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)

POSITIVE PROFIT ALERT

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 (the "**Listing Rules**") 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 "**SFO**").

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 eleven months ended 30 November 2020 (the "**November 2020 Accounts**") and the information currently available to the Group, the Group is expected to record a profit attributable to owners of the Company for the year ended 31 December 2020 ("**FY2020**") of not less than HK$60.0 million as compared to that of HK$10.0 million for the year ended 31 December 2019 ("**FY2019**").

In the first eleven months of 2020, business of the Group was adversely affected by the outbreak of the coronavirus pandemic. Despite the decrease in sales, it is expected that the profit attributable to owners of the Company for FY2020 would be significantly higher than that for FY2019. The Board believes that such increase is mainly attributable to the following reasons:

1) Increase in gross profit margin in FY2020 despite the appreciation of Renminbi in the second half of 2020, which in turn is due to:

    (a) improvement in sales mix; and

    (b) continuous enhancement in our supply chain management.

2) Successful implementation of certain cost saving measures since the late of 2019 as a consequence of the re-engineering of the Group's business process, in particular in Mainland China.

3) Receipt of certain government grants and subsidies.

The information contained in this announcement is only based on a preliminary assessment by the Board with reference to the November 2020 Accounts and the information currently available, which has not been reviewed or audited by the Company's auditors. The Company will keep matters under close review and will make further announcement(s) in compliance with the Listing Rules and/or the SFO, as appropriate.

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, 13 January 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.