



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

2025 INTERIM REPORT



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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Mai Zhaoping (*deceased on 27 June 2025*)

Mr. Zhang Xueqin

(*Chairman and Chief Executive Officer*)

Ms. Mai Qiqi

Mr. Chan Chun Leung

Ms. Xu Tingting

Non-executive Directors

Mr. Mai Ziyi

Mr. Lam Chi Wai

Independent Non-executive Directors

Dr. Lin Tat Pang

Mr. Lai Chi Leung

Mr. Zhang Dingfang

Mr. Gu Tianlong

AUTHORISED REPRESENTATIVES

Ms. Xu Tingting

Mr. Wong King Sum

COMPANY SECRETARY

Mr. Wong King Sum

AUDIT COMMITTEE

Dr. Lin Tat Pang (*Chairman*)

Mr. Lai Chi Leung

Mr. Zhang Dingfang

Mr. Gu Tianlong

REMUNERATION COMMITTEE

Dr. Lin Tat Pang (*Chairman*)

Mr. Lai Chi Leung

Mr. Zhang Dingfang

Mr. Gu Tianlong

NOMINATION COMMITTEE

Mr. Zhang Dingfang (*Chairman*)

Ms. Xu Tingting

Dr. Lin Tat Pang

Mr. Gu Tianlong

AUDITOR

McMillan Woods (Hong Kong) CPA Limited

24/F, Siu On Centre

188 Lockhart Road

Wanchai, Hong Kong

REGISTERED OFFICE

190 Elgin Avenue

George Town

Grand Cayman, KY1-9008

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units 4108–4110, 41st Floor

Manhattan Place, 23 Wang Tai Road

Kowloon Bay

Hong Kong

PRINCIPAL BANKER

DBS Bank (Hong Kong) Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Walkers Corporate Limited

190 Elgin Avenue

George Town

Grand Cayman, KY1-9008

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor

Services Limited

17M Floor, Hopewell Centre

183 Queen's Road East, Wanchai

Hong Kong

COMPANY'S WEBSITE ADDRESS

www.leadwayinv.com

STOCK CODE

2086

The board of directors (the “Board”) of Leadway Technology Investment Group Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2025 together with the comparative unaudited figures for the corresponding period in 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025 – unaudited
(Expressed in Hong Kong dollars)

	Note	Unaudited	
		six months ended 30 June	
		2025	2024
		\$'000	\$'000
Revenue	3	40,829	47,210
Cost of sales		(18,646)	(22,649)
Gross profit		22,183	24,561
Other income		499	434
Selling and distribution costs		(5,535)	(4,049)
Research and development expenses		(6,169)	(6,763)
Administrative expenses		(16,017)	(11,899)
(Loss)/profit from operations		(5,039)	2,284
Finance costs	4(a)	(159)	(179)
(Loss)/profit before tax	4	(5,198)	2,105
Income tax	5	–	–
(Loss)/profit for the period attributable to the equity shareholders of the Company		(5,198)	2,105
(Losses)/earnings per share	6		
Basic		(1.627) cents	0.659 cents
Diluted		(1.627) cents	0.659 cents

The notes on pages 8 to 15 form part of this unaudited interim financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025 – unaudited
(Expressed in Hong Kong dollars)

	Unaudited	
	six months ended 30 June	
	2025	2024
	\$'000	\$'000
(Loss)/profit for the period	(5,198)	2,105
Other comprehensive income/(expense) for the period (after tax)		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of foreign operations	491	(675)
Total comprehensive (expense)/income for the period	(4,707)	1,430
Attributable to:		
Equity shareholders of the Company	(4,707)	1,430

The notes on pages 8 to 15 form part of this unaudited interim financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025 – unaudited

(Expressed in Hong Kong dollars)

	Note	Unaudited 30 June 2025 \$'000	Audited 31 December 2024 \$'000
Non-current assets			
Property, plant and equipment	7	6,968	8,837
Intangible assets		8,408	8,170
		15,376	17,007
Current assets			
Inventories		23,996	25,047
Trade and other receivables	8	25,648	25,596
Other financial assets		98	93
Current tax recoverable		498	477
Cash and cash equivalents	9	13,244	25,712
		63,484	76,925
Current liabilities			
Trade and other payables	10	16,750	25,063
Lease liabilities		3,759	4,003
		20,509	29,066
Net current assets		42,975	47,859
Total assets less current liabilities		58,351	64,866
Non-current liabilities			
Lease liabilities		1,287	3,095
		1,287	3,095
NET ASSETS		57,064	61,771
CAPITAL AND RESERVES			
Share capital	11	31,956	31,956
Reserves		25,108	29,815
TOTAL EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY		57,064	61,771

