1.6 million). This is due to the depreciation of Renminbi against Hong Kong dollar during the Reporting Period resulting in a decrease of Renminbi denominated payable balances, whereas appreciation of Renminbi against Hong Kong dollar was noted during the Prior Period;
- (3) depreciation and amortisation decreased to HK\$4.7 million (Prior Period: HK\$7.1 million) due to the fact that there are less depreciable property, plant and equipment and intangible assets during the Reporting Period; and
- (4) there is an increase in government subsidies income of HK\$0.9 million mainly due to the granting of 2022 Employment Support Scheme subsidy by the Hong Kong government under the anti-epidemic fund during the Reporting Period, while no such subsidy was granted during the Prior Period.

The information contained in this announcement is only based on the Company's preliminary assessment of the consolidated management accounts of the Group for the Reporting Period, which have not been reviewed or audited by the Company's auditors and are subject to adjustment. The Company is in the process of finalising the consolidated interim results of the Group for the Reporting Period which is expected to be published before the end of August 2022.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board of
Leadway Technology Investment Group Limited
Mai Zhaoping Zhang Xueqin
Co-chairmen

Hong Kong, 12 August 2022

As at the date of this announcement, the Board comprises six executive directors, namely Mr. Mai Zhaoping, Mr. Zhang Xueqin, Ms. Mai Qiqi, Mr. Chan Chun Leung, Ms. Xu Tingting and Mr. Wong Chi Ho, two non-executive directors, namely Mr. Mai Ziye and Mr. Xing Yi, and four independent non-executive directors, namely Dr. Lin Tat Pang, Mr. Lai Chi Leung, Mr. Zhang Dingfang and Mr. Gu Tianlong.