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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 2023 (the “**December 2023 Accounts**”) and the information currently available to the Group, it is expected that the Group will record a loss attributable to owners of the Company for the year ended 31 December 2023 (“**FY2023**”) of not more than HK\$38.0 million as compared to a profit attributable to owners of the Company (as restated) of HK\$5.3 million for the year ended 31 December 2022 (“**FY2022**”).

The Board believes that the decrease in profit attributable to owners of the Company for FY2023 is mainly attributable to the following reasons:

1. Non-recurrent government grants and subsidies received or receivable which amounted to HK\$17.4 million in FY2022;
2. Decrease in revenue from the Hong Kong retail segment as the pace of recovery of the Hong Kong economy, especially to the food and beverage sector, was slower than expected; while there was no corresponding decrease in rental expenses and staff costs in relation to maintaining operation scales in terms of the number of retail shops and workforce which aligned with the Group’s competitiveness and long-term strategy;
3. Decrease in gross profit margin, which in turn is due to the increase in the cost of raw materials, wages and utility expenses;
4. Expenses (including write-off of property, plant and equipment and inventory) incurred pursuant to the planned relocation of the Group’s certain production operations; and
5. Additional write-off of trade receivables due to significant doubt on collection of the receivables.

Despite the very challenging operating environment faced by the Group in FY2023, the financial position of the Group remains strong and healthy.

The information contained in this announcement is only based on a preliminary assessment by the Board with reference to the December 2023 Accounts and the information currently available, which has not been audited or reviewed by the Company's auditors or audit committee of the Company. The Group's results for FY2023 are subject to further review by the Board, and will be audited or reviewed by the Company's auditor and audit committee of the Company prior to the finalisation of such accounts. Therefore, the actual results of the Group for FY2023 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, 8 March 2024

*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.*