The notes on pages 8 to 15 form part of this unaudited interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025 – unaudited

(Expressed in Hong Kong dollars)

	Share capital \$'000	Share premium \$'000	Merger reserve \$'000	Surplus reserve \$'000	Exchange reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 January 2024	31,956	53,383	4,496	2,879	(2,738)	(31,746)	58,230
Changes in equity for the six months ended							
30 June 2024:							
Profit for the period	-	-	-	-	-	2,105	2,105
Other comprehensive expense	-	-	-	-	(675)	-	(675)
Total comprehensive (expense)/income	-	-	-	-	(675)	2,105	1,430
Appropriation to surplus reserve	-	-	-	1	-	(1)	-
Balance at 30 June 2024 and							
1 July 2024	31,956	53,383	4,496	2,880	(3,413)	(29,642)	59,660
Changes in equity for the six months ended							
31 December 2024:							
Profit for the period	-	-	-	-	-	1,627	1,627
Other comprehensive income	-	-	-	-	484	-	484
Total comprehensive income	-	-	-	-	484	1,627	2,111
Appropriation to surplus reserve	-	-	-	6	-	(6)	-
Balance at 31 December 2024 and							
1 January 2025	31,956	53,383	4,496	2,886	(2,929)	(28,021)	61,771
Changes in equity for the six months ended							
30 June 2025:							
Loss for the period	-	-	-	-	-	(5,198)	(5,198)
Other comprehensive income	-	-	-	-	491	-	491
Total comprehensive income/(expense)	-	-	-	-	491	(5,198)	(4,707)
Appropriation to surplus reserve	-	-	-	2	-	(2)	-
Balance at 30 June 2025	31,956	53,383	4,496	2,888	(2,438)	(33,221)	57,064

The notes on pages 8 to 15 form part of this unaudited interim financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2025 – unaudited

(Expressed in Hong Kong dollars)

	Note	Unaudited	
		six months ended 30 June	
		2025	2024
		\$'000	\$'000
Operating activities			
Cash (used in)/generated from operations		(8,698)	6,131
Tax paid		–	(15)
Net cash (used in)/generated from operating activities		(8,698)	6,116
Investing activities			
Payment for the purchase of property, plant and equipment		(600)	(140)
Expenditure on development projects capitalised		(1,145)	(1,127)
Other cash flows arising from investing activities		89	363
Net cash used in investing activities		(1,656)	(904)
Financing activities			
Capital element of lease rentals paid		(2,053)	(2,241)
Interest element of lease rentals paid		(159)	(179)
Net cash used in financing activities		(2,212)	(2,420)
Net (decrease)/increase in cash and cash equivalents		(12,566)	2,792
Cash and cash equivalents at 1 January		25,712	20,227
Effect of foreign exchange rate changes		98	(36)
Cash and cash equivalents at 30 June	9	13,244	22,983

The notes on pages 8 to 15 form part of this unaudited interim financial statements.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
(Expressed in Hong Kong dollars unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This interim financial report is unaudited but has been reviewed by the audit committee of the Company and it was authorised for issue on 26 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The financial information relating to the financial year ended 31 December 2024 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued certain amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING

The principal activities of the Group are the development, sales and distribution of smart card products, software and hardware and provision of related services.

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by timing of revenue recognition is as follows:

	Unaudited Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by timing of revenue recognition		
– Point in time	40,829	47,128
– Over time	–	82
	40,829	47,210

(b) Segment reporting

The Group's management assesses the performance and allocates the resources of the Group as a whole, as all of the Group's activities are considered to be primarily the development, sales and distribution of smart card products, software and hardware and the provision of smart card related services. The management considers there is only one operating segment and, accordingly, no operating segment information is presented.

The following table sets out information about the geographic area of the Group's revenue from external customers. The geographic area of customers is based on the location at which the services were rendered or the control over the goods are transferred to customers.

