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LH GROUP

叙福樓集團

LH GROUP LIMITED

叙福樓集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1978)

PROFIT WARNING

This announcement is made by LH Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and the potential investors that, based on preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 and assessment of the information currently available, the Group is expected to record a decrease of approximately 36% in profit attributable to the Shareholders for the year ended 31 December 2021 as compared to that of the year ended 31 December 2020. The expected decrease in profit attributable to the Shareholders for the year ended 31 December 2021 was mainly attributable to the decrease in government grants and subsidies and net gain from lease modification, which is offset by the decrease in provision for impairment of property, plant and equipment and right-of-use assets.

Excluding significant incidental items (i.e. government grants and subsidies, net gain from lease modification, provision for impairment on property, plant and equipment and right-of-use assets), core profit before tax from the Group’s operation for the year ended 31 December 2021 increased significantly by approximately 220% as compared to that of the year ended 31 December 2020.

As the Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2021, the information contained in this announcement is only a preliminary assessment by the Board based on the latest information currently available, which have not been audited nor reviewed by the Group's auditors or reviewed by the audit committee of the Board and may be subject to adjustments. Therefore, the actual results of the Group for the year ended 31 December 2021 may differ from the information contained in this announcement. Shareholders and potential investors are advised to read the announcement of the Company in relation to the final results of the Group for the year ended 31 December 2021 carefully which is expected to be published before end of March 2022.

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

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

Hong Kong, 21 March 2022

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