LUEN THAI HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 311)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

GROUP FINANCIAL HIGHLIGHTS

	Six-month period ended 30 June	
	2026	2025
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Revenue	**325,401**	295,824
Operating profit	**14,084**	4,583
Profit attributable to owners of the Company	**6,658**	373
Earnings per share *(US cents)*	**0.64**	0.04

The board (the "Board") of directors (the "Directors") of Luen Thai Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group" or "Luen Thai") for the six-month period ended 30 June 2026.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six-month period ended 30 June 2026

	Note	Six-month period ended 30 June 2026 US$'000 (Unaudited)	2025 US$'000 (Unaudited)
Revenue	3	**325,401**	295,824
Cost of sales		**(273,512)**	(254,645)
Gross profit		**51,889**	41,179
Other gains — net		**629**	328
Selling and distribution expenses		**(527)**	(792)
General and administrative expenses		**(37,598)**	(36,211)
(Provision for)/reversal of impairment of trade and other receivables		**(309)**	79
Operating profit	4	**14,084**	4,583
Finance income	5	**460**	408
Finance costs	5	**(3,647)**	(5,203)
Finance costs — net	5	**(3,187)**	(4,795)
Share of profit of joint ventures and associates — net		**165**	311
Profit before income tax		**11,062**	99
Income tax (expense)/credit	6	**(4,428)**	155
Profit for the period		**6,634**	254
Profit/(loss) attributable to			
Owners of the Company		**6,658**	373
Non-controlling interests		**(24)**	(119)
		6,634	254
Earnings per share attributable to owners of the Company, expressed in US cents per share			
— Basic and diluted	7	**0.64**	0.04

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June 2026

	Six-month period ended 30 June	
	2026	2025
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Profit for the period	**6,634**	254
Other comprehensive income/(loss)		
Item that may be reclassified to profit or loss:		
Currency translation differences	**262**	(251)
Total comprehensive income for the period	**6,896**	3
Total comprehensive income/(loss) attributable to:		
Owners of the Company	**6,920**	122
Non-controlling interests	**(24)**	(119)
	6,896	3

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	**As at 30 June 2026 *US$'000* (Unaudited)**	As at 31 December 2025 *US$'000* (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**74,052**	77,043
Right-of-use assets		**25,349**	25,746
Intangible assets		**42,562**	42,895
Interests in joint ventures and associates		**4,171**	4,680
Deferred income tax assets		**4,221**	4,289
Deposits and other receivables	9	**12,275**	2,471
Total non-current assets		**162,630**	157,124
Current assets			
Inventories		**87,046**	55,870
Trade and other receivables	9	**174,678**	162,838
Prepaid income tax		**550**	549
Derivative financial instruments		**52**	—
Cash and bank balances		**93,913**	54,881
Total current assets		**356,239**	274,138
Total assets		**518,869**	431,262
EQUITY			
Equity attributable to owners of the Company			
Share capital		**10,341**	10,341
Other reserves	11	**(8,173)**	(8,435)
Retained earnings		**163,471**	156,813
		165,639	158,719
Non-controlling interests		**121**	637
Total equity		**165,760**	159,356

	Note	**As at 30 June 2026** ***US$'000*** **(Unaudited)**	As at 31 December 2025 *US$'000* (Audited)
LIABILITIES			
Non-current liabilities			
Other payable		**380**	—
Lease liabilities		**22,478**	22,453
Retirement benefit obligations		**5,216**	5,143
Deferred income tax liabilities		**1,304**	1,390
Total non-current liabilities		**29,378**	28,986
Current liabilities			
Trade and other payables	10	**127,515**	97,198
Provisions		**18,622**	19,040
Borrowings		**165,397**	117,534
Lease liabilities		**2,841**	2,853
Derivative financial instruments		**—**	47
Current income tax liabilities		**9,356**	6,248
Total current liabilities		**323,731**	242,920
Total liabilities		**353,109**	271,906
Total equity and liabilities		**518,869**	431,262

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2026

1. BASIS OF PREPARATION

This interim financial information for the six-month period ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting". The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2025 and any public announcements made by Luen Thai Holdings Limited during the interim reporting period.