	Unaudited Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Revenue from external customers		
Disaggregated by geographical location of customers		
– Europe	20,239	26,911
– Asia Pacific	15,175	12,211
– The Americas	3,701	7,083
– Middle East and Africa	1,714	1,005
	40,829	47,210

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

4 (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax is arrived at after charging/(crediting):

(a) Finance costs

	Unaudited	
	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Interest on lease liabilities	159	179

(b) Other items

	Unaudited	
	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Amortisation of intangible assets	908	908
Depreciation		
– owned property, plant and equipment	489	516
– right-of-use assets	1,995	2,177
Government subsidies income*	49	–
Reversal of impairment losses on trade receivables	(1,547)	(63)
Reversal of write down of inventories	–	(82)
Write down of inventories	9	–
Interest income	89	363

* The Group successfully applied for SME Export Marketing Fund from government in Hong Kong of \$49,000 during the six months ended 30 June 2025.

The purpose of the subsidy is to help small and medium size enterprises develop markets outside Hong Kong.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
(Expressed in Hong Kong dollars unless otherwise indicated)

5 INCOME TAX

	Unaudited	
	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Current tax – Other jurisdictions		
Provision for the year	–	–
Deferred taxation	–	–
Income tax expense	–	–

Notes:

- (i) No provision for Hong Kong Profits Tax has been made in the financial statements for the six months ended 30 June 2025 and 2024 as the Group has sustained losses for taxation purpose.
- (ii) No provision for Philippines Income Tax has been made in the financial statements for the six months ended 30 June 2025 and 2024 as the Group has sustained losses for taxation purpose.
- (iii) No provision for Chinese Mainland Corporate Income Tax has been made in the financial statements for the six months ended 30 June 2025 and 2024 as the Group has sustained losses for taxation purpose.
- (iv) Taxation for other entities is charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
(Expressed in Hong Kong dollars unless otherwise indicated)

6 (LOSSES)/EARNINGS PER SHARE

(a) Basic (losses)/earnings per share

The calculation of basic (losses)/earnings per share is based on loss attributable to ordinary equity shareholders of the Company of \$5,198,000 (six months ended 30 June 2024: profit \$2,105,000) and the weighted average of 319,565,000 (six months ended 30 June 2024: 319,565,000) ordinary shares in issue for the six months ended 30 June 2025.

(b) Diluted (losses)/earnings per share

Diluted (losses)/earnings per share for the six months ended 30 June 2025 and 2024 are the same as the basic (losses)/earnings per share as there are no dilutive potential ordinary shares.

7 PROPERTY, PLANT AND EQUIPMENT

(a) Right-of-use assets

During the six months ended 30 June 2025, no additions to right-of-use assets due to no new or renewal leases entered during the period (six months ended 30 June 2024: nil).

(b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2025, the Group acquired items of property, plant and equipment with a cost of \$600,000 (six months ended 30 June 2024: \$140,000). No items was disposed during the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

8 TRADE AND OTHER RECEIVABLES

	Unaudited 30 June 2025 \$'000	Audited 31 December 2024 \$'000
Trade receivables, net of loss allowance	13,715	15,133
Other receivables	11,933	10,463
	25,648	25,596

As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	Unaudited 30 June 2025 \$'000	Audited 31 December 2024 \$'000
Within 1 month	4,898	13,662
1 to 2 months	3,906	1,119
2 to 3 months	1,432	47
3 to 12 months	3,427	305
Over 1 year	52	–
	13,715	15,133

Trade receivables are generally due within 7 days to 3 months from the date of billing.

9 CASH AND CASH EQUIVALENTS

	Unaudited 30 June 2025 \$'000	Audited 31 December 2024 \$'000
Cash at bank and on hand	8,319	25,712
Bank deposits maturing within three months when placed	4,925	–
Cash and cash equivalents	13,244	25,712

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

10 TRADE AND OTHER PAYABLES

	Unaudited 30 June 2025 \$'000	Audited 31 December 2024 \$'000
Trade payables	10,648	15,043
Accruals	3,755	3,223
Receipt in advance from customers	2,347	6,797
	16,750	25,063

As of the end of the reporting period, the ageing of trade payables, based on the invoice date, is as follows:

	Unaudited 30 June 2025 \$'000	Audited 31 December 2024 \$'000
Within 1 month	6,781	13,390
1 to 3 months	2,272	1,537
3 months to 1 year	1,595	116
	10,648	15,043

11 SHARE CAPITAL

Authorised and issued share capital

	Unaudited 30 June 2025		Audited 31 December 2024	
	Number of shares '000	Amount \$'000	Number of shares '000	Amount \$'000

