

Risk Factors Comparison 2025-03-17 to 2024-03-26 Form: 10-K

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Global health developments and **tariffs on imports into the U. S.**, economic uncertainty resulting from pandemics such as **sanctions on individuals, corporations or countries, and the other COVID-19 pandemic, and governmental government regulations** action related thereto, have adversely affected, and may continue to adversely affect **affecting trade between the U. S. and other countries where we conduct our business**. **As a financial condition and results result of operations. Through early 2021 policy changes and government proposals**, we saw ~~the~~ **there may be greater restrictions and economic disincentives on international trade. The new tariffs and other changes in U. S. trade policy could trigger retaliatory actions by affected countries, and foreign governments have instituted or are considering imposing trade sanctions on U. S. goods. Such changes have the potential to adversely impact of COVID-19 in the U. S. economy or sectors thereof, our industry** operations, including significant decreases in sales. While COVID-19 did not significantly impact our operations in 2022 and 2023, the impact of pandemics may have an **and the global** adverse impact on numerous aspects of our business, financial condition and results of operations including, our growth, product costs, supply chain disruptions, labor shortages, logistics constraints, customer demand for our products and industry demand generally, consumer spending, our liquidity, the price of our securities and trading markets with respect thereto, and the global economy and financial markets generally. We cannot predict the duration of future pandemics or future governmental regulations or legislation that may be passed as a result, **could have a negative** of ongoing or future outbreaks. The impact **on of pandemics and the enactment of additional governmental regulations and restrictions may further adversely impact the global economy, the restaurant industry, and our business specifically, despite prior financial condition and results of operations. If the U. S. continues to impose such tariffs, this may cause supply chain disruptions and could further escalate or our future costs. We may determine to increase our sales prices in order to pass these increased costs to our customers. In the event we determine to take such actions action taken by, our customers may reduce their orders from us, which**. A shortage of qualified labor could negatively affect our business, profitability and operating results. We are closely monitoring these developments and evaluating strategies to mitigate potential impacts. A shortage of qualified labor or an inability to attract, train or retain employees could negatively affect our business and materially reduce earnings. **The foodservice distribution industry is labor intensive**. The future success of our operations, including the achievement of our strategic objectives, depends on our ability, and the ability of third parties on which we rely to supply and to deliver our products, to identify, recruit, develop and retain qualified and talented individuals. As a result, any shortage of qualified labor could significantly and adversely affect our business. Employee recruitment, development and retention efforts that we or such third parties undertake may not be successful, which could result in a shortage of qualified individuals in future periods. Any such shortage could decrease our ability to effectively serve our customers and achieve our strategic objectives. Such a shortage would also likely lead to higher wages for employees (or higher costs to purchase the services of such third parties) and a corresponding reduction in our results of operations. **industry is labor intensive**. Our success depends in part upon our ability to attract, train and retain a sufficient number of employees who understand and appreciate our culture and are able to represent our brand effectively and establish credibility with our business partners and customers. Our ability to meet our labor needs, while controlling wage and labor-related costs, is subject to numerous external factors, including the availability of a sufficient number of qualified persons in the work force of the regions in which we are located, unemployment levels within those regions, prevailing wage rates, changing demographics, health and other insurance costs and changes in employment legislation. In the event of increasing wage rates, if we fail to increase our wages competitively, the quality of our workforce could decline, causing our customer service to suffer, while increasing our wages could cause our profits to decrease. If we are unable to hire and retain employees capable of meeting our business needs and expectations, our business and brand image may be impaired. Any failure to meet our staffing needs or any material increase in turnover rates of our employees may adversely affect our business, results of **operations and financial condition**. Unfavorable macroeconomic conditions in the U. S. may adversely affect our business, financial condition and results of operations. Our operating results are substantially affected by the operating and economic conditions in the regions in which we operate. Economic conditions can affect us in the following ways: • A reduction in discretionary spending by consumers could adversely impact sales of ~~Chinese~~ Asian restaurants, and their purchases from us. Future economic conditions affecting disposable consumer income, such as employment levels, business conditions, changes in housing market conditions, the availability of consumer credit, inflation, interest rates, tax rates and fuel and energy costs, could reduce overall consumer spending. • Food cost and fuel cost inflation experienced by consumers can lead to reductions in the frequency of and the amount spent by consumers for food away from home purchases, which could negatively impact our business by reducing demand for our products. • Heightened uncertainty in the financial markets negatively affects consumer confidence and discretionary spending, which can cause disruptions with our customers and suppliers. • Liquidity issues and the inability of our customers to consistently access credit markets to obtain cash to support their operations can cause temporary interruptions in our ability to conduct day-to-day transactions involving the collection of funds from such customers. • Liquidity issues and the inability of suppliers to consistently access credit markets to obtain cash to support their operations can cause temporary interruptions in our ability to obtain the foodservice products and supplies needed by us in the quantities and at the prices requested. In addition, our existing **distribution** operations are solely in the U. S. The geographic concentration of our operations creates an exposure to economic conditions in the U. S. and any financial downturn in the U. S. could materially adversely affect our financial condition and results of operations. Competition may increase in the future, which may adversely impact our margins and ability to retain customers, and make it difficult to maintain our market share, growth rate and profitability. The foodservice distribution industry, as a whole, in the U. S. is fragmented and highly competitive, with local, regional, multi-regional **and national** distributors, and specialty competitors. In addition, we believe that the market participants serving ~~Chinese~~ Asian restaurants are also highly fragmented. Currently, we face competition from smaller and / or dispersed competitors focusing on the niche market serving ~~Chinese~~ Asian restaurants, especially ~~Chinese~~ takeout restaurants. However, with the growing demand for ~~Chinese~~ Asian cuisines, others are operating, or may begin operating in this niche market in the future. Those potential competitors include: (i) national and regional foodservice distributors, (ii) local wholesalers and brokers, (iii) food retailers, and (iv) farmers' markets. The national and regional distributors are experienced in operating multiple distribution locations and expanding management, and they have greater marketing and financial resources than we do. Even though they currently offer only a limited selection of ~~Chinese~~ and Asian specialty foods, they may be able to devote greater resources to sourcing, promoting and selling their products if they choose to do so. Conversely, the local wholesalers and brokers are small in size with a deep understanding of local preferences, but their lack of scale results in high risk and limited growth potential. If more competitors enter this market segment aiming to serve ~~Chinese~~ Asian restaurants in the future, our operating results may be negatively impacted through a loss of sales, reduction in margins from competitive price changes, and / or greater operating costs, such as marketing costs, due to the increase of competition. We may not be able to fully compensate for increases in fuel costs when fuel prices experience high volatility, and our operating results would be adversely

affected. Volatile fuel prices have a direct impact on the industry served by us. We require significant quantities of fuel for delivery vehicles and are exposed to the risk associated with fluctuations in the market price for fuel. The price and supply of fuel can fluctuate significantly based on international, political and economic circumstances, as well as other factors outside our control, such as actions by the Organization of the Petroleum Exporting Countries, or OPEC, and other oil and gas producers, regional production patterns, weather conditions and environmental concerns. The cost of fuel affects the price paid by us for products, as well as the costs we incur to deliver products to the customers. There is no guarantee that we will be able to pass along a portion of increased fuel costs to our customers in the future. ~~The conflict in Ukraine led to a significant increase in fuel prices.~~ If fuel costs remain elevated or increase further in the future, we may experience difficulties in passing all or a portion of these costs along to our customers, which may have a negative impact on our results of operations. ~~Disruption of relationships with vendors could negatively affect~~ **We rely on third- party suppliers, and** our business. ~~Suppliers may be affected by interruption of supplies or increase~~ **increases in product prices, which could increase our product costs.** We purchase our food items and related products primarily from third- party suppliers. **Our profitability and operating margins are dependent upon, among other things, our ability to anticipate and react to any interruptions in our distribution network and changes to food costs and availability.** We generally do not enter into long- term contracts with our suppliers, whereby they would be committed to provide products to us for any appreciable duration of time. Although our purchasing volume can provide ~~benefits~~ **leverage** when dealing with suppliers, **particularly smaller suppliers for whom we may be their largest customer,** suppliers may not provide ~~or may be unable to provide~~ the **specialty food products and supplies, produce or center- of- the- plate products we needed-- need** by us in the quantities and at the **times and prices we requested-- request**. The cancellation of our supply ~~arrangement arrangements~~ with any of our suppliers or the disruption, delay and / or inability to supply the requested products by our suppliers could adversely affect our sales. **Failure** ~~If our suppliers fail to identify~~ **comply with food safety or other laws and-- an regulations, alternate source of supply or for these items or comparable products** face allegations of non- compliance, their operations may be disrupted. We cannot assure you that we would be able to find replacement suppliers on commercially reasonable terms **that meet our customers' expectations may result in significant cost increases.** ~~Moreover~~ **In addition, we do not currently use financial instruments to hedge our risk exposure to market fluctuations in the price of food products.** Similarly, our suppliers may also be affected by higher costs to source or produce and transport food products, as well as by other related expenses that they pass through to their customers, which could result in higher costs for the products they supply to us. The United States government and foreign governments may also take actions that may impact the ~~purchase seasonal Chinese vegetables and fruits~~ **production of goods, including imposing tariffs or other regulations on certain goods shipped, that may increase costs for goods transported globally.** Our inability to anticipate and react to changing food costs through our sourcing and purchasing practices in the future could therefore negatively impact our business, financial condition or results of operations. Because we do not control the actual production of most of the products we sell, we are also subject to material supply chain interruptions, delays caused by interruption in production, and increases in product costs, including those resulting ~~from farms and~~ **product recalls or a need to find alternate materials or suppliers, based on conditions outside our control.** These conditions include labor shortages, work slowdowns, work interruptions, strikes or ~~other vendors.~~ **Increased frequency** ~~adverse employment actions by employees of ours or~~ **or our duration of extreme suppliers, government shutdowns,** weather conditions **or more prolonged climate change, crop conditions, product recalls, product or raw material scarcity, water shortages, transportation interruptions within our distribution channels, unavailability of fuel or increases in fuel costs, competitive demands, contamination with mold, bacteria or other contaminants, pandemics, natural disasters or other catastrophic events, including the outbreak of e. coli or similar food borne illnesses or bioterrorism in the United States, international hostilities, civil insurrection, and social unrest.** In such countries, political and social unrest may cause the prices for these products to rise to levels beyond those that our customers are willing to pay, if the product is available at all. If we are unable to obtain these products, our customers may seek a different supplier for these or other products which ~~could negatively impact~~ **impair production capabilities, disrupt our business, financial condition supply chain or impact demand for--** or results of operations. Accordingly, if we are unable to obtain the **specialty food products, produce, meat, poultry or seafood that comprise a significant percentage of our products-- product** ~~Input costs could increase~~ **portfolio in a timely manner and in the quantities and** at any point in time for a large portion of the **prices** products that we **request** sell for a prolonged period. Our inability to obtain adequate supplies of food items and related products as a result of any of the foregoing factors or otherwise, ~~could mean that we are~~ **may be** unable to fulfill our obligations to customers **who--** and customers may turn to other distributors. The purchase prices of our products vary from time to time, which is subject to market conditions and negotiation with our suppliers. The prices of some of our products, especially seasonal products, such as vegetables and fruits, have significant fluctuation. We may not always be able to mitigate the impact of these price fluctuations, and our performance results could be adversely affected by such fluctuations. As a foodservice distributor, it is necessary for us to maintain an inventory of products that may have declines in product pricing levels between the time we purchase the product from suppliers and the time we sell the product to customers, which could reduce the margin on that inventory, adversely affecting our results of operations. We are dependent upon the timely delivery of products from our vendors. Prolonged diminution of global supply chains may impact the availability and price stability of future food supplies, which may in turn adversely impact our business. The global supply chain, ranging from consumer goods, electronics, and industrial raw materials to food supplies, was negatively impacted by the COVID- 19 pandemic, shipping bottlenecks, and rapidly rising freight costs. We procure the majority of our food supply domestically, which includes certain imported products we purchase from domestic brokers. Food production is widely dispersed throughout the U. S. and we depend on producers of food and restaurant supply products to timely deliver these components of our inventory in quantities sufficient to meet customer demand. Any disruptions or delays in our supply chains as a result of labor shortages **any such failure, resort to other** commodity shortages, or inefficiencies in distribution **distributors** or **for** logistical services could cause delays in the **their food product needs** shipment or delivery of our **or change the types of** products to our customers. Any prolonged diminution of global supply chains may impact the **they** availability and price stability of future food supplies, which may in turn adversely impact our business. Our business has been affected by **buy** the COVID- 19 pandemic and may in the future be affected by steps taken by the Chinese government to address the COVID- 19 pandemic or other pandemics. We purchase a portion of our inventory directly or indirectly from **us** Chinese suppliers. In addition, our two **to products that** outsourced call centers are **less profitable** located in China. Beginning with the outbreak of the COVID- 19 pandemic in 2020, quarantines, travel restrictions, and the closure of stores and business facilities have been imposed in China as part of the government' s "zero- COVID" policy to limit the impact of the pandemic, and these measures were not relaxed until the beginning of 2023. As a result of the COVID- 19 pandemic and the Chinese government' s responses to the pandemic, certain of our suppliers' and service providers' operations in China were temporarily disrupted. If the government in China reinstates policies that have been relaxed, or **for us** institutes new restrictive policies, we may not be able to procure certain inventory items from our suppliers, we may experience further supply chain bottlenecks and price increases, or we could have temporary disruptions in the function of our call centers, any of which could adversely impact our business. Our relationships with customers may be materially diminished or terminated. The loss of customers could adversely affect our business, financial condition, and results of operations. We have maintained long- standing relationships

with a number of our customers. However, those customers could unilaterally terminate their relationship with us or materially reduce the amount of business they conduct with us at any time. Our customers may shift their purchase orders from us to other competitors due to market competition, change of customer requirements and preferences, or because of the customer's financial condition. There is no guarantee that we will be able to maintain relationships with any of our customers on acceptable terms, or at all. The loss of a number of customers could adversely affect our business, financial condition, and results of operations. We rely on technology in our business and any cybersecurity incident, other technology disruption or delay in implementing new technology could negatively affect our business and our relationships with customers. We use technology in our business operations, and our ability to serve customers most effectively depends on the reliability of our technology systems. We use software and other technology systems, among other things, to generate and select orders, to make purchases, to manage warehouses and to monitor and manage our business on a day-to-day basis. Further, our business involves the storage and transmission of numerous classes of sensitive and / or confidential information and intellectual property, including customers' and suppliers' personal information, private information about employees, and financial and strategic information about us and our business partners. These technology systems are vulnerable to disruption from circumstances beyond our control, including fire, natural disasters, power outages, systems failures, security breaches, espionage, cyber-attacks, viruses, theft and inadvertent releases of information. Any such disruption to these software and other technology systems, or the technology systems of third parties on which we rely, the failure of these systems to otherwise perform as anticipated, or the theft, destruction, loss, misappropriation, or release of sensitive and / or confidential information or intellectual property, could result in business disruption, negative publicity, brand damage, violation of privacy laws, loss of customers, potential liability and competitive disadvantage, any or all of which could potentially adversely affect our customer service, decrease the volume of our business and / or result in increased costs and lower profits. A significant cybersecurity incident involving our cybersecurity infrastructure may result from actions by our employees, suppliers, third-party administrators, or unknown third parties or through cyber-attacks. The risk of such an incident can exist whether software services are in our technology systems or are in cloud-based software services. Intrusions and other incidents have occurred, and may occur again, in our systems and in the systems of our suppliers and third-party administrators. Any such incident could result in operational impairments, significant harm to our reputation and financial losses. A significant cybersecurity incident could affect our data framework or cause a failure to protect the personal information of our customers, suppliers or employees, or sensitive and confidential information regarding our business and could give rise to legal liability and regulatory action under data protection and privacy laws. Any such cybersecurity incident involving our or our suppliers' cybersecurity infrastructure could have a material adverse effect on our business, results of operations and financial condition. Further, as we pursue our strategy to grow through acquisitions and to pursue new initiatives that improve our operations and cost structure, we are also expanding and improving our information technology, resulting in a larger technological presence and corresponding exposure to cybersecurity risk. If we fail to assess and identify cybersecurity risks associated with acquisitions and new initiatives, we may become increasingly vulnerable to such risks. Information technology systems continue to evolve and, in order to remain competitive, we need to implement new technologies in a timely and efficient manner. Investments will continue to be made in attracting, retaining, and training our human capital to remain current on the ever-changing industry best practices related to information security. If our competitors implement new technologies more quickly or successfully than we do, such competitors may be able to provide lower cost or enhanced services of superior quality compared to those we provide, which could have an adverse effect on our results of operations. Changes in consumer eating habits could materially and adversely affect our business, financial condition, and results of operations. We provide foodservice distribution to ~~Chinese / Asian restaurants, primarily Chinese takeout restaurants, which focus on serving Chinese~~ **Asian** food to ~~non-Chinese Americans - American families~~. Changes in consumer eating habits (such as a decline in consuming food away from home, a decline in portion sizes, or a shift in preferences toward western foods) could reduce demand for our products. Consumer eating habits could be affected by a number of factors, including attitudes regarding diet and health or new information regarding the health effects of consuming certain foods. If consumer eating habits change significantly, we may be required to modify or discontinue sales of certain items in our product portfolio, and we may experience higher costs and / or supply shortages associated with our efforts to accommodate those changes as our suppliers adapt to new eating preferences. Additionally, changes in consumer eating habits may result in the enactment or amendment of laws and regulations that impact the ingredients and nutritional content of our food products, or laws and regulations requiring us to disclose the nutritional content of our food products. Compliance with these laws and regulations, as well as others regarding the ingredients and nutritional content of food products, may be costly and time-consuming. We cannot make any assurances regarding our ability to effectively respond to changes in consumer culture preference, health perceptions or resulting new laws or regulations or to adapt our product offerings to trends in eating habits. We engage in transactions with related parties and such transactions present possible conflicts of interest that could have an adverse effect on us. We **regularly** purchase goods and services from related parties ~~of our current and former management team, as well as our largest shareholder, and sell products to related parties of our current and former management team, as well as our largest shareholder~~. These related-party transactions create the possibility of conflicts of interest with regard to our management, including that: • we may enter into contracts between us, on the one hand, and related parties, on the other, that are not as a result of arm's-length transactions; • our executive officers and directors that hold positions of responsibility with related parties may be aware of certain business opportunities that are appropriate for presentation to us as well as to such other related parties and may present such business opportunities to such other parties; • our executive officers and directors that hold positions of responsibility with related parties may have significant duties with, and spend significant time serving, other entities and may have conflicts of interest in allocating time; and • such conflicts could cause an individual in our management to seek to advance his or her economic interests or the economic interests of certain related parties above ours. ~~The~~ **Further**, the appearance of conflicts of interest created by related-party transactions could impair the confidence of our investors. Our Special Transactions Review Committee regularly reviews these transactions. Notwithstanding this, it is possible that a conflict of interest could have an adverse effect on our business, financial condition and results of operations. For more information on our related party transactions, see Note 13- Related Party Transactions in our consolidated financial statements in this Annual Report on Form 10-K. We may ~~in the future be required to consolidate the assets, liabilities, and results of operations of certain existing and future related party entities, which could have an adverse impact on our results of operations, financial position, and gross margin. The Financial Accounting Standards Board has issued accounting guidance regarding variable interest entities ("VIEs") that affects our accounting treatment of our existing and future related party entities. To ascertain whether we are required to consolidate an entity, we are required to determine whether it is a VIE and if we are the primary beneficiary in accordance with the accounting guidance. Factors we consider in determining whether we are the VIE's primary beneficiary include evaluating the decision-making authority and management of the day-to-day operations of the related party entity and the obligation to absorb losses or right to receive benefits from the related party in relation to others. Changes in the financial accounting guidance, or changes in circumstances at each of these related party entities, could lead us to determine that we have to consolidate the assets, liabilities, and results of operations of such related party entities. We have determined to consolidate certain related parties as VIEs, see Note 3- Variable Interest Entities in our consolidated financial statements in this Annual Report on Form 10-K for additional information. The consolidation of other related parties as VIEs could significantly increase our indebtedness and may have a material adverse impact on our results of operations, financial position, and~~

gross margin. In addition, we may enter into future affiliations with related parties or make other equity investments, which could have an adverse impact on us because of the financial accounting guidance regarding VIEs. We may be unable to protect or maintain our intellectual property, which could result in customer confusion, a negative perception of our brand and adversely affect our business. We believe that our intellectual property has substantial value and has contributed significantly to the success of our business. In particular, our “HF” logo trademarks and our trade names including “Han Feng,” “Rong Cheng” and “Great Wall,” are valuable assets that reinforce our customers’ favorable perception of our products. Our trademark rights and related registrations may be challenged in the future and could be canceled or narrowed. Failure to protect our trademark rights could cause customer confusion or negatively affect customers’ perception of our brand and products, and eventually adversely affect our sales and profitability. Moreover, intellectual property disputes and proceedings and infringement claims may result in a significant distraction for management and significant expense, which may not be recoverable regardless of whether we are successful. Such proceedings may be protracted with no certainty of success, and an adverse outcome could subject us to liability, force us to cease use of certain trademarks or other intellectual property or force us to enter into licenses with others. Any one of these occurrences may have a material adverse effect on our business, results of operations and financial condition. If we are unable to renew or replace our current leases on favorable terms, or any of our current leases are terminated prior to expiration of their stated terms, and we cannot find suitable alternate locations, our operations and profitability could be negatively impacted. We currently have leases for some own approximately 907, 000 square feet of our warehouses distribution centers (or 71 % of the total square feet), and the remainder (or 29 % of the total square feet) is occupied under leasing arrangements. Our ability to re- negotiate favorable terms on an expiring lease or to negotiate favorable terms for a suitable alternate location, and our ability to negotiate favorable lease terms for additional locations, could depend on conditions in the real estate market, competition for desirable properties, our relationships with current and prospective landlords, and / or other factors that are not within our control. Any or all of these factors and conditions could negatively impact our growth and profitability. Turnover among Failure to retain our senior management , directors and other key personnel may create uncertainty and adversely affect our operations. Our success is substantially dependent on the continued service of our senior management , directors and other key personnel. These executives Our senior management, directors and other key personnel have been primarily responsible for determining the strategic direction of our business and for executing our growth strategy , and are integral to our brand and , culture , and our reputation with suppliers and consumers. The loss of the services of any of these executives and senior management, directors or other key personnel could have a material adverse effect on our business and prospects . We have recently appointed four new members to our board of directors as part of our continuous efforts to enhance our corporate governance and our future strategies and plans. Our new directors have different professional experiences and industry knowledge from those individuals who previously served, and we expect they will have different views on the issues that will determine our future strategies and plans. Such changes to strategic or operating goals may ultimately be unsuccessful. In addition, transition periods relating to such changes are often difficult as new personnel gain more detailed knowledge of our operations and management. If we do not integrate any new personnel successfully, including our new directors, we may not be able to find suitable individuals to replace them on- manage and grow our business, and our financial condition and profitability may suffer as a result timely basis, if at all. Any In addition, any such departure of senior management, directors and other key personnel could be viewed in a negative light by investors and analysts, which may cause our stock price to decline . The loss of key employees could....., results of operations and financial condition . Changes in and enforcement of immigration laws could increase our costs and adversely affect our ability to attract and retain qualified employees. Federal and state governments from time to time implement immigration laws, regulations or programs that regulate our ability to attract or retain qualified foreign employees. Some of these changes may increase our obligations for compliance and oversight, which could subject us to additional costs and make our hiring process more cumbersome or reduce the availability of potential employees. Although we have implemented, and are in the process of enhancing, procedures to ensure our compliance with the employment eligibility verification requirements, there can be no assurance that these procedures are adequate and some of our employees may, without our knowledge, be unauthorized workers. The employment of unauthorized workers may subject us to fines or civil or criminal penalties, and if any of our workers are found to be unauthorized, we could experience adverse publicity that negatively impacts our brand and makes it more difficult to hire and keep qualified employees. We may be required to terminate the employment of certain of our employees who are determined to be unauthorized workers. The termination of a significant number of employees may disrupt our operations, cause temporary increases in our labor costs as we train new employees and result in adverse publicity. Our financial performance could be materially harmed as a result of any of these factors. Potential labor disputes with employees and increases in labor costs could adversely affect our business. A considerable amount of our operating costs are attributable to labor costs and, therefore, our financial performance is greatly influenced by increases in wage and benefit costs. As a result, we are exposed to risks associated with a competitive labor market. Rising health care costs and the nature and structure of work rules will always be important issues. Any work stoppages or labor disturbances as a result of employee dissatisfaction with their current employment terms could have a material adverse effect on our financial condition, results of operations and cash flows. We also expect that in the event of a work stoppage or labor disturbance, we could incur additional costs and face increased competition. If we fail to comply with requirements imposed by applicable law and other governmental regulations, we could become subject to lawsuits, investigations and other liabilities and restrictions on our operations that could significantly and adversely affect our business. We are subject to regulation by various federal, state, and local governments, applicable to food safety and sanitation, ethical business practices, securities, transportation, minimum wage, overtime, other wage payment requirements, employment discrimination, immigration, and human health and safety. While we attempt to comply with all applicable laws and regulations, we cannot represent that we are in full compliance with all applicable laws and regulations or interpretations of these laws and regulations at all times or that we will be able to comply with any future laws, regulations or interpretations of these laws and regulations. If we fail to comply with applicable laws and regulations, we may be subject to investigations, criminal sanctions or civil remedies, including fines, injunctions, and prohibitions on exporting. The cost of compliance or the consequences of non- compliance, including debarments, could have an adverse effect on our results of operations. In addition, governmental units may make changes in the regulatory frameworks within which we operate that may require us to incur substantial increases in costs in order to comply with such laws and regulations. If the products distributed by us are alleged to have caused injury or illness, or to have failed to comply with governmental regulations, we may need to recall our products and may experience product liability claims. We, like any other foodservice distributor, may be subject to product recalls, including voluntary recalls or withdrawals, if the products we distribute are alleged to have caused injury or illness, to have been mislabeled, misbranded, or adulterated or to otherwise have violated applicable governmental regulations. We may also choose to voluntarily recall or withdraw products that we determine do not satisfy our quality standards, whether for taste, appearance, or otherwise, in order to protect our brand and reputation. Any future product recall or withdrawal that results in substantial and unexpected expenditures, destruction of product inventory, damage to our reputation, and / or lost sales due to the unavailability of the product for a period of time, could materially adversely affect our results of operations and financial condition. We also face the risk of exposure to product liability claims in the event that the use of products sold by us are alleged to have caused injury or illness. We cannot be sure that consumption of our products will not cause a health- related illness in the future or that we will not be

subject to claims or lawsuits relating to such matters. Further, even if a product liability claim is unsuccessful or is not fully pursued, the negative publicity surrounding any assertion that our products caused illness or injury could adversely affect our reputation with existing and potential customers and our corporate and brand image. Our product liability insurance plans may not continue to be available at a reasonable cost or, if available, may not be adequate to cover all of our liabilities. We generally seek contractual indemnification and insurance coverage from parties supplying products to us, but this indemnification or insurance coverage is limited, as a practical matter, to the creditworthiness of the indemnifying party and the insured limits of any insurance provided by such suppliers. If we do not have adequate insurance or contractual indemnification available, product liability relating to defective products could materially adversely affect our results of operations and financial condition. We may incur significant costs to comply with environmental laws and regulations, and we may be subject to substantial fines, penalties and / or third-party claims for non-compliance. Our operations are subject to various federal, state, and local laws, rules and regulations relating to the protection of the environment, including those governing: • the discharge of pollutants into the air, soil, and water; • the management and disposal of solid and hazardous materials and wastes; • employee exposure to hazards in the workplace; and • the investigation and remediation of contamination resulting from releases of petroleum products and other regulated materials. In the course of business, we operate, maintain, and fuel vehicles; store fuel in on-site above ground containers; operate refrigeration systems; and use and dispose of hazardous substances and food waste. We could incur substantial costs, including fines or penalties and third-party claims for property damage or personal injury, as a result of any violations of environmental or workplace safety laws and regulations or releases of regulated materials into the environment. In addition, we could incur investigation, remediation and / or other costs related to environmental conditions at our currently or formerly owned or operated properties. Litigation may materially adversely affect our business, financial condition and results of operations. From time to time, we may be party to various claims and legal proceedings. For example, as well as governmental and regulatory reported previously, the Company is subject to a non-public investigation investigations by the SEC and has responded to various information requests from the SEC in connection with that investigation. The Company is fully cooperating with the SEC's requests and cannot predict the outcome of this investigation. See Part I, Item 3. Legal Proceedings proceedings to this Form 10-K for more information. We evaluate these claims and proceedings to assess the likelihood of unfavorable outcomes and to estimate, if probable and estimable, the amount of potential losses. Based on these assessments and estimates, we may establish reserves, as appropriate. These assessments and estimates are based on the information available to management at the time and involve a significant amount of management judgment. Actual outcomes or losses may differ materially from our assessments and estimates. For more information related to our litigation and regulatory proceedings, see Part I, Item 3. Legal Proceedings to this Form 10-K. Even when not merited, the defense of these lawsuits or legal proceedings, including potential securities litigation and / or other legal actions, is expensive and may divert management's attention, and we may incur significant expenses in defending these lawsuits or legal proceedings. The results of litigation and other legal proceedings are inherently uncertain, and adverse judgments or settlements in some of these legal disputes may result in adverse monetary damages, penalties or injunctive relief against us, which could negatively impact our financial position, cash flows or results of operations. Increased commodity prices and availability may impact profitability. Many of our products include ingredients such as wheat, corn, oils, sugar, and other commodities. Commodity prices worldwide have been increasing. While we maintain insurance commodity price inputs do not typically represent the substantial majority of our product costs, insurance coverage any increase in commodity prices may cause our vendors to seek price increases from us. We may not be able adequate, and the cost to mitigate vendor efforts to defend against future litigation may be significant. There may also be adverse publicity associated with litigation that may increase decrease consumer confidence in our costs-business, regardless of either- whether in whole or in part. In the event allegations are valid or whether we are ultimately found liable unable to mitigate potential vendor price increases, we may in turn consider raising our prices, and our customers may be deterred by any such price increases. As Our profitability may be impacted through increased costs to us which may affect our gross margins, or through reduced revenue as a result of a decline in the number and average size of customer transactions. The U. S. government is currently imposing increased tariffs on certain products imported into the U. S., litigation including products imported from China, which may have an adverse impact on our future operating results. We sell our products based on the cost of such products plus a percent markup. The U. S. government has imposed and continues to propose increased tariffs on certain products imported into the U. S., including products imported from China. Some of our imported products and imported products purchased from domestic brokers are subject to these increased tariffs and accordingly, our purchase costs have increased and may increase further. We may determine to increase our sales prices in order to pass these increased costs to our customers. In the event we determine to take such action, our customers may reduce their orders from us, which could negatively affect our profitability and operating results. Severe weather, natural disasters and adverse climate changes, as well as the legal, regulatory or market measures being implemented to address climate change, may materially and adversely affect our business, financial condition and results of operations. Severe weather conditions and other natural disasters in areas where our distribution network covers or from which we obtain the products we sell may materially adversely affect our operations and our product offerings and, therefore, our results of operations. Such conditions may result in physical damage to, or temporary or permanent closure of, one or more of our distribution centers, an insufficient work force in our market regions and / or temporary disruption in the supply of products, including delays in the delivery of goods to our warehouses and / or a reduction in the availability of products in our offerings. In addition, adverse climate conditions and adverse weather patterns, such as drought or flood, that impact growing conditions and the quantity and quality of crops may materially adversely affect the availability or cost of certain products within our supply chain. Any of these factors may disrupt our businesses and materially adversely affect our financial condition, results of operations and cash flows. There is an and results increased focus around the world by regulatory and legislative bodies at all levels towards policies relating to climate change and the impact of global warming, including the regulation of greenhouse gas (GHG) emissions, energy usage and sustainability efforts. Increased compliance costs and expenses due to the impacts of climate change on our business, as well as additional legal or regulatory requirements regarding climate change or designed to reduce or mitigate the effects of carbon dioxide and other GHG emissions on the environment, may cause disruptions in, or an increase in the costs associated with, the running of our business, particularly with regard to our distribution and supply chain operations. Moreover, compliance with any such legal or regulatory requirements may require that we implement changes to our business operations and strategy, which would require us to devote substantial time and attention to these matters and cause us to incur additional costs. The effects of climate change, and legal or regulatory initiatives to address climate change, could have a long-term adverse impact on our business and results of operations. Our business may be affected by the impacts of unfavorable geopolitical events or other market disruptions on consumer confidence and spending patterns. Our net sales, profit, cash flows and future growth may be affected by negative local, regional, national or international political or economic trends or developments that reduce consumers' ability or willingness to spend, including the effects of national and international security concerns such as war, terrorism or the threat thereof. Conflicts such as the Russian invasion of Ukraine in February 2022 and the financial and economic sanctions and other measures imposed by the European Union, the U. S., and other countries and organizations in response thereto create market disruption and volatility and instability in the geopolitical environment. The extent to which this or similar conflicts escalate and the resulting impact on the global market remains uncertain. We monitor such conflicts, but do not, and cannot, know if

