Luenthai

Luen Thai Holdings Limited

聯 泰 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability) (Stock Code: 311)

OPPORTUNITIES

FROM UNCERTAINTIES

2026

INTERIM REPORT

CONTENTS

EXECUTIVE DIRECTORS

WANG Weimin, *Chairman*
TAN Siu Lin, *Honorary Life Chairman*
TAN Cho Lung Raymond, *Chief Executive Officer*
ZHANG Min
JIN Xin

NON-EXECUTIVE DIRECTOR

FOK Yue San, Sandy

INDEPENDENT NON-EXECUTIVE DIRECTORS

CHAN Henry
SHI Min
LUO Guihua *(appointed on 28 May 2026)*
LEE Cheuk Yin, Dannis *(retired on 28 May 2026)*

CHIEF FINANCIAL OFFICER

CHIU Chi Cheung

COMPANY SECRETARY

CHAN Hiu Leong

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO THE BOARD OF DIRECTORS OF LUEN THAI HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 3 to 37, which comprises the interim condensed consolidated statement of financial position of Luen Thai Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2026 and the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" as issued by the HKICPA. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" as issued by the HKICPA.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 August 2026

INTERIM 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	7	**74,052**	77,043
Right-of-use assets	8	**25,349**	25,746
Intangible assets	7	**42,562**	42,895
Interests in joint ventures and associates	14	**4,171**	4,680
Deferred income tax assets		**4,221**	4,289
Deposits and other receivables	10	**12,275**	2,471
Total non-current assets		**162,630**	157,124
Current assets			
Inventories	9	**87,046**	55,870
Trade and other receivables	10	**174,678**	162,838
Prepaid income tax		**550**	549
Derivative financial instruments	5	**52**	–
Cash and bank balances	11	**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	12	**10,341**	10,341
Other reserves	13	**(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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2026

	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	8	**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	16	**127,515**	97,198
Provisions	17	**18,622**	19,040
Borrowings	15	**165,397**	117,534
Lease liabilities	8	**2,841**	2,853
Derivative financial instruments	5	**–**	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

The above interim condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

INTERIM 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	6	**325,401**	295,824
Cost of sales		**(273,512)**	(254,645)
Gross profit		**51,889**	41,179
Other gains — net	18	**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	19	**14,084**	4,583
Finance income	20	**460**	408
Finance costs	20	**(3,647)**	(5,203)
Finance costs — net	20	**(3,187)**	(4,795)
Share of profit of joint ventures and associates — net	14	**165**	311
Profit before income tax		**11,062**	99
Income tax (expense)/credit	21	**(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	22	**0.64**	0.04

The above interim condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

INTERIM 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

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

	Unaudited					
	Attributable to owners of the Company					
	Share Capital US$'000 *(Note 12)*	Other reserves US$'000 *(Note 13)*	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance at 1 January 2026	10,341	(8,435)	156,813	158,719	637	159,356
Profit for the period	–	–	6,658	6,658	(24)	6,634
Other comprehensive income:						
Currency translation differences	–	262	–	262	–	262
Total comprehensive income for the period ended 30 June 2026	–	262	6,658	6,920	(24)	6,896
Total contributions by and distributions to owners of the Company, recognised directly in equity						
Dividend declared to non-controlling interests	–	–	–	–	(492)	(492)
Balance at 30 June 2026	10,341	(8,173)	163,471	165,639	121	165,760

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

	Unaudited					
	Attributable to owners of the Company					
	Share Capital US$'000	Other reserves US$'000 *(Note 13)*	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance at 1 January 2025	10,341	(6,685)	152,298	155,954	748	156,702
Profit/(loss) for the period	–	–	373	373	(119)	254
Other comprehensive loss:						
Currency translation differences	–	(251)	–	(251)	–	(251)
Total comprehensive (loss)/income for the period ended 30 June 2025	–	(251)	373	122	(119)	3
Balance at 30 June 2025	10,341	(6,936)	152,671	156,076	629	156,705

