LHGROUP
叙福樓集團

LH GROUP LIMITED
叙 福 樓 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1978)

POSITIVE PROFIT ALERT

This announcement is made by LH 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 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 "**Directors**") of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and the potential investors that, based on preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2025 (the "**Review Year**") and the information currently available to the Board, the Group is expected to record a profit attributable to the Shareholders of not more than HK$2.0 million for the Review Year as compared to a loss attributable to the Shareholders of approximately HK$32.1 million for the year ended 31 December 2024.

Based on the information currently available to the Board, the Board believes that the reason for the turnaround from loss to profit attributable to the Shareholders for the Review Year was mainly attributable to the following factors:

1. an increase in revenue, driven by the Group's continued efforts to optimise its restaurant network and develop a diverse portfolio of brands by introducing new concepts and brands, which supported revenue growth throughout the Review Year;

2. a decrease in operating costs attributable to effective cost control and operational efficiency during the Review Year. These measures were implemented while upholding and continuing to prioritise the premium quality of food and services provided to our customers; and

3. a decrease in provision for impairment of property, plant and equipment and right-of-use assets related to certain underperforming stores during the Review Year. This positive development was largely attributable to an improvement in revenue performance of the Group during the Review Year. The improvement was due to the Group actively optimising its store portfolio, making decisive adjustments to underperforming outlets, and embracing the evolving market landscape by revamping menus to enhance customer experience and competitiveness.

During the Review Year, the Group closely monitored the market condition, adjusted its business strategy from time to time, and implemented several proactive strategies to enhance brand diversity and to control the expenditure for minimising the negative impact and maintaining business stability. The strategies include but not limited to, introducing and developing suitable new brands, negotiating rental reductions with landlords, optimising supplier terms, and launching diverse promotional campaigns. Additionally, the Group actively manages its working capital to ensure that it remains in a healthy cashflow position.

The Company is still in the process of preparing and finalising the annual results of the Group for the Review Year. All information contained in this announcement is only based on the preliminary review of the information currently available and the unaudited consolidated management accounts of the Group for the Review Year, which are subject to finalisation and other potential adjustments, if any, and have not been reviewed or audited by the auditors or reviewed by the audit committee of the Board. The actual results may be different from the information disclosed in this announcement. Shareholders and potential investors are advised to peruse with care the annual results announcement of the Group for the Review Year, which is expected to be published on 26 March 2026 according to the Listing Rules.

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

By order of the Board
LH GROUP LIMITED
Wong Kit Lung Simon ***Prof, BBS, JP***
Chairman

Hong Kong, 16 March 2026

As at the date of this announcement, the Board comprises Mr. Wong Kit Lung Simon Prof, BBS, JP and Ms. Ko Sau Chee Grace as executive Directors; and Mr. Sin Yat Kin SBS, CSDSM, JP, Mr. Hung Wai Man Prof, JP and Mr. Mak Kam Chiu as independent non-executive Directors.