any such ongoing geopolitical conflicts will result in broader economic and security concerns or in material implications for our business. These events could have a material adverse effect on our customers, our business partners and our third-party suppliers. Our current indebtedness may adversely affect our liquidity position and ability of future financing. As of December 31, 2023, we utilized \$ 58.6 million of the \$ 100 million asset-secured revolving credit facility and \$ 114.4 million of long-term mortgage and equipment loans, which could adversely affect our cash flow, our ability to raise additional capital or obtain financing in the future, or react to changes in business and repay other debts. These bank loans contain covenants that restrict our ability to incur additional debt and operate our business. We may not be able to generate a sufficient amount of cash needed to pay interest and principal on our debt facilities or refinance all or a portion of our indebtedness, due to a number of factors, including significant change of economic conditions, market competition, weather conditions, natural disaster, and failure to execute our business plan. An increase in interest rates could adversely affect our cash flow and financial condition. Central bank policy interest rates continued to increase **remain elevated since rising in 2023-2022**. Rising interest rates could have a dampening effect on overall economic activity and / or the financial condition of our customers, either or both of which could negatively affect customer demand for our products and industry demand generally. Rising interest rates may cause credit market dislocations which can impact funding costs. Additionally, our borrowings bear interest at variable rates and expose us to interest rate risk. Although we monitor and manage this exposure, changes in interest rates cannot always be predicted, hedged, or offset with price increases to eliminate earnings volatility. Impairment charges for goodwill, amortizable intangible assets or other long-lived assets could adversely affect our financial condition and results of operation. We review our amortizable intangible assets and other long-lived assets for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. We test goodwill for impairment at least annually, or more frequently if events or changes in circumstances indicate an asset may be impaired. Relevant factors, events and circumstances that affect the fair value of goodwill may include external factors such as macroeconomic, industry, and market conditions, as well as cost factors, overall financial performance, other relevant entity-specific events, specific events affecting the reporting unit, or sustained decrease in share price. We may be required to record a significant charge in our consolidated financial statements during the period in which any impairment of our goodwill, amortizable intangible assets, or other long-lived assets is determined, which would negatively affect our results of operations. Impairment analysis requires significant judgment by management and the fair value of goodwill, amortizable intangible assets or other long-lived assets are sensitive to changes in key assumptions used in the projected cash flows, which include forecasted revenues and perpetual growth rates, among others, as well as current market conditions in both the United States and globally. To the extent that business conditions may deteriorate, or if changes in key assumptions and estimates differ significantly from management's expectations, it may be necessary to record impairment charges, which could be material. The Company completed its most recent annual impairment assessment for goodwill as of the last day of the fourth quarter of fiscal year **2023-2024** with no **The results of the assessment indicated carrying value in excess of fair value of the reporting unit, and as such, a goodwill impairment charge of \$ 46.3 million was recorded during the year ended December 31, 2024. Assumptions used in impairment testing are made at a point in time and require significant judgment; therefore, they are subject to change based on the facts and circumstances present at each impairment test date. Additionally, these assumptions are generally interdependent and do not change in isolation. If, in future periods, the financial performance of the reporting unit does not meet forecasted expectations, or a prolonged further decline occurs in the market price of our common stock, it may cause a change in the results of the impairment assessment and, as such, could result in further impairment of goodwill**. Risk Factors Relating to our Acquisition Strategy Our continued growth depends on future acquisitions of other distributors or wholesalers and enlarging our customer base. The failure to achieve these goals could negatively impact our results of operations and financial condition. Historically, a portion of our growth has come through acquisitions, and our growth strategy depends, in large part, on acquiring other distributors or wholesalers to access untapped market regions and enlarge our customer base. Successful implementation of this strategy is dependent on sufficient capital support from financing, finding suitable targets to acquire, identifying suitable locations and negotiating acceptable acquisition prices and terms. There can be no assurance that we will continue to grow through acquisitions. We may not be able to obtain sufficient capital support for our expansion plan, or successfully implement the plan to acquire other competitors timely or within budget or operate those businesses successfully. If we are unable to integrate acquired businesses successfully or realize anticipated economic, operational and other benefits and synergies in a timely manner, our earnings may be materially adversely affected. A significant expansion of our business and operations, in terms of geography or magnitude, could strain our administrative and operational resources. Significant acquisitions may also require the issuance of material additional amounts of debt or equity, which could materially alter our debt-to-equity ratio, increase our interest expense and decrease net income, and make it difficult for us to obtain favorable financing for other acquisitions or capital investments. Our operating results will be adversely affected if we fail to implement our growth strategy or if we invest resources in a growth strategy that ultimately proves unsuccessful. There is a scarcity of and competition for acquisition opportunities. There are a limited number of operating companies available for acquisition that we deem to be desirable targets. In addition, there is a very high level of competition among companies seeking to acquire these operating companies. Many established and well-financed entities are active in acquiring interests in companies that we may find to be desirable acquisition candidates. Many of these entities have significantly greater financial resources, technical expertise and managerial capabilities than we do. Consequently, we will be at a competitive disadvantage in negotiating and executing possible acquisitions of such businesses. Even if we are able to successfully compete with these larger entities, this competition may affect the terms of the transactions we are able to negotiate and, as a result, we may pay more or receive less favorable terms than we expected for potential acquisitions. We may not be able to identify operating companies that complement our strategy, and even if we identify a company that does so, we may be unable to complete **an a successful** acquisition of such a company **for many reasons, including: • failure to agree on necessary terms, such as the purchase price; • incompatibility between our operational strategies and management philosophies with those of the potential acquiree; • competition from other acquirers of operating companies; • lack of sufficient capital to acquire a profitable company; and • unwillingness of a potential acquiree to work with our management**. Risks related to acquisition financing. We have a limited amount of financial resources and our ability to make additional acquisitions without securing additional financing from outside sources is limited. In order to continue to pursue our acquisition strategy, we may be required to obtain additional financing. We may obtain such financing through a combination of traditional debt financing and / or the placement of debt and equity securities. We may finance some portion of our future acquisitions by either issuing equity or by using shares of our common stock for all or a portion of the purchase price for such businesses. In the event that our common stock does not attain or maintain a sufficient market value, or potential acquisition candidates are otherwise unwilling to accept our common stock as part of the purchase price for the sale of their businesses, we may be required to use more of our cash resources, if available, in order to maintain our acquisition program. If we do not have sufficient cash resources, we will not be able to complete acquisitions and our growth could be limited unless we are able to obtain additional capital through debt or equity financings. The terms of our credit facility require that we obtain the consent of our lenders prior to securing additional debt financing. There could be circumstances in which our ability to obtain additional debt financing could be constrained if we are unable to secure such consent. **To the extent we make any material acquisitions, our earnings may be adversely affected by non-cash charges relating to the amortization of intangible assets. Under applicable accounting standards, purchasers are required to allocate**

the total consideration paid in a business combination to the identified acquired assets and liabilities based on their fair values at the time of acquisition. The excess of the consideration paid to acquire a business over the fair value of the identifiable tangible assets acquired must be allocated among identifiable intangible assets including goodwill. The amount allocated to goodwill is not subject to amortization. However, it is tested at least annually for impairment. The amount allocated to identifiable intangible assets, such as customer relationships and the like, is amortized over the life of these intangible assets. We expect that this will subject us to periodic charges against our earnings to the extent of the amortization incurred for that period. Because our business strategy focuses, in part, on growth through acquisitions, our future earnings may be subject to greater non-cash amortization charges than a company whose earnings are derived solely from organic growth. As a result, we may experience an increase in non-cash charges related to the amortization of intangible assets acquired in our acquisitions. Our financial statements will show that our intangible assets are diminishing in value, even if the acquired businesses are increasing (or not diminishing) in value. We are not obligated to follow any particular criteria or standards for identifying acquisition candidates. We are not obligated to follow any particular operating, financial, geographic or other criteria in evaluating candidates for potential acquisitions or business combinations. We will determine the purchase price and other terms and conditions of acquisitions. Our shareholders will not have the opportunity to evaluate the relevant economic, financial and other information that our management team will use and consider in deciding whether or not to enter into a particular transaction. We may be required to incur a significant amount of indebtedness in order to successfully implement our acquisition strategy. Subject to the restrictions contained under our current credit facilities, we may be required to incur a significant amount of indebtedness in order to complete future acquisitions. If we are not able to generate sufficient cash flow from the operations of acquired businesses to make scheduled payments of principal and interest on the indebtedness, then we will be required to use our capital for such payments. This will restrict our ability to make additional acquisitions. We may also be forced to sell an acquired business in order to satisfy indebtedness. We cannot be certain that we will be able to operate profitably once we incur this indebtedness or that we will be able to generate a sufficient amount of proceeds from the ultimate disposition of such acquired businesses to repay the indebtedness incurred to make these acquisitions. We may experience difficulties in integrating the operations, personnel and assets of acquired businesses that may disrupt our business, dilute stockholder value and adversely affect our operating results. A core component of our business plan is to acquire businesses and assets in the food distribution industry. There can be no assurance that we will be able to identify, acquire or profitably manage businesses or successfully integrate our acquired businesses without substantial costs, delays or other operational or financial problems. Such acquisitions also involve numerous operational risks, including: • difficulties in integrating operations, technologies, services and personnel; • the diversion of financial and management resources from existing operations; • the risk of entering new markets; • the potential loss of existing or acquired strategic operating partners following an acquisition; • the potential loss of key employees following an acquisition and the associated risk of competitive efforts from such departed personnel; • possible legal disputes with the acquired company following an acquisition; and • the inability to generate sufficient revenue to offset acquisition or investment costs. As a result, if we fail to properly evaluate and execute any acquisitions or investments, our business and prospects may be seriously harmed **adversely affected**. Risk Factors Relating to our Common Stock A trading market for our common stock may not be sustained and our common stock prices could decline. Although our common stock is listed on the Nasdaq Capital Market ("NASDAQ") under the symbol "HFFG", an active trading market for the shares of our common stock may not be sustained. Accordingly, no assurance can be given as to the following: • the likelihood that an active trading market for shares of our common stock will be sustained; • the liquidity of any such market; • the ability of our shareholders to sell their shares of common stock; or • the price that our shareholders may obtain for their common stock. In addition, our common stock has historically experienced price and volume volatility. The market price and volume of our common stock may continue to experience fluctuations not only due to volatile stock market conditions but also due to government regulatory action, tax law updates, interest rates, the condition of the U. S. economy and a change in sentiment in the market regarding our industry, operations or business prospects. In addition to other factors, the price and volume volatility of our common stock may be affected by: • factors influencing consumer food choices; • the operating and securities price performance of companies that investors consider comparable to us; • announcements of strategic developments, acquisitions and other material events by us or our competitors; • changes in global financial markets and global economies and general market conditions, such as tariffs, interest rates, commodity and equity prices and the value of financial assets; • additions or departures of key personnel; • operating results that vary from the expectations of securities analysts and investors; • sales of our equity securities common stock by shareholders, including the owners of businesses we have acquired, management, or our founder and his affiliated trusts and family members; • actions by shareholders; • actions by the SEC or NASDAQ relating to investigations; and • passage of legislation or other regulatory developments that adversely affect us or our industry. If an active market is not maintained, or if our common stock continues to experience price and volume volatility, the market price of our common stock may decline. Furthermore, our ability to raise funds through the issuance of equity securities or otherwise by using our common stock as consideration is impacted by the price of our common stock. A low stock price may adversely impact our ability to reduce our financial leverage, as measured by the ratio of total debt to total capital. Continued high levels of leverage or significant increases may adversely affect our credit ratings and make it more difficult for us to access additional capital. These factors may limit our ability to implement our operating and growth plans. Our current management does not have extensive corporate governance experience, and we may need to recruit expertise on corporate governance to comply with the regulations and effectively communicate with the capital markets, which may increase our operating expenses. We have built up and will continue to expand our corporate management team from all areas of expertise. Lack of in-house talent could also have an adverse impact on both the effectiveness of our operations and the full compliance with all applicable laws and regulations. In addition, recruiting talent for our management team may increase operational costs substantially and may require longer hiring periods than ordinary employees. We have identified material weaknesses in our internal control over financial reporting, which could affect our ability to ensure timely and reliable financial reports, affect the ability of our auditors to attest to the effectiveness of our internal controls, and weaken investor confidence in our financial reporting. The Sarbanes-Oxley Act of 2002 requires, among other things, that we design, implement and maintain adequate internal controls and procedures over financial reporting. Our management has concluded that (1) our internal controls over financial reporting were not effective as of December 31, 2023-2024, (2) there existed material weaknesses in our internal control over financial reporting as of December 31, 2023-2024, and (3) our disclosure controls and procedures were not effective as of December 31, 2023-2024. Please refer **Refer** to the discussion of these conclusions below, under Item 9A. "Controls and Procedures" of this Annual Report on Form 10-K. We have taken and will continue to take appropriate actions to remediate such material weakness and inadequate disclosure controls and procedures; however, such continuous measures are still works-in-progress and may not be sufficient to address the material weaknesses identified or ensure that our disclosure controls and procedures are effective. We may also discover other material weaknesses in the future. Any failure to maintain or implement required new or improved controls, or any difficulties we encounter in the implementation of such controls, could cause us to fail to meet our periodic reporting obligations or result in material misstatements in our financial statements and affect the ability of our auditors to attest to the effectiveness of our internal controls over financial reporting. In addition, substantial costs and resources may be required to rectify any internal control deficiencies. If we cannot produce reliable financial reports, investors could lose confidence in our reported financial information, the market price of our common stock could decline significantly, and our business and

financial condition could be adversely affected. Future sales of our common stock may cause our stock price to decline. As of March 22, 2024, there were 52,155,968 shares of our common stock outstanding. Of this number, approximately 52.2 million shares of common stock were freely tradable without restriction, unless the shares were held by our affiliates. The remaining shares of common stock were “restricted securities” as that term is defined under Rule 144 of the Securities Act. None of our directors, executive officers or employees are subject to lock-up agreements or market stand-off provisions that limit their ability to sell shares of our common stock. The sale of a large number of shares of our common stock, or the belief that such sales may occur, could cause a drop in the market price of our common stock. Zhou Min Ni has significant influence over the Company and may have interests that conflict with those of our other shareholders. The Company’s former Chairman and Co-CEO Zhou Min Ni, directly and indirectly through the trustee of the trusts established for the benefit of his family, beneficially owns approximately 22 % of our common stock. As a result, Mr. Ni has sufficient voting power to significantly influence matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions. **However, in June 2024, Mr. Ni entered into a settlement with the SEC, pursuant to which Mr. Ni is enjoined from directly or indirectly participating in the management of, or otherwise exercising any control or influence over the Company; provided, however, that such injunction does not prevent Mr. Ni from voting, purchasing or selling shares of the Company on his own behalf. Additionally, on November 18, 2024, the Company entered into a cooperation agreement (the “Cooperation Agreement”) with Zhou Min Ni, Raymond Ni, Fai Lam, in his capacity as Trustee of the Irrevocable Trust for Raymond Ni, Amanda Ni, in her capacity as Trustee of each of the Irrevocable Trust for Amanda Ni, the Irrevocable Trust for Ivy Ni and the Irrevocable Trust for Tina Ni, Weihui Kwok, Yuanyuan Wu, and Maodong Xu (each, a “Stockholder Related Party,” and collectively, the “Stockholder Related Parties”), effective November 21, 2024. Pursuant to the Cooperation Agreement, the Stockholder Related Parties have agreed, for the period beginning on the effective date of the Cooperation Agreement through the date that is sixty days after the 2025 annual meeting of stockholders of the Company (the “Cooperation Period”), to vote the shares of voting securities of the Company that each Stockholder Related Party has the right to vote, or to direct the vote of, in a manner proportional to the vote of the Company’s disinterested stockholders. Notwithstanding the foregoing, the Stockholder Related Parties are permitted to vote a greater number of shares of the Company’s voting securities in accordance with recommendations by the Company’s Board of Directors on all director nominations and other proposals or business that may be the subject of stockholder action at any meeting of the Company’s stockholders, or in connection with any consent solicitation of the Company’s stockholders. The Cooperation Agreement further provides that, during the Cooperation Period, each Stockholder Related Party will be subject to customary standstill restrictions, including, among others, with respect to proxy solicitations, stockholder proposals and extraordinary transactions, and purchases and certain sales of Company voting securities. The Cooperation Agreement is limited to** Despite the settlement with the SEC and the Cooperation Agreement, the possibility that Mr. Ni may sell all or a large portion of his common stock in a short period of time could adversely affect the trading price of our common stock. **Further, upon the expiration of the Cooperation Period, the** interests of Mr. Ni may not align with the interests of other holders of our common stock, **and he may vote against the Company’s interests.** Mr. Ni’s significant beneficial ownership may also adversely affect the trading price of our common stock due to investors’ perception that conflicts of interest may exist or arise. ~~We do not currently intend to pay dividends on our common stock and, consequently, investors’ ability to achieve a return on investment will depend on appreciation in the price of our common stock. We have not declared nor paid dividends on our common stock and we do not intend to do so in the near term. We currently intend to invest our future earnings, if any, to fund our growth. Therefore, investors are not likely to receive any dividends on common stock in the near term, and capital appreciation, if any, of our common stock will be an investor’s sole source of gain for the foreseeable future.~~ Anti-takeover provisions contained in our amended and restated bylaws, as well as provisions of Delaware law, could impair a takeover attempt. ~~Anti-takeover provisions contained in our amended and restated certificate of incorporation and amended and restated bylaws, as well as provisions of Delaware law, could impair a takeover attempt. Our amended and restated certificate of incorporation, amended and restated bylaws and Delaware law contain provisions which could have the effect of rendering more difficult, delaying, or preventing an acquisition deemed undesirable by our board of directors. Among other things, our amended and restated certificate of incorporation and amended and restated bylaws include provisions: • authorizing “blank check” preferred stock, which could be issued by our board of directors without stockholder approval and may contain voting, liquidation, dividend and other rights superior to our common stock; • limiting the liability of, and providing indemnification to, our directors and officers; • limiting the ability of our stockholders to call and bring business before special meetings; • requiring advance notice of stockholder proposals for business to be conducted at meetings of our stockholders and for nominations of candidates for election to our board of directors; and • controlling the procedures for the conduct and scheduling of stockholder meetings.~~ These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management, and amendment of our amended and restated certificate of incorporation to change or modify certain of these provisions requires approval of a super-majority of our stockholders, which we may not be able to obtain. As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the Delaware General Corporation law, which prevents certain stockholders holding more than 15 % of our outstanding common stock from engaging in certain business combinations without approval of the holders of at least two-thirds of our outstanding common stock not held by such 15 % or greater stockholder. In addition, in April 2023, we implemented a stockholder rights plan (the Rights Agreement), also called a “poison pill,” that may have the effect of discouraging or preventing a change of control by, among other things, making it uneconomical for a third party to acquire us without the consent of our board of directors. Any provision of our amended and restated certificate of incorporation, amended and restated bylaws or Delaware law that has the effect of delaying, preventing or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our common stock. ITEM 1B. UNRESOLVED STAFF COMMENTS. None. ITEM 1C. CYBERSECURITY. Cybersecurity Risk Management and Strategy The Company assesses, identifies, and manages cybersecurity risks using a risk management program intended to reduce risks to the Company, its employees, customers and stockholders. Our process for identifying and assessing material risks from cybersecurity threats operates alongside our broader overall enterprise risk assessment procedures. Our cybersecurity-specific risk assessment and management procedures help identify cybersecurity threat risks. Our cybersecurity risk assessment program includes the following: • Annual cybersecurity vulnerability and maturity assessments based on the Center for Internet Security (CIS) Critical Security Controls framework. • Annual internal / external penetration testing conducted by a third-party offensive security vendor. A significant cybersecurity incident may result from actions by our employees, suppliers, third-party administrators, or unknown third parties or through cyber-attacks and could affect our data framework or cause a failure to protect the personal information of our customers, suppliers or employees, or sensitive and confidential information regarding our business and could give rise to legal liability and regulatory action under data protection and privacy laws. The Company describes whether and how risks from identified cybersecurity threats have materially affected or are reasonably likely to materially affect the Company under the heading “We rely on technology in our business and any cybersecurity incident, other technology disruption or delay in implementing new technology could negatively affect our business and our relationships with customers,” in Item 1A of this Annual Report on Form 10-K. To date, there have not been any cybersecurity threats or

incidents that have materially affected, or are reasonably likely to materially affect, the Company, including its financial condition, results of operations, or business strategies. Governance Our Board of Directors oversees our overall risk management strategy. Our information security program is managed by a dedicated Head ~~our Senior Vice President~~ of Information ~~People and~~ Technology, who has ~~over twenty~~ **five** years of experience in IT ~~leadership application management, infrastructure and security across a variety of industries including Financial Services, Defense Contracting, Manufacturing manufacturing and, Distribution distribution, defense, and financial services~~, whose team is responsible for maintaining our enterprise-wide cybersecurity strategy, policies, standards, architecture and processes. Our program is assessed both internally and externally by third parties, including our virtual Chief Information Security Officer (“vCISO”) partner. Our ~~Head Senior Vice President~~ of Information ~~People and~~ Technology provides reports at least quarterly to our Audit Committee, as well as our Disclosure Committee, which comprises senior management and key stakeholders, as appropriate. The reports provided include updates on our cyber risks and threats, ~~and~~ key updates to our information security systems and programs as well as the current threat environment. ~~We also have processes in place to stay informed of and monitor prevention, detection, mitigation, and remediation of cybersecurity risks, including:~~

- Any cybersecurity breach, unauthorized access, data loss, or ransomware attack must be immediately escalated to the Disclosure Committee, General Counsel, Internal Audit, and Audit Committee.
- On a quarterly basis, the Disclosure Committee, in coordination with the SVP of People and Technology, Internal Audit, and vCISO, shall assess the Company’s cybersecurity risk exposure, including potential vulnerabilities in IT systems and data security.

ITEM 2. PROPERTIES. ~~We As of the date of this report, we owned and/or operated~~ ~~operate~~ ~~eighteen sixteen~~ distribution centers and ~~cross-docks~~ with a total of approximately 1.3 million square feet of warehouse space, including approximately 400 ~~thousand, 000~~ square feet of refrigerated ~~cold~~ storage, utilizing a mix of leased (31%) and owned (69%) facilities for distribution, warehousing inventory, service and administrative functions. ~~We own approximately 907, 000 square feet of our distribution centers (or 71 % of the total square feet), and the remainder (or 29 % of the total square feet) is occupied under leasing arrangements. The following table below lists sets forth the approximate aggregate square footage by state for these operating distribution facilities as of December 31, 2023-2024.~~

Location	Number of Facilities	Total Square Feet
California	151	1,151,000
Arizona	168	1,168,000
Florida	113	1,113,000
Georgia	110	1,110,000
Illinois	1135	1,135,000
North Carolina	2236	2,236,000
Carolina	1172	1,172,000
Texas	265	265,000
Texas	260	260,000
Utah	281	281,000
Utah	294	294,000
Washington	165	165,000
Washington	170	170,000
Virginia	143	143,000
Virginia	144	144,000
Totals	181	181,000
Total	161	161,000

~~285, 700-000~~ We also operate three cross-docks which are located in Nevada, Ohio and Oregon. Additionally, we own a 118, 000 square foot distribution facility in North Carolina which we are preparing for operations to commence in 2025. We lease our corporate headquarters located in Las Vegas, Nevada, consisting of approximately 5, 000 square feet with a term of 6.5 years that began on March 17, 2021. We also lease office space for a corporate location in Los Angeles, California. ~~The Company entered into a lease on September 30, 2024 for a new Atlanta, Georgia based distribution center which commenced on February 1, 2025 for a term of 10 years and five months, exclusive of renewal options.~~ We believe that, in the aggregate, our real estate is suitable and adequate to serve the needs of our business.

ITEM 3. LEGAL PROCEEDINGS. From time to time, we are a party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of business. When we become aware of a claim or potential claim, we assess the likelihood of any loss or exposure. In accordance with authoritative guidance, we record loss contingencies in our financial statements only for matters in which losses are probable and can be reasonably estimated. Where a range of loss can be reasonably estimated with no best estimate in the range, we record the minimum estimated liability. If the loss is not probable or the amount of the loss cannot be reasonably estimated, we disclose the nature of the specific claim if the likelihood of a potential loss is reasonably possible and the amount involved is material. We continuously assess the potential liability related to our pending litigation and revise its estimates when additional information becomes available. Adverse outcomes in some or all of these matters may result in significant monetary damages or injunctive relief against us that could adversely affect our ability to conduct our business. There also exists the possibility of a material adverse effect on our financial statements for the period in which the effect of an unfavorable outcome becomes probable and reasonably estimable. ~~As~~ ~~On October 13, 2023, the Company received a “Wells Notice” from the staff of the SEC (the “Wells Notice”) relating to the~~ previously disclosed ~~formal, non-public SEC investigation (in March 2020, an analyst report suggested certain improprieties in the Company’s operations, and in response to those~~ ~~the “SEC Investigation”) of~~ allegations ~~that~~, the Company’s Board of Directors appointed a Special Committee of Independent Directors (the “Special Investigation Committee”) to conduct an internal independent investigation with the assistance of counsel. These allegations became the subject of two putative stockholder class actions filed on or after March 29, 2020 in the United States District Court for the Central District of California generally alleging the Company and certain of its current and former directors and officers violated the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder by making allegedly false and misleading statements (the “Class Actions”). ~~On June 6, 2024~~ These Class Actions have since been dismissed and are now closed. In addition, the SEC ~~announced that it had accepted an Offer~~ initiated a formal, non-public investigation of ~~Settlement submitted by~~ the Company, ~~and in order to resolve~~ the SEC informally requested, and later issued a subpoena for, documents and other information. The subpoena relates to but is not necessarily limited to the matters identified in the Class Actions. The Special Investigation Committee and, ~~Under~~ the Company have been cooperating with ~~settlement, without admitting or denying~~ the SEC. ~~Certain factual findings based on evidence adduced by the Special Investigation Committee during its internal investigation were incorporated into the Company’s findings in this matter~~ restatement filed on January 31, 2023. ~~After the Company consented to the entry of an administrative civil cease-and-desist order by the SEC (the “Order”) with respect to violations of Sections 17 (a) of the Securities Act, and of Sections 10 (b), 13 (a), 13 (b) (2) (A), 13 (b) (2) (B), and 14 (a) of the Securities Exchange Act of 1934, as amended, and Rules 10b-5, 12b-20, 13a-1, 13a-11, 13a-13, 13a-15 (a), and 14a-9 thereunder, resulting from the materially false and misleading disclosures and the other conclusion of fraudulent conduct implemented by its former~~ internal investigation, the Special Investigation Committee made recommendations to management regarding improvements to Company operations and structure, including but not limited to its dealings with related parties. The Company has implemented numerous improvements and continues to improve its compliance program. The Company has also instituted structural changes including the appointment of an independent Chairman ~~and~~ of the Board to replace the former Co-Chief Executive Officer and Chairman of the Board. In addition, as of January 31, 2023, three other independent directors serve on the Company’s Board of Directors. Our senior executive team now includes a General Counsel and Chief Compliance Officer, a Chief Operations Officer who was hired in May 2022, and a new Chief Financial Officer who joined the Company in August 2022. We also hired a Vice President and Head of Internal Audit in April 2022 who reports directly to the Chief Financial Officer and to the Audit Committee Chair. In November 2022, we hired a Vice President of Compliance and Associate General Counsel, who reports directly to the General Counsel and Chief Compliance Officer. The Company also created a Special Litigation Committee which determined to pursue claims against certain former officers and directors. As a result, pursuant to the previously disclosed settlement agreement (as amended on November 1, 2023, the “Settlement Agreement”) between the Company and certain parties to the verified stockholder derivative complaint filed by James Bishop in the Court of Chancery of the State of Delaware, on October 16, 2023, the Company received \$ 1.5 million on behalf of Zhou Min Ni, a former Chairman and Chief Executive Officer of the Company, and Chan Sin Wong, a former President and Chief Operating Officer of the Company (together, the “Ni Defendants”).

Subsequently, on December 1, 2023, the Company received 1,997,423 shares (valued at \$ 7.75 million) of the Company's common stock, based on the closing price of \$ 3.88 on October 13, 2023, plus a cash payment of approximately \$ 0.1 million of accrued interest through the date of payment, in satisfaction of the Ni Defendants' payment obligations totaling \$ 9.25 million under the Settlement Agreement. Pursuant to the terms of the Settlement Agreement, Mr. Ni, Ms. Wong and Jonathan Ni, the former Chief Financial Officer of Jian Ming "Jonathan" Ni. During the quarter ended June 30, 2024, the Company agreed to give up any rights to indemnification or and paid a civil monetary penalty of \$ 3.9 million, which was recorded in the other advancement of fees-income (expense), net in connection with the Company's condensed consolidated statements of operations and comprehensive income (loss). The Order states that, in determining to accept the Company's Offer of Settlement, the SEC considered the numerous remedial actions promptly undertaken by the Company and its cooperation during the investigation and any actions. The Company's resolution follows charges brought by the SEC might take against the two former executives in a District Court action filed on June 3, 2024. As a result of the SEC's district court complaint against them relating, the to two the SEC investigation. On October 13 former executives agreed to pay civil fines and disgorgement, 2023 and agreed to be subject to officer and director bars. Zhou Min Ni also agreed to a conduct-based injunction which enjoins him from directly or indirectly participating in the management of, or otherwise exercising any control of influence over the Company received. The Special Litigation Committee of the Board of Directors previously obtained a monetary settlement "Wells Notice" from the former executives staff of the SEC (the "Wells Notice") relating to the previously disclosed formal, non-public SEC investigation of allegations that was ratified the Company and certain of its current and former directors and officers violated the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder by making allegedly false and misleading statements. A Wells Notice is neither a formal charge of wrongdoing nor a final determination that the recipient has violated any law and invites recipients to submit a response if they wish. the Delaware Chancery Court wish. The Company made a submission in response to the Wells Notice explaining why an enforcement action would not be appropriate. Following that submission, the staff of the SEC determined that it would no longer be recommending that the SEC file an enforcement action against the Company at this time pending a potential agreed-upon resolution between the Company and the SEC. The Company is in negotiations with the SEC over a potential resolution, which could include fines and penalties, but the terms of that settlement are not set and the Company has made no formal offer of settlement to the SEC as of this filing.

