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LX Technology Group Limited

凌雄科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2436)

PROFIT WARNING

This announcement is made by LX Technology Group Limited (the “**Company**” and, 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 (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on the Board’s preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2023 (the “**Year**”) and other information currently available to the Board, the Group is expected to record an increase in revenue to approximately RMB1,793.0 million for the Year as compared to approximately RMB1,664.0 million for the corresponding period in 2022. Such expected increase was primarily attributable to the increase in revenue across all service lines of the Group during the Year. The Group is also expected to record a net loss of not less than RMB130.0 million for the Year, as compared to a net profit of approximately RMB99.9 million for the corresponding period in 2022. The expected net loss for the Year was mainly attributable to (1) the absence of the fair value gain of financial liabilities at fair value through profit or loss for the Year (2022: approximately RMB197.7 million); and (2) the increase in administrative expenses for not less than RMB14.0 million from approximately RMB86.8 million for the corresponding period in 2022 to not less than RMB100.8 million for the Year mainly due to an increase in professional fees.

Furthermore, based on the preliminary review of the operational statistics of the Group for the Year, the Group is expected to record an increase in the number of customers across all service lines, namely the device recycling business, the device subscription business and the information technology technical subscription services, reaching not less than 1,850, 25,000 and 23,000, respectively for the Year as compared to 1,060, 17,034 and 15,121, respectively, for the corresponding period in 2022. In addition, the Group is expected to record an increase in the number of new customers in the device subscription business to not less than 14,000 for the Year as compared to 7,908 for the corresponding period in 2022. The Group is also expected to record an increase in the device subscription volume of the device subscription business to not less than 5,700,000 for the Year as compared to 4,957,703 for the corresponding period in 2022. The Group remains confident in the favourable momentum of the business development of the Group.

As at the date of this announcement, the Company is in the process of finalising the consolidated annual results of the Group for the Year. The information contained in this announcement is based on a preliminary review by the Board and the management of the Company of the unaudited consolidated management accounts of the Group for the Year and other information currently available to the Board, which have not been audited or reviewed by the independent auditor of the Company nor reviewed by the audit committee of the Board of the Company, and may be subject to change. Shareholders and potential investors of the Company are advised to refer to the annual results announcement of the Company for the Year which is expected to be released by the end of March 2024.

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

By order of the Board
LX Technology Group Limited
Hu Zuoxiong
Chairman

Hong Kong, 8 March 2024

As at the date of this announcement, the Board comprises Mr. Hu Zuoxiong as Chairman and executive Director; Mr. Chen Xiuwei and Mr. Cao Weijun as executive Directors, Mr. Li Jing as non-executive Director; and Mr. Kam Chi Sing, Ms. Xu Nailing and Mr. Yao Zhengwang as independent non-executive Directors.