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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

HIGHLIGHTS

- Demonstrated resilience and operational stability amid a challenging operating environment in Hong Kong and Mainland China, supported by disciplined execution and cost control.
- Customer confidence remained strong, with receipts in advance increased approximately 3.5% to HK\$168.3 million as at 31 December 2025 (31 December 2024: HK\$162.6 million), equivalent to over four months of revenue from retail business. This reflects solid recurring patronage and deepening customer engagement with the Hung Fook Tong wellness brand.
- The Group maintained a robust liquidity position, with HK\$119.0 million in cash and cash equivalents as at 31 December 2025 (31 December 2024: HK\$110.2 million), supplemented by unutilised banking facilities of HK\$90.2 million (31 December 2024: HK\$82.3 million), providing ample financial flexibility to support future growth.
- The Group remains well-positioned for recovery and growth, underpinned by its strong wellness-focused brand, stable cash generation and solid financial foundation.
 - Net cash generated from operating activities for the year ended 31 December 2025 (“**2025**”) amounted to HK\$128.9 million (year ended 31 December 2024 (“**2024**”): HK\$140.9 million), supported by higher prepaid coupon sales and prudent working capital management.
 - Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to HK\$111.6 million (2024: HK\$122.2 million), reflecting operational profitability and stable cash flow generation notwithstanding the reported net loss.

- Revenue for 2025 decreased by 3.3% to HK\$600.3 million from HK\$620.7 million in 2024.
 - Revenue from retail business decreased by 1.7% to HK\$459.5 million, with a retail network comprising 108 retail shops in Hong Kong as at 31 December 2025.
 - Revenue from wholesale business decreased by 8.2% to HK\$140.8 million.
- Gross profit for 2025 decreased by 3.2% to HK\$357.3 million from HK\$369.0 million in 2024, while gross profit margin for 2025 increased by 0.1 percentage point to 59.5% as compared to 59.4% in 2024. The stable margin was underpinned by ongoing optimisation of manufacturing efficiencies and effective cost management.
- Loss attributable to owners of the Company for 2025 was HK\$16.7 million (2024: HK\$13.7 million). The increase was mainly due to one-off expenses of approximately HK\$2.1 million arising from additional sewage charges for the prior years, recognised during 2025.

RESULTS

The board of directors (the “**Board**”) of Hung Fook Tong Group Holdings Limited (the “**Company**”) hereby announces the consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2025 together with comparative figures for the previous financial year 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Year ended 31 December	
		2025 HK\$'000	2024 HK\$'000
Revenue	3,4	600,282	620,732
Cost of sales	6	<u>(242,946)</u>	<u>(251,732)</u>
Gross profit		357,336	369,000
Other income, net	5	1,250	2,773
Selling and distribution costs	6	(50,369)	(51,474)
Administrative and operating expenses	6	(316,468)	(328,482)
Impairment loss on financial assets	6	<u>(232)</u>	<u>(141)</u>
Operating loss		(8,483)	(8,324)
Finance income	7	82	148
Finance costs	7	<u>(8,228)</u>	<u>(10,108)</u>
Finance costs, net	7	<u>(8,146)</u>	<u>(9,960)</u>
Loss before income tax		(16,629)	(18,284)
Income tax credit	8	<u>1,998</u>	<u>2,474</u>
Loss for the year		<u>(14,631)</u>	<u>(15,810)</u>
(Loss)/profit attributable to:			
Owners of the Company		(16,718)	(13,693)
Non-controlling interests		<u>2,087</u>	<u>(2,117)</u>
		<u>(14,631)</u>	<u>(15,810)</u>

	Year ended 31 December	
	2025	2024
<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Other comprehensive income/(loss):		
<i>Item that may be reclassified to profit or loss</i>		
– Currency translation differences	5,808	(5,738)
<i>Item that will not be reclassified to profit or loss</i>		
– Remeasurements of employee benefit obligations	17	873
Other comprehensive income/(loss), net of tax	<u>5,825</u>	<u>(4,865)</u>
Total comprehensive loss for the year	<u><u>(8,806)</u></u>	<u><u>(20,675)</u></u>
Total comprehensive (loss)/income attributable to:		
Owners of the Company	(11,068)	(18,400)
Non-controlling interests	<u>2,262</u>	<u>(2,275)</u>
	<u><u>(8,806)</u></u>	<u><u>(20,675)</u></u>
Loss per share for loss attributable to owners of the Company		
– Basic and diluted (<i>HK cents</i>)	9 <u><u>(2.55)</u></u>	<u><u>(2.09)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

		As at 31 December	
		2025	2024
	<i>Note</i>	HK\$'000	HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		219,533	233,150
Right-of-use assets		162,109	172,034
Intangible assets		889	1,593
Prepayments and deposits		18,159	21,083
Deferred income tax assets		12,937	10,568
		<u>413,627</u>	<u>438,428</u>
Current assets			
Inventories		26,228	24,938
Trade receivables	<i>11</i>	41,439	53,049
Prepayments, deposits and other receivables		45,821	43,291
Prepaid tax		379	296
Cash and cash equivalents		119,022	110,247
		<u>232,889</u>	<u>231,821</u>
Total assets		<u>646,516</u>	<u>670,249</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	<i>12</i>	6,559	6,559
Reserves		242,124	253,192
		<u>248,683</u>	<u>259,751</u>
Non-controlling interests		<u>(22,288)</u>	<u>(24,550)</u>
Total equity		<u>226,395</u>	<u>235,201</u>