ITEM 4. MINE SAFETY DISCLOSURES. Not applicable.

PART II. ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES. Shares of our common stock are listed for trading on NASDAQ under the symbol "HFFG," and have been publicly traded since September 7, 2017. Prior to that date, there was no public market for our stock. Holders of Record As of March 22-12, 2024-2025, there were 52, 155-737, 968-650 shares of our common stock outstanding held by 41-33 shareholders of record. The number of record holders was determined from the records of our transfer agent and does not include beneficial owners of common stock whose shares are held in the names of various security brokers, dealers, and registered clearing agencies. Dividends We have not paid any cash dividends on our common stock to date. The payment of cash dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements and our general financial condition. The payment of any dividends will be within the discretion of our Board of Directors at such time. It is the present intention of our Board of Directors to retain all earnings, if any, for use in our business operations and, accordingly, our Board of Directors does not anticipate declaring any dividends in the foreseeable future. In addition, our Board of Directors is not currently contemplating and does not anticipate declaring any stock dividends in the foreseeable future. Further, if we incur any indebtedness, our ability to declare dividends may be limited by restrictive covenants we may agree to in connection therewith. Recent Sales of Unregistered Securities Issuer Purchases of Equity Securities On December 1, 2023, pursuant to the settlement agreement (as amended, the "Settlement Agreement") between the Company and certain parties to the verified stockholder derivative complaint (the "Delaware Action") filed by James Bishop in the Court of Chancery of the State of Delaware, the Company received 1,997,423 shares of the Company's common stock (the "Settlement Shares"), from Zhou Min Ni, a former Chairman and Chief Executive Officer of the Company, and Chan Sin Wong, a former President and Chief Operating Officer of the Company (together with Mr. Ni, the "Ni Defendants"), in addition to cash. All of the Settlement Shares received as consideration from the Ni Defendants have been placed by the Company in treasury. See Note 16- Commitments and Contingencies to the consolidated financial statements and Part I - Item 3. - Legal Proceedings in this Annual Report on Form 10-K for more information.

Stock Performance Graph The following graph compares the cumulative total return on our common stock with the cumulative total returns on the Standard & Poor's 500 Composite Stock Price Index ("S & P 500"), and the Standard and Poor's 500 Food and Staples Retailing Industry Index from December 31, 2018-2019 to December 31, 2023-2024. The graph assumes an investment of \$ 100 in our common stock and each of the indices on December 31, 2018-2019 and the reinvestment of dividends, as applicable. The cumulative total return on our common stock as presented is not necessarily indicative of future performance. 12/31/201812/31/201912/31/202012/31/202112/30/202212/29/202312/31/2023HF 2024HF Foods Group Inc. \$ 100 \$ 147-39 \$ 57-43 \$ 64-21 \$ 31-27 \$ 40S-16S & P 500 \$ 100 \$ 131-118 \$ 156-152 \$ 200-125 \$ 164-158 \$ 207S-197S & P 500 Food and Staples Retailing Index \$ 100 \$ 127-116 \$ 148-146 \$ 185-131 \$ 166-151 \$ 192-204

ITEM 6. [RESERVED] ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS. The following discussion and analysis provides information about our business, the results of operations, financial condition, liquidity and capital resources of HF Foods Group Inc. This information is intended to facilitate the understanding and assessment of significant changes and trends related to our results of operations and financial condition. This discussion and analysis should be read in conjunction with the consolidated financial statements and the accompanying notes presented elsewhere in this Annual Report on Form 10-K. Discussions of 2021-2022 items and year-to-year comparisons between 2023 and 2022 and 2021 that are not included in this Annual Report on Form 10-K can be found in "Part II - Item 7. - Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the year ended December 31, 2022-2023, as filed with the SEC on March 31-26, 2023-2024.

Recent Developments CEO Transition On October 24, 2024, the Board of Directors of the Company terminated Xiao Mou (Peter) Zhang as Chief Executive Officer of the Company, without cause, effective immediately. In connection with Mr. Zhang's departure, the Company entered into a Severance Agreement and General Release (the "Severance Agreement") with Mr. Zhang on November 21, 2024. Pursuant to the Severance Agreement, which includes a general release of claims by Mr. Zhang against the Company, Mr. Zhang will be entitled to receive standard severance benefits provided to a Chief Executive Officer under the Company's Amended and Restated Severance Plan. Mr. Zhang continues to serve as a Director on the Board of Directors. On October 24, 2024, Xi (Felix) Lin was appointed to serve as Interim Chief Executive Officer, effective immediately, and continued to serve as the Company's Chief Operating Officer and President. On December 17, 2024, the Board of Directors of HF Foods Group Inc. appointed Felix Lin to serve as the Company's Chief Executive Officer and President, effective January 1, 2025. Credit Facility Amended On February 12, 2025, the Company amended certain terms and conditions of the JPM Credit Agreement, by, among other things, (i) increasing the Revolving Commitment (as defined in the Credit Agreement) from \$ 100.0 million to \$ 125.0 million, (ii) joining three new subsidiaries of the Company to the Credit Agreement, each as a "Borrower" thereunder, (iii) joining Wells Fargo Bank, N. A. to the JPM Credit Agreement as a "Lender" thereunder, (iv) amending certain affirmative covenants commensurate with the increase in the Revolving

Facility, and (v) amending certain restrictions regarding incurring obligations under real property leases and equipment financings in the ordinary course of business. **Business Overview** We market and distribute Asian specialty food products, seafood, fresh produce, frozen and dry food, and non-food products primarily to Asian restaurants and other foodservice customers throughout the United States. HF Foods was formed through a merger between two complementary market leaders, HF Foods Group Inc. and B & R Global. On December 30, 2021, HF Foods acquired a leading seafood supplier, the Great Wall Group, resulting in the addition of three distribution centers, located in Illinois and Texas (the “Great Wall Acquisition”). On April 29, 2022, HF Foods acquired substantially all of the assets of Sealand Food, Inc. (the “Sealand Acquisition”), one of the largest frozen seafood suppliers servicing the Asian ~~Chinese~~ restaurant market along the eastern seaboard, from Massachusetts to Florida, as well as Pennsylvania, West Virginia, Ohio, Kentucky, and Tennessee. See Note 7- Acquisitions to the consolidated financial statements in this Annual Report on Form 10-K for additional information regarding recent acquisitions. **We have grown** **With sixteen distribution centers and three cross-docks and a fleet of over 400 vehicles,** our distribution network **now spans 46 to eighteen** **distribution centers and cross-docks servicing forty-six states and covering approximately 95 % of the contiguous United States with a fleet of over 400 refrigerated vehicles.** Capitalizing on our deep understanding of **Asian the Chinese culture cultures , strong relationships with growers and suppliers of food products primarily in North America, South America, and Asia**, with over 1,000 employees, **and subcontractors** and supported by two **outsourced** call centers in China, we have become a trusted partner serving approximately 15,000 Asian restaurants, providing sales and service support to customers **customer locations throughout who mainly converse in Mandarin or other the Chinese dialects United States**. We are dedicated to serving the vast array of Asian ~~and Chinese~~ restaurants in need of high-quality and specialized food ingredients at competitive prices. How to Assess HF Foods’ Performance In assessing our performance, we consider a variety of performance and financial measures, including principal growth in net revenue, gross profit, distribution, selling and administrative expenses, as well as certain non-GAAP financial measures, including EBITDA and Adjusted EBITDA. The key measures that we use to evaluate the performance of our business are set forth below: Net Revenue Net revenue is equal to gross sales minus sales returns, sales incentives that we offer to our customers, such as rebates and discounts that are offsets to gross sales; and certain other adjustments. Our net revenue is driven by changes in number of customers and average customer order amount, product inflation that is reflected in the pricing of our products and mix of products sold. Gross Profit Gross profit is equal to net revenue minus cost of revenue. Cost of revenue primarily includes inventory costs (net of supplier consideration), inbound freight, customs clearance fees and other miscellaneous expenses. Cost of revenue generally changes as we incur higher or lower costs from suppliers and as the customer and product mix changes. Distribution, Selling and Administrative Expenses Distribution, selling and administrative expenses consist primarily of salaries, stock-based compensation and benefits for employees and contract laborers, trucking and fuel expenses, utilities, maintenance and repair expenses, insurance expenses, depreciation and amortization expenses, selling and marketing expenses, professional fees and other operating expenses. Discussion of our results includes certain non-GAAP financial measures, including EBITDA and Adjusted EBITDA, that we believe provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing our financial performance with other companies in the same industry, many of which present similar non-GAAP financial measures to investors. We present EBITDA and Adjusted EBITDA in order to provide supplemental information that we consider relevant for the readers of our consolidated financial statements included elsewhere in this report, and such information is not meant to replace or supersede GAAP measures. Management uses EBITDA to measure operating performance, defined as net income before interest expense, interest income, income taxes, and depreciation and amortization. In addition, management uses Adjusted EBITDA, defined as net income before interest expense, interest income, income taxes, and depreciation and amortization, further adjusted to exclude certain unusual, non-cash, or non-recurring expenses. Management believes that Adjusted EBITDA is less susceptible to variances in actual performance resulting from non-recurring expenses, and other non-cash charges and is more reflective of other factors that affect our operating performance. The definition of EBITDA and Adjusted EBITDA may not be the same as similarly titled measures used by other companies in the industry. EBITDA and Adjusted EBITDA are not defined under GAAP and are subject to important limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of HF Foods’ results as reported under GAAP. For example, Adjusted EBITDA: • excludes certain tax payments that may represent a reduction in cash available; • does not reflect any cash capital expenditure requirements for the assets being depreciated and amortized that may have to be replaced in the future; • does not reflect changes in, or cash requirements for, our working capital needs; and • does not reflect the significant interest expense, or the cash requirements, necessary to service our debt. For additional information on EBITDA and Adjusted EBITDA, see the section entitled “EBITDA and Adjusted EBITDA” below. **Financial Review Highlights for 2023-2024 included:** • Net revenue: Net revenue was \$ 1, 201. 7 million in 2024, compared to \$ 1, 148. 5 million in 2023, compared to an increase of \$ 53 1, 170. 5 2 million in 2022, a decrease of \$ 22. 0 million, or 14. 9 6 %. This decrease increase was primarily attributable to **deflationary volume growth associated with new wholesale accounts, case count growth, product cost inflation and improved pricing in certain categories imported frozen seafood, Asian Specialty, poultry, and, to a lesser extent, partially offset by the \$ 13. 3 million loss in revenue from the exit of our chicken processing businesses during the second half of 2023**. • Gross profit: Gross profit was \$ 205. 2 million in 2024 compared to \$ 204. 0 million in 2023 compared to \$ 205. 5 million in 2022, a decrease increase of \$ 1. 5 2 million, or 0. 7 6 %. The decrease increase was primarily attributable to **lower increased net revenue partially offset by increased costs**. Gross profit margin of 17. 8 1 % for 2023-2024 increased decreased from 17. 6 8 % in the prior year. • Distribution, selling and administrative expenses: Distribution, selling and administrative expenses increased by \$ 3. 0 million, or 1 million, or 0. 1 5 %, in 2024 compared to 2023, mainly due to **settlement amounts received partially offset by an increase in payroll and related labor costs of \$ 4. 3 million** as well as insurance costs **of**. During 2023, we received legal settlements amounts totaling \$ 9. 25 million and \$ 1. 7 1 million **partially offset by**, of which we paid \$ 0. 9 million, for a net settlement totaling \$ 10. 0 million. These net settlement amounts were recorded as a reduction **in professional fees of \$ 2. 8 million** distribution, selling and administrative expenses. Distribution, selling and administrative expenses as a percentage of net revenue increased decreased to 16. 5 % in 2024 from 17. 0 % in 2023 from 16. 7 % in 2022, primarily due to **the lower professional fees and increased net revenue, partially offset by increased payroll and related labor costs and insurance costs disclosed above combined with the decrease in revenue year over year**. • Net (loss) income attributable to HF Foods Group Inc.: Net loss attributable to HF Foods Group Inc. was \$ 48. 5 million in 2024 compared to net loss of \$ 2. 2 million in 2023. **The increase compared to net income of \$ 0 46. 3 5 million in 2022.** The decrease of \$ 2. 6 million was primarily driven by **goodwill impairment charges a decrease in our income from operations of \$ 1 46. 6 3 million**, an increase in interest expense of \$ 4. 0 million, a change in fair value of interest rate swap contracts of \$ 2. 4 million, and a change in other income of \$ 0. 7 million, partially offset by a favorable change in lease guarantee expense of \$ 6. 1 million. • Exit of chicken processing businesses: During the second half of 2023-2024, we exited both of our low margin chicken processing businesses on the east and west coast as part of our commitment to refocusing on our core business. Comparison of Year Ended December 31, 2023-2024 to Year Ended December 31, 2022-2023 The following table sets forth a summary of our consolidated results of operations for the years ended December 31, 2024 and 2023 and 2022. The historical results presented below are not necessarily indicative of the results that may be expected for any future period. Year Ended December 31, ~~Change~~ (\$ in thousands) 2023 2022 Amount Net 2024 2023 **Change** Net revenue \$ 1, 201, 667 \$ 1, 148, 493 \$ 53, 174 Cost of revenue 996, 473 944, 462 52, 011 Gross profit 205, 194 204, 031 1, 170 163

Distribution, 467 \$(21 selling and administrative expenses 198, 026 195 974) Cost of revenue 944, 462 062 2, 964 **Goodwill impairment charges** 46, 955 (20 303 — 46, 303 493) Gross profit 204, 031 205, 512 (Loss 1, 481) Distribution, selling and administrative expenses 195, 062 194, 953 109 Income **income** from operations 8— **operations (39, 135) 8**, 969 (48, 10 104, 559 (1, 590) Interest expense 11, 425 11, 478 (53) 7, 457 4, 021 Other— **Other expense (income), net, 818** (1, 091) 3 (+, 909 Change 829) 738 Change in fair value of interest rate swap contracts 1— **contracts (1, 693) 1**, 580 (3 817) 2, 273) 397 Lease— **Lease guarantee (income (5, 548) expense (377) (5, 171 744 (6, 121) (Loss) income before income taxes (46, 137) (2, 621) 4 (2 43, 625 516) Income tax expense expense 1, 965 (benefit) 41 1, 924 Net (231) 272 Net (loss) income and comprehensive (loss (48, 102) income (2, 662) 235 (2 45, 897 440) Less: net income (loss) attributable to noncontrolling interests interests 409 (488) 897 Net (225) (263) Net (loss) income and comprehensive (loss) income attributable to HF Foods Group Inc. \$ (48, 511) \$ (2, 174) \$ (460— 46 \$ (2, 634 337) The following table sets forth the components of our consolidated results of operations expressed as a percentage of net revenue for the periods indicated: Year Ended December 31, 2023 2022 Net 2024 2023 Net**

2024	2023	2022
Revenue	100.0%	100.0%
Cost of revenue	82.2%	82.4%
Gross profit	17.8%	17.6%
Distribution, selling and administrative expenses	16.5%	17.6%
Goodwill impairment charges	3.1%	0.0%
Income from operations	0.8%	0.0%
Interest expense	0.9%	1.0%
Other expense (income), net	0.2%	0.6%
Other income (loss)	(0.1)%	(0.2)%
Change in fair value of interest rate swap contracts	0.1%	(0.1)%
Lease guarantee expense	0.5%	0.5%
Income before income taxes	3.8%	0.2%
Income tax expense (benefit)	0.2%	0.0%
Net (loss) income and comprehensive (loss) income	(4.0)%	(0.2)%
Less: net income (loss) attributable to noncontrolling interests	(0.4)%	0.0%
Net revenue for the year ended December 31, 2023-2024	decreased	increased

by \$ 22 53, 02 million, or 1 4, 96 %, compared to the same period in 2022-2023. This decrease-increase was primarily attributable to deflationary volume growth associated with new wholesale accounts, case count growth, product cost inflation and improved pricing product in certain categories such as frozen seafood, poultry, Asian Specialty and packaging. The revenue decrease due to pricing was partially offset by higher volume and the Seafood \$ 13.3 million loss in revenue resulting from generated due to the exit Sealand Acquisition which has a full year of revenue in our chicken processing businesses during the second half of 2023 compared to a partial year in 2022. Gross profit was \$ 204 205, 02 million for the year ended December 31, 2023-2024 compared to \$ 205 204, 50 million in the same period in 2022-2023, a an decrease-increase of \$ 1.52 million, or 0.76 %. The gross profit decrease-increase was primarily attributable to decreases in increased net revenue from Meat and Poultry, and to a lesser extent, Packaging and Other, partially offset by the increased costs revenue from Asian Specialty, the additional Seafood revenue generated due to the Sealand Acquisition and the successful execution of our Seafood centralized purchasing program. During Gross profit margin for the year ended December 31, 2023-2024, poultry pricing came down from the elevated levels we benefited from during decreased to 17.1 % compared to 17.8 % in the same period in 2022. Gross profit margin for 2023 of 17.8 % increased from 17.6 % in the prior year. Distribution, selling and administrative expenses of \$ 195 198, 10 million for the year ended December 31, 2023-2024 remained consistent with increased compared to prior year expenses of \$ 195, 01 million primarily due to an. For 2023, there was a decrease-increase in professional fees as a result of the net settlement amounts received totaling \$ 10 4, 03 million in payroll and related labor costs and an increase of \$ 1.1 million in insurance costs, partially offset by increases a decrease of \$ 7.3 million in payroll and related labor costs, inclusive of the additional costs due to the Sealand Acquisition, and \$ 2.0 million in insurance related costs. Professional fees decreased \$ 12.9 million, or \$ 2.9 million net of the settlement amounts received, to \$ 13.9 million for the year ended December 31, 2023, from \$ 26.8 million in professional fees for the year ended December 31, 2022. In addition, we recognized an asset impairment of \$ 1.2 million related to the exit of our chicken processing facility. Distribution, selling and administrative expenses as a percentage of net revenue increased decreased to 17 16, 05 % for the year ended December 31, 2023-2024 from 16 17, 70 % in the same period in 2022-2023, primarily due to the lower professional fees and increased net revenue, partially offset by increased payroll and related labor costs and insurance costs disclosed above combined with the decrease in revenue year over year. Interest Expense Interest expense for the year ended December 31, 2023-2024 increased decreased by \$ 4 0, 1 million or 53 0, 95 %, compared to the year ended December 31, 2022-2023, primarily due to a sharply decrease in our average daily JPMorgan Chase mortgage- secured term loan balance of \$ 5.1 million, partially offset by an increase in our average daily line of credit balance of \$ 10.6 million combined with a slightly higher interest-rate environment. Average floating interest rates on our floating-rate debt for the year ended December 31, 2023-2024 increased by approximately 3 0, 42 % on the line of credit and 3 0, 41 % on the JPMorgan Chase mortgage- secured term loan, compared to the same period in 2022-2023. Our average daily line of credit balance decreased increased by \$ 10.26 million, or 18 23, 7 % to \$ 55.5 %, to \$ 44.9 million for the year ended December 31, 2023-2024 from \$ 55 44, 09 million for the year ended December 31, 2022-2023, and our average daily JPMorgan Chase mortgage- secured term loan balance increased decreased by \$ 6 5, 1 million, or 6 4, 7 %, to \$ 108 103, 6 million for the year ended December 31, 2023-2024 from \$ 102 108, 16 million for the year ended December 31, 2022-2023. Income Tax Expense (Benefit) Income tax expense (benefit) was an income tax expense of approximately \$ 41, 000 2, 0 million for the year ended December 31, 2023-2024, compared to income tax benefit of \$ 41, 000 0, 2 million for the year ended December 31, 2022-2023, primarily. The increase in income tax expense of \$ 1.9 million was due to the impact of non-deductible items, including the impact of the Company's goodwill impairment change charges in valuation allowance, SEC settlement, and state taxes, partially offset by the change in valuation allowance, tax credits, the expiration of the statute of limitations in relation to unrecognized tax benefits, tax credits, and other tax adjustments during the year ended December 31, 2023-2024. Net (Loss) Income-Attributable to HF Foods Group Inc. Net loss attributable to HF Foods Group Inc. was \$ 2 48, 25 million for the year ended December 31, 2023-2024, compared to net income loss of \$ 0 2, 52 million for the year ended December 31, 2022-2023. The decrease-increase in loss of \$ 2 46, 63 million was primarily driven by goodwill impairment charges a decrease in our income from operations of \$ 1 46, 63 million recorded during, an increase in interest expense of \$ 4.0 million, a change in fair value of interest rate swap contracts of \$ 2.4 million, and a change in other— the year ended December 31 income of \$ 0.7 million. 2024 partially offset by a favorable change in lease guarantee expense of \$ 6.1 million. The following table reconciles EBITDA and Adjusted EBITDA to the most directly comparable GAAP measure: Year Ended December 31, Change (\$ in thousands) 2024 2023 Change Net 2023 2022 Amount Net (loss) income \$ (48, 102) \$ (2, 662) \$ 235 \$ (2 45, 897 440) Interest expense 11, 425 11, 478 7 478, 457 4, (53) 021 Income— Income tax expense expense 1, 965 411, (benefit) 41 (231) 272 Depreciation 924 Depreciation and amortization 25 amortization 26, 918 24 677 25, 936 98 2 EBITDA 34 918 75 9 EBITDA (8, 035) 34, 775 32 775 (42, 397 2, 810) 378 Lease— Lease guarantee (income (5, 548) expense (377) (5, 171 744 (6, 121) Change in fair value of interest rate swap contracts 1— contracts (1, 693) 1, 580 (3 817) 2, 273) 397 Stock— Stock-based compensation expense 2, 088 3, 352 (1, 264) Other asset impairment charges 3, 900 — 3, 352 1 900 Goodwill impairment charges 46, 257 2 303 — 46, 303 Settlement gain (1) — (10, 000) 10, 000 Other asset impairment charges — 1, 200 (1, 200) 0 95 Business— Business transformation costs (2) 1 929 — 929 Acquisition-related costs — 1, 223 92 924 Other 130 (1, 130) Other non-routine expense (3) 87 43, 124 (2) 3, 124 250) Executive transition and organizational redesign (4) 2, 929 — 3 2, 929 Adjusted 124 Asset impairment charges 1, 200 42 27 78 Adjusted EBITDA \$ 44 42, 041 \$ 34, 583 \$ 40 7, 133 458 (1) As discussed in Note 17- Commitments and Contingencies to the consolidated financial

statements in this Annual Report on Form 10-K, the Company recovered approximately \$ 4,450 million related to the Settlement Agreement. The Company accounted for the settlement as a recovery of previously recorded expenses related to the litigation. The Company has adjusted for the \$ 10.0 million recovery. (4.2) Represents non-recurring costs associated with the launch of strategic projects including supply chain management improvements and technology infrastructure initiatives. (2.3) Includes contested proxy and related legal and consulting costs and facility closure costs. (4) Includes severance and related expenses for the Company's transition of executive officers and organizational redesign. Liquidity and Capital Resources As of December 31, 2023-2024, we had cash of approximately \$ 15.14 million, checks issued not presented for payment of \$ 4.5 million and access to approximately \$ 37.36 million in additional funds through our \$ 100.0 million line of credit, subject to a borrowing base calculation. We have funded working capital and other capital requirements primarily by cash flow from operations and bank loans. Cash is required to pay purchase costs for inventory, salaries, fuel and trucking expenses, selling expenses, rental expenses, income taxes, other operating expenses and to service debts. We believe that our cash flow generated from operations is sufficient to meet our normal working capital needs for at least the next twelve months. However, our ability to repay our current obligations will depend on the future realization of our current assets. Management has considered the historical experience, the economy, the trends in the foodservice distribution industry to determine the expected collectability of accounts receivable and the realization of inventories as of December 31, 2023-2024. We are party to an amortizing interest rate swap contract with JPMorgan Chase for an initial notional amount of \$ 120.0 million, expiring in March 2028, as a means to partially hedge our existing floating rate loans exposure. Pursuant to the agreement, we will pay the swap counterparty a fixed rate of 4.11% in exchange for floating payments based on CME Term SOFR. Effective as of April 20, 2023, we agreed and certain parties to payment of the Delaware Action reached an agreement to settle the Delaware Action on the terms and conditions set forth in a civil monetary penalty binding term sheet (the "Binding Term Sheet"), which was incorporated into a long-form settlement agreement on May 5, 2023 and filed with the Court of Chancery on May 8, 2023. 9 million. We made The Binding Term Sheet provided for, among other things, this, the dismissal of the Delaware Action with prejudice, thereby resolving all existing and potential liability against all named defendants in the Delaware Action, in exchange for Zhou Min Ni, a former Chairman and Chief Executive Officer of the Company, and Chan Sin Wong, a former President and Chief Operating Officer of the Company, making a payment to during the year Company in the sum of \$ 9.25 million (the "Settlement Amount"). The full terms of the settlement of the Delaware Action were incorporated into the long-form settlement agreement, which was subject to approval of the Court of Chancery (as amended) ended on November 1, 2023, the "Settlement Agreement". On September 8, 2023, the Court of Chancery approved the proposed settlement and an application by Bishop's counsel for an award of attorneys' fees and expenses. On October 16, 2023, after approval of the settlement had become final, the Ni-Defendants paid the Company \$ 1.5 million of the Settlement Amount. On December 1, 2023-2024, the Company received 1,997,423 shares of the Company's common stock as consideration for the remaining \$ 7.75 million balance due under the Settlement Agreement. All of the shares of Company common stock received as consideration for the Settlement have been placed by the Company in treasury. Please refer to Part I, Item 3, Legal Proceedings in this Annual Report on Form 10-K and Note 16-Commitments and Contingencies to the consolidated financial statements herein for additional information. Management believes we have sufficient funds to meet our working capital requirements and debt obligations in the next twelve months. However, there are a number of factors that could potentially arise which might result in shortfalls in anticipated cash flow, such as the demand for our products, economic conditions, competitive pricing in the foodservice distribution industry, and our bank and suppliers being able to provide continued support. If the future cash flow from operations and other capital resources is insufficient to fund our liquidity needs, we may have to resort to reducing or delaying our expected acquisition plans, liquidating assets, obtaining additional debt or equity capital, or refinancing all or a portion of our debt. As of December 31, 2023-2024, we have no off balance sheet arrangements that currently have or are reasonably likely to have a material effect on our consolidated financial position, changes in financial condition, results of operations, liquidity, capital expenditures or capital resources. The following table summarizes cash flow data for the years ended December 31, 2024 and 2023 and 2022. Years- Year Ended December 31, (In thousands) 2023 2022 Change Net 2024 2023 Change Net cash provided by (used in) operating activities \$ 45,222, 804,636 \$ 31,648 \$ 24,284 \$(15,480) Net cash used in investing activities (12,548) (1,514) (50,111, 786,034) 49,272 Net cash (used in) provided by financing activities (23,10, 347,853) 28,999 (52,5, 346,895) (4,958) Net (decrease) increase in cash and cash equivalents \$ (765) \$ (9,057) \$ 9-8, 292 497 \$ (18,554) Operating Activities Net cash provided by operating activities consists primarily of net income adjusted for non-cash items, including depreciation and amortization, asset impairment charges, changes in deferred income taxes and others, and includes the effect of working capital changes. Checks issued not presented for payment was reclassified from financing to operating activities for both the current and prior year which resulted in a \$ 1.2 million increase to net cash provided by operating activities in the current year and a \$ 17.5 million decrease in the prior year. Net cash provided by operating activities decreased increased by \$ 15.24, 5.3 million, or 49%, primarily due to the timing of working capital outlays. During such as the increase year ended December 31, 2023, we implemented new enterprise accounting and finance applications, which modified our accounts receivable, accounts payable and treasury processes. As a result of this transformation, we significantly paid down our accounts payable, which negatively impacted our net cash provided by operating activities. Investing Activities Net cash used in investing activities decreased by \$ 49.18, 3.6 million resulting, or 97%, primarily due to payments related to acquisitions in the year ended December 31, 2022. Financing Activities Net cash (used in) provided by financing activities decreased by \$ 52.3 million to \$ 23.3 million used in financing activities primarily due to the reduction in proceeds from long-term debt for the year ended December 31, 2023. In addition, checks issued not presented for payment and was partially offset by decreased significantly for operating income (excluding the \$ 46.3 million non-cash goodwill impairment charge) and the \$ 3.9 million SEC settlement payment. Investing Activities Net cash used in investing activities increased by \$ 11.0 million primarily due to increased capital project spend in the year ended December 31, 2023-2024 compared. Financing Activities Net cash used in financing activities increased by \$ 5.0 million to \$ 10.9 million during the year ended December 31, 2022-2024 primarily due to the reduction change in line checks issued as a result of our new enterprise accounting and finance applications credit activity from net proceeds for the year ended December 31, 2023 to net payments for the year ended December 31, 2024. Critical Accounting Estimates The discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with GAAP. These principles require management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, cash flow and related disclosure of contingent assets and liabilities. The estimates include, but are not limited to, inventory reserves, impairment of long-lived assets, impairment of goodwill, and the purchase price allocation and fair value of assets and liabilities acquired with respect to business combinations. We base our estimates on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates. To the extent that there are material differences between these estimates and the actual results, future financial statements will be affected. We believe that among our significant accounting policies, which are described in Note 2- Summary of Significant Accounting Policies to the consolidated financial statements in this Annual Report on Form 10-K, the following accounting policies involve a greater degree of judgment and complexity. Accordingly, we believe these are the most critical to fully

understand and evaluate our financial condition and results of operations. Business Combinations We account for our business combinations using the purchase method of accounting in accordance with ASC Topic 805 (“ASC 805”), Business Combinations. The purchase method of accounting requires that the consideration transferred be allocated to the assets, including separately identifiable assets and liabilities we acquired, based on their estimated fair values. The consideration transferred in an acquisition is measured as the aggregate of the fair values at the date of exchange of the assets given, liabilities incurred, and equity instruments issued as well as the contingent considerations and all contractual contingencies as of the acquisition date. Identifiable assets, liabilities and contingent liabilities acquired or assumed are measured separately at their fair value as of the acquisition date, irrespective of the extent of any noncontrolling interests. The excess of (i) the total of cost of acquisition, fair value of the noncontrolling interests and acquisition date fair value of any previously held equity interest in the acquiree over, (ii) the fair value of the identifiable net assets of the acquiree, is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in earnings. We estimate the fair value of assets acquired and liabilities assumed in a business combination. While we use our best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date, its estimates are inherently uncertain and subject to refinement. Significant estimates in valuing certain intangible assets include, but are not limited to future expected revenues and cash flows, useful lives, discount rates, and selection of comparable companies. Although we believe the assumptions and estimates we have made in the past have been reasonable and appropriate, they are based in part on historical experience and information obtained from management of the acquired companies and are inherently uncertain. During the measurement period, which may be up to one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. On the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to our consolidated statements of operations and comprehensive income (loss).

