

Hong Kong Exchanges and Clearing 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 (“**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) (“**SFO**”).

The board of directors (“**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 three months ended 31 March, 2020 and other information currently available to the Company, the loss attributable to owners of the Company for the three months ended 31 March 2020 is expected to be approximately US\$2.2 million as compared to a profit attributable to owners of the Company of approximately US\$1.6 million for the corresponding period in 2019.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by the Company pursuant to Rule 13.09 of Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

The Board 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 three months ended 31 March, 2020 and other information currently available to the Company, the loss attributable to owners of the Company for

the three months ended 31 March 2020 is expected to be approximately US\$2.2 million as compared to a profit attributable to owners of the Company of approximately US\$1.6 million for the corresponding period in 2019.

This is mainly attributable to the following:

- (i) due to the outbreak of COVID-19 the authorities in the People's Republic of China (“China”) have imposed measures to contain the epidemic, which have adversely affected the production schedule of the Group's factories in China;
- (ii) the Philippines has also implemented emergency public health measures and other infection control actions such as lockdown and social distancing policies. The Group's factories in the Philippines, which are major production factories of the Group, have temporarily suspended its production since mid-March 2020, this has adversely affected the Group's production schedule and respective orders allocations of the Group; and
- (iii) as a result of poor market sentiment in the United States of America (“US”), Europe and the United Kingdom, there has been a decrease in the sales volumes of apparel and accessories (being the main products of the Group) and deferral or cancellation of the orders from the Group's customers.

The social distancing policies, restrictions of gatherings, travel restrictions, lockdowns and various other measures implemented or imposed by authorities in the US, Europe and the United Kingdom in order to contain COVID-19, resulted in the physical stores of many consumer brands in Group's major markets having been temporarily closed or adversely affected. As an upstream supplier, the Group has been inevitably affected, orders from the Group's customers are expected to decline.

While the Group's factories in China have gradually resumed its operation, it remains uncertain whether COVID-19 could be effectively contained and until when the epidemic would continue affecting the global economy. The overall weakening retail environment is expected to pose continuing challenges to the Group's business operations and affect the operating performance of the Group for the coming months. The Group has been actively managing operating expenses in order to minimise the overall impact of the current situation and has reacted promptly by taking stringent cost-cutting measures. The Group will continue to closely monitor the market conditions and will make timely adjustments in its strategies when necessary.

This announcement is only based on the preliminary assessment of unaudited information currently available to the Company. The results of the Group for three months ended 31 March 2020 have not been finalised as at the date of this announcement and have yet been reviewed by the Board's audit committee nor audited by the Company's independent auditor. The actual results of the Group for the three months ended 31 March 2020 may be different from what is disclosed in this announcement.

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
Tan Cho Lung, Raymond
Chief Executive Officer and Executive Director

Hong Kong, 27 April 2020

As at the date hereof, the Board comprises the following Directors:

Executive Directors:

Shen Yaoqing (*Chairman*)

Tan Siu Lin (*Honorary Life Chairman*)

Tan Cho Lung, Raymond (*Chief Executive Officer*)

Qu Zhiming

Huang Jie

Non-executive Director:

Mok Siu Wan, Anne

Independent non-executive Directors:

Chan Henry

Seing Nea Yie

Wang Ching

Company's website: www.luenthai.com