Authorised:

Ordinary shares of \$0.1 each	1,000,000	100,000	1,000,000	100,000
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Ordinary shares, issued and fully paid:

At 1 January and 30 June/31 December	319,565	31,956	319,565	31,956
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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
(Expressed in Hong Kong dollars unless otherwise indicated)

12 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

At 30 June 2025, the fair value of the treasury bills listed outside Hong Kong held by the Group was approximately \$98,000 (31 December 2024: approximately \$93,000). The costs of these financial assets measured at amortised cost are not materially different from their fair values at 30 June 2025 and 31 December 2024. These instruments fall into level 1 of the fair value hierarchy described above.

During the six months ended 30 June 2025 and year ended 31 December 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The carrying amount of the Group's all other financial instruments carried at costs or amortised costs were not materially different from their fair values as at 30 June 2025 and 31 December 2024.

13 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in this interim financial report, the Group entered into the following material related party transaction.

Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors is as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Short-term employee benefits	1,785	1,188
Post-employment benefits	–	25
	1,785	1,213

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Revenue for the Interim Period was HK\$40.9 million, representing a 14% decrease compared to HK\$47.2 million for the corresponding period in 2024. This decline was primarily driven by several external and internal challenges. The imposition of reciprocal tariffs by the United States (“US”), coupled with ongoing trade conflicts between the US and China, created a more difficult operating environment and adversely affected sales. In addition, the absence of new government tenders in the first half of 2025 further constrained revenue growth. While new products have been introduced, additional time is required for these offerings to gain market traction and generate meaningful contributions to revenue. The revenue decrease reflects the impact of these factors; however, we remain confident that with ongoing product development and anticipated government opportunities, performance will stabilize and improve in the second half of 2025 and beyond.

Gross Profit Margin

Gross profit margin for the Interim Period was 54% compared to 52% for the corresponding period in 2024. This improvement reflects the company’s ability to enhance efficiency and exercise stronger production cost control despite a challenging sales environment. However, the overall gross profit amount decreased to HK\$22.2 million for the Interim Period, compared to HK\$24.6 million in the corresponding period of 2024. The decline in gross profit amount was primarily attributable to lower sales revenue, offsetting the positive impact of the higher margin.

Operating Expenses

Total operating expenses increased by 22%, from HK\$22.7 million for the corresponding period in 2024 to HK\$27.7 million for the Interim Period. This increase is mainly due to a addition in the Group’s headcount, resulting in higher staff costs, and an increase in other operating expenses due to expansion into new markets and diversification of our product portfolio during the Interim Period.

Statement of Financial Position

As of 30 June 2025, the Group’s net assets amounted to HK\$57.1 million (31 December 2024: HK\$61.8 million). The decrease of HK\$4.7 million was due to the net loss of HK\$5.2 million offset by the movement of exchange reserve of HK\$0.5 million during the Interim Period.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the Interim Period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

As part of our commitment to ongoing innovation and collaboration, the first half of 2025 was marked by the launch of several new products, including the ACR1555U Secure Bluetooth NFC Reader, the AquaGuard IP67 USB NFC Reader, the WalletMate II Mobile Wallet NFC Reader, and the PocketKey+ FIDO Certified USB Security Key with NFC. In the second half of 2025 and beyond, we plan to introduce additional innovative solutions for digital identity and payment market sectors. Customers' feedback on these new offerings has been positive, reinforcing market confidence in our product roadmap and generating anticipation for future releases.

Turning to our participatory events, the first half of 2025 saw our active presence at major exhibitions including IOTE 2025 in Shanghai, Japan IT Week Spring 2025 in Tokyo, Smart IoT Indonesia 2025 in Jakarta and Identiverse 2025 in Las Vegas. In the second half of the year, we are scheduled to participate in IOTE 2025 in Shenzhen and Trustech 2025 in Paris.

Feedback from these exhibitions has been encouraging, with customers recognizing Advanced Card Systems Limited ("ACS"), a wholly-owned subsidiary of the Group, as a strong and reliable supplier in the industry. This recognition further supports the reception of our upcoming product launches.

In the face of intense competition within the industry, the Group continues to strengthen its market position by expanding our product range, enhancing our core offerings, and developing business opportunities in new markets. These measures ensure that we remain agile and responsive to evolving industry dynamics.

