

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.



LAM SOON (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 411)

PROFIT WARNING

This announcement is made by Lam Soon (Hong Kong) Limited (the “Company”, and 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 in 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 of the Company and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 31 December 2022 and the information currently available to the Board, the Group is expected to record a net profit in a range of approximately HK\$40 million to HK\$50 million for the six months ended 31 December 2022, as compared to the net profit of HK\$173 million for the previous corresponding period.

The decrease in net profit for the six months ended 31 December 2022 as compared to the previous corresponding period was mainly attributable to the following factors:

- (i) increase in wheat costs resulting from the Ukraine war and other external factors leading to decrease in gross profit margin with much higher negative impact to our profits when compared to those we encountered in recent years;
- (ii) decrease in revenue and sales volume of our Flour business arising from dampened customer sentiments due to the pandemic-hindered economic recovery in Mainland China and Hong Kong. Besides, selling price adjustments for cost mitigation had adversely affected sales volume; and
- (iii) decrease in profitability and write-down of inventories to their estimated net realizable value in our new specialty fats company in Jintan, East China, which resulted from competitive pricing strategy triggered by sharp decline in palm oil prices to maintain market share and to keep inventory turns.

The Company is still in the process of finalizing its interim results of the Group for the six months ended 31 December 2022. The information contained in this announcement is based on a preliminary review of the unaudited consolidated management accounts of the Group and information currently available to the Board, which have not been audited or reviewed by the auditor and the Board Audit and Risk Management Committee of the Company, and it may be subject to adjustment upon further review. The unaudited financial results of the Group for the six months ended 31 December 2022 are expected to be announced by the end of February 2023.

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

By Order of the Board
CHENG Man Ying
Company Secretary

Hong Kong, 13 January 2023

As at the date of this announcement, the Board of the Company comprises:

Chairman:
Mr. KWEK Leng Hai

Executive Director:
Mr. WONG Cho Fai – Group Managing
Director/Chief Executive Officer

Non-Executive Directors:
Mr. CHEW Seong Aun
Dr. WHANG Sun Tze

Independent Non-Executive Directors:
Mr. LO Kai Yiu, Anthony
Mr. HUANG Lester Garson, *SBS, JP*
Ms. HO Yuk Wai, Joan