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

	Note	Six-month period ended 30 June 2026 US$'000 (Unaudited)	2025 US$'000 (Unaudited)
Cash flows from operating activities			
Cash generated from operations		**400**	994
Interest paid		**(3,647)**	(5,203)
Income tax paid		**(1,553)**	(642)
Net cash outflow from operating activities		**(4,800)**	(4,851)
Cash flows from investing activities			
Purchases of property, plant and equipment	7	**(1,868)**	(651)
Proceeds from disposals of property, plant and equipment		**32**	303
Dividend received from a joint venture	14	**—**	414
Interest received		**460**	408
Net cash (outflow)/inflow from investing activities		**(1,376)**	474
Cash flows from financing activities			
Net increase/(decrease) in bank borrowings of trade finances arising from transferred receivables		**694**	(844)
Net increase/(decrease) in bank borrowings of other trade finance		**17,009**	(20,567)
Proceeds from borrowings		**62,679**	99,912
Repayments of borrowings		**(32,519)**	(52,415)
Repayments of principal elements of lease payments		**(1,752)**	(2,518)
Dividend paid to non-controlling interests		**(492)**	—
Net cash inflow from financing activities		**45,619**	23,568
Net increase in cash and cash equivalents		**39,443**	19,191
Cash and cash equivalents at beginning of the period		**54,247**	54,136
Exchange gains/(losses) on cash and cash equivalents		**223**	(571)
Cash and cash equivalents at end of the period		**93,913**	72,756

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

Luen Thai Holdings Limited (the "Company") is principally an investment holding company. The Company and its subsidiaries (together, the "Group") are principally engaged in the manufacturing and trading of apparels and accessories. The Group has manufacturing plants primarily in the People's Republic of China (the "PRC"), Cambodia, the Philippines and Myanmar.

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands, and Rooms 1001–1005, 10/F, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong, respectively.

The Company has its primary listing on the Main Board of the Stock Exchange of Hong Kong Limited.

This interim financial information is presented in United States dollars ("US$"), unless otherwise stated. This interim financial information has been approved for issue by the Board of Directors on 27 August 2026.

This interim financial information has been reviewed, not audited.

2 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.

3 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

3 ACCOUNTING POLICIES (CONTINUED)

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

- 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.

4 ESTIMATES

The preparation of this interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2025.

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow interest rate risk), credit risk and liquidity risk.

The interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2025.

There have been no changes in the risk management policies since 31 December 2025.

5.2 Fair value estimation

The table below analyses the Group's financial instruments that are carried at fair value, by valuation method, as at 30 June 2026 and 31 December 2025. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (level 3)

	Level 1 US$'000	**Level 2 US$'000**	**Level 3 US$'000**	**Total US$'000**
As at 30 June 2026 (unaudited)				
Assets				
Derivative financial instruments	**–**	**52**	**–**	**52**
As at 31 December 2025 (audited)				
Liabilities				
Derivative financial instruments	–	47	–	47

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2 Fair value estimation (Continued)

There were no changes in valuation techniques during the period ended 30 June 2026.

Level 2 financial instruments comprise forward foreign exchange contracts. Forward foreign exchange contracts are fair valued using forward exchange rates that are quoted in an active market. The effects of discounting are generally insignificant for level 2 derivatives.

5.3 Liquidity risk

Compared to the end of the prior year, there have been no material changes to the policies and practices for the Group's liquidity and funding risks management as described in the annual financial statements for the year ended 31 December 2025.

6 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.

6 SEGMENT INFORMATION (CONTINUED)

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 US$'000 (Unaudited)	Accessories US$'000 (Unaudited)	Total US$'000 (Unaudited)
Six-month period ended 30 June 2026			
Revenue (from external customers)	**204,186**	**121,215**	**325,401**
Revenue recognised under HKFRS 15			
— At a point in time	**204,160**	**120,648**	**324,808**
Rental income recognised under HKFRS 16	**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 amortization *(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)**

6 SEGMENT INFORMATION (CONTINUED)

	Apparel US$'000 (Unaudited)	Accessories US$'000 (Unaudited)	Total US$'000 (Unaudited)
Six-month period ended 30 June 2025			
Revenue (from external customers)	171,553	124,271	295,824
Revenue recognised under HKFRS 15			
— At a point in time	171,527	123,726	295,253
Rental income recognised under HKFRS 16	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 amortization *(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.

