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LUEN THAI HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 311)

PROFIT ALERT

This announcement is made by Luen Thai Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

PROFIT ALERT

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, based on the review of the information currently available to the Board for the six months ended 30 June 2025 (“**Relevant Period**”), the Company is expected to report results within a range from approximately breakeven to a net profit attributable to owners of the Company of approximately US\$0.5 million for the Relevant Period, as compared to a net loss attributable to owners of the Company of approximately US\$9.7 million in the corresponding period in 2024.

The Board considers that the expected improvement in the Group’s financial performance is primarily attributable to the following:

- (i) the absence of various non-recurring general, administrative and legal expenses relating to customs law and regulations in the United States of America (“**Issues**”) for the Relevant Period as compared to relevant expenses of approximately US\$3.9 million incurred in the corresponding period in 2024, which mainly comprised of 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 adverse impact of the Issues;

- (ii) the improvement in overall gross profit margin of the Group due to the settlement of the Issues and the continued effect of the stringent cost control measures implemented by the management of the Group throughout the Relevant Period; and
- (iii) the decrease in finance cost from approximately US\$6.4 million for corresponding period in 2024 to approximately US\$4.8 million for the Relevant Period resulting from a decline in interest rates and strategic deployment of funding streams.

Despite the anticipated improvement of the Group's net results, the management of the Group believes that the overall operating environment remains highly challenging, particularly due to uncertainties posed by the reciprocal tariff policy of the United States of America (“**Policy**”), as the Group's performance has already been adversely affected by this Policy to a certain extent for the Relevant Period. In view of such circumstances, the Group maintains a conservative outlook for its business and performance in the second half of the year. Going forward, the Group will continue to take proactive measures to mitigate its operational risks, enhance operational efficiency, reduce costs and tightly manage its cash flow. Additionally, the Group will continue to closely monitor the market conditions and implement timely adjustments to its business strategies when necessary.

As at the date of this announcement, the Company is still in the course of finalising its unaudited consolidated interim results for the Relevant Period. The information contained in this announcement is only a preliminary assessment by the Board based on the information currently available and have not been confirmed, reviewed, audited or verified by the audit committee of the Board or the Company's auditor. Therefore, the actual results of the Group may differ from the information contained in this announcement. The Company shall not be held liable for the accuracy of the information, which may be subject to subsequent adjustment or amendment and is for reference only. Shareholders and potential investors should refer to the unaudited interim results of the Company, which is expected to be announced in late August 2025, for details of the performance of the Group during the Relevant Period.

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, 29 July 2025

As at the date hereof, 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, Mr. Lee Cheuk Yin, Dannis and Ms. Shi Min as independent non-executive directors.

Company website: www.luenthai.com