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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)

INSIDE INFORMATION — REDUCTION IN LOSS

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 is pleased 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 six months ended 30 June 2024 (the “**Period**”) and other information currently available to the Board, owing to the continuous effort in deepening the market penetration, the Group is expected to record an increase in revenue to not less than RMB941.6 million for the Period (30 June 2023: approximately RMB822.4 million) and a significant increase in gross profit to not less than RMB91.7 million for the Period (30 June 2023: approximately RMB69.9 million).

The Group is expected to record a reduction in net loss to not less than RMB37.5 million for the Period (30 June 2023: approximately RMB42.4 million). The expected reduction in net loss for the Period was mainly attributable to the increase in revenue and gross profit as discussed above and partially offset by the increase in distribution and selling expenses of not less than RMB26.5 million during the Period as we expanded our sales team in late 2023, being an initiative to boost our sales and marketing capabilities. The Group is also expected to record an increase in adjusted loss (a non-International Financial Reporting Standard (“**IFRS**”) measure*) to not less than RMB21.9 million for the Period (30 June 2023: approximately RMB11.4 million) owing to the decrease in adjustment from share-based payment expenses from approximately RMB35.7 million for the six months ended 30 June 2023 to approximately RMB15.0 million for the Period.

* *Adjusted loss was defined as loss plus share-based payment expenses, foreign exchange gain and other one-off professional fees.*

As at the date of this announcement, the Company is in the process of finalising the consolidated interim results of the Group for the Period. 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 Period and other information currently available to the Board, which have not been reviewed by the independent auditor of the Company nor reviewed by the audit committee of the Company, and may be subject to change. Shareholders and potential investors of the Company are advised to refer to the interim results announcement of the Company for the Period which is expected to be released by the end of August 2024.

The Group uses adjusted loss (non-IFRS measure) as additional financial measures to supplement its consolidated financial statements which are presented in accordance with IFRSs and which are not required by, or presented in accordance with, IFRSs. The Company believes that such measures provide useful information to the Shareholders, potential investors of the Company and others in understanding and evaluating our consolidated results of operations in the same manner as they help the Group's management to evaluate the Group's operating performance and formulate business plans. However, the adjusted loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and Shareholders and potential investors of the Company should not consider it in isolation, or as substitute for analysis of, our results of operations or financial position as reported under IFRSs.

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, 9 August 2024

As of the date of this announcement, the executive Directors are Mr. HU Zuoxiong, Mr. CHEN Xiuwei and Mr. CAO Weijun, the non-executive Director is Mr. LI Jing, and the independent non-executive Directors are Mr. KAM Chi Sing, Ms. XU Nailing and Mr. YAO Zhengwang.