6 SEGMENT INFORMATION (CONTINUED)

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.

	Six-month period ended 30 June	
	2026	2025
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Analysis of revenue by category		
Sales of garment, textile products and accessories	**320,974**	292,347
Other revenue	**4,427**	3,477
Total revenue	**325,401**	295,824

7 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

	Intangible assets				
	Goodwill US$'000 (Unaudited)	Customer relationship US$'000 (Unaudited)	Total intangible assets US$'000 (Unaudited)	Property, plant and equipment US$'000 (Unaudited)	Total US$'000 (Unaudited)
Six-month period ended 30 June 2026					
Opening net book amount as at 1 January 2026	**42,320**	**575**	**42,895**	**77,043**	**119,938**
Additions	**–**	**–**	**–**	**1,868**	**1,868**
Disposals and write-off	**–**	**–**	**–**	**(111)**	**(111)**
Depreciation and amortisation *(Note 19)*	**–**	**(333)**	**(333)**	**(4,885)**	**(5,218)**
Exchange differences	**–**	**–**	**–**	**137**	**137**
Closing net book amount as at 30 June 2026	**42,320**	**242**	**42,562**	**74,052**	**116,614**
Six-month period ended 30 June 2025					
Opening net book amount as at 1 January 2025	42,320	1,243	43,563	87,386	130,949
Additions	–	–	–	651	651
Disposals and write-off	–	–	–	(104)	(104)
Depreciation and amortisation *(Note 19)*	–	(334)	(334)	(6,058)	(6,392)
Exchange differences	–	–	–	77	77
Closing net book amount as at 30 June 2025	42,320	909	43,229	81,952	125,181

7 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment tests for goodwill

Goodwill is monitored by management at the level of the two cash-generating units ("CGUs") of Apparel and Accessories as consistently identified in Note 8 of the annual financial statements for the year ended 31 December 2025.

The following is a summary of goodwill allocation to each of the two CGUs.

	US$'000 (Unaudited)
As at 30 June 2026	
Apparel	**33,952**
Accessories	**8,368**
	42,320

In accordance with HKAS 36 "Impairment of Assets", goodwill is required to be tested for impairment at least annually, or more frequently if there are indications of potential impairment. If the carrying value of the goodwill exceeds its recoverable amount (i.e., the higher of its fair value less costs of disposal and its value in use), an impairment loss is recognised.

During the six-month period ended 30 June 2026, the Group has identified certain indications of potential impairment from information gathered externally (macroeconomic conditions) and internally (decrease in the gross profit margin and net profit margin in the current period) for the Accessories CGU. The Group has therefore updated the value-in-use calculation and recalculated the recoverable amount of the Accessories CGU as at 30 June 2026.

The recoverable amount of Accessories CGU was determined based on value-in-use calculation, consistent with the method used as at 31 December 2025. For details see Note 8 of our annual financial statements for the year ended 31 December 2025. Based on the value-in-use calculation, the recoverable amounts of the Accessories CGU are higher than its respective carrying amounts. Accordingly, no impairment loss is to be recognised.

7 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment tests for goodwill (Continued)

The following table sets out the key assumptions for the Accessories CGU where the impairment calculations were updated as at 30 June 2026:

	As at 30 June 2026 Accessories (Unaudited)	As at 31 December 2025 Accessories (Audited)
Sales growth rate for the 5-year forecast	**4.2%–5.5%**	3.8%–7.0%
Gross profit margin for the 5-year forecast	**16.1%–17.6%**	17.0%–18.8%
Terminal growth rate	**2.0%**	2.0%
Discount rate	**15.0%**	15.0%

In the Accessories CGU, the recoverable amount calculated based on updated value in use exceeded the carrying amount by US$22,851,000. A fall in annual revenue growth rate to 4.6%, a gross profit margin to 16.0%, a fall in terminal growth rate to –3.3% or a rise in discount rate to 21.3%, all changes taken in isolation, would remove the remaining headroom.

