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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 year ended 31 December 2021 (the “**December 2021 Accounts**”) and the information currently available to the Group, the Group expects that the profit attributable to owners of the Company for the year ended 31 December 2021 (“**FY2021**”) will be less than HK\$9 million as compared to that of HK\$63 million for the year ended 31 December 2020.

The Board believes that the decrease in profit attributable to owners of the Company for FY2021 is mainly attributable to the following reasons:

- 1) Decrease in gross profit margin, which in turn is due to:
  - (a) increase in price in 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 December 2021 Accounts and the information currently available, which has not been reviewed or audited by the Company's auditors or Audit Committee. The Group's results for FY2021 are subject to further review by the Board, and will be audited or reviewed by the Company's auditor and Audit Committee prior to the finalisation of such accounts. Therefore, the actual results of the Group for FY2021 may differ from the information contained in this announcement.

**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 February 2022

*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.*