		As at 31 December	
		2025	2024
	Note	HK\$'000	HK\$'000
LIABILITIES			
Non-current liabilities			
Lease liabilities		53,866	55,464
Provision for reinstatement costs		6,548	5,057
Deferred income tax liabilities		4,766	5,014
Bank borrowings		4,784	5,001
Employee benefit obligations		4,664	3,992
		<u>74,628</u>	<u>74,528</u>
Current liabilities			
Trade payables	13	32,834	30,140
Accruals and other payables	14	50,546	52,277
Provision for reinstatement costs		3,060	3,485
Receipts in advance		168,319	162,555
Lease liabilities		69,779	77,551
Bank borrowings		20,475	33,753
Current income tax liabilities		480	759
		<u>345,493</u>	<u>360,520</u>
Total liabilities		<u>420,121</u>	<u>435,048</u>
Total equity and liabilities		<u>646,516</u>	<u>670,249</u>
Net current liabilities		<u>(112,604)</u>	<u>(128,699)</u>
Total assets less current liabilities		<u>301,023</u>	<u>309,729</u>

NOTES

1 GENERAL INFORMATION

Hung Fook Tong Group Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 10 January 2014 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together the “Group”) are principally engaged in the retail, wholesale and distribution of bottled drinks, other herbal products, soups and snacks in Hong Kong and other parts of the People’s Republic of China (“PRC” for the purpose of this set of consolidated financial statements).

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated and have been approved for issue by the Board of Directors of the Company on 30 March 2026.

2 BASIS OF PREPARATION

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Compliance with HKFRS and Hong Kong Companies Ordinance

The consolidated financial statements of the Company have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

HKFRS Accounting Standards comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards;
- Hong Kong Accounting Standards; and
- Interpretations developed by the Hong Kong Institute of Certified Public Accountants.

The preparation of the consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

2.2 Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention.

2.3 Basis of going concern

As at 31 December 2025, the Group’s current liabilities exceeded its current assets by HK\$112,604,000 (31 December 2024: HK\$128,699,000). Besides, the Group recorded a loss for the year ended 31 December 2025 of HK\$14,631,000 (2024: HK\$15,810,000). Included in the current liabilities as at 31 December 2025 were non-refundable receipts in advance from customers of HK\$168,319,000 which will gradually reduce over time through utilisation of coupons in exchange for products by customers and expiration of coupons. Excluding the non-refundable receipts in advance from customers, the net current liabilities of the Group as at 31 December 2025 would have become net current assets of HK\$55,715,000. The directors of the Company are of the opinion that, taking into account the anticipated cash inflows generated from the Group’s operations as well as the possible changes in its operating performance and the continued availability of the Group’s banking facilities, the Group will have sufficient working capital to fulfil its financial obligations as and when they fall due in the coming 12 months from 31 December 2025. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

2 BASIS OF PREPARATION (CONTINUED)

2.5 Certain new standards, amendments to existing standards and interpretation issued not yet adopted by the Group (continued)

- o Foreign exchange differences currently aggregated in the line item 'other income, net' in operating profit might need to be disaggregated, with some foreign exchange gains/(losses) presented below operating profit.
- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.
- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - o management-defined performance measures;
 - o a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
 - o for the first annual period of application of HKFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying HKFRS 18 and the amounts previously presented applying HKAS 1.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

The Group will adopt the above new standards, amendments to existing standards and interpretation when they become effective. The Group has already commenced an assessment of the related impact of adopting the above new standards, amendments to existing standards and interpretation, and except for HKFRS 18, none of the others are expected to have material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3 SEGMENT INFORMATION

The segment information provided to the executive directors for the years ended 31 December 2025 and 2024 is as follows:

	Year ended 31 December 2025		
	Hong Kong Retail HK\$'000	Wholesale HK\$'000	Total HK\$'000
Segment revenue	466,354	142,217	608,571
Less: Inter-segment revenue	(6,842)	(1,447)	(8,289)
Revenue from external customers	459,512	140,770	600,282
Segment results	6,823	22,514	29,337
Corporate expenses (<i>Note (a)</i>)			(37,820)
Finance costs, net			(8,146)
Loss before income tax			(16,629)
Income tax credit			1,998
Loss for the year			(14,631)
Other segment items:			
Capital expenditure	8,284	1,457	9,741
Depreciation and amortisation (excluding depreciation of right-of-use assets)	17,382	10,493	27,875
Depreciation of right-of-use assets	88,277	756	89,033
Cost of raw materials sold and consumed	134,454	59,308	193,762
Losses on disposal of property, plant and equipment	168	12	180
	<u> </u>	<u> </u>	<u> </u>
	Year ended 31 December 2024		
	Hong Kong Retail HK\$'000	Wholesale HK\$'000	Total HK\$'000
Segment revenue	477,810	156,407	634,217
Less: Inter-segment revenue	(10,448)	(3,037)	(13,485)
Revenue from external customers	467,362	153,370	620,732
Segment results	10,857	20,645	31,502
Corporate expenses (<i>Note (a)</i>)			(39,826)
Finance costs, net			(9,960)
Loss before income tax			(18,284)
Income tax credit			2,474
Loss for the year			(15,810)
Other segment items:			
Capital expenditure	5,819	8,304	14,123
Depreciation and amortisation (excluding depreciation of right-of-use assets)	23,169	10,325	33,494
Depreciation of right-of-use assets	92,801	771	93,572
Cost of raw materials sold and consumed	129,607	68,656	198,263
Losses on disposal of property, plant and equipment	197	–	197
	<u> </u>	<u> </u>	<u> </u>

3 SEGMENT INFORMATION (CONTINUED)

The segment assets as at 31 December 2025 and 2024 are as follows:

	Hong Kong Retail HK\$'000	Wholesale HK\$'000	Elimination HK\$'000	Total HK\$'000
As at 31 December 2025				
Segment assets	408,317	193,831	–	602,148
Prepaid tax				379
Deferred income tax assets				12,937
Corporate assets (<i>Note (b)</i>)				31,052
Total assets				646,516
As at 31 December 2024				
Segment assets	436,237	204,682	(743)	640,176
Prepaid tax				296
Deferred income tax assets				10,568
Corporate assets (<i>Note (b)</i>)				19,209
Total assets				670,249

Notes:

- (a) Corporate expenses mainly included employee benefit expenses, depreciation of right-of-use assets and property, plant and equipment of headquarters office and auditors' remuneration for the years ended 31 December 2025 and 2024.
- (b) Corporate assets mainly included cash and cash equivalents, prepayment, deposits and other receivables, and right-of-use assets and property, plant and equipment of headquarters office as at 31 December 2025 and 2024.

