STEVE LEUNG DESIGN GROUP LIMITED
梁志天設計集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2262)

POSITIVE PROFIT ALERT
IMPROVEMENT IN CONSOLIDATED RESULTS

This announcement is made by STEVE LEUNG DESIGN 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 (the "**Board**") of directors (the "**Directors**") of the Company is pleased to inform the shareholders of the Company (the **"Shareholders"**) and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2024 (the "**Year**") and the other information currently available to the Board, the Group is expected to have significant improvement in the consolidated results for the Year and it is expected the consolidated result for the Year will range from a consolidated net loss of approximately HK$4.0 million to a consolidated net profit of approximately HK$3.0 million (subject to further adjustments and impairment assessments) as compared to the consolidated net loss of approximately HK$20.0 million for the year ended 31 December 2023.

Based on the information currently available, the Board considers that the significant improvement of the financial performance of the Group for the Year is mainly attributable to (i) as the property market in the People's Republic of China (the "**PRC**") has shown signs of stabilisation during the Year, in view that the Group has established an adequate level of impairment provisions under the expected credit loss model to reflect the credit risk associated with the downturn in the PRC property market during the past years, impairment losses on trade receivables and contract assets under the expected credit loss model of the Group for the Year is expected to significantly decrease; (ii) increase in gross profit and other income; (iii) decrease in selling and administrative expenses as a consequence of continued cost control measures; and (iv) decrease in finance costs as a result of the decrease in average bank borrowings. The decrease in loss is partially offset by (i) increase in exchange loss due to the depreciation of Renminbi against Hong Kong Dollar during the Year; and (ii) increase in income tax expenses arising from the increase on taxable profit during the Year.

The information contained in this announcement represents a preliminary estimation and assessment by the Board with reference to the unaudited consolidated management accounts, financial information of the Group and other information currently available to the Board. Such information as well as the unaudited consolidated management accounts of the Group have not been reviewed by the auditor of the Company or the audit committee of the Board. As the Company is still in the process of finalising its annual results for the Year, the actual annual results for the Year may be different from the information set out in this announcement. Further details of such annual results will be included in the Company's annual results announcement, which is expected to be published before end of March 2025.

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
Steve Leung Design Group Limited
梁志天設計集團有限公司
Xu Xingli
Chairman

Hong Kong, 27 January 2025

As at the date of this announcement, the executive Directors are Mr. Leung Chi Tien Steve, Mr. Siu Man Hei (Chief Executive Officer), Mr. Yip Kwok Hung Kevin (Chief Financial Officer) and Mr. Ding Chunya, the non-executive Directors are Mr. Xu Xingli (Chairman) and Mr. Ding Jingyong, and the independent non-executive Directors are Mr. Tsang Ho Ka Eugene, Mr. Liu Yi and Ms. Wang Wanjun.