Goodwill Goodwill represents the excess of the purchase price over the fair value of net assets acquired in a business combination. We test goodwill for impairment at least annually, as of December 31, or whenever events or changes in circumstances indicate that goodwill might be impaired. We have concluded we are one reporting unit for purposes of testing goodwill for impairment. We review the carrying value of goodwill whenever events or changes in circumstances indicate that such carrying values may not be recoverable and annually for goodwill as required by ASC Topic 350, Intangibles — Goodwill and Other. Factors that may be considered a change in circumstances, indicating that the carrying value of our goodwill may not be recoverable, include a sustained decline in stock price and market capitalization, reduced future cash flow estimates and slower growth rates in our industry. This guidance provides the option to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If, based on a review of qualitative factors, it is more likely than not that the fair value of a reporting unit is less than its carrying value, we perform a quantitative analysis. If the quantitative analysis indicates the carrying value of a reporting unit exceeds its fair value, we measure any goodwill impairment losses as the amount by which the carrying amount of a reporting unit exceeds its fair value, not to exceed the total amount of goodwill allocated to that reporting unit. As a result of our 2023 financial performance in comparison to previous forecasts, combined with our level of stock price, we performed a quantitative impairment assessment **as of December 31, 2023**. A quantitative goodwill impairment analysis requires valuation of the respective reporting unit, which requires complex analysis and judgment. **We** ~~The results of the testing as of December 31, 2023, concluded that the estimated fair value exceeded carrying value by approximately 10 %, and no impairment existed as of that date. As of September 30, 2024, the Company concluded that a triggering event occurred due to a sustained decline in the Company’s stock price since December 31, 2023, which required interim testing for goodwill impairment in accordance with ASC 350. Accordingly, the Company performed a quantitative assessment as of September 30, 2024. The fair value of the reporting unit exceeded the carrying value by approximately 1 %, and therefore we concluded no impairment existed as of that date. As a result of continued declines in the level of stock price, the Company performed a quantitative impairment assessment as of December 31, 2024. The results of the testing as of December 31, 2024, concluded that the estimated fair value of the reporting unit fell short of carrying value, and therefore impairment existed as of that date. A goodwill impairment charge of \$ 46.3 million was recorded in the consolidated statements of operations during the year ended December 31, 2024. For the December 31, 2024, September 30, 2024 and December 31, 2023 impairment tests, we use used~~ a combination of discounted cash flow (“DCF”) model and market approaches, such as public company comparable analysis and comparable acquisitions analysis to determine fair value **of the reporting unit**. The income approach and market approaches were weighted equally to estimate fair value. The income approach requires detailed forecasts of cash flows, including significant assumptions such as revenue growth rates, gross profit ~~margin margins~~, **distribution, selling and administrative expenses, among other assumptions**, and an estimate of weighted- average cost of capital which we believe approximate the assumptions from a market participant’s perspective. The market approaches are primarily impacted by an enterprise value multiple of EBITDA. These estimates incorporate many uncertain factors which could be impacted by changes in market conditions, interest rates, growth rate, tax rates, costs, customer behavior, regulatory environment and other macroeconomic changes. ~~We categorize the fair value determination as Level 3 in the fair value hierarchy due to its use of internal projections and unobservable measurement inputs. The results of testing as of December 31, 2023, concluded that the estimated fair value exceeded carrying value, and no impairment existed as of that date. In addition, we corroborated considered~~ the reasonableness of the ~~total~~ fair value of the reporting unit by assessing the implied **enterprise value** control premium based on our market capitalization **and also considered the lack of liquidity in the Company’s common stock. The Company’s common stock is fairly thinly traded, with a higher level of internal stockholders than its peers, and no major analyst coverage. As a result, the implied value from the traded stock price is based on limited investment public interest**. Our market capitalization is calculated using the number of common shares ~~issued outstanding~~ and common stock publicly traded price. We ~~also consider the amount of headroom for the reporting unit when determining determined that whether an impairment existed. Headroom is the difference between the implied control premium was reasonable which corroborates our~~ fair value estimates of a reporting unit and its carrying value. ~~The We categorize the fair value of determination as Level 3 in the fair reporting unit exceeded the reporting unit carrying value hierarchy due to its use of internal projections and unobservable measurement inputs~~ by approximately \$ 10 %, or \$ 45.0 million. No goodwill impairment was recorded for the year ended December 31, 2023. See Note 8- Goodwill and Acquired Intangible Assets to the consolidated financial statements in this Annual Report on Form 10- K for additional information. Assumptions used in impairment testing are made at a point in time and require significant judgment; therefore, they are subject to change based on the facts and circumstances present at each impairment test date. Additionally, these assumptions are generally interdependent and do not change in isolation. We performed sensitivity analyses on the key inputs and assumptions used in determining the estimated fair value of our reporting unit by utilizing changes in assumptions that would reasonably likely occur. Assuming all other assumptions and inputs used in the fair value analysis are held constant, **for the December 31, 2024 impairment test**, a 100 basis point increase in the discount rate assumption, a 1x decrease in the respective EBITDA multiple assumptions, a 25 basis point decrease in the gross profit margin assumption, and a 50 basis point decrease in the ~~long-term~~ revenue growth rate assumption would result in a decrease in the fair value of our reporting unit of approximately \$ **11.4.8 million, \$ 36.9 million, \$ 8.4 million, and \$ 22.6 million, \$ 31.0 million, \$ 7.3 million, and \$ 5.5 million**, respectively, **which would likely result in further impairment**. These estimated changes in fair value are not

necessarily representative of the actual impairment that would be recorded in the event of a fair value decline. If, in future periods, the financial performance of the reporting unit does not meet forecasted expectations, or a prolonged decline occurs in the market price of our common stock, it may cause a change in the results of the impairment assessment and, as such, could result in an **an-further** impairment of goodwill. Impairment of Long-lived Assets We assess our long-lived assets such as property and equipment and intangible assets subject to amortization for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. Factors which may indicate potential impairment include a significant underperformance related to the historical or projected future operating results or a significant negative industry or economic trend. Recoverability of these assets is measured by comparison of their carrying amounts to future undiscounted cash flows which the assets or asset groups are expected to generate. If property and equipment and intangible assets are considered to be impaired, the impairment to be recognized equals the amount by which the carrying value of the assets exceeds their fair value.

No impairment of long-lived assets was recognized during the year ended December 31, 2024. We impaired machinery used in the operations within HF Foods Industrial, Inc. and recognized impairment expense of \$ 1. 2 million in distribution, selling and administrative expenses in the consolidated statements of operations during the year ended December 31, 2023. We impaired our acquired developed technology attributable to Syncglobal, Inc. and recognized impairment expense of \$ 0. 4 million in distribution, selling and administrative expenses in the consolidated statements of operations during the year ended December 31, 2022. Recent Accounting Pronouncements For a discussion of recent accounting pronouncements, see Note 2- Summary of Significant Accounting Policies to the consolidated financial statements in this Annual Report on Form 10- K. ITEM 7A. Quantitative and Qualitative Disclosures about Market Risk. Interest Rate Risk Our debt exposes us to risk of fluctuations in interest rates. Floating rate debt, where the interest rate fluctuates periodically, exposes us to short-term changes in market interest rates. Fixed rate debt, where the interest rate is fixed over the life of the instrument, exposes us to changes in market interest rates reflected in the fair value of the debt and to the risk that we may need to refinance maturing debt with new debt at higher rates. We manage our debt portfolio to achieve an overall desired proportion of fixed and floating rate debts and may employ interest rate swaps as a tool from time to time to achieve that position. To manage our interest rate risk exposure, we entered into four interest rate swap contracts to hedge the floating rate term loans. See Note 9- Derivative Financial Instruments to the consolidated financial statements in this Annual Report on Form 10- K for additional information. As of December 31, **2023-2024**, our aggregate floating rate debt's outstanding principal balance without hedging was \$ **60-59. 8-7** million, or **35. 2-9**% of total debt, consisting primarily of our revolving line of credit (see Note 10- Debt to the consolidated financial statements in this Annual Report on Form 10- K). Our floating rate debt interest is based on the floating 1-month SOFR plus a predetermined credit adjustment rate plus the bank spread. The remaining **64. 8-1**% of our debt is on a fixed rate or a floating rate with hedging. In a hypothetical scenario, a 1 % change in the applicable rate would cause the interest expense on our floating rate debt to change by approximately \$ 0. 6 million per year. Fuel Price Risk We are also exposed to risks relating to fluctuations in the price and availability of diesel fuel. We require significant quantities of diesel fuel for our vehicle fleet, and the inbound delivery of the products we sell is also dependent upon shipment by diesel- fueled vehicles. Additionally, elevated fuel costs can negatively impact consumer confidence and discretionary spending and thus reduce the frequency and amount spent by consumers for food- away- from- home purchases. We currently are able to obtain adequate supplies of diesel fuel, and average prices in **2023-2024** decreased in comparison to average prices in **the same period in 2022-2023**, decreasing **15-10. 5-8**% on average. However, it is impossible to predict the future availability or price of diesel fuel. The price and supply of diesel fuel fluctuates based on external factors not within our control, including geopolitical developments, supply and demand for oil and gas, regional production patterns, weather conditions and environmental concerns. Increases in the cost of diesel fuel could increase our cost of goods sold and operating costs to deliver products to our customers. We do not actively hedge the price fluctuation of diesel fuel in general. Instead, we seek to minimize fuel cost risk through delivery route optimization and fleet utilization improvement. ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA HF Foods Group Inc. and Subsidiaries Consolidated Financial Statements Index to Consolidated Financial Statements PageReport of Independent Registered Public Accounting Firm- Year Ended December 31, **2023-2024** (BDO USA, P. C.; Troy, Michigan; PCAOB ID # 243) **39Consolidated-34Consolidated** Financial StatementsConsolidated Balance Sheets**41Consolidated-Sheets36Consolidated** Statements of Operations and Comprehensive Income (Loss) **42Consolidated-37Consolidated** Statements of Cash Flows**43Consolidated-Flows38Consolidated** Statements of Changes in Shareholders' Equity**45Notes-Equity40Notes** to Consolidated Financial Statements**46-Statements41** Shareholders and Board of Directors Opinion on the Consolidated Financial Statements We have audited the accompanying consolidated balance sheets of HF Foods Group Inc. (the " Company ") as of December 31, **2024 and 2023 and 2022**, the related consolidated statements of operations and comprehensive income (loss), changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, **2023-2024**, and the related notes (collectively referred to as the " consolidated financial statements "). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, **2024 and 2023 and 2022**, and the results of its operations and its cash flows for each of the three years in the period ended December 31, **2023-2024**, in conformity with accounting principles generally accepted in the United States of America. We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (" PCAOB "), the Company' s internal control over financial reporting as of December 31, **2023-2024**, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (" COSO ") and our report dated March **26-17, 2024-2025**, expressed an adverse opinion thereon. Basis for Opinion These consolidated financial statements are the responsibility of the Company' s management. Our responsibility is to express an opinion on the Company' s consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U. S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion. Critical Audit Matters The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate. Consolidated Financial Statements- Impact of Control Environment and Information Technology General Controls As disclosed in management' s report on internal control over financial reporting, the Company identified material weaknesses as of December 31, **2023-2024**. These material weaknesses included **ineffective entity-**

level controls, ineffective information technology general controls (ITGCs), and ineffective controls over certain non-routine transactions, significant management estimates, and financial reporting. The completeness and accuracy of the consolidated financial statements, including the financial condition, results of operations and cash flows, is dependent on, in part, the Company's ability to (i) design and maintain an effective control environment, including maintaining a sufficient number of qualified resources to support and provide proper oversight and accountability over the performance of controls, (ii) design and maintain effective ITGCs for certain information systems relevant to the preparation of the financial statements, and (iii) design and maintain effective controls over financial reporting. We identified a critical audit matter over the completeness and accuracy of the consolidated financial statements. The ineffective control environment, including the ineffective ITGCs resulted in several material weaknesses. Designing the appropriate procedures and evaluating audit evidence to ensure the completeness and accuracy of the consolidated financial statements, including higher risk areas, with an ineffective control environment, required especially challenging and subjective auditor judgment due to the increased extent of audit effort including the need to modify the nature and extent of audit evidence obtained. The primary procedures we performed to address this critical audit matter included: • Performing incremental procedures over material financial statement accounts such as revenue and receivables by i) increasing the sample sizes to perform certain audit procedures and ii) lowering the testing thresholds and ~~for journal entries~~ by expanding the types of **journal entries** to be tested. • Evaluating the impact of improper segregation of duties and designing incremental procedures over disbursements. • Manually testing the completeness and accuracy of information provided by the Company and increasing the extent of our testing for items to be selected and agreed to source documents. Goodwill Impairment – Valuation of Reporting Unit As disclosed in Notes 2 and 8 to the consolidated financial statements, the Company's consolidated goodwill balance was \$ **85.38**, ~~1.8~~ million as of December 31, **2023-2024**. ~~There is only one reporting unit at December 31, 2023.~~ Goodwill is tested for impairment at the reporting unit level at least annually, or whenever events or changes in circumstances indicate that goodwill might be impaired. In the valuation of goodwill, management must make assumptions regarding estimated future cash flows to be derived from the Company's business. A change in underlying assumptions could cause a change in the results of the impairment test and, as such, could cause fair value to be less than the carrying amount and result in an impairment of goodwill in the future. In connection with the ~~annual~~ **annual impairment test** tests completed as of **September 30, 2024 and December 31, 2023-2024** using the quantitative goodwill impairment assessment, the Company determined the fair value of ~~the~~ **its one** reporting unit, using an average of the income approach, specifically, the discounted cash flow method, and market approaches, specifically, the comparable public company analysis and comparable acquisition analysis methods. The income approach uses a discounted cash flow model that reflects management significant assumptions that mainly related to revenue growth rates, gross profit margins, **distribution, selling & administrative (DS & A) expenses** and a discount rate. The comparable public company and comparable acquisition analysis methods apply a market multiple assumption to the Company's EBITDA to calculate fair value. The fair value of the Company's reporting unit exceeded the carrying value **as of September 30, 2024. The results of the impairment testing as of December 31, 2024 concluded that the fair value of the Company's reporting unit did not exceed the carrying value**, and therefore the Company ~~concluded no~~ **recorded a goodwill** impairment ~~was required to be recorded~~ **charge of \$ 46.3 million** during the year ended December 31, **2023-2024**. We identified certain assumptions used in the valuation of goodwill for the reporting unit **for both the September 30, 2024 and December 31, 2024 impairment tests** as a critical audit matter. Management's determination of the fair value of the reporting unit required the use of significant judgment due to the subjectivity and uncertainty of the ~~revenue growth rates, gross profit margins, DS & A expenses~~ **revenue growth rates, gross profit margins, DS & A expenses** and discount rate assumptions used in the income approach, and the EBITDA multiple assumption used in the comparable public company analysis and comparable acquisition analysis approaches. Auditing these elements involved especially challenging and subjective auditor judgment due to the nature and extent of audit effort required to address these matters, including the extent of specialized skill or knowledge needed. • Evaluating the reasonableness of the ~~forecasted revenue and gross profit margins~~ **and DS & A expenses** by: ~~i) evaluating the consistency of the revenue growth rates and gross profit margins and DS & A expenses with historical results, ii) evaluating the consistency of the revenue growth rates and gross profit margins, and DS & A expenses with the Company's objectives and strategies, and iii) comparing the forecasted revenue growth rates and gross profit margins and DS & A expenses with external market data and evidence obtained in other areas of the audit.~~ • Utilizing personnel with specialized knowledge and skill with valuation to assist in assessing the reasonableness of the ~~concluded fair value of the Company's reporting unit, as well as the discount rate incorporated in the income approach and the EBITDA multiples incorporated in the comparable public company analysis and comparable acquisition analysis approaches.~~ / s / BDO USA, P. C. We have served as the Company's auditor since 2021. ~~March 26-17, 2024~~ **2025** (In thousands, except share data) ~~December 31, 2023~~ **December 2024** ~~December 31, 2022~~ **ASSETS** ~~CURRENT~~ **2023** ~~ASSETS~~ **CURRENT** ~~ASSETS~~ **CURRENT** ASSETS: Cash \$ **14,467** \$ **15,232** \$ **24,289** Accounts receivable, net of allowances of \$ **1,557** and \$ **2,119** **1,954** and \$ **1,442** **1,074** \$ **524** **44,186** Accounts receivable- related parties **308** **239** **213** **308** Inventories **97,783** **105,618** **120,291** Prepaid expenses and other current assets **10** **11,507** **10,145** **8,937** TOTAL CURRENT ASSETS **178,103** **178,827** **197,916** Property and equipment, net **133** **149,572** **133,136** **140,330** Operating lease right- of- use assets **12** **13,944** **12,714** **14,164** Long- term investments **2,350** **2,388** **2,679** Customer relationships, net **147** **136,615** **147,181** **157,748** Trademarks, trade names and other intangibles, net **30** **24,911** **30,625** **36,343** Goodwill **85** **38,118** **85,118** Other long- term assets **6** **5,681** **6,531** **3,231** TOTAL ASSETS \$ **549,991** \$ **596,520** \$ **637,529** LIABILITIES AND SHAREHOLDERS' EQUITY **CURRENT** LIABILITIES: Checks issued not presented for payment \$ **5,687** \$ **4,494** \$ **21,946** Line of credit **58** **57,483** **58,564** **53,056** Accounts payable **51** **50,592** **51,617** **55,515** Accounts payable- related parties **52** **397** **52** **397** Current portion of long- term debt, net **5** **410** **5,450** **6,266** Current portion of obligations under finance leases **1** **3,797** **1,749** **2,254** Current portion of obligations under operating leases **3** **4,177** **3,706** **3,676** Accrued expenses and other liabilities **17** **18,001** **17,287** **19,648** TOTAL CURRENT LIABILITIES **143** **145,199** **143,264** **163,890** Long- term debt, net of current portion **103** **324** **108,711** **115,443** Obligations under finance leases, non- current **11** **19,929** **11,229** **11,441** Obligations under operating leases, non- current **9** **10,125** **9,414** **10,591** Deferred tax liabilities **29** **392** **29,028** **34,443** Other long- term liabilities **6** **728** **6,891** **5,472** TOTAL LIABILITIES **308,697** **308,537** **341,280** COMMITMENTS AND CONTINGENCIES (Note ~~16-17~~) SHAREHOLDERS' EQUITY: Series A Participating Preferred Stock, par value \$ 0.001; 100,000 shares authorized, no shares issued and outstanding — Preferred Stock, \$ 0.001 par value; 1,000,000 shares authorized; no shares issued and outstanding — Common Stock, \$ 0.0001 par value; 100,000,000 shares authorized; **54,735,073** **and 54,153,391** **and 53,813,777** shares issued and **52,737,650** **and 52,155,968** **and 53,813,777** shares outstanding as of December 31, **2023-2024** and December 31, **2022-2023**, respectively **5** Treasury stock, at cost; **1,997,423** shares as of December 31, **2023-2024**, and **zero** shares as of December 31, **2022-2023** (**7,750**) — (**7,750**) Additional paid- in capital **603** **604,235** **603,094** **598,322** Accumulated deficit (**357,199**) (**308,688**) (**306,514**) TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO HF FOODS GROUP INC. **239,291** **286,661** **291,813** Noncontrolling interests **1** **interests2,003** **1,322** **4,436** TOTAL SHAREHOLDERS' EQUITY **287** **EQUITY241,294** **287,983** **296,249** TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY \$ **549,991** \$ **596,520** \$ **637,529** The accompanying notes are an integral part of these consolidated financial statements. ~~41-36~~ (In thousands, except share and per share data) Year Ended December 31, ~~2023~~ **2022** ~~2022~~ ~~2021~~ ~~Net~~ **2024** **2023** ~~2022~~ ~~Net~~ revenue- third parties \$ **1,197,926** \$ **1,142,648** \$ **1,163,525** \$ **787,829** Net revenue- related parties **5**

shareholders ———— (500) (500) Dissolution of noncontrolling interests ———— (772) — (772) 772 — Stock-based compensation ———— 2,088 — 2,088 — 2,088 Balance at December 31, 2024 54,735,073 \$ 1,997,423 \$ (7,750) \$ 604,235 \$ (357,199) \$ 239,291 \$ 2,003 \$ 241,294

The accompanying notes are an integral part of these consolidated financial statements. 45-40 Note 1- Organization and Description of Business Organization and General HF Foods Group Inc. and, headquartered in Las Vegas, Nevada, operating through our subsidiaries (collectively “ HF Foods ” or the “ Company ”) is a marketer and Asian foodservice distributor of that markets and distributes fresh produce, seafood, frozen and dry food, and non- food products to primarily Asian restaurants and, as well as other foodservice customers, throughout the United States. With multiple distribution centers located throughout the nation, HF Foods supplies Asian cuisine through its relationships with growers and suppliers of food products in North America, South America and Asia. The Company’s business consists of one operating segment, which is also its one reportable segment: HF Foods, which operates solely in the United States, offers specialty restaurant foods and supplies to it its provides sales and service support to customers who mainly converse in Mandarin or Chinese dialects. On December 30, 2021, the Company completed the acquisition of Great Wall Seafood Supply, Inc., Great Wall Restaurant Supplier, Inc., and First Mart Inc. (collectively the “ Great Wall Group ”), and substantially all of the operating assets of the Great Wall Group’s seafood and restaurant products sales, marketing, and distribution businesses (the “ Great Wall Acquisition ”). The acquisition was completed as part of the Company’s strategy to develop a national footprint through expansion into the Midwest, Southwest and Southern regions of the United States. On April 29, 2022, the Company completed the acquisition of substantially all of the operating assets of Sealand Food, Inc. (“ Sealand”) including equipment, machinery and vehicles. The acquisition was completed to expand the Company’s territory along the East Coast, from Massachusetts to Florida, as well as Pennsylvania, West Virginia, Ohio, Kentucky, and Tennessee. See Note 7- Acquisitions for additional information on the Great Wall Group and Sealand acquisitions.

Basis of Presentation and Principles of Consolidation The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“ GAAP ”) and applicable rules and regulations of the U. S. Securities and Exchange Commission (“ SEC ”) regarding annual financial reporting. All adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The accompanying consolidated financial statements for 2024 and 2023 include the accounts of HF Foods, and for 2022 and 2021, the accounts of HF Foods and certain variable interest entities for which the Company was the primary beneficiary. All significant intercompany balances and transactions have been eliminated in consolidation. For consolidated entities where we own or are exposed to less than 100 % of the economics, the Company records net income (loss) attributable to noncontrolling interest in its consolidated statements of operations and comprehensive income (loss) equal to the percentage of the economic or ownership interest retained in such entity by the respective noncontrolling party.

Reclassifications During 2024, the Company reclassified the presentation of checks issued not presented for payment from cash flows from financing activities to cash flows from operating activities in the consolidated statement of cash flows. Prior periods amounts were reclassified to conform to the current period presentation. The reclassification did not impact consolidated balance sheets or consolidated statements of operations and comprehensive income (loss). Variable Interest Entities GAAP provides guidance on the identification of a variable interest entity (“ VIE ”) and financial reporting for an entity over which control is achieved through means other than voting interests. The Company evaluates each of its interests in an entity to determine whether or not the investee is a VIE and, if so, whether the Company is the primary beneficiary of such VIE. In determining whether the Company is the primary beneficiary, the Company considers if the Company (1) has power to direct the activities that most significantly affect the economic performance of the VIE, and (2) has the obligation to absorb losses or the right to receive the economic benefits of the VIE that could be potentially significant to the VIE. If deemed the primary beneficiary, the Company consolidates the VIE. As of and for the year ended December 31, 2023, the Company has one VIE, AnHeart, Inc. (“ AnHeart ”), for which the Company is not the primary beneficiary and therefore does not consolidate. The Company did not incur expenses from VIEs and did not have any sales to or income from any VIEs during the years ended December 31, 2023 and 2022, the Company had one VIE, AnHeart, Inc. (“ AnHeart ”), for which the Company was not the primary beneficiary and therefore did not consolidate. Effective April 30, 2024, the Company assumed the lease for which AnHeart was a lessee and the Company was a guarantor, and as such, it no longer recognizes AnHeart as a VIE as of December 31, 2024. See Note 16-17 - Commitments and Contingencies for additional information on AnHeart.

For During the years year ended December 31, 2022 and 2021, the Company had both VIEs for which it was not the primary beneficiary and therefore did not consolidate consolidated, and VIEs for which it was the primary beneficiary and did consolidate. The VIEs are summarized as follows: • Consolidated VIEs (collectively “ Consolidated VIEs ”): • FUSO Trucking, LLC (“ FUSO ”) which dissolved in 2022 • 8 staffing agencies (collectively, the “ Staffing Agencies ”) — Suppliers of staffing services through 2021: • Anfu, Inc. • Anshun, Inc. • Inehoi, Inc. • Malways, Inc. • Rousafe • S & P • SNP • Suntone • Unconsolidated VIEs (collectively “ Unconsolidated VIEs ”): • Revolution Industry, LLC (“ Revolution Industry ”) — Supplier of goods (until March 2021) • UGO USA, Inc. (“ UGO ”) — Supplier of online goods, customer, and lessee (until April 2021) • AnHeart, Inc. (“ AnHeart ”) FUSO was established solely to provide exclusive trucking services to the Company and was dissolved in 2022. The entity lacked sufficient equity to finance its activities without additional subordinated financial support from the Company, and the Company had the power to direct the VIEs’ activities. In addition, the Company received economic benefits from the entity and concluded that the Company was the primary beneficiary. The carrying amounts of the assets, liabilities, the results of operations and cash flows of FUSO prior to being dissolved the VIE included in the Company’s consolidated balance sheets, statements of operations and comprehensive income (loss) and statements of cash flows were immaterial. The Staffing Agencies were set up by an employee of the Company, or their relatives, and provided temporary labor services exclusively to the Company at the direction of the Company. There were no other substantive business activities of the Staffing Agencies. There were immaterial assets held, or liabilities owed by the Staffing Agencies and immaterial equity. The Company determined it was the primary beneficiary for the Staffing Agencies through 2021 as it controlled how and when the labor force would be utilized. The Company consolidated the Staffing Agencies, recognizing compensation expense within distribution, selling, and administrative expenses in the consolidated statements of operations and comprehensive income (loss), and the related accrued expenses in the consolidated balance sheets. The Company did not have any guarantees, commitments or other forms of financing to the Staffing Agencies. As of December 31, 2021, the Company no longer had involvement with any of the Staffing Agencies and therefore was no longer considered a VIE and was no longer consolidated. Revolution Industry and UGO Revolution Industry was established to produce egg roll mix for the Company. UGO was originally designed to be an online marketplace for various Asian goods. Revolution Industry and UGO were thinly capitalized and were not able to finance their activities without additional subordinated support. The former Co- CEO’s (Mr. Ni) son, as sole equity holder of Revolution Industry, had unilateral control over the ongoing activities of Revolution Industry and significantly benefited from their operations. Therefore, the Company was not the primary beneficiary for Revolution Industry. The former Co- CEO (Mr. Ni) and his niece, as equity holders, had unilateral control over the ongoing activities of UGO and significantly benefited from its operations. Therefore, the Company was not the primary beneficiary for UGO. Revolution Industry and UGO are also related parties and were generally the Company’s suppliers or customers and the Company did not have other involvement with these entities. Therefore, the Company’s exposure to loss due to its involvement with

these entities was limited to amounts due from these entities, which was included in Accounts receivable—related parties. The Company did not have any guarantees, commitments, or other forms of financing with these entities. All transactions with Revolution Industry and UGO ceased in 2021. Related party transactions with Revolution Industry and UGO are disclosed in Note 13—Related Party Transactions. AnHeart AnHeart was previously a subsidiary of the Company designed to sell traditional Chinese medicine, sold to a third party in February 2019. As discussed in Note 6—Leases, after the sale, the Company continued to provide a guarantee for all rent and related costs associated with two leases of AnHeart in Manhattan, New York. The Company has determined that AnHeart is a VIE as a result of the guarantee. However, the Company concluded it is not the primary beneficiary of AnHeart because it does not have the power to direct the activities of AnHeart that most significantly impact AnHeart's economic performance. Please refer to Note 6—Leases for additional information regarding the Company's maximum exposure to loss related to AnHeart. The Company did not have any sales to or rental income from any of the other VIEs during the three years ended December 31, 2023-2022. Noncontrolling Interests GAAP requires that noncontrolling interests in subsidiaries and affiliates be reported in the equity section of the Company's consolidated balance sheets. In addition, the amounts attributable to the net income (loss) of those noncontrolling interests are reported separately in the consolidated statements of operations and comprehensive income (loss). As of December 31, 2023-2024 and December 31, 2022-2023, noncontrolling interest equity consisted of the following: (\$ in thousands) Ownership of noncontrolling interest at December 31, 2023-2024 December 31, 2022-2023 HF 2023HF Foods Industrial, LLC ("HF") (a) N/A 45.00% \$ — \$ (759) \$ 204 Min Food, Inc. 39.75% 1,561 1,715 1,704 Monterey Food Service, LLC 35.00% 442 366 452 Ocean West Food Services, LLC (b) —% — 1,986 Syneglobal Inc. (c) —% — 90 Total \$ 2,003 \$ 1,322 \$ 4,436 (a) During the year ended December 31, 2023-2024, upon dissolution of HFFI, the Company exited assumed HFFI's remaining assets operations. Accordingly, the machinery used in HFFI operations was impaired and liabilities subsequently sold. See Note 4—Balance Sheet Components for additional information. (b) Effective June 30, 2023, Ocean West Food Services, LLC ("Ocean West") became a wholly-owned subsidiary of the Company. In accordance with ASC Topic 810 ("ASC 810"), Consolidation, changes in a parent's ownership interest while the parent retains its controlling financial interest in its subsidiary shall be accounted for as equity transactions. No gain or loss was recognized. As a result of this transaction, noncontrolling interests—interest of \$ 1(0.78) million was reclassified to additional paid-in capital on the consolidated balance sheets. (c) During the year ended December 31, 2023 the Company ceased operations of Syneglobal Inc. and dissolved the entity. Uses of Estimates The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during each reporting period. Actual results could differ from those estimates. Significant accounting estimates reflected in the Company's consolidated financial statements include, but are not limited to, inventory reserves, impairment of long-lived assets, impairment of goodwill, and the purchase price allocation and fair value of assets and liabilities acquired with respect to business combinations. **Recent Issued Accounting Pronouncements not yet Adopted In December 2023, the FASB issued Accounting Standards Update (ASU) 2023- 09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires public entities to disclose specific categories in its annual effective tax rate reconciliation and disaggregated information about significant reconciling items by jurisdiction and by nature. This guidance also requires entities to disclose their income tax payments (net of refunds) to international, federal, and state and local jurisdictions. This guidance is effective for fiscal years beginning after December 15, 2024. Upon adoption, ASU 2023- 09 should be applied on a prospective basis while retrospective application is permitted. The Company does not expect this adoption to have a material impact on its consolidated financial statements. In November 2024, the FASB issued ASU 2024- 03, Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220- 40): Disaggregation of Income Statement Expenses. The guidance requires additional disclosure of certain amounts included in the expense captions presented on the Statement of Operations as well as disclosures about selling expenses. This guidance is effective on a prospective basis, with the option for retrospective application, for annual periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. The Company is in the process of assessing the impact the adoption of this guidance will have on the Company's financial statement disclosures. Recently Adopted Accounting Pronouncements In November 2023, the FASB issued ASU 2023- 07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires enhanced disclosures about segment expenses on an annual and interim basis. This standard is effective for the Company's consolidated financial statements for the year ending December 31, 2024 and for interim periods beginning in 2025. See Note 16- Segment Information in the accompanying notes to the consolidated financial statements for further detail.** Cash and Cash Equivalents The Company considers all highly liquid investments purchased with an original maturity of three months or shorter as cash equivalents. As of December 31, 2023-2024 and December 31, 2022-2023, the Company had no cash equivalents. **Checks issued not presented for payment represent Accounts accounts** at banks with an aggregate excess of the amount of outstanding checks over the cash balances **and are included presented in current liabilities in the consolidated balance sheets. The net changes to checks issued not presented for payment are presented in current liabilities in the consolidated balance sheets operating section of the statement of cash flows.** Accounts Receivable, net Accounts receivable represent amounts due from customers in the ordinary course of business and are recorded at the invoiced amount and do not bear interest. Receivables are presented net of the allowance for expected credit losses in the accompanying consolidated balance sheets. The Company evaluates the collectability of its accounts receivable and determines the appropriate allowance for expected credit losses based on a combination of factors. The Company maintains an allowance for expected credit losses based on historic collection trends, write-offs and the aging of receivables. The Company uses specific criteria to determine uncollectible receivables to be written off, including, bankruptcy filings, the referral of customer accounts to outside parties for collection, and the length that accounts remain past due. **As of December 31, 2023 and December 31, 2022, allowances for expected credit losses were \$ 2.1 million and \$ 1.4 million, respectively.** The Company's inventories, consisting mainly of food and other foodservice-related products, are considered finished goods. Inventory costs, including the purchase price of the product and freight charges to deliver it to the Company's warehouses, are net of certain cash consideration received from vendors, primarily in the form of rebates. The Company adjusts its inventory balance for slow-moving, excess and obsolete inventories to the net recoverable value of such goods based upon inventory category, inventory age, specifically identified items, and overall economic conditions. Inventories are stated at the lower of cost or net realizable value using the first-in, first-out (FIFO) method. Property and Equipment, net Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Following are the estimated useful lives of the Company's property and equipment: Estimated Useful Lives Automobiles 3 to 7 years Buildings and improvements 7 to 39 years Furniture and fixtures 4 to 10 years Machinery and equipment 3 to 10 years Leasehold improvements are amortized over the shorter of the useful life of those leasehold improvements and the remaining lease term. Repair and maintenance costs are charged to expense as incurred, whereas the cost of renewals and betterment that extends the useful lives of property and equipment are capitalized as additions to the related assets. Retirements, sales and disposals of assets are recorded by removing the cost and accumulated depreciation from the asset and accumulated depreciation accounts with any resulting gain or loss reflected in the consolidated statements of operations and comprehensive income (loss) in distribution,