Taxes on income in the six-month period ended 30 June 2026 are accrued using the tax rate that would be applicable to expected total annual earnings.

2. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2025, as described in those annual financial statements, except for the adoption of amended standards and annual improvement for the financial year ending 31 December 2026 as described below.

(a) Amended standards and annual improvement relevant to and adopted by the Group

The following amended standards and annual improvement have been adopted by the Group for the first time for the financial period beginning on or after 1 January 2026:

- Amendments to HKFRS 9 and HKFRS 7 — Classification and Measurement of Financial Instruments
- HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 — Annual improvements to HKFRS Accounting Standards — Volume 11
- Amendments to HKFRS 9 and HKFRS 7 — Contracts Referencing Nature-dependent Electricity
- Amendments to HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 — Disclosures about Uncertainties in the Financial Statements

These amended standards and annual improvement have no material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

The Group has not adopted any other new standards, amended standards, interpretation and annual improvement that are not yet effective for this interim period.

(b) New standards, amended standards and interpretation not yet adopted by the Group

Certain new standards, amended standards and interpretation have been published but are not effective for the financial year beginning on or after 1 January 2026 reporting periods and have not been early adopted by the Group.

- HKFRS 18 — Presentation and Disclosure in Financial Statements
- HKFRS 19 — Subsidiaries without Public Accountability: Disclosures
- Amendment to HKFRS 19 — Subsidiaries without Public Accountability: Disclosures
- Amendment to HKAS 21 — Translation to a Hyperinflationary Presentation Currency
- Amendment to Hong Kong Interpretation 5 — Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
- Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group will apply the above new standards, amended standards and interpretation when they become effective.

The new standards, amended standards and interpretation are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions, except for HKFRS 18 which will mainly impact the presentation in the statement of profit or loss and statement of cash flows. So far, the Group considers that the adoption of HKFRS 18 is unlikely to have a significant impact on the Group's results of operations and financial position.

3. SEGMENT INFORMATION

The Group is principally engaged in the manufacturing and trading of apparel and accessories. Revenue is from the sales of apparel and accessories.

The executive directors have been identified as the Group's chief operating decision-maker. The executive directors have determined the operating segments based on the information reviewed by them that are used to make strategic decisions. The executive directors exclude certain one-off items that might not occur regularly and which introduce volatility into the results of the segment.

The executive directors assess the performance of each segment based on a measure of segment profit or loss primarily. Assets and liabilities of the Group are regularly reviewed on a consolidated basis. The segment information provided to the executive directors for the reportable segments for the six-month period ended 30 June 2026 and 2025 is as follows:

	Apparel	**Accessories**	**Total**
	US$'000	***US$'000***	***US$'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**
Six-month period ended 30 June 2026			
Revenue (from external customers)	**204,186**	**121,215**	**325,401**
Revenue recognised under HKFRS15			
— At a point in time	**204,160**	**120,648**	**324,808**
Rental income recognised under HKFRS16	**26**	**567**	**593**
	204,186	**121,215**	**325,401**
Segment profit for the period	**8,092**	**3,923**	**12,015**
Profit for the period includes:			
Cost of sales	**(170,546)**	**(102,966)**	**(273,512)**
Depreciation and amortisation *(Note)*	**(4,005)**	**(2,986)**	**(6,991)**
Share of profit of joint ventures and associates — net	**165**	**—**	**165**
Income tax expense	**(3,137)**	**(1,291)**	**(4,428)**

	Apparel	Accessories	Total
	US$'000	*US$'000*	*US$'000*
	(Unaudited)	(Unaudited)	(Unaudited)
Six-month period ended 30 June 2025			
Revenue (from external customers)	171,553	124,271	295,824
Revenue recognised under HKFRS15			
— At a point in time	171,527	123,726	295,253
Rental income recognised under HKFRS16	26	545	571
	171,553	124,271	295,824
Segment (loss)/profit for the period	(2,741)	5,040	2,299
(Loss)/profit for the period includes:			
Cost of sales	(149,674)	(104,971)	(254,645)
Depreciation and amortisation *(Note)*	(5,148)	(3,170)	(8,318)
Share of profit of joint ventures and associates — net	311	—	311
Income tax (expense)/credit	(702)	857	155

Note: Part of the depreciation and amortisation are included in the cost of sales for both reportable segments.