The eliminations between the reportable segments are intercompany receivables and payables between the operating segments.

The Company is domiciled in the Cayman Islands while the Group operates its business primarily in Hong Kong and the PRC. For the year ended 31 December 2025, no revenue was generated from the Cayman Islands and no assets were located in the Cayman Islands (2024: Nil).

The Group's revenue by geographical locations (as determined by the area or country in which the customer is located) is analysed as follows:

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Hong Kong	570,720	588,217
The PRC	16,044	19,113
Other locations	13,518	13,402
	600,282	620,732

There is no single external customer contributing more than 10% to the Group's revenue for the years ended 31 December 2025 and 2024.

3 SEGMENT INFORMATION (CONTINUED)

The following is an analysis of the carrying amounts of the Group's segment assets analysed by geographical area in which the assets are located:

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Hong Kong	448,875	483,472
The PRC	153,273	156,704
	<u>602,148</u>	<u>640,176</u>

Non-current assets, other than deferred income tax assets, by geographical areas are as follows:

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Hong Kong	271,757	297,117
The PRC	128,933	130,743
	<u>400,690</u>	<u>427,860</u>

4 REVENUE

The Group's revenue recognised at point in time during the year is as follows:

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Sale of goods	<u>600,282</u>	<u>620,732</u>

(a) Revenue recognition in relation to contract liabilities

Contract liabilities are presented as "receipts in advance" on the consolidated statement of financial position which are comprised of prepaid coupons and membership card values, and "deferred revenue" under accruals and other payables which is comprised of the fair value of membership card reward points. As at 31 December 2025 and 2024, contract liabilities included receipts in advance and deferred revenue amounting to HK\$168,319,000 (2024: HK\$162,555,000) and HK\$1,942,000 (2024: HK\$2,268,000) respectively.

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward receipts in advance and deferred revenue:

	2025	2024
	HK\$'000	HK\$'000
Revenue recognised that was included in the receipts in advance and deferred revenue balance at the beginning of the year	<u>164,823</u>	<u>151,133</u>

There is no revenue recognised during the current year (2024: Same) related to performance obligations that were satisfied in prior year.

4 REVENUE (CONTINUED)

(b) Unsatisfied long-term contracts

The Group selected to choose a practical expedient and not to disclose information in receipt of unsatisfied remaining performance obligations as all related contracts have a duration of one year or less.

5 OTHER INCOME, NET

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Insurance claim	23	193
Service income	417	483
Exchange (losses)/gains, net	(646)	191
Losses on disposal of property, plant and equipment	(180)	(192)
Others	1,636	2,098
	<u>1,250</u>	<u>2,773</u>

6 EXPENSES BY NATURE

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Cost of raw materials sold and consumed	193,762	198,263
Lease rental in respect of retail outlets (<i>Note (a)</i>)		
– Contingent rental	63	117
Lease rental in respect of storage spaces and office premises (<i>Note (a)</i>)	9,526	10,019
Advertising and promotional expenditure	13,034	13,832
Depreciation of property, plant and equipment	27,973	33,943
Depreciation of right-of-use assets	91,332	95,770
Amortisation of intangible assets	704	704
Communication and utilities	27,621	28,732
Employee benefit expenses (including directors' emoluments)	182,268	189,661
Provision for obsolete inventories	109	169
Impairment loss on financial assets	232	141
Provision for impairment on right-of-use assets	941	195
Legal and professional fees	4,332	3,827
Auditors' remuneration		
– Audit services	2,450	2,300
Tools, repair and maintenance expenses	10,630	9,836
Transportation and distribution expenses	25,312	26,548
Others	19,726	17,772
	<u>610,015</u>	<u>631,829</u>

Note:

- (a) For the year ended 31 December 2025, these expenses included short-term leases expenses of HK\$224,000 (2024: HK\$284,000), variable leases payment expenses of HK\$435,000 (2024: HK\$546,000), and other rental-related expenses of HK\$8,930,000 (2024: HK\$9,306,000) and are charged in 'administrative and operating expenses'.

7 FINANCE COSTS, NET

	Year ended 31 December	
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Finance income:		
– Interest income	<u>82</u>	<u>148</u>
Finance costs:		
– Interest expenses on employee benefit obligations	(149)	(144)
– Interest expenses on borrowings	(1,412)	(2,433)
– Interest and finance charges for lease liabilities	<u>(6,667)</u>	<u>(7,531)</u>
	<u>(8,228)</u>	<u>(10,108)</u>
Finance costs, net	<u>(8,146)</u>	<u>(9,960)</u>

8 INCOME TAX CREDIT

Hong Kong Profits Tax

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong for the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2 million of estimated assessable profits of this subsidiary is taxed at 8.25% and the remaining estimated assessable profits are taxed at 16.5% (2024: Same).

PRC Corporate Income Tax

Group entities incorporated in the PRC are subject to Corporate Income Tax (“CIT”) in accordance with the Law of the PRC on Corporate Income Tax (the “CIT Law”). Under the CIT Law, the income tax rate applicable to these subsidiaries is 25% (2024: 25%).

The amount of income tax credit represents:

	Year ended 31 December	
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax:		
Hong Kong Profits Tax for the year	–	86
PRC CIT for the year	791	521
(Over)/under-provision in prior years	(172)	2
Deferred income tax:		
Deferred income tax credit	<u>(2,617)</u>	<u>(3,083)</u>
Income tax credit	<u>(1,998)</u>	<u>(2,474)</u>

9 LOSS PER SHARE

	Year ended 31 December	
	2025	2024
Loss attributable to owners of the Company (<i>HK\$'000</i>)	(16,718)	(13,693)
Weighted average number of ordinary shares for the calculation of basic loss per share (thousands)	655,944	655,944
Loss per share for loss attributable to owners of the Company		
– Basic loss per share (<i>HK cents</i>)	<u>(2.55)</u>	<u>(2.09)</u>
– Diluted loss per share (<i>HK cents</i>)	<u>(2.55)</u>	<u>(2.09)</u>

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

(b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Diluted loss per share for the years ended 31 December 2025 and 2024 equal to basic loss per share as there were no potentially dilutive ordinary shares in issue as at both years end.