selling and administrative expenses. Software Costs In accordance with ASC 350- 40, Internal- Use Software, the Company capitalizes certain computer software licenses and software implementation costs related to developing or obtaining computer software for internal use. Subsequent additions, modifications or upgrades to internal- use software are capitalized only to the extent that they allow the software to perform a task that it previously did not perform. Internal use software is amortized on a straight- line basis over a three to five year period. Capitalized costs include direct acquisitions as well as software and software development acquired under capitalized leases and internal labor where appropriate. Capitalized software purchases and related development costs, net of accumulated amortization, were \$ 5-4. 1 million as of December 31, 2023-2024, and zero \$ 5. 1 million as of December 31, 2022-2023, and are included in other long- term assets on the consolidated balance sheets. The Company accounts for its business combinations using the purchase method of accounting in accordance with ASC Topic 805, Business Combinations. The purchase method of accounting requires that the consideration transferred be allocated to the assets, including separately identifiable assets and liabilities the Company acquired, based on their estimated fair values. The consideration transferred in an acquisition is measured as the aggregate of the fair values at the date of exchange of the assets given, liabilities incurred, and equity instruments issued as well as the contingent considerations and all contractual contingencies as of the acquisition date. Identifiable assets, liabilities and contingent liabilities acquired or assumed are measured separately at their fair value as of the acquisition date, irrespective of the extent of any noncontrolling interests. The excess of (i) the total of cost of acquisition, fair value of the noncontrolling interests and acquisition date fair value of any previously held equity interest in the acquiree over, (ii) the fair value of the identifiable net assets of the acquiree, is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in earnings. The Company estimates the fair value of assets acquired and liabilities assumed in a business combination. While the Company uses its best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date, its estimates are inherently uncertain and subject to refinement. Significant estimates in valuing certain intangible assets include, but are not limited to future expected revenues and cash flows, useful lives, discount rates, and selection of comparable companies. Although the Company believes the assumptions and estimates it has made in the past have been reasonable and appropriate, they are based in part on historical experience and information obtained from management of the acquired companies and are inherently uncertain. During the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. On the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the Company’ s consolidated statements of operations and comprehensive income (loss). Transaction costs associated with business combinations are expensed as incurred, and are included in distribution, selling and administrative expenses in the Company’ s consolidated statements of operations and comprehensive income (loss). The results of operations of the businesses that the Company acquired are included in the Company’ s consolidated financial statements from the date of acquisition. Goodwill represents the excess of the purchase price over the fair value of net assets acquired in a business combination. The Company tests goodwill for impairment at least annually, as of December 31, or whenever events or changes in circumstances indicate that goodwill might be impaired. The Company’ s policy is to test goodwill for impairment annually on the last day of the fourth quarter, or more frequently if certain triggering events or circumstances indicate it could be impaired. Potential impairment indicators include (but are not limited to) macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, other relevant entity- specific events, specific events affecting the reporting unit, or sustained decrease in share price. This guidance provides the option to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If, based on a review of qualitative factors, it is more likely than not that the fair value of a reporting unit is less than its carrying value, or at management’ s discretion, the Company performs a quantitative analysis. If the quantitative analysis indicates the carrying value of a reporting unit exceeds its fair value, the Company measures any goodwill impairment losses as the amount by which the carrying amount of a reporting unit exceeds its fair value, not to exceed the total amount of goodwill allocated to that reporting unit. As of December 31, 2023-2024 and December 31, 2022-2023, the Company has one reporting unit for purposes of testing goodwill for impairment. See Note 8- Goodwill and Acquired Intangible Assets for additional information. Determining the fair value of a reporting unit requires the application of judgment and involves the use of significant estimates and assumptions including, projections of future cash flows, which include forecasted revenue, discount rate, and other factors which can be affected by changes in business climate, economic conditions, the competitive environment and other factors. The Company also considers the use of market approaches, such as the comparable public company analysis and comparable acquisitions analysis, to estimate the fair value of the reporting unit. The Company bases these fair value estimates on assumptions management believes to be reasonable but which are unpredictable and inherently uncertain. A change in underlying assumptions would cause a change in the results of the tests and, as such, could cause fair value to be less than the carrying amount and result in an impairment of goodwill in the future. Additionally, if actual results are not consistent with the estimates and assumptions or if there are significant changes to the Company’ s planned strategy, it may cause the fair value of the reporting unit to be less than its carrying amount and result in an impairment of goodwill in the future. The Company corroborates the reasonableness of the total fair value of the reporting unit by assessing the implied control premium based on the Company’ s market capitalization. The Company’ s market capitalization is calculated using the relevant shares outstanding and stock price of the Company’ s publicly traded shares. In the event of a goodwill impairment, the Company would be required to record an impairment, which would impact earnings and reduce the carrying amounts of goodwill on the consolidated balance sheet. Intangible Assets, net Intangible assets are amortized on a straight- line basis over their estimated useful lives. The Company determines the appropriate useful life of its intangible assets by measuring the expected cash flows of acquired assets. The estimated useful lives of intangible assets are as follows:

Estimated Useful Lives	Non- competition agreements	agreements	3 years	Tradenames	10- 15 years	Trademarks and trade names	10
Customer relationships	10 to 20 years	Long- term Investments					

The Company’ s investments in unconsolidated entities consist of an equity investment and an investment without readily determinable fair value. The Company follows ASC 321 (“ ASC 321 ”), Investments – Equity Securities, using the measurement alternative to measure investments in investees that do not have readily determinable fair value and over which the Company does not have significant influence at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer, if any. The Company makes a qualitative assessment of whether the investment is impaired at each reporting date. If a qualitative assessment indicates that the investment is impaired, the Company has to estimate the investment’ s fair value in accordance with the principles of ASC Topic 820 (“ ASC 820 ”), Fair Value Measurements and Disclosures. If the fair value is less than the investment’ s carrying value, the entity has to recognize an impairment loss in earnings equal to the difference between the carrying value and fair value. Investments in entities in which the Company can exercise significant influence but does not own a majority equity interest or control are accounted for using the equity method of accounting in accordance with ASC Topic 323 (“ ASC 323 ”), Investments- Equity Method and Joint Ventures. Under the equity method, the Company initially records its investment at cost, which is included in the equity method investment on the consolidated balance sheets. The Company subsequently adjusts the carrying amount of the investment to recognize the Company’ s proportionate share of each equity investee’ s net income or loss into earnings after the date of investment. The Company evaluates the equity method investments for impairment under ASC 323. An impairment loss on the equity method

investments is recognized in earnings when the decline in value is determined to be other- than- temporary. The Company did not record any impairment loss on its long- term investments during the years ended December 31, 2024, 2023, and 2022 and 2021. The Company assesses its long- lived assets such as property and equipment and intangible assets subject to amortization for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. Factors which may indicate potential impairment include a significant underperformance related to the historical or projected future operating results or a significant negative industry or economic trend. Recoverability of an asset or asset group is measured by comparison of its carrying amount to future undiscounted cash flows the asset or asset group is expected to generate. If property and equipment, and intangible assets are considered to be impaired, the impairment to be recognized equals the amount by which the carrying value of the asset or asset group exceeds its fair value. The Company impaired machinery related to HFFI and recognized impairment expense of \$ 1. 2 million in distribution, selling and administrative expenses in the consolidated statements of operations during the year ended December 31, 2023. The Company fully impaired its acquired developed technology associated with the Syncglobal joint venture and recognized impairment expense of \$ 0. 4 million in distribution, selling and administrative expenses in the consolidated statements of operations during the year ended December 31, 2022. Fair value was determined using Level 3 inputs at the time of impairment. The Company did not record any impairment loss on its long- lived assets during the year ended December 31, 2021-2024.

Insurance and Claim Costs The Company maintains workers compensation and general liability insurance with licensed insurance carriers. Beginning in April 2020, the Company is self- insured for auto claims less than \$ 100, 000 per claim. Insurance and claims expense represent premiums the Company paid and the accruals made for claims within the Company’ s self- insured retention amounts. A liability is recognized for the estimated cost of all self- insured claims including an estimate of incurred but not reported claims based on historical experience and for claims expected to exceed the Company’ s policy limits. The Company establishes reserves for anticipated losses and expenses related to auto liability claims. The reserves consist of specific reserves for all known claims and an estimate for claims incurred but not reported, and losses arising from known claims ultimately settling in excess of insurance coverage using loss development factors based upon industry data and past experience. In determining the liability, the Company specifically reviews all known claims and records a liability based upon the Company’ s best estimate of the amount to be paid. In making the estimate, the Company considers the amount and validity of the claim, as well as the Company’ s past experience with similar claims. In establishing the reserve for claims incurred but not reported, the Company considers its past claims history, including the length of time it takes for claims to be reported to the Company. These reserves are periodically reviewed and adjusted to reflect the Company’ s experience and updated information relating to specific claims. As of December 31, 2023-2024 and December 31, 2022-2023, the Company has recorded a self- insurance liability of \$ 1. 7 million and \$ 1. 3-7 million, respectively, which is included in accrued expenses and other liabilities on the consolidated balance sheets.

Revenue Recognition The Company recognizes revenue from the sale of products when control of each product passes to the customer and the customer accepts the goods, which occurs at delivery. The majority of customer orders are fulfilled within a day and customer payment terms are typically thirty days or less from invoice date. Our 100 % satisfaction guarantee permits our customers to reject part of the order or the entire order within twenty- four hours of receipt without any penalty. Sales taxes invoiced to customers and remitted to government authorities are excluded from net sales. The Company follows ASC Topic 606, Revenue from Contracts with Customers. The Company recognizes revenue that represents the transfer of goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in such exchange. This requires the Company to identify contractual performance obligations and determine whether revenue should be recognized at a point in time or over time, based on when control of goods and services transfer to a customer. The Company’ s contracts contain performance obligations which are satisfied when customers have physical possession of each product. The Company’ s revenue streams are recognized at a specific point in time. Cost of Revenue Cost of revenue primarily includes inventory costs (net of vendor consideration, primarily in the form of rebates), inbound freight, customs clearance fees and other miscellaneous expenses. Distribution, selling and administrative expenses consist primarily of salaries and benefits for employees and contract laborers, trucking and fuel expenses for deliveries, utilities, maintenance and repair expenses, insurance expenses, depreciation and amortization expenses, selling and marketing expenses, professional fees and other operating expenses. Shipping and Handling Costs Shipping and handling costs, which include costs related to the selection of products and their delivery to customers, are included in distribution, selling and administrative expenses. Shipping and handling costs were \$ 69. 2 million, \$ 76. 0 million, and \$ 83. 7 million and \$ 58. 3 million for the years ended December 31, 2024, 2023, and 2022 and 2021, respectively, and includes estimates for labor associated with shipping and handling activities for the years ended December 31, 2023 and 2022.

Income Taxes The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, the Company determines deferred tax assets and liabilities based on the differences between the financial statement and tax basis of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. The Company recognizes deferred tax assets to the extent that it believes that these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax- planning strategies, and results of recent operations. A valuation allowance is provided when it is more likely than not that some portion or all of the net deferred tax assets will not be realized. Based on our assessment, it is more likely than not that most of the net deferred tax assets will be realized through future taxable income. In 2023, Management management has established a valuation allowance of \$ 0. 7 million against certain deferred taxes attributable to the Company’ s subsidiary, HFFI. In 2024, Management believes the realization of these-- the Company dissolved its subsidiary, HFFI, and as such, the deferred tax assets will be limited as the Company exited HFFI operations-- balances and corresponding valuation allowance associated with this entity were written off during the year ended December 31, 2023-2024. There is no remaining As such, the Company has recorded a valuation allowance as of December 31, 2024 \$ 0. 7 million on the deferred tax assets of HFFI. The Company will continue to assess the need for a valuation allowance in the future by evaluating both positive and negative evidence that may exist. The Company records uncertain tax positions in accordance with ASC Topic 740, Income Taxes (“ ASC 740 ”), on the basis of a two- step process in which (1) the Company determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more- likely- than- not recognition threshold, the Company recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. See Note 12- Income Taxes for additional information. The Company adopted ASU 2019- 12 (“ ASU 2019- 12 ”), Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes, on January 1, 2021. ASU 2019- 12 is intended to simplify various aspects related to managerial accounting for income taxes. The adoption had no material impact on the Company’ s consolidated financial statements. In 2021, the Organization for Economic Co- operation and Development (“ OECD ”) published the Tax Challenges Arising from the Global Anti- Base Erosion Model Rules (“ Pillar Two ”), also referred to as the GloBE Rules or Pillar Two. The rules are designed to ensure large multinational enterprises (“ MNEs ”) pay a minimum level of tax (15 %) on income of each jurisdiction and are expected to be effective for the first time in January 2024. The legislation applies to MNEs with annual consolidated group revenues of at

least € 750 million if at least one jurisdiction in which the MNE operates has enacted tax laws in accordance with the Pillar Two framework. **Many aspects of Pillar Two are effective for tax years beginning after January 1, 2024 with certain remaining aspects to be effective for tax years beginning January 1, 2025 or later.** The Company **currently continues to monitor the effects of Pillar Two but does not believe it will have any a material impact on the financial statements provided that the Company currently has no foreign operations that would trigger be expected to result in the application of Pillar Two and therefore it is not anticipated to have a significant impact.** **The Company will continue to monitor the effects of Pillar Two and any potential future developments. Leases** The Company accounts for leases following ASC Topic 842, Leases (“ASC 842”). The Company determines if an arrangement is a lease at inception and also considers classification of leases as operating or finance. Operating leases are included in operating lease ROU assets, current portion of obligations under operating leases, and obligations under operating leases, non-current on the Company’s consolidated balance sheets. Finance leases are included in property and equipment, net, current portion of obligations under finance leases, and obligations under finance leases, non-current on the consolidated balance sheets. Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As most of the Company’s leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. The operating lease ROU asset also includes any lease payments made and initial direct costs incurred and excludes lease incentives. The Company’s lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. Variable rent payments related to both operating and finance leases are expensed as incurred. The Company’s variable lease payments primarily consist of real estate, maintenance and usage charges. The Company has elected to exclude short-term leases from the recognition requirements of ASC 842. A lease is short-term if, at the commencement date, it has a term of less than or equal to one year. Lease expense related to short-term leases is recognized on a straight-line basis over the lease term. The Company has also elected to combine lease and non-lease components when measuring lease liabilities for vehicle and equipment leases. In accordance with the guidance in ASC Topic 815, Derivatives and Hedging (“ASC 815”), derivative financial instruments are recognized as assets or liabilities on the consolidated balance sheets at fair value. The Company has not designated its interest rate swap (“IRS”) contracts as hedges for accounting treatment. Pursuant to GAAP, income or loss from fair value changes for derivatives that are not designated as hedges by management are reflected as income or loss on the consolidated statements of operations and comprehensive income (loss). Net amounts received or paid under the interest rate swap contracts are recognized as an increase or decrease to interest expense when such amounts are incurred. The Company is exposed to credit loss in the event of nonperformance by the counterparty. Concentrations and Credit Risk **Credit risk The Company had no customers that comprised more than 10 % of consolidated net sales for the years ended December 31, 2024, 2023, or 2022, respectively. At December 31, 2024 and 2023, the Company had no customers that comprised more than 10 % of consolidated accounts receivable.** Accounts receivable are typically unsecured and derived from revenue earned from customers, and thereby exposed to credit risk. The risk is mitigated by the Company’s **large customer base and ongoing assessment-assessments** of its customers’ creditworthiness and **its ongoing monitoring of** outstanding balances. The Company maintains cash balances with banks which at times exceed federally insured limits. The Company has not experienced any losses in such accounts. **Segment Reporting** ASC Topic 280, Segment Reporting, establishes standards for reporting information about operating segments on a basis consistent with the Company’s internal organizational structure as well as information about geographical areas, business segments and major customers in financial statements for details on the Company’s business segments. The Company uses the “management approach” in determining reportable operating segments. The management approach considers the internal organization and reporting used by the Company’s operating decision makers for making operational decisions and assessing performance as the source for determining the Company’s reportable segments. **The Company’s** In 2021, former co-CEO Zhou Min Ni resigned, and Xiao Mou Zhang assumed the role of sole CEO and sole Chief **chief Operating-operating Decision-decision Maker-maker** (“CODM”). **The CODM is its chief executive officer, who** reviews operating results and makes resource allocations on a consolidated basis and thus the Company has concluded it has one operating and reportable segment. **See Note 16** In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, Measurement of Credit Losses on Financial Instruments (Topic 326): Measurement of Credit Losses on Financial Instruments. ASU 2016-13 requires companies to measure credit losses utilizing a methodology that reflects expected credit losses and requires a consideration of a broader range of reasonable and supportable information to inform credit loss estimates. ASU 2016-13 was further amended in November 2019 in “Codification Improvements to Topic 326, Financial Instruments—Credit Losses.” The Company adopted this ASU within the annual reporting period ending as of December 31, 2022. The adoption of this guidance resulted in an adjustment to retained earnings of \$ 0.7 million as of January 1, 2022 as evidenced in the Company’s consolidated statements of changes in shareholders’ equity. In November 2023, the FASB issued Accounting Standards Update (ASU) 2023-07, Segment **Information in Reporting** (Topic 280): Improvements to Reportable Segment Disclosures, which requires enhanced disclosures about segment expenses on an annual and interim basis. This standard is effective for the Company’s **accompanying notes to the** consolidated financial statements for **further detail** the year ending December 31, 2024 and for interim periods beginning in 2025. **Stock- Based Compensation** The impact of the adoption of this ASU **Company grants restricted stock units (“RSUs”) and performance-based restricted stock units (“PSUs”) annually. Stock-based compensation expense is based** not expected to have a material effect on the **fair value of** Company’s financial position, or operations, however, the Company **stock awards at the grant date and is recognized** currently evaluating the impact of this standard on its disclosures to the consolidated financial statements. In December 2023, **net of forfeitures, over** the FASB issued ASU 2023-**requisite service period. See Note 14** **Stock- Based Compensation** 09, Income Taxes (ASC 740): Improvement to Income Tax Disclosures, which requires (1) disclosure of specific categories in the rate reconciliation and (2) additional information for reconciling items that meet a quantitative threshold. Additionally, the amendment requires disclosure of certain disaggregated information about income taxes paid, income from continuing operations before income tax expense (benefit) and income tax expense (benefit). The standard is effective for the Company’s consolidated financial statements for **further information regarding stock-based compensation** the year ending December 31, 2025. The Company is currently evaluating the impact of this standard on its consolidated financial statements. Note 3- Revenue The following table presents the Company’s net revenue disaggregated by principal product categories: Year Ended December 31, (\$ in thousands) 202320222021Seafood----
202420232022Seafood \$ 394, 032 33 % \$ 361, 219 31 % \$ 354, 220 30 % \$ 123, 808 16 % Asian Specialty305, 584 25 % 305, 466 27 %
299, 215 26 % 236 Meat and Poultry253, 489 29 008 21 % 215 Meat and Poultry215, 789 19 % 238, 276 20 % 214 Produce128, 504 27
837 11 % 123 Fresh Produce123, 202 11 % 126, 560 11 % 103 Packaging and Other62, 168 13 677 5 % 71 Packaging and Other71, 245 6
% 84, 489 7 % 69 Commodity57, 187 9 529 5 % Commodity71 71, 572 6 % 67, 707 6 % 49, 728 6 % Total \$ 1, 201, 667 100 % \$ 1, 148,
493 100 % \$ 1, 170, 467 100 % \$ 796, 884 100 % **Note 4- Balance Sheet Components** Accounts receivable, net consisted of the following: (In thousands) December 31, 2023December 2024December 31, 2022Accounts 2023Accounts receivable \$ 55, 664 \$ 49, 643 \$ 45, 628 Less:
allowance for expected credit losses (1, 557) (2, 119) (1, 442) Accounts receivable, net \$ 54, 107 \$ 47, 524 \$ 44, 186 Movement of allowance
for expected credit losses was as follows: Year Ended December 31, (In thousands) 202320222021Beginning ---- 202420232022Beginning

balance \$ 2, 119 \$ 1, 442 \$ 1, 530 \$ 840 \$ 909 Adjustment for adoption of the CECL standard — 690 — Increase (decrease **Credit**) in provision for expected credit losses / doubtful accounts 701 (103) 701 82 (433) Bad debt (write- offs (459) recoveries (24) (170) 364 Ending balance \$ 1, 557 \$ 2, 119 \$ 1, 442 \$ 840

Prepaid expenses and other current assets consisted of the following: (In thousands) December 31, 2023 December 2024 December 31, 2022 Prepaid 2023 Prepaid expenses \$ 4, 443 \$ 4, 591 \$ 1, 504 Advances to suppliers 3 suppliers 5, 606 3, 340 4, 494 Other current assets 2 assets 1, 458 2, 214 2, 939

Prepaid expenses and other current assets \$ 11, 507 \$ 10, 145 \$ 8, 937 Property and equipment, net consisted of the following: (In thousands) December 31, 2023 December 2024 December 31, 2022 Automobiles (1) \$ 50, 565 \$ 37, 256 \$ 83 \$ 34, 891 Buildings 63, 145 63, 045 Building improvements 22, 120 20 709 22, 637 014 Furniture and fixtures 474 444 fixtures 398 474 Land 49, 929 49, 929 Machinery and equipment 12 equipment 13, 090 17 216 11, 240 532 Construction in progress 10, 370 1, 391 Subtotal 185 Subtotal 210, 232 185, 641 186, 156 Less: accumulated depreciation (60, 660) (52, 505) (45, 826) Property and equipment, net \$ 149, 572 \$ 133, 136 (1) The cost and accumulated depreciation of property and equipment related to finance leases was \$ 36. 1 million and \$ 140. 3 million, 330 respectively, at December 31, 2024 and \$ 22. 2 million and \$ 10. 3 million, respectively, at December 31, 2023, which primarily relates to Automobiles. During the year ended December 31, 2024, the Company entered into finance leases for automobiles which mature in 4 to 7 years and have a weighted average discount rate of 6. 3 %. The total future minimum lease payments under finance leases as of December 31, 2024 is \$ 35. 7 million. As of December 31, 2024, the Company had additional automobile leases that had not yet commenced which total \$ 15. 4 million in future minimum lease payments. Depreciation expense was \$ 10. 4 million, \$ 9. 6 million and \$ 9. 2 million and \$ 8. 1 million for the years ended December 31, 2024, 2023 and 2022 and 2021, respectively. During the year ended December 31, 2023, the Company impaired machinery and recognized impairment expense of \$ 1. 2 million in distribution, selling and administrative expense in the consolidated statements of operations and comprehensive income (loss). See Note 2 Summary of Significant Accounting Policies for additional information regarding the Company's operations at HFFI.

Long- term investments consisted of the following: (In thousands) Ownership as of December 31, 2023 December 2024 December 31, 2022 Asahi 2023 Asahi Food, Inc. ("Asahi ") 49 % \$ 550 \$ 588 \$ 879 Pt. Tamron Akuatik Produk Industri ("Tamron ") 12 % 1, 800 1, 800 Total long- term investments \$ 2, 388 350 \$ 2, 679 388 The investment in Tamron is accounted for using the measurement alternative under Accounting Standards Codification ("ASC ") Topic 321 Investments — Equity Securities, which is measured at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments, if any. The investment in Asahi is accounted for under the equity method due to the fact that the Company has significant influence but does not exercise control over this investee. The Company determined there was no impairment for the years ended December 31, 2024, 2023 and 2022 and 2021 for these investments. Accrued expenses and other liabilities consisted of the following: (In thousands) December 31, 2023 December 2024 December 31, 2022 Accrued 2023 Accrued compensation \$ 7, 497 \$ 7, 941 \$ 6, 798 Accrued professional fees 1 fees 553 1, 353 3, 866 Accrued interest and fees 1 fees 938 1, 276 1, 082 Self- insurance liability 1, 671 1, 723 Advance from customers 3, 081 1, 390 286 Accrued other 4 Other 4, 994 6 261 3, 616 604 Total accrued expenses and other liabilities \$ 18, 001 \$ 17, 287 \$ 19, 648

Note 5- Fair Value Measurements The following table presents the Company's hierarchy for its assets and liabilities measured at fair value on a recurring basis as of the dates indicated: December 31, 2023 December 2024 December 31, 2022 Level 1 Level 2 Level 3 Total Level 1 Level 2 Level 3 Total Quoted Prices in Active Markets for Identical Assets Significant Other Observable Inputs Significant Unobservable Inputs Quoted Prices in Active Markets for Identical Assets Significant Other Observable Inputs Significant Unobservable Inputs (In thousands) Assets: Interest rate swaps \$ — \$ 412 504 \$ — \$ 504 \$ — \$ 412 \$ — \$ 412 530 \$ — \$ 530 Liabilities: Interest rate swaps \$ — \$ (1, 601) \$ — \$ (1, 601) \$ — \$ — \$ — \$ 1, 601 \$ — \$ 1, 601

The Company follows the provisions of ASC Topic 820 Fair Value Measurement which clarifies the definition of fair value, prescribes methods for measuring fair value, and establishes a fair value hierarchy to classify the inputs used in measuring fair value as follows: • Level 1- Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date. • Level 2- Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data. • Level 3- Inputs are unobservable inputs which reflect the reporting entity's own assumptions about what assumptions market participants would use in pricing the asset or liability based on the best available information. Any transfers of assets or liabilities between Level 1, Level 2, and Level 3 of the fair value hierarchy will be recognized at the end of the reporting period in which the transfer occurs. There were no transfers between fair value levels in any of the periods presented herein. The carrying amounts reported in the consolidated balance sheets for cash, accounts receivable, other current assets, accounts payable, checks issued not presented for payment and accrued expenses and other liabilities approximate their fair value based on the short- term maturity of these instruments. See Please refer to Note 9- Derivative Financial Instruments for additional information regarding the Company's interest rate swaps. Carrying Value and Estimated Fair Value of Outstanding Debt- The following table presents the carrying value and estimated fair value of the Company's outstanding debt as described in Note 10- Debt of the Notes to the Consolidated Financial Statements, including the current portion, as of the dates indicated: Fair Value Measurements (In thousands) Level 1 Level 2 Level 3 Carrying Value December 31, 2023 2024 Fixed rate debt: Bank of America \$ — \$ — \$ 104 \$ 113 Variable rate debt: JPMorgan Chase \$ — \$ 101, 040 \$ — \$ 101, 040 Bank of America \$ — \$ — \$ 151 \$ 169 Other finance institutions \$ — \$ — \$ 43 \$ 45 Variable rate debt: JPMorgan Chase \$ — \$ 106, 079 \$ — \$ 106, 079 Bank of America \$ — \$ 2, 193 \$ — \$ 2, 193 East West Bank — 5, 675 — 5, 675 December 31, 2022 Fixed rate debt: Bank of America \$ — \$ 5 — \$ 1, 675 630 \$ 1, 948 Other finance institutions — 186 197 Variable rate debt: JPMorgan Chase \$ — \$ 111, 413 \$ — \$ 111, 413 Bank of America — 2, 330 — 2, 330 East West Bank — 5, 675 822 — 5, 822

The carrying value of the variable rate debt approximates its fair value because of the variability of interest rates associated with these instruments. For the Company's fixed rate debt, the fair values were estimated using discounted cash flow analyses, based on the current incremental borrowing rates for similar types of borrowing arrangements. See Please refer to Note 10- Debt for additional information regarding the Company's debt. Nonrecurring Fair Values The Company measures fair value of certain assets on a nonrecurring basis when events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. Adjustments to As further disclosed in Note 8- Goodwill and Acquired Intangible Assets, we performed a quantitative goodwill impairment analysis as of December 31, 2024. The results of testing as of December 31, 2024 concluded that the estimated fair value resulted of our one reporting unit fell short of carrying value, and therefore impairment existed as of that date. Goodwill impairment charges of \$ 46. 3 million were recorded in the consolidated statements of operations during the year ended December 31, 2024. The calculation of the fair value of our reporting unit was determined using Level 3 fair value measurements. No other adjustments to fair value from the write- down of asset values due to impairment were made during the year ended December 31, 2024. During the year ended December 31, 2023, the Company partially impaired machinery related to the operations of HFFI and recognized impairment expense of \$ 1. 2 million in distribution, selling and administrative expense in the consolidated statements of operations and comprehensive income (loss). The machinery was sold during the year ended December 31, 2023. The impairment was based on sales prices of similar equipment listed by third- party sellers and considered a Level 3 fair value measurement. During the year

ended December 31, 2022, the Company fully impaired its acquired developed technology associated with the Syncglobal, Inc. joint venture and recognized impairment expense of \$ 0. 4 million in distribution, selling and administrative expenses in the consolidated statements of operations and comprehensive income (loss) during the year ended December 31, 2022. **There were no assets other than goodwill that were carried at nonrecurring fair value at December 31, 2024. There were no assets carried at nonrecurring fair value at December 31, 2023.**