Confronting the impact of global challenges such as the post-COVID environment, the Russia-Ukraine conflict, and prolonged trade tensions between China and the US, the Group has implemented targeted strategies. With some European customers deferring purchase plans due to the ongoing conflict and Euro currency fluctuations, we are placing greater focus on the American and Southeast Asian markets to sustain growth momentum. At the same time, we are reviewing our pricing strategies and exploring cost-reduction initiatives to mitigate external pressures and safeguard long-term profitability.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

In terms of industry recognition, no awards were obtained during the Interim Period. Nevertheless, the Group continues to focus on building its reputation through product innovation and strong customer engagement.

Our marketing and advertising strategy for the second half of 2025 and into 2026 will be characterised by active participation in tradeshow across different regions. This approach is designed to enhance brand visibility, strengthen industry presence, and foster deeper connections with potential customers, thereby stimulating interest in our expanding product portfolio.

While uncertainties remain in the global economic landscape, we maintain a positive outlook for the Group's growth prospects in the second half of 2025 and beyond. We expect that our newly launched and upcoming products will stimulate customer demand and generate new sales revenue.

With respect to our operations in Japan, the office reopened and remains in the development phase. The Group intends to allocate additional resources to support the growth of this regional office and market. The outlook for future development opportunities is positive, and we anticipate gradual improvement in performance as the office continues to mature.

In terms of strategy, the Group will continue to focus on cost control and efficiency improvements to support profitability in the long term. No major changes in management are expected, and our leadership structure remains stable, providing continuity to navigate ongoing challenges and capture new opportunities.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

At all times, the Group maintains a healthy liquidity position. As of 30 June 2025, the Group's cash and cash equivalents amounted to HK\$13.2 million (31 December 2024: HK\$25.7 million). The Group's net assets as at 30 June 2025 were HK\$57.1 million (31 December 2024: HK\$61.8 million).

The Group's equity capital and the cash generated from operating activities have been applied to fund its working capital and other operational needs. The Group recorded a net cash outflow in operating activities of HK\$8.7 million (2024: net cash inflow of HK\$6.1 million) for the Interim Period, attributed to the Company's expansion into new markets and diversification of our product portfolio. The Group recorded a net cash outflow in investing activities of HK\$1.7 million (2024: HK\$0.9 million) for the Interim Period due to more purchase of property, plant and equipment during the Interim Period. The Group recorded a net cash outflow in financing activities of HK\$2.2 million (2024: HK\$2.4 million) for the Interim Period, which was due to the capital and interest elements of lease rentals paid.

MANAGEMENT DISCUSSION AND ANALYSIS

GEARING RATIO

The Group’s gearing ratio, calculated by reference to the ratio of total borrowings to total equity attributable to owners of the Company as of 30 June 2025, was 0% (31 December 2024: 0%).

DISPOSALS AND ACQUISITIONS

During the Interim Period, the Group did not have any material disposals or investments of subsidiaries and affiliated companies.

FUTURE PLANS RELATING TO MATERIAL INVESTMENT OR CAPITAL ASSET

As at 30 June 2025, the Group neither has any capital commitment related to the acquisition of property, plant, and equipment, nor any plan authorised by the Board for other substantial investment or additions of capital assets.

EXPOSURE TO EXCHANGE RATE FLUCTUATIONS

The assets, liabilities, and transactions of the Group are primarily denominated in Hong Kong dollars, United States dollars, and Renminbi. As Hong Kong dollars are pegged to United States dollars, the exchange risk arising from United States dollars does not have a significant financial impact on the Group. The Group manages its foreign exchange risk by performing regular reviews of the Group’s net foreign exchange exposures.

PLEDGE OF ASSETS

As of 30 June 2025, the Group did not pledge any of its material assets.

CONTINGENT LIABILITIES

As of 30 June 2025, the Company had no significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group comprised 97 dedicated full-time employees. Staff costs for the Interim Period amounted to HK\$16.9 million. We remain committed to ensuring that our remuneration policies and packages align with each employee’s qualifications, performance, and experience, as well as the current industry standards. Furthermore, we continue to invest in the growth of our team, offering various training sessions to bolster their understanding of our products and the market landscape.