8 LEASES

This note provides information for leases where the Group is a lessee.

(i) Amounts recognised in the consolidated statement of financial position

	Land and properties US$'000 (Unaudited)	Land use rights US$'000 (Unaudited)	Total US$'000 (Unaudited)
Right-of-use assets			
As at 1 January 2026	**21,268**	**4,478**	**25,746**
Additions	**1,637**	**–**	**1,637**
Depreciation *(Note 19)*	**(1,909)**	**(91)**	**(2,000)**
Exchange differences	**(30)**	**(4)**	**(34)**
As at 30 June 2026	**20,966**	**4,383**	**25,349**
As at 1 January 2025	18,473	4,729	23,202
Additions	4,309	–	4,309
Disposal	(41)	–	(41)
Depreciation *(Note 19)*	(1,867)	(118)	(1,985)
Exchange differences	67	(10)	57
As at 30 June 2025	20,941	4,601	25,542

	As at 30 June 2026 US$'000 (Unaudited)	As at 31 December 2025 US$'000 (Audited)
Lease liabilities		
Current	**2,841**	2,853
Non-current	**22,478**	22,453
	25,319	25,306

8 LEASES (CONTINUED)

(ii) Amounts recognised in the consolidated statement of profit or loss

	Six-month period ended 30 June	
	2026	2025
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Interest expenses arisen from lease liabilities from related companies *(Note 20)*	**15**	42
Interest expense on lease liabilities with third parties *(Note 20)*	**838**	746
Expense relating to short-term leases (included in cost of sales and general administrative expenses)	**611**	594
Depreciation expenses of right-of-use assets *(Note 19)*	**2,000**	1,985

The total cash outflow for leases for the six-month period end 30 June 2026 was US$3,216,000 (2025: US$3,900,000).

9 INVENTORIES

	As at 30 June 2026 US$'000 (Unaudited)	As at 31 December 2025 US$'000 (Audited)
Raw materials	**23,588**	22,020
Work-in-progress	**56,261**	25,802
Finished goods	**7,197**	8,048
	87,046	55,870

10 TRADE AND OTHER RECEIVABLES

	As at 30 June 2026 US$'000 (Unaudited)	As at 31 December 2025 US$'000 (Audited)
Current portion		
Trade receivables *(Note)*	**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 *(Note 24(c))*	**8,609**	19,550
Deposits, prepayments and other receivables	**24,107**	22,756
Indemnified assets *(Note 17(i))*	**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 *(Note 24(c))*	**9,674**	–
Deposits	**2,041**	1,939
Others	**560**	532
	12,275	2,471

10 TRADE AND OTHER RECEIVABLES (CONTINUED)

Note: 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

11 CASH AND BANK BALANCES

	As at 30 June 2026 US$'000 (Unaudited)	As at 31 December 2025 US$'000 (Audited)
Cash at bank and on hand	**93,913**	54,247
Bank deposits with a maturity period of over 3 months	**–**	634
Cash and bank balances	**93,913**	54,881
Less: Bank deposits with a maturity period of over 3 months	**–**	(634)
Cash and cash equivalents in the interim condensed consolidated statement of cash flows	**93,913**	54,247

12 SHARE CAPITAL

	Number of shares '000	Nominal value US$'000
Issued and fully paid — ordinary shares of US$0.01 each		
As at 31 December 2025 (audited) and 30 June 2026 (unaudited)	1,034,113	10,341

13 OTHER RESERVES

	Capital Reserve *(Note (i))* US$'000 (Unaudited)	Other capital reserves *(Note (ii))* US$'000 (Unaudited)	Employment benefit reserve US$'000 (Unaudited)	Exchange reserve US$'000 (Unaudited)	Total US$'000 (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)

Notes:

(i) The capital reserve of the Group represents the difference between the nominal value of the shares of the subsidiaries acquired pursuant to the Initial Public Offerings ("IPO") reorganisation and the nominal value of the Company's shares issued in exchange thereof.

(ii) Other capital reserves primarily represent (i) the initial recognition of the financial liabilities in relation to the put options granted to the non-controlling interests and the subsequent derecognition of such financial liabilities upon the put options are exercised, expired or terminated; and (ii) the difference between the amount by which the non-controlling interests are acquired and the fair value of the consideration paid.