10 DIVIDENDS

The Board has resolved not to propose or declare any final dividend for the year ended 31 December 2025 (2024: Nil).

11 TRADE RECEIVABLES

	As at 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables from third parties	41,900	53,530
Less: Provision for impairment of trade receivables	(461)	(481)
	<u>41,439</u>	<u>53,049</u>
Trade receivables, net	<u><u>41,439</u></u>	<u><u>53,049</u></u>

The Group's credit terms granted to wholesale customers generally ranged from 30 to 105 days (2024: 30 to 105 days). As at 31 December 2025 and 2024, the ageing analysis of the trade receivables, based on invoice date, is as follows:

	As at 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Less than 30 days	11,254	21,332
31-90 days	26,435	21,808
Over 90 days	4,211	10,390
	<u>41,900</u>	<u>53,530</u>
	<u><u>41,900</u></u>	<u><u>53,530</u></u>

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. The trade receivables have been grouped based on the business segments, geographical locations and credit risk characteristics to provide the expected credit losses. Receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for separate provision for impairment allowance.

Movements on the Group's provision for impairment of trade receivables are as follows:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 January	481	516
(Reversal of)/provision for impairment of trade receivables	(20)	141
Receivables written off during the year as uncollectible	-	(176)
	<u>461</u>	<u>481</u>
At 31 December	<u><u>461</u></u>	<u><u>481</u></u>

The Group does not hold any collateral as security.

The carrying amounts of the trade receivables are denominated in the following currencies:

	As at 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
HK\$	39,570	51,776
RMB	1,869	1,273
	<u>41,439</u>	<u>53,049</u>
	<u><u>41,439</u></u>	<u><u>53,049</u></u>

12 SHARE CAPITAL

	Number of shares	Nominal value of ordinary shares <i>HK\$'000</i>
Authorised:		
At 1 January 2024, 31 December 2024 and 31 December 2025	<u>1,000,000,000</u>	<u>10,000</u>
	Number of shares	Nominal value of ordinary shares <i>HK\$'000</i>
Issued and fully paid:		
At 1 January 2024, 31 December 2024 and 31 December 2025	<u>655,944,000</u>	<u>6,559</u>

13 TRADE PAYABLES

	As at 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables	<u>32,834</u>	<u>30,140</u>

As at 31 December 2025 and 2024, the ageing analysis of the trade payables, based on invoice date, is as follows:

	As at 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 to 30 days	15,315	14,480
31 to 60 days	10,443	7,929
61 to 90 days	6,477	4,862
Over 90 days	599	2,869
	<u>32,834</u>	<u>30,140</u>

The carrying amounts of the trade payables are denominated in the following currencies:

	As at 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
HK\$	16,807	12,754
RMB	16,027	17,386
	<u>32,834</u>	<u>30,140</u>

14 ACCRUALS AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Accruals for employee benefit expenses	10,649	10,433
Accruals for marketing and promotional expenses	3,516	5,671
Refund liabilities for sales rebate	1,767	1,997
Rental and related expenses payable	1,965	1,713
Office and utilities expenses payable	3,716	4,010
Deferred revenue	1,942	2,268
Consideration payable for property, plant and equipment acquired	7,161	7,317
Accruals for transportation and delivery charges	1,735	1,963
Accruals for audit fee	1,921	1,800
Other accruals and other payables	16,174	15,105
	<u>50,546</u>	<u>52,277</u>

The carrying amounts of the Group's accruals and other payables are denominated in the following currencies:

	As at 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
HK\$	39,265	40,589
RMB	11,281	11,688
	<u>50,546</u>	<u>52,277</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the financial year, the Group continued to face highly challenging business conditions, both in Hong Kong and the Chinese Mainland, the consequence of cautious consumer sentiment and intense competition that have yet to dissipate. Despite the external pressures, the Group demonstrated significant resilience in solidifying customer loyalty, maintaining a stable business foundation supported by robust cash flow and a healthy financial position.

The sustained popularity of the Group's products among customers is reflected in the growth of its receipts in advance, which represents sales of prepaid coupons and credits to be recognised upon future redemption. As at 31 December 2025, receipts in advance increased 3.5% to HK\$168.3 million, up from HK\$162.6 million in the previous year. This balance translates to approximately 4.4 months of revenue of the Group's Hong Kong retail business recognized in the financial year (2024: approximately 4.2 months), indicating customers' robust confidence in the brand and sound visibility for the Group's revenue in the coming year.

Driven by increased purchase of the Group's pre-paid coupons, the Group maintained substantial liquidity, with HK\$119.0 million in cash and cash equivalents as at 31 December 2025 (31 December 2024: HK\$110.2 million), supplemented by unutilised banking facilities of HK\$90.2 million (31 December 2024: HK\$82.3 million).

During the financial year, the Group's total revenue was HK\$600.3 million (2024: HK\$620.7 million). Gross profit reached HK\$357.3 million (2024: HK\$369.0 million), with gross profit margin edging upwards to 59.5% (2024: 59.4%). This stability was supported by the Group's ongoing optimisation of manufacturing efficiencies and effective cost management, enabling us to sustain gross profit in a challenging operating environment.

In the financial year, a loss attributable to owners of the Company of HK\$16.7 million (2024: HK\$13.7 million) was recorded. Earnings before interest, taxes, depreciation and amortization (EBITDA) for the financial year amounted to HK\$111.6 million (2024: HK\$122.2 million), reflecting operational profitability and stable cash flow generation notwithstanding the reported net loss.

