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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 year ended 31 December 2022, the Group expected to record a small amount of net profit, as compared to the net loss of HK\$21.3 million for the year ended 31 December 2021. The Board considers that such turnaround from net loss to net profit position is mainly attributable to the following factors:

- (1) depreciation and amortisation decreased to HK\$9.2 million (2021: HK\$18.5 million) due to the fact that there are less depreciable property, plant and equipment and intangible assets during the year;
- (2) there is net exchange gain during the year of HK\$4.2 million (2021: net exchange loss of HK\$1.5 million). This is due to the depreciation of Renminbi against Hong Kong dollar during the year resulting in a decrease of Renminbi denominated payable balances, whereas appreciation of Renminbi against Hong Kong dollar was noted in 2021;

- (3) capitalisation of staff salaries as development costs increased to HK\$6.4 million (2021: HK\$0.5 million) as our new products are in more advanced development stage so more staff salaries are capitalised during the year;
- (4) impairment loss on intangible assets of HK\$2.5 million was made in 2021, whereas no such impairment loss is identified during the year; and
- (5) there is an increase in government subsidies income of HK\$1.2 million mainly due to the granting of 2022 Employment Support Scheme subsidy by the Hong Kong government under the anti-epidemic fund during the year, while no such subsidy was granted in 2021.

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 year ended 31 December 2022, 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 annual results of the Group for the year ended 31 December 2022 which is expected to be published before the end of March 2023.

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
Leadway Technology Investment Group Limited
Mai Zhaoping Zhang Xueqin
Co-chairmen

Hong Kong, 21 March 2023

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.