Note 6- Leases The Company leases office space, warehouses and vacant land **that is currently being developed** under non- cancelable operating leases, with terms typically ranging from one to thirty years, as well as operating and finance leases for vehicles and delivery trucks, forklifts and computer equipment with various expiration dates through 2051. The Company determines whether an arrangement is or includes an embedded lease at contract inception. Operating and finance lease assets and lease liabilities are recognized at commencement date and initially measured based on the present value of lease payments over the defined lease term. Operating lease expense is recognized on a straight-line basis over the lease term. The Company also recognizes finance lease assets and finance lease liabilities at inception, with lease expense recognized as interest expense and amortization of the lease payment. Variable lease costs were insignificant in the years ended December 31, **2024, 2023, and 2022 and 2021.** As of December 31, 2023, the balances for operating lease right-of-use ("ROU") assets and liabilities were \$ 12. 7 million and \$ 13. 1 million, respectively. As of December 31, 2022, the balances for operating lease ROU assets and liabilities were \$ 14. 2 million and \$ 14. 3 million, respectively. Operating Leases The components of operating lease expense were as follows: Year Ended December 31, (\$ in thousands) **2023 2022 2021** Operating lease cost \$ 4, **709 \$ 4, 342 \$ 4, 045** Short-term lease cost \$ **868 \$ 1, 507 \$ 1, 037** Weighted average discount rate **4. 4 % 4. 5 % 3. 8 % 3. 9 %** Year Ended December 31, (In thousands) **2023 2022 2021** Operating lease cash flows from operating leases \$ 4, **623 \$ 4, 234 \$ 4, 005** Finance Leases The components of lease expense were as follows: Year Ended December 31, (In thousands) **2023 2022 2021** Finance leases cost: Amortization of ROU assets \$ **4, 249 \$ 2, 639 \$ 2, 808** Interest on lease liabilities **755 787 820** Total finance leases cost \$ **5, 533 \$ 3, 394 \$ 3, 595** Supplemental cash flow information related to finance leases was as follows: Year Ended December 31, (In thousands) **2023 2022 2021** Operating cash flows from finance leases \$ **1, 205 \$ 657 \$ 670** Supplemental balance sheet information related to finance leases was as follows: (\$ in thousands) December 31, **2023 December 2024 December 2022** Property and equipment, at cost \$ **36, 072 \$ 22, 203 \$ 20, 339** Accumulated depreciation (**14, 262**) (**10, 288**) (**7, 615**) Property and equipment, net \$ **21, 810 \$ 11, 915 \$ 12, 724** Weighted average remaining lease term (months) **21 21 15** Weighted average discount rate **5. 7 % 5. 7 %** Maturities of lease liabilities are as follows: Operating Leases (In thousands) Related Party (1) Third Party Total Finance Leases Year Ended December 31, **2024 2025** \$ **321 331 \$ 4, 253 834 \$ 4. 5, 574 165 \$ 2. 5, 038 396 2025 331 4, 216 4, 547 1, 747 2026 — 4, 164 856 4, 164 1 856 4, 365 604 2027 — 12, 696 1 408 2, 696 1 408 4, 100 146 2028 — 933 933 929 1, 666 1, 666 3, 243 2029 — 694 694 2, 020 Thereafter — — 3, 148 3, 148 16, 407 610 Total lease payments **652 15 331 17, 262 15 606 17, 914 23 937 35, 944 661** Less: Imputed interest (**23 6**) (**2 3, 771 629**) (**2 3, 794 635**) (**10 11, 966 935**) Total \$ **325 629 \$ 12, 491 \$ 13, 120 977 \$ 12 14, 978 302 \$ 23, 726** (1) See Note 13- Related Party Transactions As of December 31, **2023 2024**, the Company had additional leases **for vehicles** that had not yet commenced which totaled **total \$ 7. 15, 04** million in future minimum lease payments and were excluded from the table above. These leases comprise vehicle leases **are** expected to commence during the year ended December 31, **2024 2025** with lease terms of 4 to 7 years. **Subsequent to December 31, 2023 Also excluded from the table above**, the Company entered into **a additional vehicle leases— lease on September 30, 2024 for a new Atlanta, Georgia based distribution center** which **commenced February 1, 2025 and** total \$ 15. 5-8 million in future minimum lease payments **over 10**, with lease terms of 4 to 6 years and were excluded from the table above.**

Acquisition of Sealand On April 29, 2022, the Company completed the acquisition of substantially all of the operating assets of Sealand, including equipment, machinery and vehicles. The acquisition was completed to expand the Company's territory along the East Coast, from Massachusetts to Florida, as well as Pennsylvania, West Virginia, Ohio, Kentucky, and Tennessee. The price for the purchased assets was \$ 20. 0 million paid in cash at closing. In addition to the closing cash payment, the Company separately acquired all of the sellers' saleable product inventory, for approximately \$ 14. 4 million and additional fixed assets for approximately \$ 0. 5 million. The Company accounted for this transaction under ASC 805 Business Combinations, by applying the acquisition method of accounting and established a new basis of accounting on the date of acquisition. The assets acquired by the Company were measured at their estimated fair values as of the date of acquisition. Goodwill is calculated as the excess of the purchase price over the net assets recognized and represent synergies and benefits expected as a result from combining operations with an emerging national presence. The transaction costs for the acquisition for the year ended December 31, 2022 totaled approximately \$ 0. 7 million and were reflected in distribution, selling and administrative expenses in the consolidated statement of operations and comprehensive income. The information included herein was prepared based on the allocation of the purchase price using estimates of the fair value of assets acquired and liabilities assumed which were determined using a combination of quoted market prices, discounted cash flows, and other estimates made by management. Purchase Price Allocation The total consideration paid to acquire the assets and liabilities of Sealand, as set forth below: (In thousands) Amount Inventory \$ 13, 846 Property plant, and equipment 1, 424 Right-of-use assets 127 Intangible assets 14, 717 Total assets acquired 30, 114 Obligations under operating leases 127 Total liabilities assumed 127 Net assets 29, 987 Goodwill 4, 861 Total consideration \$ 34, 848 The Company recorded acquired intangible assets of \$ 14. 7 million, which were measured at fair value using Level 3 inputs. These intangible assets include tradenames and trademarks of \$ 4. 4 million, customer relationships of \$ 8. 9 million and non- competition agreements of \$ 1. 4 million. The fair value of customer relationships was determined by applying the income approach utilizing the excess earnings methodology and Level 3 inputs including a discount rate. The fair value of tradenames and trademarks was determined by applying the income approach utilizing the relief from royalty methodology and Level 3 inputs including a royalty rate of 1 % and a discount rate. The fair value of non- competition agreements was determined by applying the income approach and Level 3 inputs including a discount rate. Discount rates used in determining fair values for customer relationships, tradenames and trademarks, and non- competition agreements ranged from 17. 5 % to 18. 0 %. The useful lives of the tradenames and trademarks are ten years, customer relationships are ten years and non- competition agreements are three years, with a weighted average amortization period of approximately nine years. The associated goodwill is deductible for tax purposes. **On December 30, 2021, the Company executed an Asset Purchase Agreement with Great Wall Group to purchase substantially all of the operating assets of the Great Wall Group's seafood and restaurant products sales, marketing, and distribution businesses.** The acquisition was completed as part of the Company's strategy to develop a national footprint through expansion into the Midwest, Southwest and Southern regions of the United States. The final aggregate price for the purchased assets was \$ 43. 7 million with \$ 30. 8 million paid in cash at closing and the issuance of 1, 792, 981 shares of common stock of the Company (based on a 60- day VWAP of \$ 7. 36), with a fair value of \$ 12. 9 million based on the share price of \$ 8. 11 per share at closing and an 11. 5 % discount due to a lock-up restriction. In addition to the closing cash payment, the Company separately acquired all of the sellers' saleable product inventory, for approximately \$ 24. 3 million of which approximately \$ 6. 8 million was paid during the year ended December 31, 2021 and \$ 17. 4 million was recorded in accounts payable on the consolidated balance sheets as of December 31, 2021. The Company also acquired additional vehicles for approximately \$ 0. 2 million. As such, the total acquisition price for all operating assets and inventory was approximately

\$ 68.2 million. The Company accounted for this transaction under ASC 805, Business Combinations, by applying the acquisition method of accounting and established a new basis of accounting on the date of acquisition. The assets acquired by the Company were measured at their estimated fair values as of the date of acquisition. Goodwill is calculated as the excess of the purchase price over the net assets recognized and represent synergies and benefits expected as a result from combining operations with an emerging national presence. For the year ended December 31, 2021, transaction costs for the acquisition totaled \$ 0.9 million and were reflected in distribution, selling and administrative expenses in the consolidated statement of operations and comprehensive income (loss). The information included herein has been prepared based on the allocation of the purchase price using estimates of the fair value of assets acquired and liabilities assumed which were determined using a combination of quoted market prices, discounted cash flow, and other estimates made by management. The following table presents the allocation of the total consideration paid to acquire the assets and liabilities of the Great Wall Group: (In thousands)

Amount	Inventory	Property, plant, and equipment	Intangible assets	Total assets acquired	Goodwill	Total consideration
\$ 24,728	1,537	30,145	56,410	111,745	\$ 68,155	\$ 68,155

The Company recorded acquired intangible assets of \$ 30.1 million, which included tradenames and trademarks of \$ 10.5 million, customer relationships of \$ 17.2 million and non-competition agreements of \$ 2.4 million. The fair value of customer relationships was determined by applying the income approach utilizing the excess earnings methodology using Level 3 inputs including a discount rate. The fair value of tradenames and trademarks was determined by applying the income approach utilizing the relief from royalty methodology and Level 3 inputs including a royalty rate of 1% and a discount rate. The fair value of non-competition agreements was determined by applying the income approach using Level 3 inputs including a discount rate. Discount rates used in determining fair values for customer relationships, tradenames and trademarks, and non-competition agreements ranged from 11.5% to 14.0%. The useful lives of the tradenames and trademarks are ten years, customer relationships are ten years and non-compete agreements are three years, with a weighted average amortization period of approximately nine years. The associated goodwill is deductible for tax purposes. See Note 8 Goodwill and Acquired Intangible Assets for additional information on acquired intangibles in the Great Wall Acquisition. Since the Great Wall Acquisition occurred on December 30, 2021, the amounts of revenue and earnings of the Great Wall Group included in the Company's consolidated statement of operations and comprehensive income (loss) from the acquisition date to December 31, 2021 were immaterial. Unaudited Supplemental Pro Forma Financial Information

The following table presents the Company's unaudited pro forma results for the ~~years~~ **year** ended December 31, 2022, as if the ~~Great Wall Acquisition and the Sealand Acquisition had been consummated on January 1, 2021.~~ The unaudited pro forma financial information presented includes the effects of adjustments related to the amortization of acquired intangible assets and excludes other non-recurring transaction costs directly associated with the acquisition such as legal and other professional service fees. Statutory rates were used to calculate income taxes. (In thousands, except share and per share data)

Year Ended December 31, 2022	2021 Pro	2022 Pro
Pro forma net revenue	\$ 1,202,296	\$ 1,072,653
Pro forma net income attributable to HF Foods	\$ 35,333	\$ 724
Pro forma earnings per common share — basic	\$ 0.65	\$ 0.65
Pro forma earnings per common share — diluted	\$ 0.65	\$ 0.65
Pro forma weighted average shares — basic	53,757	199,953
Pro forma weighted average shares — diluted	53,757	199,809

The changes in the carrying amount of goodwill are presented below:

(In thousands)	Amount	Balance at December 31, 2021	2022	Acquisition of Sealand Food, Inc.	4,861	Balance at December 31, 2022
No Goodwill activity	—	Balance at December 31, 2023	\$ 85,118	Goodwill impairment charges (46,303)	Balance at December 31, 2024	\$ 38,815

Accumulated impairment for goodwill is \$ 384.5 million as of December 31, 2024 and \$ 338.2 million as of December 31, 2023, and 2022 and 2021. ~~The~~ **Prior to the goodwill impairment charge in the current year, the** accumulated impairment resulted from an impairment during the year ended December 31, 2020. There is only one reporting unit at December 31, **2024 and 2023 and 2022.** ~~The~~ **As a result of the Company's results tests goodwill for impairment at least annually, as of operations December 31, or whenever events or changes in circumstances indicated goodwill might be compared impaired.** ~~The~~ **to previous forecasts, combined with the level of the Company's stock price, the Company performed a quantitative goodwill impairment assessment as of December 31, 2023 and, as a result of the Company's results of operations during 2022-2023 compared to previous forecasts, combined with the level of the Company's stock price.** The annual fair value was determined using an average of the income approach, comparable public company analysis, and comparable acquisitions analysis. The fair value of the reporting unit exceeded the carrying value, and therefore the Company concluded no impairment was required to be recorded during the year ended December 31, 2023 and December 31, 2022. For the year ended December 31, 2021, the Company performed a qualitative goodwill impairment **test in** assessment and concluded no impairment was required to be recorded during the year ended December 31, 2021. The 2023 impairment test resulted in an estimated fair value that exceeded carrying value by approximately 10% at December 31, 2023, and therefore, the Company concluded no impairment was required to be recorded during the year ended December 31, 2023. As of September 30, 2024, the Company concluded that a triggering event occurred due to a sustained decline in the Company's stock price since December 31, 2023, which required interim testing for goodwill impairment in accordance with ASC 350. Accordingly, the Company performed a quantitative assessment as of September 30, 2024. The most critical assumptions in determining fair value using of the reporting unit exceeded the carrying value, and therefore the Company concluded no impairment was required to be recorded during the period ended September 30, 2024. For the December 31, 2024, September 30, 2024 and December 31, 2023 impairment tests, the Company used a combination of discounted cash flow ("DCF") model and market approaches, such as public company comparable analysis and comparable acquisitions analysis to determine fair value of the reporting unit. The income approach and market approaches were projections weighted equally to estimate fair value. The income approach requires detailed forecasts of future cash flows, including assumptions such as forecasted revenue growth rates, gross profit margins, distribution, selling and administrative expenses, among other assumptions, and ~~and~~ an estimate of weighted-average cost of capital which the discount rate Company believes approximate the assumptions from a market participant's perspective. The market approaches were primarily impacted by an enterprise value multiple of EBITDA. A significant ~~These estimates incorporate many uncertain factors which could be impacted by change changes in market conditions, interest rates, growth rate, tax rates, costs, customer behavior, regulatory environment and other macroeconomic changes. In addition, these~~ the assumptions or a sustained decline in Company considered the reasonableness of the fair value of the reporting unit by assessing the implied enterprise value control premium based on the Company's market capitalization. The Company determined that the implied control premium was reasonable which corroborates the Company's fair value estimates. The Company categorized the fair value determination as Level 3 in the fair value hierarchy due to its use of internal projections and unobservable measurement inputs. If, in future periods, the financial performance of the reporting unit does not meet forecasted expectations, or a prolonged further decline occurs in the market price of the Company's common stock price, it may cause a change in the results of the impairment assessment and, as such, could result in further an interim impairment of test and/or potential goodwill impairment in the future. In connection with the Sealand acquisition in 2022, the Company acquired \$ 14.7 million of intangible assets, primarily representing trademarks and trade names of \$ 4.4 million, customer relationships of \$ 8.9 million and non-compete agreements of \$ 1.4 million. The useful lives of trademarks and trade names are ten years, customer relationships are ten years and non-compete agreements are three years, with a weighted average amortization period of approximately nine years. The associated goodwill is deductible for tax purposes. In connection with the Great Wall Group acquisition in 2021

, HF Foods acquired \$ 30.1 million of intangible assets, primarily representing a non-competition agreement, trademarks and trade names and customer relationships, which have an estimated amortization period of approximately 3 years, 10 years, and 10 years, respectively. In connection with the acquisition of B & R Global in 2019, HF Foods acquired \$ 188.5 million of intangible assets, primarily representing trademarks and trade names and customer relationships which have an estimated amortization period of 10 and 20 years, respectively.

December 31, ~~2023~~ **December 2024** ~~December 31, 2022~~ **2023** (In thousands)

Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Competition agreements	\$ 3,892	\$ (3,723)	\$ 169	\$ 3,892	\$ (2,429)
Trademarks and trade names	44,207	(19,465)	24,742	44,207	(15,045)
Customer relationships	185,266	(27,518)	157,748	185,266	(27,518)
Total	\$ 233,365	\$ (71,839)	\$ 161,526	\$ 233,365	\$ (55,559)

The Company evaluated possible triggering events that would indicate long-lived asset impairment assessment. The Company impaired its acquired developed technology **associated with the former Syncglobal, Inc. joint venture** and recognized impairment expense of \$ 0.4 million in distribution, selling and administrative expenses in the consolidated statements of operations during the year ended December 31, 2022. There were no triggering events identified for the remaining acquired intangible assets at December 31, 2022. No impairment was recorded against acquired intangible assets for the years ended December 31, **2024 and 2023** and ~~2021~~. HF Foods' ~~amortization~~ **Amortization** expense for acquired intangible assets was \$ 16.3 million, \$ **16.3 million and \$ 15.7 million** and ~~\$ 10.9 million~~ for the years ended December 31, **2024, 2023, and 2022** and ~~2021~~, respectively. The estimated future amortization expense for intangible assets is presented below: (In thousands) Amount Year ending December 31, **2024** ~~2025~~ \$ **15** ~~16,285~~ ~~2025~~ ~~15,152~~ ~~2026~~ ~~14,987~~ ~~2027~~ ~~14,987~~ ~~2028~~ ~~14,987~~ ~~2029~~ ~~14,499~~ Thereafter ~~101~~ ~~Thereafter~~ ~~86,408~~ ~~914~~ Total \$ **177,161,806** ~~526~~

Derivative Instruments The Company utilizes interest rate swaps (the "IRS") for the sole purpose of mitigating interest rate fluctuation risk associated with floating rate debt instruments (as defined in Note 10- Debt). The Company does not use any other derivative financial instruments for trading or speculative purposes. On August 20, 2019, HF Foods entered into two IRS contracts with East West Bank (the "EWB IRS") for initial notional amounts of \$ 1.1 million and \$ 2.6 million, respectively. On April 20, 2023, the Company amended the corresponding mortgage term loans, which pegged the two mortgage term loans to 1-month Term SOFR (Secured Overnight Financing Rate) 2.29% per annum for the remaining duration of the term loans. The amended EWB IRS contracts fixed the two term loans at 4.23% per annum until maturity in September 2029. On December 19, 2019, HF Foods entered into an IRS contract with Bank of America (the "BOA IRS") for an initial notional amount of \$ 2.7 million in conjunction with a newly contracted mortgage term loan of corresponding amount. On December 19, 2021, the Company entered into the Second Amendment to Loan Agreement, which pegged the mortgage term loan to Term SOFR 2.5%. The BOA IRS was modified accordingly to fix the SOFR based loan to approximately 4.50%. The term loan and corresponding BOA IRS contract mature in December 2029. On March 15, 2023, the Company entered into an amortizing IRS contract with JPMorgan Chase for an initial notional amount of \$ 120.0 million, effective from March 1, 2023 and expiring in March 2028, as a means to partially hedge its existing floating rate loans exposure. Pursuant to the agreement, the Company will pay the swap counterparty a fixed rate of 4.11% in exchange for floating payments based on Term SOFR. The Company evaluated the aforementioned IRS contracts currently in place and did not designate those as cash flow hedges. Hence, the fair value **change changes on** of these IRS contracts are accounted for and recognized as a change in fair value of **IRS interest rate swap** contracts in the consolidated statements of operations and comprehensive income (loss). As of December 31, ~~2023~~ **2024**, the Company determined that the fair values of the IRS contracts were \$ 0.45 million in an asset position and ~~none~~ **\$ 1.6 million** in a liability position. As of December 31, ~~2022~~ **2023**, the fair values of the IRS contracts were \$ 0.54 million in an asset **position and \$ 1.6 million in a liability** position. The Company includes these in other long-term assets and other long-term liabilities, respectively, on the consolidated balance sheets. **In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as consider counterparty credit risk in its assessment of fair value. The inputs used to determine the fair value of the IRS are classified as Level 2 on the fair value hierarchy.** Long-term debt at December 31, ~~2023~~ **2024** and December 31, ~~2022~~ **2023** is summarized as follows: (\$ in thousands) Bank Name Maturity Interest Rate at December 31, ~~2023~~ **December 2024** ~~December 31, 2023~~ ~~December 2024 ~~December 31, 2023~~ ~~December 2024 ~~December 31, 2023~~ ~~December 2024 Bank of America (a) October 2026- December 2029 3.4% - 7.95% ~~2.2%~~ **\$ 2,176** ~~\$ 2,362~~ ~~\$ 4,315~~ East West Bank (b) August 2027- September 2029 ~~7.00%~~ ~~5.18%~~ ~~5,675~~ ~~5,822~~ JPMorgan Chase (c) January 2030 ~~7.32%~~ ~~5.53%~~ ~~101,255~~ ~~7,44%~~ ~~106,337~~ ~~111,714~~ Other finance institutions (d) ~~January 2024~~ ~~July 2024~~ ~~2024~~ ~~N/A~~ ~~—~~ ~~0.99%~~ ~~6.17%~~ ~~45,160~~ Total debt, principal amount ~~114,419~~ ~~108,949~~ ~~114,419~~ ~~122,011~~ Less: debt issuance costs ~~(215)~~ ~~(258)~~ ~~(302)~~ Total debt, carrying value ~~114,204~~ ~~108,734~~ ~~114,117~~ ~~121,753~~ Less: current portion ~~(5,410)~~ ~~(5,450)~~ ~~(6,266)~~ Long-term debt \$ **103,324** ~~\$ 108,711~~ ~~\$ 115,443~~ (a) Loan balance consists of real estate term loan and equipment term loan, collateralized by one real property and specific equipment. The real estate term loan is pegged to TERM SOFR 2.5%. (b) Real estate term loans with East West Bank are collateralized by three real properties. Balloon payments of \$ ~~1.2~~ ~~8.2~~ million and \$ ~~2.3~~ ~~9.3~~ million are due at maturity in 2027 and 2029, respectively. (c) Real estate term loan with a principal balance of \$ ~~106~~ ~~101.3~~ million as of December 31, ~~2023~~ **2024** and \$ ~~111~~ ~~106.4~~ million as of December 31, ~~2022~~ **2023** is secured by assets held by the Company and has a maturity date of January 2030. **Equipment term loan with a principal balance of \$ 0.02 million as of December 31, 2023 and \$ 0.3 million as of December 31, 2022 is secured by specific vehicles and equipment as defined in loan agreements. Equipment term loan matured in December 2023 and retired after December 31, 2023 with the final payment of remaining outstanding principal.** (d) Secured by vehicles. The terms of the various loan agreements related to long-term bank borrowings require the Company to comply with certain financial covenants, including, but not limited to, a fixed charge coverage ratio and effective tangible net worth. As of December 31, ~~2023~~ **2024**, the Company was in compliance with its covenants. On March 31, 2022, the Company amended the JPM Credit Agreement, defined below, extending the Real Estate Term Loan for five years. The amendment **provides provided** for an increase in the Real Estate Term Loan from \$ 69.0 million to \$ 115.0 million with a 1-month SOFR plus a credit adjustment of 0.1% plus 1.875% per annum. The future maturities of long-term debt as of December 31, ~~2023~~ **2024** are as follows: (In thousands) Amount Year ending December 31, ~~2024~~ ~~2025~~ \$ **5,410** ~~450~~ ~~2025~~ ~~5,378~~ ~~2026~~ ~~5,385~~ ~~2027~~ ~~5,194~~ ~~2028~~ ~~5,229~~ ~~2029~~ ~~5,585~~ Thereafter ~~85~~ ~~Thereafter~~ ~~75,525~~ ~~931~~ Total \$ **114,108,734** ~~161~~~~~~~~

Credit Facility On November 4, 2019, the Company entered into a credit agreement with JPMorgan Chase (the "JPM Credit Agreement"). The JPM Credit Agreement provided for a \$ 100.0 million asset-secured revolving credit facility maturing on November 4, 2022, with an option to renew at the bank's discretion. On January 17, 2020, the Company and certain of the wholly-owned subsidiaries and affiliates of the Company as borrowers, and certain material subsidiaries of the Company as guarantors, entered into the Second Amended Credit Agreement (the "Second Amended Credit Agreement"). On December 30, 2021, the Company entered into the Consent, Waiver, Joinder and Amendment No. 3 to the Second Amended Credit Agreement with JPMorgan Chase, as Administrative Agent, and certain lender parties thereto, including Comerica Bank. The Second Amended Credit Agreement, as amended, provided for (i) a \$ 100.0 million asset-secured revolving credit facility maturing on November 4, 2022 (the "Revolving Facility"), (ii) mortgage-secured term loan of \$ 75.6 million, (the "Term Loan"), and (iii) amendment in the referenced interest rate from 1-month LIBOR to 1-month Secured Overnight Financing Rate (the "SOFR") plus a credit adjustment of 0.1% (difference between LIBOR and SOFR plus 1.375% per annum). The existing revolving credit facility balance under the

December 31, 2023, the Company has established previously recorded a full valuation allowance against the NOL carryovers related to the Company's subsidiary, HFFI which. In 2024, the Company dissolved its subsidiary, HFFI, and was as recorded through income tax expense such, the NOL balances and valuation allowance associated with this entity were written off during the year. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. During the year ended December 31, 2023-2024, management concluded that with the exception of certain deferred taxes attributable to the Company's subsidiary, HFFI, it was more likely than not that the Company would be able to realize the benefit of the deferred tax assets in the future. We based this conclusion on historical and projected operating performance, as well as our expectation that our operations will generate sufficient taxable income in future periods to realize the tax benefits associated with the deferred tax assets. As of December 31, 2023, Management management has established a valuation allowance of \$ 0. 7 million against certain deferred taxes attributable to the assets of the Company's subsidiary, HFFI. In 2024, Management believes the realization of these-- the Company dissolved its subsidiary, HFFI. As such, the deferred tax balances and corresponding assets will be limited as the Company exited HFFI operations during the year ended December 31, 2023. As such, the Company has recorded a valuation allowance associated with this entity were written off during \$ 0. 7 million on the year deferred tax assets of HFFI. Unrecognized Tax Benefits Year Ended December 31, (In thousands) 2023 2022 2021 Total 2024 2023 2022 Total unrecognized tax benefits on January 1, \$ 106 \$ 350 \$ 752 \$ 752 Decrease related to positions taken on items from prior years (106) (244) (402) — Increase related to positions taken in the current year — — Total unrecognized tax benefits on December 31, \$ — \$ 106 \$ 350 The Company has no unrecognized \$ 752 It is reasonably possible that \$ 0. 1 million of the total uncertain tax benefits as of December 31, 2024 will reverse within the next 12 months and would affect the effective tax rate if recognized. Due to the statute of limitations expiring, the unrecognized tax liability for the tax year ended December 31, 2019-2020, was reversed, which was recorded in as an income tax (benefit) expense on the consolidated financial statements of operations and comprehensive income (loss), in the amount of \$ 0. 2-1 million as of December 31, 2024. As of December 31, 2024 and 2023, the Company had no accrued penalties and \$ 17, 000, respectively, and no accrued interest and \$ 10, 000, respectively. During the year ended December 31, 2023-2024. As of December 31, 2023 and 2022, the Company had accrued penalties of \$ 17, 000 and \$ 50, 000, respectively and accrued interest of \$ 10, 000 and \$ 34, 000, respectively. During the year ended December 31, 2023, the Company reversed accrued penalties and accrued interest of \$ 28-17, 000 and \$ 39-10, 000, respectively. The Company recognized the reversal of accrued interest accrued and penalties related to unrecognized tax benefits and penalties as income tax benefit. The Company is subject to taxation in the United States and various states. As of December 31, 2023-2024, tax years for 2020-2021 through 2022-2023 are subject to examination by the tax authorities. The Company makes regular purchases from and sales to various related parties. Related party affiliations were attributed to transactions conducted between the Company and those business entities partially or wholly owned by the Company, the Company's officers and / or shareholders who owned no less than 10 % shareholdings of the Company. Mr. Xiao Mou Zhang (" Mr. Zhang "), the former Chief Executive Officer through October 24, 2024 and current Director on the board of directors of the Company, and certain of his immediate family members (collectively greater than 10 % shareholders) have ownership interests in various related parties involved in (i) the distribution of food and related products to restaurants and other retailers and (ii) the supply of fresh food, frozen food, and packaging supplies to distributors. Mr. Zhang does not have any involvement in negotiations with any of the above- mentioned related parties. Effective October 24, 2024, Mr. Zhang departed from his role as Chief Executive Officer of the Company. In connection with Mr. Zhang's departure, the Company entered into a Severance Agreement and General Release (the " Severance Agreement ") with Mr. Zhang on November 21, 2024. Pursuant to the Severance Agreement, which includes a general release of claims by Mr. Zhang against the Company, Mr. Zhang will be entitled to receive standard severance benefits provided to a Chief Executive Officer under the Company's Amended and Restated Severance Plan, which consists of payment of base salary multiplied by two, totaling \$ 1. 35 million, and payment of COBRA premiums, for up to 12 months. The severance expenses were recorded in distribution, selling, and administrative expense in the consolidated statement of operations and both accrued expenses and other liabilities and other long- term liabilities in the consolidated balance sheet. The Company believes that Mr. Zhou Min Ni (" Mr. Ni "), the Company's former Co- Chief Executive Officer, together with various trusts for the benefit of Mr. Ni's four children, are collectively beneficial owners of more than 10 % of the outstanding shares of the Company's common stock, and he and certain of his immediate family members have ownership interests in related parties involved in (i) the distribution of food and related products to restaurants and other retailers and (ii) the supply of fresh food, frozen food, and packaging supplies to distributors. For the years ended December 31, 2022 and 2021, North Carolina Good Taste Noodle, Inc. (" NC Noodle ") was disclosed as a related party due to Mr. Jian Ming Ni's, a former Chief Financial Officer of the Company, continued ownership interest in NC Noodle. As of January 1, 2023, NC Noodle is no longer considered a related party since it has been three years since Mr. Jian Ming Ni resigned from the Company. The related party transactions as of December 31, 2023-2024 and December 31, 2022-2023 and for the years ended December 31, 2024, 2023, and 2022, and 2021 are identified as follows: Related Party Sales, Purchases, and Lease Agreements Below is a summary of purchases of goods and services from related parties recorded for the years ended December 31, 2024, 2023, and 2022 and 2021, respectively: Year Ended December 31, (In thousands) Nature 2023 2022 2021 2024 2023 2022 (a) Asahi Food, Inc. Trade \$ 97 \$ 71 120 (b) Conexus Food Solutions LLC (formerly known as Best Food Services, LLC) Trade Trade \$ 5, 055 \$ 8, 581 \$ 10, 514 \$ 8, 341 (b-c) Eagle Food Services Eastern Fresh NJ, LLC Trade — — 4 (c) Eastern Fresh NJ, LLC Trade — 1, 093 5, 509 (c) Enson Seafood GA, Inc. (formerly " GA- GW Seafood, Inc. ") Trade 37 Trade N — 128 / A37 52 (d) First Choice Seafood, Inc. Trade — 134 322 (d) Fujian RongFeng Plastic Co., Ltd Trade — 372 3, 108 (e) Hanfeng Information Technology (Jinhua), Inc. Service — 122 (e) N & F Logistics, Inc. Trade — 3 (e) North Carolina Good Taste Noodle, Inc. Trade N / AN / A7, 227 5, 520 (c) Ocean Pacific Seafood Group, Inc. Trade 381 Trade 257 381 589 452 (f-c) Revolution Industry Rainfield Ranches, LLC Trade LP Trade 186 134 147 Others Trade — 190 (e) UGO USA, Inc. Trade — 212 Others Trade 205 332 133- 13 Total \$ 5, 595 \$ 9, 204 \$ 20, 261 \$ 24, 044 (a) The Company, through its subsidiary Mountain Food, LLC, owns an equity interest in this entity. (b) An equity interest is held by three Irrevocable Trusts for the benefit of Mr. Zhang's children (b) Tina Ni, one of Mr. Zhou Min Ni's family members, owns an equity interest in this entity indirectly through its parent company. (c) Mr. Zhou Min Ni owns an equity interest in this entity. Enson Seafood GA, Inc. is no longer considered a related party as of January 1, 2024 since Mr. Zhou Min Ni disposed his equity interest in this entity. (d) Mr. Zhou Min Ni owns an equity interest in this entity indirectly through its parent company. (e) No longer considered a related party as of January 1, 2023 since it has been three years since Mr. Jian Ming Ni, a former executive, resigned from the Company. As a result, 2023 amounts have not been disclosed for the years ended December 31, 2024 and 2023, respectively. Below is a summary of sales to related parties recorded for the years ended December 31, 2024, 2023, and 2022 and 2021, respectively: Year Ended December 31, (In thousands) 2023 2022 2021 2024 2023 2022 (a) ABC Food Trading, LLC \$ 1,916 \$ 2,078 \$ 3,949 \$ 2,642 (b) Asahi Food, Inc. \$ 65 791 639 704 (a) Conexus Food Solutions LLC (formerly known as Best Food Services, LLC) \$ 1,016 928 1,285 792 (c) Eagle Food Service, LLC — 1 942 879 2,864 (d) Eastern Fresh NJ First Choice Seafood, LLC — 155 Inc. 29 31 35 (d) Enson Group Fortune One Foods, Inc. 215 42 115 (e formerly as Enson Group, LLC) N & F Logistics — 101 (d) Enson Seafood GA, Inc.