BUSINESS SEGMENT ANALYSIS

Hong Kong Retail

The Hong Kong retail business remained affected by a sluggish economy and the trend of spending in neighbouring Chinese Mainland cities and abroad, especially during long holidays. Despite the difficult operating environment, the operation continued to be largest revenue contributor, generating HK\$459.5 million in 2025 (2024: HK\$467.3 million), which is mainly in line with the preceding year, accounting for 76.5% (2024: 75.3%) of the Group's total revenue. A segment profit of HK\$6.8 million (2024: HK\$10.9 million) was recorded for the financial year.

In response to the market uncertainty, the Group exerted significant effort to optimise its store network, while continuing to grow its retail presence in a prudent manner. As at 31 December 2025, the Group had a total of 108 self-operating shops in Hong Kong, including 98 HFT shops and 10 HFT Life café concept store (“**HFT Life shops**”), thereby maintaining its position as the largest herbal retailer in Hong Kong based on retail network size. During the financial year, the Group aligned its efforts with the government's Northern Metropolis development plan by opening new HFT Life shops at Tuen Mun Hospital, Fairview Park, and the Hong Kong-Shenzhen Innovation and Technology Park (HSITP).

Aiming to boost sales amid a challenging retail environment, the Group has launched strategic marketing campaigns to enhance brand awareness and increase shop traffic, supported by continuous optimisation of its product portfolio to capture new revenue streams.

Since the launch of “Hung+ Dining” personalised healthy combo set in late 2024, the Group has effectively driven upselling opportunities through pre-sale bulk coupons, which not only incentivised volume purchases but also reinforced the brand's commitment to promoting healthy eating. To further maximise transaction value, “add-on” promotions were introduced, encouraging customers to complement their meals with the Group's signature homemade soups and herbal tea. The range of dishes was also expanded to include new Hong Kong-style flavours, helping to maintain consumer interest and inspire trial. In addition, the Group broadened its sales channels through strategic initiatives, including Senior Citizen Day promotions, collaborations with the Keeta delivery platform, and enhanced digital engagement via micro-influencer trials in the second half of 2025. This multifaceted approach has delivered strong results, with average monthly sales volume of the “Hung+ Dining” combo set tripling since inception, underscoring the initiative's success in driving sustainable growth and business resilience despite the challenging market conditions.

Among the Group's product portfolio, a standout performer in 2025 was the *Shao Mai* category, spurred by the successful introduction of *Fish Shao Mai with Cilantro* (芫茜魚肉燒賣) and *Pork Shao Mai with Spicy Black Fungus* (麻辣木耳豬肉燒賣), which delivered notable growth in overall performance. This success was further amplified by the creative launch of a proprietary Shao Mai IP (intellectual property), featuring a blind-box series of collectable plush toys that resonated strongly with younger consumers and IP enthusiasts, cementing Shao Mai as one of the Group's top-selling categories and a key growth driver. The Group also strengthened its health-oriented brand image through the promotion of sugar-free herbal teas and soybean milk, aligning with the rising “low-sugar” wellness trend among health-conscious customers. In addition, the beverage segment saw renewed vitality through strategic coffee promotions and the introduction of on-trend flavours such as Pistachio Oat Milk Latte, Purple Coconut Rice Smoothie, and Ginger Milk Coffee, supported by engaging e-coupon offers and monthly sales campaigns. These diversified initiatives effectively expanded the Group's customer base and deepened overall consumer engagement.

Continuing to uphold good health among expectant mothers, the Group implemented targeted marketing initiatives to engage this key customer segment and drive traffic to its shops. A highlight was the launch of the Mama Club campaign in October, which offered complimentary gifts upon registration, supported by direct WhatsApp marketing to further extend reach and attract new customers. Once registered, members received regular updates on promotional offers, pregnancy tips, and food recommendations, encouraging stronger engagement and long-term loyalty. The Group further strengthened its brand visibility among family-oriented audiences through the sponsorship of various artists with “Home Made Joyous Voucher” to commemorate the birth of their newborns. This initiative successfully generated approximately four million impressions. Outside of maternity-focused initiatives, the Group also revitalised its festive offerings through the introduction of innovative products such as a new vegetarian rice dumpling, alongside the repositioning of chicken and fish essences as premium gift options. Additionally, to capture tourist spending and heighten engagement, the Group rolled out targeted promotions during peak travel periods, including Golden Week and National Day.

In a bid to further promote sustainability and product transparency, the Group has introduced Front-of-Pack (FOP) nutritional labelling for some of its key retail products. This initiative reflects the Group’s ongoing commitment to empowering consumers to make informed, health-conscious decisions. The initial rollout covered four signature items, with plans to expand FOP labelling to a wider range of products across the Group’s portfolio in the coming year. As for raising awareness of the Group among Hong Kong consumers and the market, it participated in various exhibitions during the financial year, opening corporate booths at the Hong Kong Brands and Products Expo, Wedding and Baby Expo, and other popular events.

With regard to JIKA CLUB (自家 CLUB), the Group continued to strengthen its loyalty programme, focusing on delivering a highly personalised membership experience and exclusive rewards. As of 31 December 2025, membership surpassed the 1.5 million mark, representing an increase of over 100,000 members during the financial year. More than 70% of coupons were redeemed in e-format, while mobile app downloads rose by 10% compared with 2024, underscoring the steady progress the Group has achieved in digital engagement. To further accelerate the rise in memberships and reinforce the meal segment, the Group launched targeted digital offerings such as Breakfast Combo and Tea Set e-coupons, alongside large-scale campaigns such as the Little Twin Stars premium promotion. These initiatives not only helped to deepen customer engagement and loyalty, but also advanced the Group’s paperless sales strategy, fostering a more efficient and sustainable retail ecosystem.

