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HUNG FOOK TONG

HUNG FOOK TONG GROUP HOLDINGS LIMITED

鴻福堂集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1446)

PROFIT WARNING

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

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that based on the latest review of the unaudited management accounts of the Group for the six months ended 30 June 2021 (the “**June 2021 Accounts**”) and the information currently available to the Group, the Group expected that the profit attributable to owners of the Company for the six months ended 30 June 2021 (“**1H2021**”) will be in the range of HK\$6.0 million to HK\$8.0 million as compared to that of HK\$23.0 million for the six months ended 30 June 2020.

The Board believes that the decrease in profit attributable to owners of the Company for 1H2021 is mainly attributable to the following reasons:

- 1) Decrease in gross profit margin, which in turn is due to:
 - (a) increase in price of certain raw materials; and
 - (b) appreciation of renminbi which led to the increase in production cost in our plant in Kaiping City, Guangdong.
- 2) Increase in operating expenses, which is mainly due to:
 - (a) increase in staff costs; and
 - (b) increase in utility expenses.
- 3) Increase in development costs in certain new lines of business.
- 4) Significant decrease in government grants and subsidies received or receivable.

The information contained in this announcement is only based on a preliminary assessment by the Board with reference to the June 2021 Accounts and the information currently available, which has not been reviewed or audited by the Company's auditors. Shareholders and potential investors are advised to read the interim results announcement of the Company for 1H2021, which is expected to be published before the end of August 2021.

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

On behalf of the Board of
Hung Fook Tong Group Holdings Limited
Tse Po Tat
Chairman and Executive Director

Hong Kong, 11 August 2021

As at the date of this announcement, the Board comprises Mr. Tse Po Tat, Dr. Szeto Wing Fu and Ms. Wong Pui Chu as executive Directors, and Mr. Kiu Wai Ming, Prof. Sin Yat Ming and Mr. Andrew Look as independent non-executive Directors.