The revenue from external parties is derived from numerous external customers and the revenue reported to management is measured in a manner consistent with that in the interim condensed consolidated statement of profit or loss. Management assesses the performance of the operating segments based on a measure of profit before corporate expenses for the period.

A reconciliation of total segment profit to the profit for the period is provided as follows:

	Six-month period ended 30 June	
	2026	2025
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Segment profit for the period	**12,015**	2,299
Corporate expenses *(Note)*	**(5,381)**	(2,045)
Profit for the period	**6,634**	254

Note: Corporate expenses represent general corporate expenses such as executive salaries and other unallocated general and administrative expenses and losses incurred by corporate investments.

4. OPERATING PROFIT

The following items have been charged/(credited) to the operating profit during the period:

	Six-month period ended 30 June	
	2026	2025
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Amortisation of intangible assets	**333**	334
Depreciation of property, plant and equipment	**4,885**	6,058
Depreciation of right-of-use assets	**2,000**	1,985
Provision for/(reversal of) impairment of trade and other receivables	**309**	(79)
Provision for inventory obsolescence	**200**	907

5. FINANCE COSTS — NET

	Six-month period ended 30 June	
	2026	2025
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Interest expenses arisen from lease liabilities to related companies	**(15)**	(42)
Interest expenses on lease liabilities to third parties	**(838)**	(746)
Interest expenses on bank loans and overdrafts	**(2,794)**	(4,415)
Finance costs	**(3,647)**	(5,203)
Interest income from bank deposits	**448**	395
Interest income from amounts due from an associate	**12**	13
Finance income	**460**	408
Finance costs — net	**(3,187)**	(4,795)

6. INCOME TAX EXPENSE/(CREDIT)

Hong Kong profits tax has been provided at the rate of 16.5% (2025: same) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

	Six-month period ended 30 June	
	2026	2025
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Current income tax	**4,511**	1,912
Over provision in prior year	**—**	(1,660)
Deferred income tax	**(83)**	(407)
	4,428	(155)

Notes:

(i) The Inland Revenue Department ("IRD") has been reviewing the eligibility of a Hong Kong incorporated subsidiary's offshore profits claim for previous years. The negotiation of the settlement basis for the years of assessment 2015/16 to 2024/25 is still on going as at the date of this report and has not been finalised.

(ii) Certain Cambodia incorporated subsidiaries of the Group have been under tax audits by the local tax authority since the year ended 31 December 2016. According to management's experience, the tax audits have been carried out by the local tax authority on a routine basis. On a case-by-case basis, management will determine whether or not to make provision, depending on the expected outcomes of the tax audits. Management considers the provisions as at 30 June 2026 to be adequate but not excessive.

(iii) The Group is within the scope of the OECD Pillar Two model rules. During the interim period, Pillar Two Rules are effective and applicable in various jurisdictions in which the Group operates. In particular, the enactment of Hong Kong minimum top-up tax and Income Inclusion Rule in Hong Kong and applicable to the Company had brought the whole of the Group under the scope of Pillar Two starting from the fiscal year beginning on 1 January 2025.

The Group has conducted relevant assessment on its top-up tax and has determined that no provision for top-up tax is required for the interim period as of the reporting date. The Group also applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to HKAS 12 issued in July 2023.

The Group considered that the above assessment has been conducted based on data available to the Group only. The actual calculation at the ultimate parent entity ("UPE") level may lead to different results due to jurisdictional blending with UPE and its other subsidiaries. The Group will continue to monitor developments of the Pillar Two Rules and assess its impact to the Group as appropriate.

7. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six-month period ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company *(US$'000)*	**6,658**	373
Weighted average number of ordinary shares in issue *(thousands)*	**1,034,113**	1,034,113
Basic earnings per share *(US cents per share)*	**0.64**	0.04

(b) Diluted

Diluted earnings per share for the six-month periods ended 30 June 2026 and 2025 were the same as the basic earnings per share as there were no potential dilutive ordinary shares outstanding during the periods.

8. DIVIDEND

Dividend not recognized at the end of the reporting period:

	Six-month period ended 30 June	
	2026	2025
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Interim dividend — US0.322 cent or equivalent to HK2.51 cents (2025: nil) per ordinary share	**3,330**	—

The interim dividend of US0.322 cent per share (2025: nil) was declared by the Board on 27 August 2026. This interim financial information does not reflect this dividend payable.

9. TRADE AND OTHER RECEIVABLES

	As at 30 June 2026 *US$'000* (Unaudited)	As at 31 December 2025 *US$'000* (Audited)
Current portion		
Trade receivables	**129,346**	107,916
Less: loss allowances	**(4,107)**	(4,107)
Trade receivables — net	**125,239**	103,809
Amounts due from related parties	**8,625**	19,855
Less: loss allowances	**(16)**	(305)
Amounts due from related parties — net	**8,609**	19,550
Deposits, prepayments and other receivables	**24,107**	22,756
Indemnified assets	**16,723**	16,723
	174,678	162,838
Non-current portion		
Amounts due from related parties	**10,272**	—
Less: loss allowances	**(598)**	—
Amounts due from related parties — net	**9,674**	—
Deposits	**2,041**	1,939
Others	**560**	532
	12,275	2,471

The Group normally grants credit terms to its customers up to 120 days. The aging analysis of the trade receivables based on invoice date is as follows:

	As at 30 June 2026 ***US$'000*** **(Unaudited)**	As at 31 December 2025 *US$'000* (Audited)
0 to 30 days	**68,185**	40,277
31 to 60 days	**29,000**	32,505
61 to 90 days	**17,158**	21,124
91 to 120 days	**10,803**	9,532
Over 120 days	**4,200**	4,478
	129,346	107,916

10. TRADE AND OTHER PAYABLES

	As at 30 June 2026 ***US$'000*** **(Unaudited)**	As at 31 December 2025 *US$'000* (Audited)
Trade payables	**76,245**	51,533
Contract liabilities	**72**	70
Other taxes payables	**7,780**	8,779
Accrued wages and salaries	**17,355**	15,881
Others	**25,555**	20,249
Amounts due to related parties	**508**	686
Trade and other payables	**127,515**	97,198

As at 30 June 2026 and 31 December 2025, the aging analysis of the trade payables based on invoice date is as follows:

	As at 30 June 2026	As at 31 December 2025
	US$'000	*US$'000*
	(Unaudited)	(Audited)
0 to 30 days	**66,424**	46,856
31 to 60 days	**6,717**	2,471
61 to 90 days	**2,262**	1,373
Over 90 days	**842**	833
	76,245	51,533

11. OTHER RESERVES

	Capital reserve	**Other capital reserves**	**Employment benefit reserve**	**Exchange reserve**	**Total**
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
As at 1 January 2026	**7,891**	**(4,031)**	**559**	**(12,854)**	**(8,435)**
Currency translation differences	**—**	**—**	**—**	**262**	**262**
As at 30 June 2026	**7,891**	**(4,031)**	**559**	**(12,592)**	**(8,173)**
As at 1 January 2025	7,891	(4,031)	870	(11,415)	(6,685)
Currency translation differences	—	—	43	(294)	(251)
As at 30 June 2025	7,891	(4,031)	913	(11,709)	(6,936)

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS AND OVERVIEW

The first half of 2026 was marked by continued global economic uncertainty. While inflationary pressures in certain major economies gradually eased and interest rates showed signs of stabilisation, geopolitical tensions, evolving trade policies and the increasing trend towards economic nationalism continued to weigh on global business sentiment, consumer spending patterns and investment decisions. In addition, persistent regional conflicts, volatile energy prices, foreign exchange fluctuations and disruptions in international logistics created challenges for global supply chains and manufacturing activities.