Separately, it is worth noting that the Group strategically optimised and reviewed its shop network and profitability during the year. This was achieved by securing rental concessions and more favourable terms for the majority of lease renewals, as well as closing underperforming shops.

Wholesale

On the wholesale business front, revenue declined by 8.2% to HK\$140.8 million (2024: HK\$153.4 million), which equates to 23.5% (2024: 24.7%) of the Group’s total revenue. Both the Hong Kong and Chinese Mainland markets experienced weaker consumption sentiment and higher competitive pressure. Despite the drop in revenue, the gross profit margin increased by 0.8 percentage point to 42.4%, as the Group took strategic measures to consolidate its resources and effectively leveraged its production facilities in the Chinese Mainland to bolster manufacturing efficiency.

Hong Kong

In Hong Kong, the Group's wholesale operation recorded a 7.1% decline in revenue to HK\$124.7 million (2024: HK\$134.3 million), which was primarily attributable to the consolidation of store networks by several key accounts amid prevailing retail headwinds. During the financial year, the Hong Kong wholesale business focused on enriching product offerings, exploring new partnerships, and expanding sales channels to counteract the effects of a subdued retail climate. A campaign was launched during the summer to promote the Group's low-sugar and sugar-free products. At the same time, interactive activities were introduced to engage consumers and address their demand for healthier lifestyles. In terms of leveraging partnerships, the Group partnered with Circle K Convenience store in a strategic move to attract younger consumers, launching a limited-edition dessert series inspired by its signature Mango Pomelo Sago Dessert. The collection, which included cream puffs, daifuku, and Swiss rolls, elevated the iconic Hong Kong dessert into modern, fresh takes while diversifying the Group's product offerings. Capitalising on Circle K Convenience store's vast distribution network, the collaboration bolstered the Group's brand visibility and customer engagement.

The Group also partnered with Mr. Juicy for the first time to co-launch a series of wellness beverages, addressing market demand for low-sugar, health-oriented offerings while reinforcing HFT's youthful and wellness-driven brand image. Furthermore, the partnership successfully leveraged cross-industry synergies to strengthen competitiveness and broaden consumer appeal.

To also target a more affluent demographic, the Group added City'super as a premium retail partner, offering greater visibility among high-end consumers. Meanwhile, deepened collaborations were realised with existing Group-affiliated brand stores, which, in turn, led to the listing of a wider range of chilled and ambient drinks on their shelves.

Chinese Mainland

The Group's overall sales performance in the Chinese Mainland has yet to recover, as the local market has been significantly impacted by deep structural changes in distribution channels, particularly the rapid rise of instant retail models that have directly disrupted traditional sales channels. Moreover, competition has intensified with the rise of well-capitalised retail chains offering freshly made teas. The proliferation of these brands has shifted consumer preferences and reshaped the overall competitive landscape. As a result, revenue from the Chinese Mainland wholesale segment declined by 16.1% year-on-year to HK\$16.1 million (2024: HK\$19.1 million).

In response, the Group has actively explored and developed new sales channels to mitigate market disruptions and better adapt to the evolving industry dynamics. Through close partnerships with key accounts and major distributors, the Group enhanced product visibility and availability, with its long shelf-life and fresh beverage products offered in over 16,000 convenience stores in cities across 13 provinces, including Guangzhou, Dongguan, Shenzhen and Shanghai, as well as in leading supermarkets and department stores. In addition to existing partnerships with FamilyMart, Sanyuan, China Resources Vanguard, and RT-Mart, new channels were established during the financial year, including with Hema Supermarket, Lawson, and AEON, thus expanding coverage to 21 major cities such as Beijing, Shanghai, Chengdu, Hangzhou, and Changsha. The Group also continued to strengthen its online presence by devoting significant resources to popular e-commerce and delivery platforms such as JD.com, Taobao, Tmall, Meituan, Douyin, and Xiaohongshu. Leveraging diverse promotional formats, including over 100 in-house and 40 third-party livestreaming sessions, the Group enhanced customer engagement and deployed platform-specific incentives to optimise conversion rates and drive overall sales volume.

Other Markets

During the financial year, the Group's overall sales in other markets remained relatively stable when compared with 2024. While the overseas business faced headwinds in the first half of the year due to sugar tax and tariff-related challenges, conditions improved in the second half as the Group intensified promotional efforts and reinforced business support for its overseas customers. These initiatives enabled the majority of its partners to recover to 2024 sales levels, underscoring the Group's resilience and adaptability in navigating external challenges. In addition, the Group successfully expanded into Scotland, initiating new business development activities and securing new customers, further expanding its international footprint and reinforcing long-term growth prospects. The Group also continued to explore collaboration opportunities with clients across several Southeast Asian countries, laying the groundwork for future expansion in the region.

PROSPECTS

Looking ahead to 2026, consumption in Hong Kong is expected to remain subdued, as the wealth effect from the early rebound in property and stock markets has yet to filter through to the broader economy. For local retailers, they will continue to face a structural shift in consumption patterns, marked by sustained northbound and outbound spending and the growing influence of cross-border e-commerce platforms. In the Chinese Mainland, the Group anticipates ongoing economic headwinds, subdued consumer sentiment, and intensifying price competition. In response, the Group will maintain a prudent and cost-conscious approach, implementing measures such as negotiating rental reductions with landlords, tightening controls over logistics, labour and merchandising expenses, and further leveraging its Chinese Mainland production plant to enhance operational efficiency. At the same time, the Group will continue to seek new revenue streams and bolster its market presence through portfolio diversification, expansion of sales channels, and broadening of its membership base.

Hong Kong Retail

Despite market pressures, the Group is committed to strengthening its store network in Hong Kong in the coming year through a disciplined expansion strategy. With a careful selection of store locations and focus on compact store layouts, the Group will strive to maximise market penetration while at the same time optimising rental expenses and operational efficiency.