14 INTERESTS IN JOINT VENTURES AND ASSOCIATES

	As at 30 June 2026 US$'000 (Unaudited)	As at 31 December 2025 US$'000 (Audited)
Interests in joint ventures	**4,085**	4,594
Interests in associates	**86**	86
	4,171	4,680

The movement of interests in joint ventures and associates is provided as follows:

	Six-month period ended 30 June	
	2026 US$'000 (Unaudited)	2025 US$'000 (Unaudited)
Beginning of the period	**4,680**	5,078
Share of profits of joint ventures and associates — net	**165**	311
Share of cumulative translation adjustment	**(674)**	—
Dividend received	**—**	(414)
End of the period	**4,171**	4,975

15 BORROWINGS

	As at 30 June 2026 US$'000 (Unaudited)	As at 31 December 2025 US$'000 (Audited)
Current		
Bank borrowings		
— Term loans	**132,700**	102,540
— Trade finances	**32,697**	14,994
Total borrowings	**165,397**	117,534
Current borrowings		
Secured	**3,438**	2,744
Unsecured	**161,959**	114,790
	165,397	117,534

16 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 *(Note 24(c))*	**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 US$'000 (Unaudited)	As at 31 December 2025 US$'000 (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

17 PROVISIONS

	As at 30 June 2026 US$'000 (Unaudited)	As at 31 December 2025 US$'000 (Audited)
Contingent liabilities *(Note (i))*	**16,723**	16,723
Other provisions	**1,899**	2,317
	18,622	19,040

Note:

(i) 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 recognised 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 recognised 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 recognised 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 recognised 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.

18 OTHER GAINS — NET

	Six-month period ended 30 June	
	2026	2025
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Fair value gains/(losses) on derivatives — net	**99**	(198)
Net foreign exchange (losses)/gains	**(932)**	526
Loss on disposal of property, plant and equipment	**(79)**	—
Tariff refund	**1,165**	—
Other	**376**	—
	629	328

19 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 *(Note 7)*	**333**	334
Depreciation of property, plant and equipment *(Note 7)*	**4,885**	6,058
Depreciation of right-of-use assets *(Note 8)*	**2,000**	1,985
Provision for/(reversal of) impairment of trade and other receivables	**309**	(79)
Provision for inventory obsolescence	**200**	907

20 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 *(Note 24(a))*	**(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 *(Note 24(a))*	**12**	13
Finance income	**460**	408
Finance costs — net	**(3,187)**	(4,795)

21 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)

21 INCOME TAX EXPENSE/(CREDIT) (CONTINUED)

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.

22 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.

23 DIVIDEND

Dividend not recognised 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 of directors on 27 August 2026. This interim financial information does not reflect this dividend payable.

24 RELATED-PARTY TRANSACTIONS AND BALANCES

(a) Significant transactions with related parties

The directors regard the immediate holding company of the Company to be Shangtex (Hong Kong) Limited, a company incorporated in Hong Kong, and the ultimate holding company of the Company to be Shangtex Holding Co., Ltd, a company incorporated in the PRC which indirectly holds 100% interest in Shangtex (Hong Kong) Limited.

During the period, other than the transactions and balances with related parties as disclosed in respective notes in this condensed consolidated interim financial information, the Group had the following transactions with related companies and joint ventures.

(i) Provision of goods and services

	Six-month period ended 30 June	
	2026	2025
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Sales of apparels, textile products and accessories to		
— related companies	**20,457**	22,133
Management fee income from		
— joint ventures	**4,687**	2,884
— related companies	**48**	58
	4,735	2,942
Interest income from amounts due from an associate *(Note 20)*	**12**	13

24 RELATED-PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(a) Significant transactions with related parties (Continued)

(ii) Purchases of goods and services

	Six-month period ended 30 June	
	2026	2025
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Interest expenses arisen from lease liabilities from related companies *(Note 20)*	**15**	42
Professional and technological support service fees to related companies	**574**	577
Freight forwarding and logistics services charged by related companies	**200**	441
Subcontracting fees charged by joint ventures	**18,103**	11,401
Recharge of material costs and other expenses by		
— related companies	**411**	72
— joint ventures	**413**	3
	824	75
Purchases of goods from joint ventures	**9,159**	10,952
Management fee to joint ventures	**3,321**	2,094

The above related-party transactions were carried out in accordance with the terms mutually agreed between the respective parties.