MANAGEMENT DISCUSSION AND ANALYSIS

CONTINUING CONNECTED TRANSACTION

On 20 August 2024, 龍傑智慧科技(廣東)有限公司 (“ACS Guangdong”) (an indirect wholly-owned subsidiary of the Company) and 廣東中兆實業集團有限公司 (“Zhong Zhao”) is entered into a cooperation agreement (the “Cooperation Agreement”) pursuant to which the parties agreed to collaborate to jointly develop a smart technology project on the premises to promote contactless reader, financial technology and smart living solutions eco-system for a term of three years from 1 September 2024 to 31 August 2027 (both dates inclusive). Pursuant to the Cooperation Agreement, Zhong Zhao shall provide office spaces and venues at the premises for free as requested from time to time by ACS Guangdong for its production and operation. Zhong Zhao shall also provide support to ACS Guangdong on its production operation and business development, including but not limited to, talent recruitment, government preferential policy support, peripheral supporting activities, and resource integration. In return, ACS Guangdong shall pay a service fee to Zhong Zhao on a revenue sharing basis in an amount representing 10% of the operating revenue of ACS Guangdong, payable every three months. ACS Guangdong shall also pay a prepayment in the amount of RMB3,000,000 to Zhong Zhao within five business days after signing of the Cooperation Agreement.

The proposed Annual Cap on the aggregate service fee of the Cooperation Agreement for each of the three years ending 31 August 2027 shall not exceed RMB5,000,000, RMB7,000,000 and RMB9,000,000, respectively. The service fee (on an aggregate basis within 12 months) shall be less than HK\$10,000,000.

As at the date of this interim report, Zhong Zhao is owned as to 90% by Mr. Zhang, one of the ultimate controlling shareholders of the Company and the executive Director. Mr. Zhang is a connected person of the Company under Rule 14A.07(1) of the Listing Rules. As such, Zhong Zhao is an associate of a connected person. Accordingly, the transaction contemplated under the Cooperation Agreement constitutes a continuing connected transaction of the Company.

During the period ended 30 June 2025, ACS Guangdong generated revenue of RMB620,000 and paid a service fee of RMB62,000 to Zhong Zhao to be the consideration of transaction during the period (2024: Nil).

ADDITIONAL INFORMATION

DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”) set out in Appendix C3 of the Listing Rules were as follows:

Long positions in the shares of the Company

Name of director	Note	Capacity	Total number of shares held	Approximate percentage of the Company's issued share capital as at 30 June 2025
Mr. Mai Zhaoping (麥照平先生) (deceased)	(i), (ii)	Interest in controlled corporation	239,215,679	74.85%
Mr. Zhang Xueqin (張學勤先生)	(i)	Interest in controlled corporation	239,215,679	74.85%
		Beneficial owner	250,000	0.09%
Ms. Xu Tingting		Beneficial owner	235,000	0.07%

Note:

- (i) Mr. Mai Zhaoping (deceased) and Mr. Zhang Xueqin are parties acting in concert pursuant to an acting in concert deed dated 12 January 2022.
- (ii) Mr. Mai Zhaoping's interests are now undergoing probate.

Save as disclosed above, as at 30 June 2025, to the best knowledge of the directors of the Company, none of the directors or their associates had any personal, family, corporate or other interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES

At no time during the Interim Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

ADDITIONAL INFORMATION

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, so far as is known to the directors or chief executive of the Company, the following shareholders (excluding directors and chief executive of the Company) had interests and short positions of 5% or more in the shares and underlying shares of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

Leadway Technology Investment Group Limited	Name of shareholder	Notes	Capacity	Long position in ordinary shares of HK\$0.10 each	Approximate percentage of the Company's issued share capital as at 30 June 2025
				Total number of shares held	
22	Leadway Development Limited ("Leadway Development")	(i)	Beneficial owner	238,889,669	74.75%
	Mars Development Limited	(i)	Interest in controlled corporation	239,215,679	74.85%
	Mars Enterprise Holdings Limited	(i)	Interest in controlled corporation	239,215,679	74.85%
Interim Report 2025	Megacore Development Limited	(i)	Interest in controlled corporation	239,215,679	74.85%
	Megacore International Innovation Limited	(i)	Interest in controlled corporation	239,215,679	74.85%
	Zhong Zhao Investment Holdings Limited (中兆投資控股有限公司)	(i)	Interest in controlled corporation	239,215,679	74.85%
	Premium Financial Limited (永實物業按揭有限公司)	(ii)	Security Interest	238,889,669	74.75%
	Sun Speed Holdings Limited (日迅控股有限公司)	(ii)	Security Interest in controlled corporation	238,889,669	74.75%
	Mr. Qiu Yong (邱用先生)	(ii)	Security Interest in controlled corporation	238,889,669	74.75%