(f) Raymond Union Food LLC — 27 — Total \$ 3, 741 \$ 5, 845 \$ 6, 942 (a) An equity interest is held by three Irrevocable Trusts for the benefit of Mr. Zhang's children. (b) The Company, through its subsidiary Mountain Food, LLC, owns an equity interest in this entity. (c) Tina Ni, one of Mr. Zhou Min Ni's family members, owned an equity interest in this entity..... Company, through its subsidiary MF, owns an equity interest in this entity indirectly through its parent company. (e-d) Mr. Zhou Min Ni owns an equity interest in this entity indirectly through its parent company. (e) Mr. Zhou Min Ni owns an equity interest in this entity. (f) Tina Ni, one of Mr. Zhou Min Ni's family members, owns an equity interest in this entity indirectly through its parent company. (d) Mr. Zhou Min Ni owns an equity interest in this entity. (e) Mr. Zhou Min Ni owns an equity interest in this entity indirectly through its parent company. (f) Tina Ni, one of Mr. Zhou Min Ni's family members, owns an equity interest in this entity. The Company leases various facilities to related parties. The Company leased a facility to NC Noodle under an operating lease agreement originally expiring in 2024. The lease agreement was terminated in connection with the sale of the facility on November 3, 2021. The building and related land were sold to NC Noodle for \$ 0. 8 million and a gain of \$ 0. 5 million. Rental income for the year ended December 31, 2021 was \$ 42, 000, which is included in other income in the consolidated statements of operations and comprehensive income (loss). The Company leased a facility to UGO USA Inc. under an operating lease agreement which was mutually terminated by both parties effective April 1, 2021. Rental income for the year ended December 31, 2021 was \$ 7, 000, which is included in other income in the consolidated statements of operations and comprehensive income (loss). The Company leased a facility to iUnited Services, LLC ("iUnited"), which had been determined to be a related party due to the equity ownership interest in iUnited of Mr. Jian-Ming Ni, the Company's former Chief Financial Officer. The lease agreement was terminated in connection with the sale of the facility on November 3, 2021. The building and related land was sold to iUnited for \$ 1. 5 million and a gain of \$ 0. 8 million. Rental income for the year ended December 31, 2021 was \$ 50, 000, which is included in other income in the consolidated statements of operations and comprehensive income (loss). The Company leased a warehouse to Enson Seafood GA Inc. (formerly GA- GW Seafood, Inc.) under an operating lease agreement originally expiring on September 21, 2027. On May 18, 2022, the Company sold the warehouse to Enson Seafood GA Inc. for approximately \$ 7. 2 million, recognized a gain of \$ 1. 5 million and used a portion of the proceeds to pay the outstanding balance of the Company's \$ 4. 5 million loan with First Horizon Bank. Rental income for the years ended December 31, 2022 and 2021 was \$ 0. 2 million and \$ 0. 5 million, respectively, which is included in other income in the consolidated statements of operations and comprehensive income (loss). The Company leased a production area to Revolution Industry, LLC under a \$ 3, 000 month- to- month lease agreement. The lease agreement was terminated as a result of the asset purchase agreement executed on February 25, 2021. Rental income recorded for the year ended December 31, 2021 was \$ 6, 000, which is included in other income in the consolidated statements of operations and comprehensive income (loss). In 2020, the Company renewed a warehouse lease from Yoan Chang Trading Inc. under an operating lease agreement which expired on December 31, 2020. In February 2021, the Company executed a new five- year operating lease agreement with Yoan Chang Trading Inc., effective January 1, 2021 and expiring on December 31, 2025. Rent expense was \$ 0. 3 million, \$ 0. 3 million and \$ 0. 3 million for the years ended December 31, 2024, 2023 and 2022, respectively, which is included in distribution, selling and administrative expenses in the consolidated statements of operations and comprehensive income (loss). Beginning 2014, the Company leased a warehouse to Asahi Food, Inc. under a commercial lease agreement which was rescinded March 1, 2020. A new commercial lease agreement for a period of one year was entered into, expiring February 28, 2021, with a total of four renewal periods with each term being one year. The lease term was extended by an addendum dated September 1, 2023 which extended the lease through September 1, 2025. Rental income was \$ 0. 1 million, \$ 0. 1 million and \$ 0. 1 million for the years ended December 31, 2024, 2023 and 2022, respectively, which is included in other expense (income), net in the consolidated statements of operations and comprehensive income (loss). Related Party Balances Accounts Receivable- Related Parties, Net Below is a summary of accounts receivable with related parties recorded as of December 31, 2023-2024 and December 31, 2022-2023, respectively: (In thousands) December 31, 2023-2024 December 31, 2022-2023 (a) ABC Food Trading, LLC \$ 155 \$ 94 (b) Asahi Food, Inc. 84 69 81 (a) Conexus Food Solutions LLC (formerly known as Best Food Services, LLC) — 84 — (c) Eagle Food Service, LLC — 69 (d) Enson Seafood GA, Inc. (formerly known as GA- GW Seafood, Inc.) N / 59 A59 59- (d) Fortune One Foods, Inc. — 4 (f) Union Food LLC — 2 Total \$ 239 \$ 308 \$ 213 (c) No longer considered a related party as of January 1, 2024 since Mr. Zhou Min Ni disposed his equity interest in this entity. (d) Tina Ni, one of Mr. Zhou Min Ni's family members, owns an equity interest in this entity indirectly through its parent company. (f) Tina Ni, one of Mr. Zhou Min Ni's family members, owns an equity interest in this entity. The Company has reserved for 100 % of the accounts receivable due from for Union Food LLC as of December 31, 2023. The Company has reserved for 100 % of the accounts receivable for Enson Seafood GA, Inc. as of December 31, 2023. During the year ended This outstanding balance was reserved for 80 % as of December 31, 2022-2024 it was determined that Enson Seafood GA, Inc. is no longer a related party due to Mr. Ni having sold all of his equity interest to a third party. All other accounts receivable from these related parties are current and considered fully collectible. No additional allowance is deemed necessary as of December 31, 2023-2024 and December 31, 2022-2023. Line of Credit Note- Related Parties The Company issued a \$ 51, 000 line of credit note to Asahi Food, Inc. on November 1, 2024, which is outstanding at December 31, 2024 and included in other current assets in the consolidated balance sheet. Interest shall accrue at a rate of 7. 25 % per annum with monthly payments of interest only due beginning December 1, 2024 and continuing through the first day of each calendar month until the maturity date of October 31, 2025. Interest income was \$ 308 for the year ended December 31, 2024, which is included in interest expense in the consolidated statements of operations and comprehensive income (loss). Accounts Payable- Related Parties All the accounts payable to related parties are payable upon demand without interest. Below is a summary of accounts payable with related parties recorded as of December 31, 2023-2024 and December 31, 2022-2023, respectively: (In thousands) December 31, 2023-2024 December 31, 2022-2023 (a) Conexus Food Solutions LLC (formerly known as Best Food Services, LLC) \$ 35 \$ 379 \$ 729 (b) North Carolina Good Taste Noodle, Inc. N / A731 Others 18 Others 17 69 18 Total \$ 52 \$ 397 In \$ 1, 529 (b) No longer considered a related party as of January 1, 2023-2021, since it has been three years since Mr. Jian-Ming Ni resigned from the Company began issuing awards under. As a result, 2023 amounts have not been disclosed. Promissory Note Payable- Related Party The Company issued a \$ 7. 0 million unsecured subordinated promissory note to B & R Group Realty Holding, LLC ("BRGR") in January 2020. BRGR was established to hold real estate that is leased primarily to the Company and is owned partially by Mr. Zhang. During the year ended December 31, 2022, the Company paid the remaining \$ 4. 5 million principal balance of this related party promissory note payable. Interest payments paid were \$ 0. 1 million for the year ended December 31, 2022. Note 14- Stock- Based Compensation The Company has a stock- based employee compensation plan, known as the HF Foods Group Inc. 2018 Omnibus Equity Incentive Plan (the "2018 Incentive Plan"), which reserved. The 2018 Incentive Plan allows for up to 3, 000, 000 shares of the Company's common stock reserved for issuance of awards to employees; and non- employee directors. On June 3, 2024, the Company's shareholders approved and an consultants amendment to the 2018 Incentive Plan which increased the number of shares of the Company's common stock available for issuance under the 2018 Incentive Plan to 7, 000, 000, an increase of 4, 000, 000 shares. The 2018 Incentive Plan provides for the grant of incentive stock options, non- statutory stock options, restricted stock awards, restricted stock unit awards, stock appreciation rights, other stock awards, and performance awards that may be settled in stock, or other property. The Company began issuing awards under the 2018 Incentive Plan in February 2021. As

of December 31, 2023-2024, the Company had 810-619, 944-932 time- based vesting restricted stock units (“ RSUs ”) unvested, 665-579, 932 075 performance- based restricted stock units (“ PSUs ”) unvested, 531- and 1, 222-169, 943 shares of common stock vested and 991-leaving 4 , 902-631, 050 shares remaining available for future awards under the 2018 Incentive Plan. RSUs granted to employees vest over time based on continued service (vesting over a period between one to three years in equal installments). PSUs granted to employees vest based on (i) the attainment of certain financial metrics, as defined by the Company’s compensation committee (“ Financial PSUs ”) and (ii) for the 2021 grants, total shareholder return of the Company’s common stock (“ TSR PSUs ”). Both types of PSUs vest over three years in equal installments based on the performance metrics established for each year and also require continued service for vesting. A summary of RSU and PSU activity for the year ended December 31, 2023-2024 is as follows: SharesWeighted Average Grant Date Fair ValueUnvested RSUs at December 31-January 1, 20222598-2024810, 325-944 \$ 5-4, 39-43 Granted520-- Granted665, 248-427 3, 86-52 Forfeited (54-445, 589-286) 3, 87 Vested (411, 153) 4, 67-94 Vested (253, 040)-5, 45-Unvested RSUs at December 31, 2023810-2024619, 944-4-932 3, 43-70 SharesWeighted Average Grant Date Fair ValueUnvested PSUs at December 31-January 1, 2022382-2024665, 662-932 \$ 4, 95-Granted441-23 Granted626, 288-591 3, 86-55 Forfeited (38-485, 926-880) 3, 98 Vested (227, 568) 4, 23-19 Vested (119, 092)-5, 19-Unvested PSUs at December 31, 2023665-2024579, 932-4-075 3, 23-71 The weighted- average grant date fair value per share of RSUs granted during the years ended December 31, 2024, 2023, and 2022, and 2021 was \$ 3, 52, \$ 3, 86, and \$ 5, 04 and \$ 5, 22, respectively. The weighted- average grant date fair value per share of PSUs granted during the years ended December 31, 2024, 2023, and 2022 and 2021 was \$ 3, 55, \$ 3, 86, and \$ 4, 76 and \$ 4, 94, respectively. The total fair value of equity based awards that vested during the years ended December 31, 2024, 2023, and 2022 and 2021 was \$ 2, 0 million, \$ 1, 5 million, and \$ 0, 8 million and zero, respectively. The Company accounts for stock- based compensation in accordance with ASC Topic 718 Compensation- Stock Compensation (“ ASC 718 ”). ASC 718 addresses all forms of share- based payment awards including shares issued under employee stock purchase plans and stock incentive shares. The fair value of the RSUs and Financial PSUs are measured using the closing price of the Company’s common stock on NASDAQ Global Capital Market on the date preceding grant date. The fair value of the TSR PSUs are determined using a Monte Carlo simulation model. No TSR PSUs were granted during the years ended December 31, 2024, 2023 and 2022. The assumptions used to estimate the fair value of the TSR PSUs granted during the year ended December 31, 2021 and valued under the Monte Carlo simulation model were as follows: 2021 PSU GrantsRisk- free interest rate0, 20%-0, 34% Expected dividend yield0, 00% Expected term (years) 2, 56-3, 15Expected volatility (1) 62, 08%-65, 74% (1) Expected volatility is based on a 50/ 50 blending of (i) the average historical volatility of a select group of industry peers with a look- back period equal to the expected term, and (ii) the historical volatility of the Company with a look- back period of 0, 75 years-1, 17 years, the time from the valuation date to the date six months after the completion of the merger with B & R Global, using daily stock prices. The expected volatility of peer companies was 54, 96%-63, 45%. The expected volatility of the Company’s common stock was 66, 10%-69, 19%. The fair value of RSUs are amortized on a straight- line basis over the requisite service period for each award. For the PSUs, the Company recognizes stock- based compensation expense on a straight- line basis for each vesting tranche over the longer of the derived, explicit, or implicit service period for the vesting tranche. As of interim and annual reporting periods, the Financial PSUs stock- based compensation expense is adjusted based on expected achievement of performance targets, while TSR PSUs stock- based compensation expense is not adjusted. The Company recognizes forfeitures as they occur. Stock- based compensation expense is included in distribution, selling and administrative expenses in the Company’s consolidated statements of operations and comprehensive income (loss). The components of stock- based compensation expense for the years ended December 31, 2024 and 2023 and 2022 and 2021 were as follows: Year Ended December 31, (In thousands) 202320222021Stock- based compensation (RSUs) expense \$ 1, 382 \$ 2, 118 \$ 897 \$ 405-Stock- based compensation (PSUs) expense1-706 1, 234 360 230-Total stock- based compensation expense \$ 2, 088 \$ 3, 352 \$ 1, 257 \$ 635-Tax benefit of stock- based compensation expense \$ 742 \$ 931 \$ 366 \$ 132-As of December 31, 2023-2024, there was \$ 4-3, 2-1 million of total unrecognized compensation cost related to all non- vested outstanding RSUs and PSUs outstanding under the 2018 Incentive Plan, with a weighted average remaining service period of 1, 82-96 years. Of the total unrecognized compensation cost, \$ 2-1, 3-6 million is related to RSUs with time- based vesting provisions and \$ 1, 9-5 million is related to PSUs with performance and market- based vesting provisions. Note 15- Employee Benefit Plan The Company sponsors a defined contribution plan, the HF Foods Group, Inc. Employees 401 (k) Savings Plan (the “ 401 (k) Plan ”). Under the 401 (k) Plan, after one month of service, eligible employees may elect to defer up to 100 % of their compensation before taxes, up to the dollar limit imposed by the Internal Revenue Service for tax purposes. The Company matches 100 % of an eligible employee’s contributions, dollar for dollar, up to 3 % of eligible pay, plus 50 % of each additional dollar greater than 3 % and no more than 5 % of eligible pay. 401 (k) Plan participants are immediately 100 % vested in the Company’s non- discretionary contributions to the plan. For the years ended December 31, 2024, 2023, and 2022 and 2021, the Company recognized expense of \$ 831, 000-1, 2 million, \$ 432, 000-0, 8 million and \$ 240, 000-0, 4 million, respectively, in distribution, selling and administrative expenses in the consolidated statements of operations and comprehensive income (loss). The Company’s business consists of one operating segment, which is also its one reportable segment. The Company operates solely in the United States and derives revenues by providing sales of food and non- food to customers. The segment’s customer base consists primarily of Asian restaurants located throughout the United States. The Company’s chief operating decision maker (“ CODM ”) is its chief executive officer, who reviews financial information presented on a consolidated basis. The CODM uses consolidated net income to assess financial performance and allocate resources. The Company’s measure of segment assets is total assets, as reported on the consolidated balance sheets. Accounting policies for the company’s single operating segment are the same as those described in Note 2- Summary of Significant Accounting Policies. The following table presents selected financial information with respect to the Company’s single operating segment for the years ended December 31, 2024, 2023 and 2022: Year Ended December 31, (In thousands) 202420232022Net Revenue \$ 1, 201, 667 \$ 1, 148, 493 \$ 1, 170, 467 Less: Cost of Revenue996, 473 944, 462 964, 955 Payroll and related labor costs98, 991 94, 680 87, 394 Professional fees11, 066 13, 878 26, 776 Depreciation10, 397 9, 633 9, 192 Amortization16, 280 16, 285 15, 744 Other segment expenses (a) 61, 292 60, 586 55, 847 Distribution, selling and administrative expenses198, 026 195, 062 194, 953 Goodwill impairment charges46, 303 — — Interest expense11, 425 11, 478 7, 457 Other expense (income), net2, 818 (1, 091) (1, 829) Change in fair value of interest rate swap contracts (1, 693) 1, 580 (817) Lease guarantee (income) expense (5, 548) (377) 5, 744 Income tax expense (benefit) 1, 965 41 (231) Less: net income (loss) attributable to noncontrolling interests409 (488) (225) NET LOSS AND COMPREHENSIVE LOSS ATTRIBUTABLE TO HF FOODS GROUP INC. \$ (48, 511) \$ (2, 174) \$ 460 (a) Other segment expenses include distribution, selling and administrative expenses which are not provided to the chief operating decision maker on a regular basis. These expenses include primarily auto & truck expense, insurance, occupancy expense and utilities. From time to time, the Company is a party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of business. When the Company becomes aware of a claim or potential claim, it assesses the likelihood of any loss or exposure. In accordance with authoritative guidance, the Company records loss contingencies in its financial statements only for matters in which losses are probable and can be reasonably estimated. Where a range of loss can be reasonably estimated with no best estimate in the range, the Company records the minimum estimated liability. If the loss is not probable or the amount of the loss cannot be reasonably estimated, the Company discloses the

nature of the specific claim if the likelihood of a potential loss is reasonably possible and the amount involved is material. The Company continuously assesses the potential liability related to its pending litigation and ~~revises~~ **revises** its estimates when additional information becomes available. Adverse outcomes in some or all of these matters may result in significant monetary damages or injunctive relief against the Company that could adversely affect its ability to conduct business. There also exists the possibility of a material adverse effect on the Company's financial statements for the period in which the effect of an unfavorable outcome becomes probable and reasonably estimable. Legal costs associated with loss contingencies are expensed as incurred. **On June 6, 2024, the SEC announced that it had accepted an Offer of Settlement submitted by the Company in order to resolve the previously disclosed formal, non-public SEC investigation of allegations that the Company and certain certain factual of its former directors and officers violated the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder by making allegedly false and misleading statements. Under the settlement, without admitting or denying the SEC's findings were made based on evidence adduced in this matter, the Company consented to the entry of an administrative civil cease- and- desist order by the Special Investigation Committee during SEC (the "Order") with respect to violations of Sections 17 (a) of the Securities Act, and of Sections 10 (b), 13 (a), 13 (b) (2) (A), 13 (b) (2) (B), and 14 (a) of the Securities Exchange Act of 1934, as amended, and Rules 10b-5, 12b-20, 13a-1, 13a-11, 13a-13, 13a-15 (a), and 14a-9 thereunder, resulting from the materially false and misleading disclosures and other fraudulent conduct implemented by its internal investigation former Chairman and CEO Zhou Min Ni and former CFO Jian Ming "Jonathan" Ni. After During the quarter ended June 30 conclusion of its internal investigation, 2024 the Special Investigation Committee also made recommendations to management regarding improvements to Company agreed operations and structure, including but not limited to its dealings with related parties. The Company has implemented numerous improvements and continues to improve its compliance program. The Company has also instituted structural changes including the appointment of an and independent Chairman paid a civil monetary penalty of \$ 3 the Board to replace the former Co-Chief Executive Officer and Chairman of the Board. In addition 9 million, which as was recorded in of January 31, 2023, three other independent directors serve on expense (income), net in the Company's Board consolidated statements of Directors. The Company's senior executive team now includes a General Counsel and Chief Compliance Officer, a Chief Operations operations Officer who was hired in May 2022, and comprehensive income (loss) a new Chief Financial Officer who joined the Company in August 2022. We also hired a Vice President and Head of Internal Audit in April 2022 who reports directly to the Chief Financial Officer and to the Audit Committee Chair. In November 2022, we hired a Vice President of Compliance and Associate General Counsel, who reports directly to the General Counsel and Chief Compliance Officer. The Company also created a Special Litigation Committee which determined to pursue claims against certain former officers and directors. As a result, pursuant to the previously disclosed settlement agreement (as amended on November 1, 2023, the "Settlement Agreement") between the Company and certain parties to the verified stockholder derivative complaint filed by James Bishop in the Court of Chancery of the State of Delaware, on October 16, 2023, the Company received \$ 1.5 million on behalf of Zhou Min Ni, a former Chairman and Chief Executive Officer of the Company, and Chan Sin Wong, a former President and Chief Operating Officer of the Company (together, the "Ni Defendants"). Subsequently, on December 1, 2023, the Company received 1,997,423 shares (valued at \$ 7.75 million) of the Company's common stock, based on the closing price of \$ 3.88 on October 13, 2023, plus a cash payment of approximately \$ 0.1 million of accrued interest through the date of payment, in satisfaction of the Ni Defendant Defendants' s-payment obligations totaling \$ 9.25 million under the Settlement Agreement. Additionally, the Company received a related D & O insurance payout settlement in the amount of \$ 1.7 million, of which we paid \$ 0.9 million, resulting in total net settlements in 2023 of approximately \$ 10.0 million. The receipt of the settlement proceeds were recorded in 2023 in distribution, selling, and administrative expense in the consolidated statement of operations (as a recovery of previously recorded expenses related to the litigation) and cash and treasury stock in the consolidated balance sheet. Pursuant to the terms of the Settlement Agreement, Mr. Ni, Ms. Wong and Jonathan Ni, the former Chief Financial Officer of the Company, agreed to give up any rights to indemnification or the advancement of fees in connection with the SEC investigation and any actions the SEC might take against them relating to the SEC investigation. On October 13, 2023, the Company received a "Wells Notice" from the staff of the SEC (the "Wells Notice") relating to the previously disclosed formal, non-public SEC investigation of allegations that the Company and certain of its current and former directors and officers violated the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder by making allegedly false and misleading statements. A Wells Notice is neither a formal charge of wrongdoing nor a final determination that the recipient has violated any law and invites recipients to submit a response if they wish. The Company made a submission in response to the Wells Notice explaining why an enforcement action would not be appropriate. Following that submission, the staff of the SEC determined that it would no longer be recommending that the SEC file an enforcement action against the Company at this time pending a potential agreed-upon resolution between the Company and the SEC. The Company is in negotiations with the SEC over a potential resolution, which could include fines and penalties, but the terms of that settlement are not set. The Company has made no formal offer of settlement to the SEC as of this filing, and therefore, a reasonable estimate of the contingency cannot be made.** AnHeart Lease Guarantee The Company provided a guarantee for two separate leases for two properties located in Manhattan, New York, at 273 Fifth Avenue and 275 Fifth Avenue, for 30 years and 15 years, respectively. The Company has previously determined that AnHeart is was a VIE as a result of the guarantee guarantees. However, the Company concluded it is was not the primary beneficiary of AnHeart and therefore does did not consolidate, because it does did not have the power to direct the activities of AnHeart that most significantly impact AnHeart's economic performance. On February 10, 2021, the Company entered into an Assignment and Assumption of Lease Agreement ("Assignment"), dated effective as of January 21, 2021, with AnHeart and Premier 273 Fifth, LLC, pursuant to which it assumed the lease of the premises at 273 Fifth Avenue (the "273 Lease Agreement"). At the same time, the closing documents were delivered to effectuate the amendment of the 273 Lease Agreement pursuant to an Amendment to Lease (the "Lease Amendment"). The Assignment and the Lease Amendment were negotiated in light of the Company's guarantee obligations as guarantor under the 273 Lease Agreement. The Company agreed to observe all the covenants and conditions of the 273 Lease Agreement, as amended, including the payment of all rents due. Under the terms of the 273 Lease Agreement and the Assignment, the Company has undertaken to construct, at its own expense, a building on the premises at a minimum cost of \$ 2.5 million. The Lease Amendment permits subletting of the premises, and the Company intends to sublease the newly constructed premises to defray the rental expense undertaken pursuant to its guaranty obligations. In March 2024, the Company began construction of a multi-use facility on 273 Fifth Avenue and committed \$ 7.0 million for the completion of the construction project. The Company has incurred \$ 5.4 million in construction costs which was recorded in construction in progress within property and equipment, net in the Company's consolidated balance sheet as of December 31, 2024. The Company expects to complete construction in June 2025. On January 17, 2022, the Company received notice that AnHeart had defaulted on its obligations as tenant under the lease for 275 Fifth Avenue. On February 7, 2022, the Company undertook its guaranty obligations by assuming responsibility for payment of monthly rent and other tenant obligations, including past due rent as well as property tax obligations beginning with the January 2022 rent due. As a result, during the year ended December 31, 2022, the Company recorded a lease guarantee liability of \$ 5.9 million. On February 25, 2022, the Company instituted a legal action to pursue legal remedies against AnHeart and Minsheng. In March 2022, the Company agreed to stay that litigation against AnHeart in exchange for AnHeart's payment of

certain back rent from January to April 2022 and its continued partial payment of monthly rent. AnHeart subsequently defaulted on these obligations. On October 25, 2023, the Company commenced a new legal action by filing a complaint in New York County Supreme Court to pursue legal remedies against AnHeart and Minsheng (the “2023 Action”). As of the filing of the new summons and complaint, AnHeart and Minsheng are indebted to the Company in the amount of \$ 474, 000. ~~In AnHeart and the Company have since reached a settlement agreement (the “Settlement Agreement”) for AnHeart to pay the Company \$ 40, 000 a month in rent through December 2024, \$ 46, 750 a month in rent from January 2025 through December 2025, and commence regular monthly rental payments in accordance with ASC Topic 460. Guarantees, the lease for Company has determined that its maximum exposure resulting from the 275 Fifth Avenue. The Settlement Agreement also provides that AnHeart will pay twenty- four monthly installments of \$ 11, 250 from January 2025 through December 2026 as payment for all back rent due. Effective April 30, 2024, the Company through its subsidiary assumed the lease guarantee includes future minimum of a building located on the premises of 275 Fifth Avenue. The assumption of the lease payments plus potential had no impact on the Company’s obligations as guarantor. The lease covers certain portions of the ground floor, lower level, and second floor of the building. The lease term ends on April 30, 2034 and is renewable at the option of the Company for up to two additional five- payments to satisfy maintenance, property tax and insurance requirements under the leases with a remaining term of approximately 10 years- year terms. The Company elected shall pay rent of approximately \$ 45, 000 per month with provisions for yearly increases. With the assumption of the lease for 275 Fifth Avenue, the Company no longer recognized AnHeart as a VIE policy to apply the discounted cash flow method to loss contingencies with more than 18 months of payments. In addition AnHeart is obligated to pay all costs associated with the properties, including taxes, insurance, utilities, maintenance and repairs. During the remaining year ended December 31, 2022, the Company recorded a lease guarantee liability of \$ 5. 4 million was reversed and an operating lease right- of- use asset and liability of \$ 4. 9 million was. The Company determined the discounted value of the lease guarantee liability using a discount rate of 4. 55%. As of December 31, 2023, the Company had a lease guarantee liability of \$ 5. 5 million. The current portion of the lease guarantee liability of \$ 0. 3 million is recorded to in accrued expenses and other liabilities, while the long- term portion is recorded in other long- term liabilities on the consolidated balance sheet. As a result of the reversal, a gain of \$ 5. 4 million was recorded to other expense (income), net on the consolidated statements of operations and comprehensive income (loss) in 2024. Other Commitments On September 30, 2024, the Company entered into the lease of a new distribution center located in Georgia. The lease term commenced February 1, 2025 for a period of 10 years and five months and is renewable at the option of the Company’s monthly for up to three additional five- year terms. The company shall pay rental- rent of payments range from approximately \$ 42-120, 000 per month to \$ 63, 000 per month, with provisions for yearly increases the final payment due in 2034. The changes in the lease guarantee liability are presented below: (In thousands)~~

Amount	Balance at December 31, 2021	— Lease guarantee liability recorded	5, 942	Lease guarantee liability activity	(182)	Balance at December 31, 2022	5, 760	Lease guarantee liability activity	(288)	Balance at December 31, 2023	\$ 5, 472
The estimated future minimum lease payments as of December 31, 2023 are presented below:	(In thousands)	Amount	Year Ending	December 31, 2024	\$ 582	2025	604	2026	621	2027	638
Thereafter	3, 822	Total	6, 923	Less: imputed interest	(1, 451)	Total minimum lease payments	\$ 5, 472	Note	17-18		