24 RELATED-PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Key management compensation

	Six-month period ended 30 June	
	2026	2025
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Salaries and allowances	**1,135**	773
Others	**480**	261
	1,615	1,034

(c) Balances with related parties

(i) Amounts due from/to related parties arising from sales and purchases of goods and services or loans

	As at 30 June 2026	As at 31 December 2025
	US$'000	US$'000
	(Unaudited)	(Audited)
Amounts due from related parties *(Note 10)*		
— joint ventures	**14,299**	13,219
— related companies	**3,321**	5,668
— associates	**663**	663
	18,283	19,550
Amounts due to related parties *(Note 16)*		
— joint ventures	**5**	58
— related companies	**503**	628
	508	686

24 RELATED-PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(c) Balances with related parties (Continued)

(i) Amounts due from/to related parties arising from sales and purchases of goods and services or loans (Continued)

As at 30 June 2026, the amounts due from joint ventures include US$9,674,000 (31 December 2025: US$9,110,000) financial supports to a joint venture in the form of shareholder loans. The loans to the joint venture are non-trade in nature, unsecured, and interest-free. As at 31 December 2025, the loan was repayable on demand. Following the renewal of the related loan agreements during the six-month period ended 30 June 2026, the contractual maturity of the loan was extended to 31 December 2027. On this basis, the loans as at 30 June 2026 are presented as non-current assets in these interim financial information. The carrying amounts of the loans approximates their fair values and are denominated in US$.

The amount due from an associate also includes a shareholder loan of US$465,000 (31 December 2025: same) financial supports to an associate. These loans are interest-bearing at 5% per annum. The remaining amounts due from joint ventures and related companies arise mainly from trade transactions. They are unsecured, interest-free and repayable on demand in accordance with credit terms.

The amounts due to joint ventures and related companies are unsecured, interest-free and repayable on demand. The carrying amounts of these balances approximate their fair values and are denominated in US$.

(ii) Period-end balances arising from leases

	As at 30 June 2026 US$'000 (Unaudited)	As at 31 December 2025 US$'000 (Audited)
Lease liabilities from leases with related parties	**687**	988

The board (the "Board") of directors (the "Directors") of Luen Thai Holdings Limited (the "Company") is pleased to present the interim report together with the unaudited interim financial information of the Company and its subsidiaries (collectively, the "Group" or "Luen Thai") for the six-month period ended 30 June 2026.

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 report.

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 "Stock Exchange"). 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.

OTHER INFORMATION

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 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 purchased, sold or redeemed any of the Company's listed securities during the six-month period ended 30 June 2026.

UPDATE ON DIRECTORS' INFORMATION

The change of directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") are set out below:

Mr. Luo Guihua was elected as an independent non-executive Director ("INED") and appointed as a member of each of the Audit Committee, Remuneration Committee and the Nomination Committee, in each case with effect from 28 May 2026 upon the conclusion of the annual general meeting (the "AGM").

Ms. Shi Min has been appointed as the chairwoman of the Audit Committee with effect from 28 May 2026.

Mr. Lee Cheuk Yin, Dannis retired as an INED and ceased to be the chairman of the Audit Committee, a member of each of the Remuneration Committee and the Nomination Committee with effect from 28 May 2026 upon the conclusion of the AGM.

Save as disclosed above, there is no other information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

SHARE OPTIONS

A share option scheme of the Company was approved and adopted by way of an ordinary resolution in the annual general meeting of the Company held on 30 May 2024 (the "Share Option Scheme").