ADDITIONAL INFORMATION

SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

(continued)

Notes:

- (i) Leadway Development is held as to 60% by Mars Development Limited and 40% by Megacore Development Limited. Mars Development Limited is held as to 100% by Mars Enterprise Holdings Limited which in turn is held as to 100% by Mr. Mai Zhaoping (deceased). Megacore Development Limited is held as to 100% by Megacore International Innovation Limited which in turn is held as to 100% by Zhong Zhao Investment Holdings Limited. Zhong Zhao Investment Holdings Limited is held as to 100% by Mr. Zhang Xueqin. Mr. Mai Zhaoping (deceased) and Mr. Zhang Xueqin are parties acting in concert pursuant to an acting in concert deed dated 12 January 2022. Mars Development Limited, Mars Enterprise Holdings Limited, Mr. Mai Zhaoping (deceased), Megacore Development Limited, Megacore International Innovation Limited, Zhong Zhao Investment Holdings Limited and Mr. Zhang Xueqin are therefore deemed to be interested in shares held by Leadway Development under the SFO.
- (ii) On 27 August 2019, Leadway Development, the controlling shareholder (as defined in the Listing Rules) of the Company entered into a share charge agreement with Premium Financial Limited, pursuant to which Leadway Development agreed to pledge 238,889,669 shares in the issued share capital of the Company in favour of Premium Financial Limited, for the purpose of securing a loan granted by independent third parties of the Company to Leadway Development.

Therefore, the records in the register to be kept under section 336 of the SFO were updated that (i) Premium Financial Limited, Sun Speed Holdings Limited and Mr. Qiu Yong are interested in 238,889,669 shares as security interest; and (ii) interest in 238,889,669 shares held by Leadway Development, Mars Development Limited, Mars Enterprise Holdings Limited, Mr. Mai Zhaoping (deceased), Megacore Development Limited, Megacore International Innovation Limited, Zhong Zhao Investment Holdings Limited and Mr. Zhang Xueqin were provided as security to a person other than a qualified lender.

Save as disclosed above, as at 30 June 2025 and to the best knowledge of the directors and chief executives of the Company, no person had an interest or short position in the shares or underlying shares of the Company as recorded in the register of interests required to be kept under Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the Interim Period, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company’s listed shares.

ADDITIONAL INFORMATION

CORPORATE GOVERNANCE

During the Interim Period, the Company has adopted the code provisions set out in the Corporate Governance Code contained in Appendix C1 of the Listing Rules (the “CG Code”). The directors of the Company are of the opinion that the Company has complied with the code provisions set out in the CG Code during the Interim Period except the following:

Code Provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Following the appointment of Mr. Zhang Xueqin as the co-chairman and the chief executive officer of the Company on 26 February 2022, the Company has deviated from Code Provision C.2.1 of the CG Code as set out in Appendix C1 of the Listing Rules. However, the Board believes that vesting the roles of both co-chairman and chief executive officer in Mr. Zhang Xueqin has the benefit of ensuring consistent and continuous planning and execution of the Company’s strategies and will enable the Board to function more effectively. It is expected that Mr. Zhang Xueqin will perform the other functions and responsibilities of the chairman under the CG Code. The Board considers that the balance of power and authority, accountability and independent decision-making under the present arrangement will not be impaired in light of the diverse background and experience of the Board, with not less than one third of them being independent non-executive directors.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company adopted dealings rules regarding directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code.

Having made specific enquiry of all directors of the Company, all directors of the Company confirmed that they had complied with the required standard set out in the Model Code during the Interim Period regarding directors’ securities transactions.

AUDIT COMMITTEE

The audit committee of the Company is primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; reviewing the Company’s financial controls, internal controls and risk management systems; and reviewing the financial statements of the Company. The audit committee has reviewed the Group’s unaudited consolidated results for the six months ended 30 June 2025 and discussed the financial related matters with the management of the Group.

The audit committee currently comprises 4 members, namely Dr. Lin Tat Pang (being the chairman of the audit committee), Mr. Lai Chi Leung, Mr. Zhang Dingfang and Mr. Gu Tianlong.

By order of the Board
Leadway Technology Investment Group Limited
Zhang Xueqin
Chairman

Hong Kong, 26 August 2025