Following the implementation of tariff measures and other trade restrictions by the United States ("U.S.") in 2025, the international trading environment remained subject to significant volatility during the first half of 2026. Although market participants became increasingly accustomed to the new tariff regime and began adjusting their sourcing strategies accordingly, many international brands and retailers remained cautious in managing inventory levels and placing orders, particularly those with significant exposure to the U.S. market. Limited visibility over consumer demand, inventory replenishment cycles and future trade policies continued to influence purchasing decisions and order placement throughout the reporting period.

Against this challenging operating environment, many of the Group's customers continued to adopt prudent procurement strategies, including shorter order lead times, more conservative inventory planning and a heightened focus on supply chain flexibility. At the same time, brand customers increasingly pursued supplier diversification and sourcing optimisation initiatives to mitigate geopolitical and tariff-related risks. These developments increased operational complexity for the Group as customers continued to reassess their manufacturing footprints and sourcing arrangements across different production locations.

Despite these challenges, the Group demonstrated resilience through its diversified manufacturing platform, established customer relationships and disciplined operational management, maintaining steady execution while adapting to changing market conditions and sourcing parameters. During the reporting period, sustained growth in demand for activewear products, together with streamlined production capabilities, productivity enhancements and stringent cost management, contributed positively to earnings. Prudent treasury and capital management also supported overall profitability.

As a result, the Group recorded a net profit attributable to owners of the Company of approximately US$6,658,000 for the six-month period ended 30 June 2026, compared with approximately US$373,000 for the corresponding period in 2025. The increase was primarily driven by (i) revenue growth of approximately 10%, mainly attributable to strong demand from the activewear business; (ii) higher gross profit margins arising from a more favourable product mix, greater operating efficiency and effective cost management; and (iii) a reduction in finance costs from approximately US$4,795,000 to approximately US$3,187,000 as a result of the Group's continued efforts to optimise its funding structure and reduce borrowing costs.

SEGMENTAL REVIEW

The Apparel and Accessories businesses accounted for approximately 62.7% and 37.3%, respectively, of the Group's total revenue for the period under review.

Apparel

The Apparel Division recorded revenue of approximately US$204,186,000 for the six-month period ended 30 June 2026, representing an increase of approximately US$32,633,000 or 19.0%, compared with the corresponding period last year. As a result of the continued improvement in its operating performance, the Apparel Division achieved a turnaround from a segment loss of approximately US$2,741,000 in the corresponding period last year to a segment profit of approximately US$8,092,000 for the six-month period ended 30 June 2026. The improvement in segment performance was primarily attributable to strong demand for activewear products and the resulting enhancement in the Apparel Division's product mix, which contributed positively to overall profitability during the period under review.

Accessories

For the first half of 2026, revenue generated from the Accessories Division was approximately US$121,215,000, representing a slight decrease of approximately US$3,056,000 or 2.5%, compared with the corresponding period last year. Segment profit of the Accessories Division decreased from approximately US$5,040,000 to approximately US$3,923,000, representing a decline of approximately US$1,117,000, or 22.2%, compared with the same period last year. The decrease in the Accessories Division's segment profit was primarily attributable to a modest decline in revenue and the contraction in gross profit margin during the period under review.

MARKETS

Geographically, Europe and the U.S. remained the Group's major export markets during the period under review. Revenue derived from customers in Europe and the U.S. collectively amounted to approximately US$210,147,000, representing approximately 64.6% of the Group's total revenue for the first half of 2026.

The Group's revenue from the major Asia market (mainly the People's Republic of China and Japan) was approximately US$66,783,000, which accounted for approximately 20.5% of the Group's total revenue in the first half of 2026.