The Group will also look to elevate the food and meal segment to drive growth. With Hong Kong street-style food gaining increasing popularity, the Group plans to extend its snack product line to capitalise on this trend and meet rising market demand. A broader selection of Hong Kong-style flavours and street-food-inspired products will therefore be developed to diversify the portfolio, stimulate consumer interest, and further strengthen the Group's food and meals segment. In tandem, the Group will revamp its breakfast combinations with an expanded menu and intensify promotional efforts for the "Hung+ Dining" meal combination business by introducing more diverse dish options. These initiatives will go toward positioning Hung Fook Tong as the destination of choice for nutritional food at all times of the day.

With celebratory occasions serving as a vital catalyst for retail sales, the Group will strategically promote its products in line with consumer demand. Regarding the Joyous Series – a key focus of the Group – efforts will be made to increase the visibility of both tailor-made and generic ginger cards to drive sales in the ginger category. To further strengthen brand association, sponsorship invitations will be extended to expectant celebrities, while participation in baby product expos will encourage product trials and consumer engagement. The Group will also implement its 40th anniversary celebratory promotion as a major thematic campaign. Concurrently, flagship items such as Mango Deluxe, Shao Mai series, and herbal tea awarded as National Intangible Cultural Heritage will continue to be promoted via Xiaohongshu to maintain local consumer interest and connection. In addition, the Group will actively explore diverse joint promotion opportunities with Alipay, WeChat Pay, the Hong Kong Retail Management Association, the Hong Kong Tourism Board, Octopus, and various banks to capitalise on cross-platform synergy, enhance brand visibility, and deepen customer engagement.

To further promote bond building with its customers, the Group will introduce a new Diamond Membership tier in the first half of the year, offering more exclusive privileges across its full range of products while also enhancing rewards for high-loyalty members. In parallel, the Group aims to capitalise on the increased functionality of its updated App to boost App adoption and encourage more frequent purchases. This will be driven by enriched membership offers and targeted electronic stamp campaigns scheduled for the second half of the year.

Wholesale

Hong Kong

Regarding the Hong Kong wholesale operation, the Group will continue to optimise its product portfolio by closely aligning with market trends and expanding its range of herbal bottled drinks. This includes introducing more low-sugar options and limited-edition products to suit diverse consumption scenarios, attract younger consumers, and revitalise the brand image. Beyond fresh beverages, the Group also plans to explore additional product categories to further diversify its offerings. At the same time, it remains committed to forging deep collaborative ties with renowned brands across different sectors. Building on the success of previous partnerships such as with Mr. Juicy, the Group will roll out more co-branded products and joint promotional campaigns targeted at young working professionals, offering them healthy, convenient, and flavourful beverages. Through multi-channel product introductions, these initiatives aim to enhance brand image, boost exposure, and strengthen market coverage.

Chinese Mainland

In the Chinese Mainland, the Group will focus on promoting its fresh, chilled products by leveraging its core product strengths. Efforts will also be directed toward expanding into specialty channels and convenience stores to increase market exposure and accessibility. To further enhance brand visibility and diversify revenue streams, the Group will actively participate in more trade exhibitions and introduce an expanded range of sugar-free products and soups. Furthermore, collaborations with influencers across various media platforms will be strengthened. By partnering with content creators from diverse backgrounds, the Group aims to amplify its social media presence, intensify promotional efforts, and engage younger consumer segments more effectively.

Other Markets

Overseas, the Group will maintain close communication with distributors in the United Kingdom and Southeast Asia to explore new business opportunities and strengthen regional partnerships. In Indonesia, the Group is actively pursuing market entry. It is currently in the process of applying for the necessary documentation to distribute products with local distributors, and has been engaging potential customers to evaluate market feasibility. At the same time, the Group will continue its efforts to enter large-scale retail chains in the US, aiming to capitalise on the rising popularity of Asian products to expand its local footprint.

CONCLUSION

2026 marks the 40th anniversary of Hung Fook Tong. The Group takes immense pride in its transformation over the years from a traditional herbal tea shop into a modern wellness concept food and beverage enterprise, consistently innovating to meet evolving consumer demand for a healthy lifestyle.

Hung Fook Tong will continue to sharpen its competitive edge by leveraging its deep consumer insights and uncompromising quality standards. By seamlessly integrating its rich heritage with forward-thinking innovation, the Group remains committed to capturing new market opportunities and driving sustainable growth, ensuring it remains a trusted health and wellness brand for the next generation of consumers.

FINANCIAL REVIEW

Revenue

In 2025, the Group operated in a highly challenging environment across Hong Kong and the Chinese Mainland. Consumer sentiment remained cautious, competition intensified, and spending patterns continued to shift, resulting in weaker retail performance and sustained pressure on the business.

For the year ended 31 December 2025, the Group recorded a revenue of HK\$600.3 million, representing a decrease of 3.3% from HK\$620.7 million in 2024. Revenue from Hong Kong retail operation decreased to HK\$459.5 million, representing a decrease of 1.7% from HK\$467.3 million in 2024. Revenue from wholesale business decreased to HK\$140.8 million, representing a decrease of 8.2% from HK\$153.4 million in 2024.

Cost of Sales

For the year ended 31 December 2025, the Group incurred a cost of sales totaling HK\$242.9 million, representing a decrease of 3.5% from HK\$251.7 million in 2024. As a percentage of revenue, cost of sales represented 40.5% and 40.6% in 2025 and 2024 respectively.

Gross Profit and Gross Profit Margin

For the year ended 31 December 2025, the Group achieved a gross profit of HK\$357.3 million, indicating a decrease of 3.2% from HK\$369.0 million in 2024. The Group's gross profit margin experienced an increase of 0.1 percentage point, settling at 59.5% compared to 59.4% in 2024, supported by the ongoing optimisation of manufacturing efficiencies and effective cost management.

Staff Costs

For the year ended 31 December 2025, the Group's staff costs amounted to HK\$182.3 million, representing a decrease of 3.9% from HK\$189.7 million in 2024. The staff costs-to-revenue ratio is 30.4%, which is lower than the 30.6% recorded in 2024.