Under the Share Option Scheme, eligible participants of the Share Option Scheme include directors (save and except any independent non-executive Director) and employees (whether full time or part time) of the Company, its subsidiaries, the Company's holding companies, fellow subsidiaries and associated companies (the "Eligible Participants"). The Company may grant options to Eligible Participants at the discretion of the Board. The principal purpose of the Share Option Scheme is to enable the Group to recognize and acknowledge the contributions that Eligible Participants have (or may have) made or may make to the Group (whether directly or indirectly); attract and retain and appropriately remunerate the best possible quality of employees and other Eligible Participants; motivate the Eligible Participants to optimize their performance and efficiency for the benefit of the Group; enhance its business, employee and other relations; and retain maximum flexibility as to the range and nature of rewards and incentives which the Company can offer to Eligible Participants. Under the Share Option Scheme, the Company may grant options to Eligible Participants at the discretion of the Board of Directors.

Under the Share Option Scheme rules, where any grant of option to an Eligible Participant would result in the shares issued and to be issued in respect of all options and awards granted under the Share Option Scheme and other share schemes of the Company to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the Share Option Scheme and other share schemes) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the shares in issue as at the date of such grant, such grant shall be subject to shareholders' approval.

The basis of determining the exercise price of an option to be granted under the Share Option Scheme shall be at least the highest of:

(a) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of the offer;

(b) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the offer; and

(c) the nominal value of a share of the Company.

The Share Option Scheme is valid and effective for a period of 10 years commencing from 30 May 2024, unless otherwise determined in accordance with its term. Accordingly, the remaining life of the Share Option Scheme as at the date of this report is approximately 8 years. An option may be exercised at any time during a period (which shall not be more than ten years from the commencement date of the Share Option Scheme) to be determined and notified by the Board to each grantee. The vesting period of options granted under the Share Option Scheme shall be determined by the Board on a case-by-case basis at its absolute discretion when offering the grant, but shall not in any event be less than 12 months.

Under the Share Option Scheme, each grantee shall pay a consideration of HK$10 (or such other nominal sum in any currency as the Board may determine) upon acceptance of the offer of the option. During the period, no share options were granted to or exercised nor were cancelled or lapsed under the Share Option Scheme, and there is no share option outstanding as at 30 June 2026.

As at the date of this report, the total number of shares available for issue under the Share Option Scheme is 103,411,266, representing approximately 10% of the total issued share capital of the Company (excluding treasury shares, if any) as at the date of this report.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at 30 June 2026, the Directors and chief executives of the Company had the following interests and short positions in the shares, underlying shares (in respect of positions held pursuant to equity derivatives), and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules:

Long position in the shares of the Company ("Shares")

Name of Director	Capacity	Number of Shares	Approximate percentage of interests in the Company *(Note (a))*
TAN Siu Lin	Trustee *(Note (b))*	1,840,757	0.18%
	Interest of controlled corporation *(Note (b))*	10,992,986	1.06%
	Founder of a discretionary trust who can influence how the trustee exercises his discretion *(Note (b))*	13,916,124	1.35%
TAN Cho Lung, Raymond	Interest of controlled corporation *(Note (c))*	15,655,639	1.51%
	Interest of spouse *(Note (c))*	2,050,000	0.20%

Notes:

(a) The percentage has been compiled based on the total number of Shares in issue (i.e. 1,034,112,666) as at 30 June 2026.

(b) Dr. Tan Siu Lin indirectly controls 1,840,757 Shares as trustee of a discretionary trust. He is therefore deemed under Part XV of the SFO to be interested in all of the 1,840,757 Shares as trustee of a trust. Dr. Tan Siu Lin also controls and is a subscriber and founding member of Tan Siu Lin Foundation Limited, which in turn owns directly 10,992,986 Shares. Dr. Tan Siu Lin is also the founder of a discretionary trust which indirectly holds 13,916,124 Shares. He is therefore deemed under Part XV of the SFO to be interested in all of the 13,916,124 Shares as a founder of a discretionary trust who can influence how the trustee exercises his discretion.

(c) Mr. Tan Cho Lung, Raymond wholly owns Flying Base Limited, which owns 15,655,639 Shares.

The spouse of Mr. Tan Cho Lung, Raymond holds a total of 2,050,000 Shares as beneficial owner. He is therefore deemed under Part XV of the SFO to be interested in all of the 2,050,000 Shares held his spouse.