LIQUIDITY AND FINANCIAL RESOURCES

The financial position of the Group remained healthy. As at 30 June 2026, the total cash and bank deposits of the Group amounted to approximately US$93,913,000, representing an increase of approximately US$39,032,000 over the balance as at 31 December 2025. The Group's total bank borrowings as at 30 June 2026 was approximately US$165,397,000, representing an increase of approximately US$47,863,000 as compared to approximately US$117,534,000 as at 31 December 2025.

As at 30 June 2026, based on the scheduled repayments set out in the relevant loan agreements with banks, all the Group's bank borrowings of approximately US$165,397,000 are repayable on demand.

Gearing ratio is defined as net debt (representing bank borrowings net of cash and bank balances) divided by shareholders' equity. As at 30 June 2026, the gearing ratio of the Group was approximately 43.2%.

FOREIGN EXCHANGE RISK MANAGEMENT

The Group adopts a prudent policy to hedge against the fluctuations in exchange rates. Most of the Group's operating activities are denominated in US dollar, Euro, Hong Kong dollar, Cambodian Riel, Chinese Yuan, Burmese Kyat and Philippine Peso. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and to mitigate the impact on exchange rate fluctuations by entering into currency hedge arrangement if necessary. During the six-month period ended 30 June 2026 and 2025, no material forward foreign exchange or hedging contracts had been entered into by the Group.

FUTURE PLANS AND PROSPECT

Looking ahead, the management of the Group believes that the operating environment will remain challenging for the remainder of 2026 amid persistent global economic and geopolitical uncertainties. While inflationary pressures in certain major economies have generally moderated and interest rate trends have become relatively more stable, consumer sentiment and business confidence in many key markets remain cautious, resulting in continued volatility in demand patterns across global supply chains.

The Group remains cautious regarding the business outlook for the second half of 2026 in light of ongoing geopolitical uncertainties, including the continuing Russia-Ukraine conflict, potential instability in the Middle East arising from developments in US-Iran relations, and uncertainties associated with reciprocal tariff policies and trade measures adopted by the U.S. and other major economies. These factors may continue to affect customer demand, sourcing decisions and global supply chains, thereby creating additional challenges for the apparel and accessories supply industry.

Against this backdrop, the Group will continue to closely monitor global economic developments and maintain a prudent approach to risk management, financial discipline and capital allocation. The Group will continue to implement stringent cost control measures and enhance operational efficiency through production optimization, effective resource allocation and greater sharing of internal resources across its manufacturing platform. The Group will also continue to strengthen supply chain resilience and responsiveness to meet customers' evolving sourcing requirements.

Notwithstanding the near-term challenges, the Group remains committed to its long-term sustainable development strategy. Leveraging its diversified manufacturing footprint, strong customer relationships and disciplined operating model, the Group believes it is well positioned to navigate the current environment and capture opportunities that may emerge as market conditions improve.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There was no significant investments and material acquisition or disposal of subsidiaries, associates and joint ventures during the period ended 30 June 2026 (2025: nil).

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments or capital assets as at 30 June 2026 (2025: nil) or as at the date of this announcement.

CHARGE OF ASSETS

The Group's assets were not charged to third parties as of 30 June 2026 (2025: nil).

CONTINGENT LIABILITIES

The Group has contingent liabilities regarding potential exposures to import duties, other taxes and penalties in various overseas countries with aggregated amounts of approximately US$16,723,000 as at 30 June 2026 (31 December 2025: US$16,723,000).

Among the abovementioned contingent liabilities, US$5,504,000 was recognized upon business combination of Universal Elite Holdings Limited ("Universal") and its subsidiaries in October 2018. Pursuant to the agreement for sale and purchase of the shares in Universal, such taxation claim in relation to periods prior to October 2018 will be indemnified entirely by the sellers. Accordingly, the Group has recognized an indemnification asset of US$5,504,000 as at the acquisition date.

During the year ended 31 December 2022, one subsidiary of Universal has paid the IRD an amount of US$22,000 to settle a tax case related to periods prior to the acquisition. The amount has been recovered from the previous owners in full. Accordingly, the amounts of contingent liability and indemnified assets have been reduced to US$5,482,000 as at 31 December 2022. There was no settlement during the six-month period ended 30 June 2026 whereby the cumulative settlement up to 30 June 2026 amounted to US$22,000.

