

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



LUEN THAI HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 311)

PROFIT WARNING

This announcement is made by Luen Thai Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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 (the “**Board**”) of the Company wishes to inform the shareholders and potential investors of the Company that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024 and other information currently available to the Board, the loss attributable to owners of the Company for the six months ended 30 June 2024 is expected to be between US\$9.5 million and US\$10.5 million as compared to the profit attributable to owners of the Company of approximately US\$284,000 for the corresponding period in 2023.

The expected turnaround from profit to loss is primarily attributable to the following:

1. The Group’s revenue for the six months ended 30 June 2024 is approximately US\$295 million to US\$310 million, representing a decrease of approximately 13% to 9% as compared to a revenue of approximately US\$340 million for the corresponding period in 2023. Such decrease in revenue is due to a reduction in orders from the Group’s customers caused by various factors, including but not limited to: (i) missed shipment and shipment delays caused by freight unavailability and compliance with customs laws and regulations in the United States of America (“**USA**”); and (ii) inventory gluts for certain major customers of the Group which caused them to scale back their manufacturing orders.

2. The Group incurred one-off general and administrative expenses in an aggregate amount of approximately US\$3.9 million during the six months ended 30 June 2024, which is mainly caused by severance payments paid by the Group to former employees who were laid-off pursuant to the management decision to reduce operating costs for the Group's manufacturing plants in the longer run in view of the reduction in orders mentioned above, as well as legal costs and expenses incurred relating to compliance with customs laws and regulations in the USA.
3. As interest rates remained high, the net finance cost of the Group increased by approximately 9.6% to approximately US\$6.41 million for the six months ended 30 June 2024 as compared to approximately US\$5.85 million for the corresponding period in 2023.

The Group's management will continue to take proactive measures to mitigate the operational risks of the Group, enhance operational efficiency, reduce costs and tightly manage its cash flow. The Group will also continue to closely monitor the market conditions and will make timely adjustments to its business strategies when necessary.

The information contained in this announcement is only a preliminary assessment by the Board based on information currently available to it, including the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024, which have not been confirmed, reviewed, audited or verified by the auditors or the audit committee of the Company. As such, the Company shall not be held liable for the accuracy of the information which may be subject to adjustment or amendment subsequently and is for reference only. The unaudited interim results of the Group for the six months ending 30 June 2024 are expected to be announced in late August 2024.

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
Luen Thai Holdings Limited
Tan Cho Lung, Raymond
Chief Executive Officer and Executive Director

Hong Kong, 30 July 2024

As at the date of this announcement, the Board comprises Mr. Wang Weimin, Dr. Tan Siu Lin, Mr. Tan Cho Lung, Raymond, Mr. Zhang Min and Mr. Jin Xin as executive Directors; Ms. Fok Yue San, Sandy as non-executive Director; Mr. Chan Henry, Dr. Wang Ching and Mr. Lee Cheuk Yin, Dannis as independent non-executive Directors.

Company website: www.luenthai.com