Other than the interests disclosed above, none of the Directors nor the chief executives nor their associates had any interests or short positions in any shares, underlying shares (in respect of positions held pursuant to equity derivatives) or debentures of the Company or any of its associated corporations as at 30 June 2026.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2026, the register of substantial shareholders maintained pursuant to Section 336 of Part XV of the SFO showed that other than the interest disclosed in "Directors' and Chief Executives' Interests in Shares", the following shareholders had notified the Company of their relevant interests in the issued capital of the Company.

Long position in the Shares

Name of shareholder	Note	Capacity	Number of ordinary shares beneficially held	Approximate percentage of interests in the Company *(Note (a))*
Shangtex (Hong Kong) Limited	(b)	Beneficial owner	730,461,936	70.64%
Shangtex Investment Co., Ltd.	(b)	Interest of controlled corporation	730,461,936	70.64%
Shangtex Holding Co., Ltd.	(b)	Interest of controlled corporation	730,461,936	70.64%
Orient International (Holding) Co., Ltd.	(b)	Interest of controlled corporation	730,461,936	70.64%

Name of shareholder	Note	Capacity	Number of ordinary shares beneficially held	Approximate percentage of interests in the Company *(Note (a))*
Shanghai Guosheng Group Co., Ltd.	(b)	Interest of controlled corporation	730,461,936	70.64%
Double Joy Investments Limited	(c)	Beneficial owner	71,975,726	6.96%
Dr. Tan Henry	(d)	Interest of controlled corporation	103,095,849	9.97%
Ms. Tan Chiu Joise	(e)	Interest of controlled corporation/ Interest of spouse	103,095,849	9.97%

Notes:

(a) The percentage has been compiled based on the total number of Shares in issue (i.e. 1,034,112,666 Shares) as at 30 June 2026.

(b) Based on the information recorded in the register required to be kept under section 336 of the SFO, Shangtex (Hong Kong) Limited ("Shangtex HK") directly holds 730,461,936 Shares. Shangtex HK is 100% directly owned by Shangtex Investment Co., Ltd. ("Shangtex Investment"). Shangtex Investment is 100% directly owned by Shangtex Holding Co., Ltd. ("Shangtex"). Orient International (Holding) Co., Ltd. ("Orient International") directly holds 96.65% in Shangtex. Shanghai Guosheng Group Co., Ltd. directly holds 34% in Orient International.

(c) Double Joy Investments Limited ("Double Joy") is a company incorporated in the British Virgin Islands with limited liability and is owned by Ms. Tan Chiu Joise and Dr. Tan Henry in equal shares. Each Ms. Tan Chiu Joise and Dr. Tan Henry is deemed to be interested in the 71,975,726 Shares held by Double Joy.

(d) Under the SFO, Dr. Tan Henry is deemed to be interested in (i) 71,975,726 Shares held by Double Joy as disclosed in note (c); (ii) 17,203,999 Shares held by Luen Thai Capital Limited, a company incorporated in the British Virgin Islands with limited liability and is owned as to 49% by Dr. Tan Henry; and (iii) 13,916,124 Shares held by Luen Thai Group Ltd., a company incorporated in Bahamas with limited liability and is owned as to 41% by Dr. Tan Henry. Dr. Tan Henry is hence deemed to be interested in a total of 103,095,849 Shares held by his controlled corporations under the SFO.

(e) Under the SFO, Ms. Tan Chiu Joise is deemed to be interested in 71,975,726 Shares held by Double Joy as disclosed in note (c). As Ms. Tan Chiu Joise is the spouse of Dr. Tan Henry, she is also deemed to be interested in the 103,095,849 Shares held by his controlled corporations as disclosed in note (d).

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the shares or underlying shares (in respect of positions held pursuant to equity derivatives) of the Company as at 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 director 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 AGM held on 28 May 2026 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 report, 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 Chairwoman, 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.

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.

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 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.

By order of the Board
Tan Cho Lung Raymond
Chief Executive Officer and Executive Director

Hong Kong, 27 August 2026