Also, a contingent liability of US$11,461,000 was recognized upon business combination of Sachio Investments Limited ("Sachio") and its subsidiary in April 2020. Pursuant to the agreement for sale and purchase of the shares in Sachio, such taxation claim in relation to periods prior to April 2020 will be indemnified entirely by the sellers. Accordingly, the Group has recognized an indemnification asset of US$11,461,000 as at the acquisition date.

During the year ended 31 December 2022, the subsidiary of Sachio has paid the Cambodia tax authority a total amount of US$220,000 on cases related to periods prior to the acquisition. The amount has been recovered from the previous owner in full. Accordingly, the amounts of contingent liability and indemnified assets have been reduced to US$11,241,000. There was no settlement during the six-month period ended 30 June 2026 whereby the cumulative settlement up to 30 June 2026 amounted to US$220,000.

EVENTS AFTER THE REPORTING PERIOD

Master Mutual Subcontracting Agreement

On 29 May 2026, Luen Thai Overseas Limited (a direct wholly-owned subsidiary of the Company) and Shangtex (Hong Kong) Limited (a substantial shareholder of the Company), entered into a master mutual subcontracting agreement (the "Master Mutual Subcontracting Agreement") pursuant to which the parties have agreed to enter into a mutual arrangement for the provision of subcontracting services for the manufacturing of apparel products to each other on a non-exclusive basis for a term commencing from 1 July 2026 or the date on which the Company obtains the independent shareholders' approval (whichever is the later) and expiring on 31 December 2028.

The transactions contemplated under the Master Mutual Subcontracting Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"). Details of the Master Mutual Subcontracting Agreement were disclosed in the announcement of the Company dated 29 May 2026 and the circular of the Company dated 23 July 2026.

Subsequent to the reporting period, the Company held an extraordinary general meeting on 14 August 2026, at which the ordinary resolution approving the Master Mutual Subcontracting Agreement, the transactions contemplated thereunder and the respective annual caps for period from 1 July 2026 to 31 December 2026 and the two years ending 31 December 2027 and 2028 was duly passed by the independent shareholders. Accordingly, the condition relating to the obtaining of independent shareholders' approval was fulfilled and the Master Mutual Subcontracting Agreement became effective in accordance with its terms.

HUMAN RESOURCES AND CORPORATE SOCIAL RESPONSIBILITY

Luen Thai continues to be an employer of choice through focused and strategic human resources strategies and social responsibility programmes that are aligned with the Company's growth and changing needs. Improved governance and strengthened partnership serve as the foundation for all these initiatives as Luen Thai maintains its position as a leader in Corporate Social Responsibility in the apparel and accessories manufacturing industry.

Luen Thai continuously strives to foster open communications with employees through various channels. Under its employee care initiatives, Luen Thai has provided safe and enjoyable work and living environments, equitable compensation and benefit schemes, and opportunities for career growth through a variety of formal and informal learning and development programmes; and a strong corporate culture where employee' contributions are recognized and rewarded.

As a global corporate citizen, Luen Thai is conducting business and developing a sustainable business strategy with a long-term view, which creates a positive impact for our worldwide supply chain and the surrounding environment. We not only focus on profit maximization, but we must also understand the needs and concerns of other stakeholders.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK2.51 cents per share (2025: nil) for the six-month period ended 30 June 2026 to be payable to shareholders whose names appear on the Register of Members of the Company on 8 October 2026.

The interim dividend will be paid on or around 30 October 2026.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 6 October 2026 to 8 October 2026, both days inclusive, during which period no transfer of shares will be registered. All transfers, accompanied by the relevant share certificates, must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 5 October 2026 to qualify for the interim dividend mentioned above.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six-month period ended 30 June 2026.