Rental Expenses

For the year ended 31 December 2025, rental expenses in relation to its retail shops in Hong Kong (being the aggregate of lease rental in respect of retail outlets, depreciation of right-of-use assets for shop properties and the interest expense arisen from lease liabilities) amounted to HK\$92.8 million, representing a decrease of 6.0% from HK\$98.7 million in 2024. The reduction reflects the ongoing review and closure of underperforming shops. Rental expenses-to-revenue ratio for the Hong Kong retail shops is 20.2% as compared to 21.1% in 2024.

Depreciation

For the year ended 31 December 2025, depreciation of property, plant and equipment of the Group amounted to HK\$28.0 million, representing a decrease of 17.6% from HK\$33.9 million in 2024. The decline can be attributed primarily to the depreciation of leasehold improvement and plant and machinery, and equipment. The depreciation-to-revenue ratio is 4.7% as compared to 5.5% in 2024.

Loss Attributable to Owners of the Company

Loss attributable to owners of the Company for the year ended 31 December 2025 was HK\$16.7 million, as compared to HK\$13.7 million in 2024. In addition to the reasons as mentioned above, the increase was mainly due to one-off expenses of approximately HK\$2.1 million, arising from additional sewage charges for the prior years, recognised during 2025. Moreover, the minority shareholders of the Company's non-wholly owned subsidiaries also absorbed a larger share of the losses from certain retail shops in 2024 compared to 2025.

Loss per share for loss attributable to owners of the Company for the year ended 31 December 2025 amounted to HK2.55 cents, as compared to HK2.09 cents in 2024.

Capital Expenditure

During the year ended 31 December 2025, capital expenditure of the Group amounted to HK\$9.7 million (2024: HK\$16.6 million) primarily for revamping of existing retail shops and acquiring computer equipment in retail shops.

Liquidity and Financial Resources Review

As at 31 December 2025, the Group had bank deposits and cash balance amounted to HK\$119.0 million (31 December 2024: HK\$110.2 million).

As at 31 December 2025, the gearing ratio of the Group was 0.60 (31 December 2024: 0.66), which was calculated based on total debts including bank borrowings and lease liabilities divided by equity attributable to owners of the Company.

As at 31 December 2025, the Group had total banking facilities of HK\$116.9 million (31 December 2024: HK\$122.5 million) of which HK\$26.7 million (31 December 2024: HK\$40.2 million) had been utilised.

As at 31 December 2025, the Group's current liabilities exceeded its current assets by HK\$112.6 million (31 December 2024: HK\$128.7 million). Included in current liabilities are receipts in advance relating to sales of prepaid coupons and credits to customers in Hong Kong of HK\$168.3 million (31 December 2024: HK\$162.6 million) which will reduce gradually over the time of each redemption by customers and are not expected to be settled by cash under normal business circumstances. Excluding the aforementioned receipts in advance, the Group would have net current assets of HK\$55.7 million (31 December 2024: HK\$33.9 million) and current ratio of 1.31 (31 December 2024: 1.17).

The Group aims to maintain flexibility in funding by keeping sufficient bank balances, committed credit lines available and interest bearing borrowings which enable us to continue our business in a manner consistent with the short-term and long-term financial strategies of the Group.

Foreign Currency Risk

The Group operates mainly in Hong Kong and Chinese Mainland and conducts its business primarily in Hong Kong dollars and RMB. We are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to RMB. The Group will continue to take proactive measures and monitor closely of its exposure to such currency movement.

Material Acquisitions, Disposals and Significant Investments

There were no material acquisitions, disposals and significant investments during the financial year ended 31 December 2025.

Contingent Liabilities

Taclon Industries Limited, a wholly-owned subsidiary of the Company, has several pending litigations and claims with its former employees which the Directors consider an outflow of resources is not probable.

Human Resources

As at 31 December 2025, the Group employed approximately 828 employees. Remuneration was based on market price, individual qualification and experience, and there was discretionary bonus based on years of service and performance appraisal.

During the year ended 31 December 2025, various training activities, such as orientation on retail shop and back office operations, customer services and sales skills, product knowledge and retail operations, have been conducted to improve the quality of frontline services, as well as enhance customer experience and to ensure the smooth and effective operation of the Point-of-Sales (“POS”) system. A supervisor trainee program was also implemented to attract talents, enhancing the leadership skills of the participants including their professional and managerial techniques.

OTHER INFORMATION

Dividend

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

Closure of Register of Members

For determining the entitlement to attend and vote at the annual general meeting (“AGM”) of the Company to be held on Friday, 5 June 2026, the register of members of the Company will be closed from Tuesday, 2 June 2026 to Friday, 5 June 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the above meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Branch Share Registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 1 June 2026.

Corporate Governance Code

In the opinion of the Directors, the Company has complied with all the code provisions as set out in the Corporate Governance Code in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) for the year ended 31 December 2025.

Model Code for Securities Transactions

The Company has adopted a code of conduct (the “**Code of Conduct**”) based on the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules (the “**Model Code**”). For the year ended 31 December 2025, all of the Directors confirmed that they have complied with the required standards set out in the Code of Conduct.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities for the year ended 31 December 2025.

Audit Committee

The Company has established an audit committee (the “**Audit Committee**”) which currently consists of all three independent non-executive directors of the Company with written terms of reference which deal clearly with its authority and duties.

The Group’s annual results for the year ended 31 December 2025 have been reviewed by the Audit Committee.

Scope of Work of PricewaterhouseCoopers

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, PricewaterhouseCoopers, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

Publication of Annual Report

The annual report for the year ended 31 December 2025 containing all relevant information required by the Listing Rules will be published on the designated website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Company (www.hungfooktongholdings.com) in due course.

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

Hong Kong, 30 March 2026

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 Prof. Sin Yat Ming, Mr. Andrew Look and Mr. Yeung Chu Kwong as independent non-executive Directors.