CORPORATE GOVERNANCE PRACTICES

Luen Thai acknowledges the need for and importance of corporate governance as one of the key elements in creating shareholders' value. It is committed to ensuring high standards of corporate governance in the interests of shareholders and taking care to identify practices designed to achieve effective oversight, transparency and ethical behavior. The Company periodically reviews its corporate governance practices to ensure its continuous compliance.

Throughout the six-month period ended 30 June 2026, the Company has complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in the Appendix C1 to the Listing Rules, save for the following deviations:

Code Provision C.1.5 of part 2 of the CG Code stipulates that independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. Lee Cheuk Yin, Dannis, a former independent non-executive Director, was unable to attend the Company's annual general meeting held on 28 May 2026 (the "AGM") due to other business commitments at the relevant time. Save for the above, all independent non-executive Directors and the non-executive Director attended the AGM.

Code Provision F.1.3 of part 2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting. The chairman of the board should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, the chairman should invite another member of the committee or failing this their duly appointed delegate to attend. These persons should be available to answer relevant questions at the annual general meeting. Mr. Lee Cheuk Yin, Dannis, the former chairman of the Audit Committee, was unable to attend the AGM due to other business commitments. Notwithstanding his absence, the other members of the Audit Committee attended the AGM and were available to answer relevant questions from shareholders.

As at the date of this announcement, the Company has formed the following committees at the Board level:

Audit Committee: The Audit Committee has been set up to provide advice and recommendations to the Board. Ms. Fok Yue San, Sandy and the three independent non-executive Directors of the Company, namely, Mr. Chan Henry, Mr. Luo Guihua and Ms. Shi Min as the Committee Chairman, comprise the Audit Committee. Each committee member possesses appropriate finance and/or industry expertise to advise the Board.

Remuneration Committee: The Remuneration Committee has been set up with the responsibility of recommending to the Board the remuneration policy for all Directors and the senior management. Mr. Zhang Min, Mr. Jin Xin and the three independent non-executive Directors of the Company, namely, Ms. Shi Min, Mr. Luo Guihua and Mr. Chan Henry as the Committee Chairman, comprise the Remuneration Committee.

Nomination Committee: The Nomination Committee has been set up with responsibility of making recommendation to the Board on the appointment or re-appointment of Directors. Mr. Wang Weimin as the Committee Chairman and the three independent non-executive Directors of the Company, namely, Mr. Chan Henry, Ms. Shi Min and Mr. Luo Guihua, comprise the Nomination Committee.

Financing and Banking Committee: The Financing and Banking Committee has been set up to review and approve any banking facility of the Group, and to ensure that each facility is in the best commercial interest of the Group as a whole. The Financing and Banking Committee comprises two members, namely Mr. Tan Cho Lung, Raymond and Mr. Jin Xin, with Mr. Tan Cho Lung, Raymond as the Committee Chairman.

Corporate governance practices of the Company during the six-month period ended 30 June 2026 were in line with those practices set out in the Corporate Governance Report in the Company's 2025 Annual Report.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules. After having made specific enquiry of all Directors, all the Directors confirmed that they have complied with the required standards as set out in the Model Code and the code of conduct regarding securities transactions by Directors adopted by the Company during the six-month period ended 30 June 2026.

REVIEW OF INTERIM FINANCIAL INFORMATION

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and has discussed with the management regarding the auditing, internal control and financial reporting matters. The Audit Committee has discussed and reviewed the unaudited interim financial information and the interim report for the six-month period ended 30 June 2026.

At the request of the Board, the Company's external auditor, PricewaterhouseCoopers, has carried out a review of the unaudited condensed consolidated interim financial information in accordance with Hong Kong Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND THE INTERIM REPORT

This results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.luenthai.com). The interim report of the Company for the six-month period ended 30 June 2026 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the above websites in due course.

By order of the Board
Luen Thai Holdings Limited
Tan Cho Lung, Raymond
Chief Executive Officer and Executive Director

Hong Kong, 27 August 2026

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, Ms. Shi Min and Mr. Luo Guihua as independent non-executive Directors.