Subsequent Events Other than Appointment of Xi (Felix) Lin as disclosed elsewhere Chief Executive Officer Effective January 1, 2025, Xi (Felix) in Lin this report, no subsequent events have occurred that would require recognition was appointed to serve as Chief Executive Officer by the Board of Directors. Mr. in Lin continues to also serve as the consolidated financial statements or disclosure Company’s President. On January 3, 2025, according to the employment agreement entered into on December 16, 2024, Mr. in Lin received a market- based performance stock unit award of 310, 559 shares of Class A Common Stock contingent upon satisfaction of the accompanying notes applicable vesting conditions. The PSUs are scheduled to vest on the third anniversary of the grant date, if for at least a period of thirty consecutive trading days at any time prior to the vesting date, the closing per share price of the Issuer’s Class A Common Stock averages at least \$ 7. 00 over such thirty- day period. On February 12, 2025, the Company amended certain terms and conditions of the JPM Credit Agreement. See Note 10- Debt for additional information regarding the terms of the amendment. ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE. ITEM 9A. CONTROLS AND PROCEDURES Controls and Procedures. Evaluation of Disclosure Controls and Procedures Our management, including our principal executive officer and principal financial and accounting officer, conducted an evaluation of the effectiveness of our internal controls over financial reporting, and disclosure controls and procedures, as such term is defined in Rules 13a- 15 (e) and 15d- 15 (e) under the Exchange Act, as of the end of the period covered by this report. Based on that evaluation, our principal executive officer and principal financial and accounting officer concluded that, due to the material weaknesses described below, our disclosure controls and procedures were not effective at the reasonable assurance level as of December 31, 2023-2024. Management’s Annual Report on Internal Control Over Financial Reporting Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a- 15 (f) and 15d- 15 (f) of the Exchange Act. Our internal controls over financial reporting is a process designed under the supervision of our principal executive officer and principal financial and accounting officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not detect or prevent misstatements. Also, projections of any evaluation of the effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. As of December 31, 2023-2024, management assessed the effectiveness of our internal controls over financial reporting based on the criteria for effective internal control over financial reporting established in “ Internal Control- Integrated Framework ”, issued by the Committee of Sponsoring Organizations (“ COSO ”) of the Treadway Commission in 2013. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. Based on this assessment, our management concluded that our internal control over financial reporting was not effective as of December 31, 2023-2024, due to the material weaknesses in our internal control over financial reporting described below. As previously reported, we identified the following material weaknesses, which continue to exist as of December 31, 2023-2024. We did not maintain appropriately designed entity- level controls impacting the (1) control environment, (2) risk assessment procedures, (3) control activities, (4) information and communication, and (5) monitoring activities to prevent or detect material misstatements to the financial statements and assess whether the components of internal control were present and functioning properly. These deficiencies were primarily attributed to an insufficient number of qualified resources to support and provide proper oversight and accountability over the performance of controls. These entity- level material weaknesses resulted in the following specific material weaknesses: • Information Technology (IT) General Controls- We did not design and maintain effective information technology general controls over logical access, program change management, and segregation of duties for key IT systems. As a result, certain business process controls that are dependent upon information from these systems were also not effective. Additionally, we did not design and maintain effective controls over the implementation of new IT systems. • Financial Reporting- We did not properly design or maintain effective controls over the financial reporting process to enable timely reporting of

complete and accurate financial information. We did not design and implement certain review controls with a sufficient precision to prevent or detect a material misstatement, did not consistently perform sufficient review of journal entries, or consistently retain adequate supporting documentation for financial statement balances and the related footnote disclosures. Additionally, we did not design and maintain effective controls over certain non-routine transactions or significant management estimates, including the review of underlying data and assumptions for completeness and accuracy. Remediation Activities In response to these material weaknesses, with oversight from the Audit Committee of the Board of Directors, we have continued to implement measures to improve our internal control structure. Specifically, we have:

- **Internal Controls and Leadership**
 - **Accounting, Internal Audit & IT teams**
 - Hired additional a new CFO in May 2024 with public company experience to execute the finance and accounting personnel and also provided training transformation planned approach.
 - Hired new Head of Internal Audit in key-September 2024 and engaged ITGC and business process control experts to assist the company in remediation efforts.
 - Hired a new VP, Corporate Controller in February 2025 with extensive experience in internal controls over financial reporting at publicly traded companies and internal-material weakness remediation efforts.
 - Promoted a VP, Operations who brings 20 years of industry and operational control areas; standardization experience to lead transformation initiatives.
 - **Oversight & Governance**
 - Established a cross functional Remediation Steering Committee, chaired by the new CFO, to set strategic direction.
 - Developed a detailed, integrated remediation approach, ensuring senior leadership across all functions (i. e. Accounting, IT, Finance, Operations, HR and Internal Audit) is actively involved.
 - **Designed Technology and Data**
 - **System Implementation & Automation**
 - Implemented-Implemented a new entity-level-controls (“ELCs”) with greater alignment to the COSO 2013 Internal Controls Framework;
 - Established requirements over documentation and retention of appropriate evidence to support the operation of ELCs, business process controls, IT general controls;
 - Enhanced the structure, governance, and communication over related party transactions;
 - Designed and implemented enhanced review procedures over technical accounting memos for non-routine transactions and complex accounting matters;
 - Implemented new enterprise finance and human capital system and evaluated technology alternatives to initiate a change from our legacy inventory and distribution system in several of our distribution centers to better ensure-improve operational and financial processes, working towards greater accuracy and completeness of financial data . The remaining distribution centers will accuracy, completeness, and continued progress towards an improved operational and control environment;
 - Designed and implemented-- implement uniform controls the new system in FY25.
 - Legacy applications are set to be retired across all distribution centers in FY25, marking another milestone in our multi-year technology upgrade program.
 - **Standardizing Processes & Compliance Programs**
 - Continued progress on designing and improved-implementing uniform processes across all distribution centers.
 - around our inventory cycle counts and year-end inventory count procedures;
 - Designed and implemented-Implemented new training controls over stock compensation, corporate tax, and year-end financial reporting procedures with enhanced precision and control attributes; and,
 - Designed and implemented an enhanced control testing program programs related to safety, security and compliance throughout--- through Learning Management the period to evaluate our system System (LMS) application that provides greater visibility into tracking compliance of internal control to determine whether components of the internal control were present and functioning properly in a more timely manner.

We are committed to ensuring that our internal controls over financial reporting are designed and operating effectively. We believe the efforts taken to date and certain measures that are in progress will improve the effectiveness of our internal controls over financial reporting and mitigate risks of material misstatement. We are still in the process of implementing these steps and cannot assure investors that these measures will significantly improve or remediate the material weaknesses described above. Additionally, while we believe these efforts will improve our internal control environment, our remediation is still in progress and subject to ongoing testing of the design and operating effectiveness over a sufficient period of time in order to effectively remediate these material weaknesses. The effectiveness of our internal control over financial reporting as of December 31, 2023-2024 has been audited by BDO USA, P. C., an independent registered public accounting firm, as stated in their attestation report, which is included in Part II, Item 8 of this **Annual Report on Form 10-K. Changes in Internal Controls Over Financial Reporting and Disclosure Controls Management remains committed to ongoing efforts to address material weaknesses. Although we will continue to implement measures to remedy our internal control deficiencies, there can be no assurance that our efforts will be successful or avoid potential future material weaknesses. In addition, until remediation steps have been completed and operated for a sufficient period of time, and subsequent evaluation of their effectiveness is completed, the material weaknesses previously identified will continue to exist.** Other than the actions taken to continue our material weaknesses remediation efforts, described above, there were no changes in our internal control over financial reporting (as defined in Rules 13a- 15 (f) and 15d- 15 (f) under the Exchange Act) during the quarter ended December 31, 2023-2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Opinion on Internal Control over Financial Reporting We have audited HF Foods Group Inc.’ s (the “ Company’ s ”) internal control over financial reporting as of December 31, 2023-2024, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (the “ COSO criteria ”). In our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of December 31, 2023-2024, based on the COSO criteria. We do not express an opinion or any other form of assurance on management’ s statements referring to any corrective actions taken by the Company after the date of management’ s assessment. We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“ PCAOB ”), the consolidated balance sheets of the Company as of December 31, 2024 and 2023 and 2022, the related consolidated statements of operations and comprehensive income (loss), changes in shareholders’ equity, and cash flows for each of the three years in the period ended December 31, 2023-2024, and the related notes (collectively referred to as “ the consolidated financial statements ”) and our report dated March 26-17, 2024-2025 expressed an unqualified opinion thereon. The Company’ s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying “ Item 9A, Management’ s Annual Report on Internal Control over Financial Reporting ”. Our responsibility is to express an opinion on the Company’ s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U. S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our audit of internal control over financial reporting in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company’ s annual or interim financial statements will not be prevented or detected on a timely basis. The following material weaknesses have been identified and included in the accompanying Management’ s Report on Internal Control Over Financial Reporting: The Company did not maintain appropriately designed entity- level controls impacting the (1) control environment, (2) risk assessment procedures, (3) control

activities, (4) information and communication, and (5) monitoring activities to prevent or detect material misstatements to the financial statements and assess whether the components of internal control were present and functioning properly. These deficiencies were primarily attributed to an insufficient number of qualified resources to support and provide proper oversight and accountability over the performance of controls.

- Information Technology (IT) General Controls – The Company did not design and maintain effective information technology general controls over logical access, program change management and segregation of duties for key IT systems. As a result, certain business process controls that are dependent upon information from these systems were also not effective. Additionally, the Company did not design and maintain effective controls over the implementation of new IT systems.
- Financial Reporting – The Company did not properly design or maintain effective controls over the financial reporting process to enable timely reporting of complete and accurate financial information. The Company did not design and implement certain review controls with a sufficient precision to prevent or detect a material misstatement, did not consistently perform sufficient review of journal entries, or consistently retain adequate supporting documentation for financial statement balances and the related footnote disclosures. Additionally, the Company did not design and maintain effective controls over certain non-routine transactions or significant management estimates, including the review of underlying data and assumptions for completeness and accuracy. These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2023-2024 consolidated financial statements, and this report does not affect our report dated March 26-17, 2024-2025 on those consolidated financial statements.

Definition and Limitations of Internal Control over Financial Reporting A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ BDO USA, P. C. ITEM 9B. OTHER INFORMATION. **During the fiscal quarter ended December 31, 2024, no director or officer of the Company adopted or terminated a “ Rule 10b5-1 trading arrangement ” or a “ non- Rule 10b5-1 trading arrangement ” (in each case, as defined in Item 408 of Regulation S- K) .** ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS. PART III. ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE. Information required by this Item will be included in our Proxy Statement for the 2024-2025 Annual Meeting of Stockholders to be filed with the SEC, within 120 days of the fiscal year ended December 31, 2023-2024, and is incorporated herein by reference. ITEM 11. EXECUTIVE COMPENSATION. ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS. ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE. ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES. **Information required by this Item will be included in our Proxy Statement for the 2024 Annual Meeting of Stockholders to be filed with the SEC, within 120 days of the fiscal year ended December 31, 2024, and is incorporated herein by reference .** PART IV. ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES. We have filed the following documents as part of this Annual Report on Form 10- K: 1. Consolidated Financial Statements See Index to Consolidated Financial Statements in Part II, Item 8 of this Annual Report on Form 10- K. 2. Financial Statement Schedules All financial statement schedules have been omitted, since the required information is not applicable or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements and accompanying notes in this Annual Report on Form 10- K. 3. Exhibits The following exhibits are incorporated herein by reference or are filed or furnished with this report as indicated below: Incorporated by Reference Exhibit Number Description Form Exhibit / Appendix Filing Date 2. 1 Merger Agreement dated March 27, 2018, by and among Atlantic Acquisition Corp., HF Group Merger Sub Inc., HF Group Holding Corporation, the stockholders of HF Group Holding Corporation and Zhou Min Ni, as the stockholders’ representative DEF14AA7 / 18 / 20183. 1 Second Amended and Restated Certificate of Incorporation 8- K3. 1. 211 / 5 / 2019 Incorporated by Reference Exhibit Number Description Form Exhibit / Appendix Filing Date 3. 2 Amended and Restated Bylaws 8- K3. 0211 / 4 / 20223. 3 Certificate of Designation of Rights, Preferences and Privileges of Series A Participating Preferred Stock 8- K3. 14 / 12 / 20233. 4 First Amendment to Amended and Restated Bylaws, dated April 25, 2023 8- K3. 14 / 26 / 20234. 1 Specimen Common Stock Certificate S- 1 / A4. 27 / 28 / 20174. 2 Form of Unit Purchase Option between the Registrant and Chardan Capital Markets, LLC S- 1 / A4. 57 / 28 / 20174. 3 Form of Rights Agreement, dated August 8, 2017, by and between American Stock Transfer & Trust Company, LLC and the Registrant 8- K4. 18 / 11 / 20174. 3 Form of Unit Purchase Option between the Registrant and Chardan Capital Markets, LLC S- 1 / A4. 57 / 28 / 20174. 4 Preferred Stock Rights Agreement, dated as of April 11, 2023, by and between HF Foods Group Inc. and American Stock Transfer & Trust Company, LLC, as rights agent 8- K4. 14 / 12 / 20234. 5 Amendment to Preferred Stock Rights Agreement, dated as of April 11, 2024, by and between HF Foods Group Inc. and Equiniti Trust Company, LLC (f / k / a American Stock Transfer & Trust Company, LLC), as rights agent 8- A4. 24 / 12 / 20244. 6 Form of Indenture S- 34. 59 / 4 / 20244. 7 * Description of Registrant’s Securities 10. 1 † HF Food Group Inc. 2018 Omnibus Equity Incentive Plan DEF14AB7 / 18 / 201810. 2 Form of Registration Rights Agreement between the Company, HF Group Holdings Corporation and Zhou Min Ni, as representative of the stockholders of HF Foods 8- K10. 98 / 27 / 201810. 3 † Employment Agreement as amended dated as of August 22, 2018 between HF Foods Group Inc. and Zhou Min Ni 8- K10. 109 / 13 / 201810. 4 † Employment Agreement as amended dated as of August 22, 2018 between HF Foods Group Inc. and Chan Sin Wong 8- K10. 119 / 13 / 201810. 5 † Employment Agreement as amended dated as of August 22, 2018 between HF Foods Group Inc. and Jian Ming Ni 8- K10. 129 / 13 / 201810. 6 Credit 3 Credit Agreement dated as of January 5, 2012 between Han Feng, Inc. and East West Bank 10- K10. 124 / 1 / 201910. 7 Amendment 4 Amendment to Credit Agreement dated as of May 21, 2013 by and between Han Feng, Inc. and East West Bank 10- K10. 134 / 1 / 201910. 8 Second 5 Second Amendment to Credit Agreement dated as of December 10, 2013 by and between Han Feng, Inc. and East West Bank 10- K10. 144 / 1 / 201910. 9 Third 6 Third Amendment to Credit Agreement dated as of July 1, 2016 between Han Feng, Inc. and East West Bank 10- K10. 154 / 1 / 201910. 10 Fourth 7 Fourth Amendment to Credit Agreement dated July 18, 2017 between Han Feng, Inc. and East West Bank 10- K10. 164 / 1 / 201910. 11 Credit 8 Credit Agreement dated as of February 26, 2018 between New Southern Food Distributors, Inc. and Bank of America, N. A. 10- K10. 174 / 1 / 201910. 12 Warehouse 9 Warehouse Lease Agreement dated as January 7, 2019 between Yoan Chang Trading and Kirnland Food Service 10- K10. 184 / 1 / 201910. 13 Membership 11 Membership Interest Purchase Agreement among B & R Global Holdings, Inc., B & R Group Realty Holding, LLC, and subsidiaries of B & R Group Realty Holding, LLC, dated January 17, 2020 10- Q2. 15 / 18 / 202010. 14 Second 12 Second Amended and Restated Credit Agreement among HF Foods Group Inc. B & R Global Holdings, Inc., subsidiaries of the Company, JPMorgan Chase Bank, N. A. (“ JPMorgan ”), as

Administrative Agent, and certain lender parties thereto, dated January 17, 202010- Q10. 15 / 18 / 202010. 15 † Letter Agreement between HF Foods Group Inc. and Russell T. Libby10- Q10. 25 / 18 / 202010. 16 Mutual Rescission Agreement between HF Foods and Rescinding Shareholders dated April 1, 202010- Q10. 35 / 18 / 202010. 17 Assignment 13 Assignment and Assumption of Lease Agreement, dated as of January 21, 2021 between Anheart, Inc. and 273 Fifth Avenue, LLC10- K10. 253 / 16 / 202110. 18 Lease 14 Lease dated July 2, 2018, between Anheart Inc. and Premier 273 Fifth, LLC10- K10. 263 / 16 / 202110. 19 Amendment 15 Amendment of Lease, dated as of January 21, 2021, between Anheart, Inc. and Premier 273 Fifth, LLC10- K10. 273 / 16 / 202110. 16 Lease Agreement between Yoan Chang Trading, Inc. and Kirnland Food Distribution, Inc., dated as of January 1, 202110- K10. 293 / 16 / 202110. 17 Stock Purchase Agreement, dated May 28, 2021, by and among Ki Tai Yeung, HF Group Holding Corp., and Kirnland Food Distribution, Inc. 8- K10. 16 / 1 / 2021 Incorporated by Reference Exhibit Number Description Form Exhibit / Appendix Filing Date10. 18 20 † Separation Agreement between HF Foods Group Inc. and Zhou Min Ni, dated February 23, 202110- K10. 283 / 16 / 202110. 21 Lease Agreement between Yoan Chang Trading, Inc. and Kirnland Food Distribution, Inc., dated as of January 1, 202110- K10. 293 / 16 / 202110. 22 Stock Purchase Agreement, dated May 28, 2021, by and among Ki Tai Yeung, HF Group Holding Corp., and Kirnland Food Distribution, Inc. 8- K10. 16 / 1 / 202110. 23 † HF Foods Group Inc. Amended and Restated Severance Plan 8- K10. 11 / 5 / 202310. 24 19 † Employment Agreement between Christine Chang and HF Foods Group Inc., dated as of July 29, 20218- K10. 28 / 4 / 202110. 25 Continuing 20 Continuing Guaranty, dated August 2, 2021, executed by HF Foods Group Inc. in favor of JPMorgan Chase Bank, N. A. 8- K10. 19 / 9 / 202110. 26 † Letter Agreement by and between HF Foods Group Inc. and Valerie P. Chase, dated December 10, 20218- K5. 112 / 15 / 202110. 27 Consent 21 Consent. Waiver, Joinder and Amendment No. 3 to Second Amended and Restated Credit Agreement by and among HF Foods Group Inc., B & R Global Holdings, Inc. and certain of the wholly- owned subsidiaries and affiliates of the Company, including Great Wall Seafood IL, L. L. C., and Great Wall Seafood TX, L. L. C., as borrowers, JPMorgan Chase Bank, N. A. as Administrative Agent, and certain lender parties thereto, including Comerica Bank, dated December 30, 20218- K10. 11 / 4 / 202210. 28 Asset 22 Asset Purchase Agreement by and among Great Wall Seafood Supply, Inc., Great Wall Restaurant Supplier, Inc., First Mart Inc., Great Wall Seafood IL, L. L. C., Great Wall Seafood TX, L. L. C., Bo Chuan Wong and Qiu Xian Li, dated December 30, 20218- K10. 21 / 4 / 202210. 29 23 † Form of Restricted Stock Agreement S- 84. 76 / 15 / 202110. 30 Third 24 Third Amended and Restated Credit Agreement by and among HF Foods Group Inc., B & R Global Holdings, Inc. and certain of the wholly- owned subsidiaries and affiliates of the Company, as borrowers, JPMorgan Chase Bank, N. A. as Administrative Agent, and certain lender parties thereto, including Comerica Bank, dated March 31, 20228- K10. 14 / 1 / 202210. 31 25 † Offer of Employment for Felix Lin dated April 15, 20228- K10. 14 / 20 / 202210. 32 Asset 26 Asset Purchase Agreement, dated as of April 19, 2022, by and among Sealand Food, Inc., Connie Wang, Jenny Wang and Great Wall Seafood VA, L. L. C. and, solely for purposes of Section 2. 1 (d) thereof. HF Foods Group, Inc. 8- K10. 14 / 25 / 202210. 33 27 Consent Under Third Amended and Restated Credit Agreement, dated October 26, 20228- K10. 110 / 31 / 202210. 28 Amendment No. 1 to Third Amended and Restated Credit Agreement, dated as of February 6, 20248- K10. 12 / 9 / 202410. 29 † Offer Letter Separation and Release Agreement, dated May 18 April 22, 2022 2024, by and among HF Foods Group Inc. and Kong Hian Lee 8- Cindy Yao. 8- K10. 14 / 25 / 202410. 30 Lease dated July 2, 2018, between Anheart Inc. and 825 Broadway Realty, LLC, Samayabeneli RE LLC, AS 2 East 30, LLC, 273 Yoco LLC, and UBA 2 East 30, LLC. 8- K10. 15 / 24 6 / 202210 202410. 31 Amendment to Lease, dated as of January 21, 2021, between Anheart, Inc. and 825 Broadway Realty, LLC, Samayabeneli RE LLC, AS 2 East 30, LLC, 273 Yoco LLC, and UBA 2 East 30, LLC. 8- K10. 25 / 6 / 202410. 32 Assignment and Assumption of Lease Agreement, dated as of August 16, 2022 and effective as of April 30, 2024, between Anheart, Inc. and 273 Fifth Avenue, L. L. C. 8- K10. 35 / 6 / 202410. 33 † Form of Restricted Stock Unit Award Agreement S- 84. 26 / 5 / 202410. 34 † Form of Performance Awards Agreement S Offer Letter, dated July 8, 2022, by and among HF Foods Group, Inc. and Carlos A. Rodriguez 8- K10 84. 17 36 / 14 5 / 202210 202410. 35 † First Amendment to Letter Agreement, dated January 17, 2022, by and among HF Foods Group Inc. and Prudence Kua 8- 2018 Omnibus Equity Incentive Plan S - K10 84. 11 46 / 19 5 / 202310 202410. 36 Consent Under Third 36 † Second Amended Amendment to HF Foods Group Inc and Restated Credit Agreement, dated October 26, 20228- K10. 110 2018 Omnibus Equity Incentive Plan DEF14A Annex 4 / 31 24 / 202210 202410. 37 † Separation Agreement and Release of Claims, dated March 26 effective May 31, 2021 2024, between by and among HF Foods Group Inc. and Caixuan Xu 10- Carlos Rodriguez. 8- K10. 45 16 / 31 5 / 202321 202410. 38 † Form of Director Letter Agreement 8- K10. 16 / 28 / 202410. 39 Amendment No. 2 to Third Amended and Restated Credit Agreement, dated as of July 15, 202410- Q10. 111 / 12 / 202410. 40 * Amendment No Subsidiaries of Registrant 23. 3 1 * Consent of BDO USA, P. C. 31. 1 * Certification of Chief Executive Officer pursuant to Third Amended Rule 13a- 14 and Restated Credit Agreement Rule 15d- 14 (a), dated promulgated under the Securities and Exchange Act of 1934, as amended 31. 2 * Certification of September Chief Financial Officer pursuant to Rule 13a- 14 and Rule 15d- 14 (a), promulgated under the Securities and Exchange Act of 1934, as amended 32. 1 * * Certification of Chief Executive Officer pursuant to 18 U. S. C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002- 2024 Incorporated by Reference Exhibit Number Description Form Exhibit / Appendix Filing Date 32 Date 10. 41 Lease Agreement between CH Realty IX- NDG Atlanta Freeman Intermodal, L. P., as Landlord, and HF Foods Group, Inc., as Tenant, dated as of September 30, 202410- Q10. 211 / 12 / 202410. 42 Cooperation Agreement, dated as of November 18, 2024, by and among the Stockholder Related Parties and HF Foods Group, Inc. 8- K10. 111 / 22 / 202410. 43 † Employment Agreement between HF Foods Group Inc. and Xi Lin, dated as of December 16, 2024 and effective as of January 1, 20258- K10. 112 / 19 / 202410. 44 Amendment No. 4 to Third Amended and Restated Credit Agreement, dated as of February 12, 20258- K10. 12 / 18 / 202519. 1 * Insider Trading Policy 21. 1 * Subsidiaries of Registrant 23. 1 * Consent of BDO USA, P. C. 31. 1 * Certification of Chief Executive Officer pursuant to Rule 13a- 14 and Rule 15d- 14 (a), promulgated under the Securities and Exchange Act of 1934, as amended 31. 2 * Certification of Chief Financial Officer pursuant to Rule 13a- 14 and Rule 15d- 14 (a), promulgated under the Securities and Exchange Act of 1934, as amended 32. 1 * * Certification of Chief Executive Officer pursuant to 18 U. S. C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002 32. 2 * * Certification of Chief Financial Officer pursuant to 18 U. S. C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002 297. 1 * Policy 1 Policy for the Recovery of Erroneously Awarded Compensation 101- Compensation 10- K97. 13 / 26 / 2024101 * Inline XBRL Document Set for the consolidated financial statements and accompanying notes in Part II, Item 8, "Financial Statements and Supplementary Data" of this Annual Report on Form 10- K104 * Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101) * Filed herewith. * * Furnished herewith. † Indicates a management contract or compensatory plan or arrangement. ITEM 16. FORM 10- K SUMMARY SIGNATURES Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. HF Foods Group Inc. Date: March 26 17, 2024 By: 2025 By: /s/ Xiao Mou Zhang Xiao Mou Zhang Chief Executive Officer Date: March 26, 2024 By: /s/ Felix Lin Felix Lin Interim Lin President and Chief Executive Officer (Principal Executive Officer) Date: March 17, 2025 By: /s/ Cindy Yao Cindy Yao Chief Financial Officer † President (Principal Financial and Accounting Chief Operating Officer (Principal accounting and financial officer) Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated. Signature Title Date /s/ Xiao Mou Zhang Chief Executive Officer and Director March 26 17,

2024Xiao 2025Xiao Mou Zhang / s / Lisa Russell Libby Chairman of the Board and Director March Lim Director March 26 17, 2024Russell Libby 2025Lisa Lim / s / Valerie Maria Chase Director March Ross Director March 26 17, 2024Valerie Chase 2025Maria Ross / s / Prudence Yujie Kuai Director March Wang Director March 26 17, 2024Prudence Kuai 2025Dr. Yujie Wang / s / Hong Charlotte Wang Director March Westfall Director March 26 17, 2024Hong Wang 2025Charlotte Westfall Exhibit 4. 5-7

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934 DESCRIPTION OF CAPITAL STOCK The following description of the capital stock of HF Foods Group Inc. (the "Company," "us," "we," or "our") is a summary and does not purport to be complete. It is subject to, and qualified in its entirety by, reference to our Second Amended and Restated Certificate of Incorporation ("Certificate of Incorporation") and our Bylaws ("Bylaws"), each of which are incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this exhibit is a part. Authorized Shares Capital Stock Under our Certificate of Incorporation, our authorized capital stock consists of 101,000,000 shares of capital stock, consisting of 100,000,000 shares of common stock, par value \$ 0.0001 per share, and 1,000,000 shares of preferred stock, par value \$ 0.001 per share. The number of authorized shares of any class or classes of our capital stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in-of-the voting power of our outstanding capital stock entitled to vote thereon, without a separate vote of the holders of the Preferred Stock, or any series thereof, unless a vote of any such holders is required pursuant to any Preferred Stock Designation (as defined below), and irrespective of the provisions of Section 242 (b) (2) of the Delaware General Corporation Law (the "DGCL"). We may not authorize the issuance of any class, or series thereof, of nonvoting equity shares. Our common stock and Preferred Stock Purchase Rights (as defined below) are registered under Section 12 (b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Voting Rights Holders of our common stock are entitled to one vote per share on all matters voted on by the stockholders, including in connection with the election of directors, as provided by law. Holders of our common stock do not have cumulative voting rights. Except as otherwise required by the DGCL or our Certificate of Incorporation and-or Bylaws, action requiring stockholder approval may be taken by a vote of the holders of a majority of the voting power of the shares of stock of the Company present in person or by proxy and entitled to vote on the relevant matter at a meeting at which a quorum is present. Dividend Rights After satisfaction of any dividend rights of holders of preferred stock and subject to applicable law, if any, holders of common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors in its discretion. Liquidation Rights Subject to any preferential rights of holders of our outstanding preferred stock, upon any liquidation, dissolution, or winding up of the Company, holders of our common stock are entitled to share ratably in all assets remaining after payment of liabilities and the liquidation preferences of any then-outstanding shares of preferred stock. Other Rights and Preferences Holders of our common stock have no preemptive, subscription, redemption, conversion or exchange rights and no sinking fund provisions. All outstanding shares of our common stock are duly authorized, validly issued, fully paid and non-assessable. Additional shares of common stock may be issued, as authorized by our Board-board of directors from time to time, without stockholder approval, except for any stockholder approval required by The Nasdaq Capital Market. The rights, preferences and privileges of holders of common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future. Transfer Agent and Registrar The transfer agent and registrar for our common stock is Equiniti Trust Company, LLC, New York, New York. Listing Our common stock is listed on The Nasdaq Capital Market under the symbol "HFFG." Our board of directors has been authorized to provide for the issuance of up to 1,000,000 shares of our preferred stock from time to time in one or more series without the approval of stockholders (a "Preferred Stock Designation"). With respect to each series of our preferred stock, our board of directors has the authority to fix or alter the dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption, including sinking fund provisions, the redemption price or prices, and the liquidation preferences of any wholly unissued class or series of Preferred Stock, and the number of shares constituting any such series and the designation thereof, or any of them. On April 11, 2023, our board of directors authorized and declared a dividend distribution of one right (each, a "Right" and collectively, the "Rights" or the "Preferred Stock Purchase Rights") for each outstanding share of common stock to stockholders of record as of the close of business on April 24, 2023 (the "Record Date"). Each Right entitles the registered holder to purchase from the Company one one-thousandth of a share of Series A Participating Preferred Stock, par value \$ 0.001 per share (the "Series A Preferred Stock"), of the Company at an exercise price of \$ 19.50 (the "Exercise Price"), subject to adjustment. On April 11, 2024, the expiration date of each Right was extended to April 11, 2025. The complete terms of the Rights are set forth in a Preferred Stock Rights Agreement (as amended, the "Rights Agreement"), dated as of April 11, 2023, as amended on April 11, 2024, between the Company and American Stock Transfer & Trust Company, LLC (now known as Equiniti Trust Company, LLC), as rights agent. Our board of directors adopted the Rights Agreement to protect stockholders from coercive or otherwise unfair takeover tactics. The Rights Agreement functions by imposing a significant penalty upon any person or group that acquires fifteen percent (15%) or more of the shares of our common stock without the approval of the board of directors. As a result, the overall effect of the Rights Agreement and the issuance of the Rights may be to render more difficult or discourage a merger, tender or exchange offer or other business combination involving the Company that is not approved by the board of directors. Distribution and Transfer of Rights; Rights Certificates Our board of directors has declared a dividend of one Right for each outstanding share of common stock. Prior to the Distribution Date referred to below: • the Rights are evidenced by and trade with the certificates for the common stock (or, with respect to any uncertificated common stock registered in book entry form, by notation in book entry), and no separate rights certificates will be distributed; • new common stock certificates issued after the Record Date contain a legend incorporating the Rights Agreement by reference (for uncertificated common stock registered in book entry form, this legend will be contained in a notation in book entry); and • the surrender for transfer of any certificates for common stock (or the surrender for transfer of any uncertificated common stock registered in book entry form) also constitute the transfer of the Rights associated with such common stock. Rights will accompany any new shares of common stock that are issued after the Record Date. Subject to certain exceptions specified in the Rights Agreement, the Rights will separate from the common stock and become exercisable following (1) the 10th business day (or such later date as may be determined by the board of directors) after the public announcement that a person or group of affiliated or associated persons (such person or group, an "Acquiring Person") has acquired beneficial ownership of fifteen percent (15%) or more of the common stock or (2) the 10th business day (or such later date as may be determined by the board of directors) after a person or group announces a tender or exchange offer that would result in ownership by a person or group of fifteen percent (15%) or more of the common stock. For purposes of the Rights Agreement, beneficial ownership is defined to include the ownership of derivative securities. A person or group who beneficially owned fifteen percent (15%) or more of the Company's outstanding common stock prior to the first public announcement by the Company of the adoption of the Rights Agreement will not trigger the Rights Agreement so long as they do not acquire beneficial ownership of any additional shares of common stock at a time when they still beneficially own fifteen percent (15%) or more of such common stock, subject to certain exceptions as set forth in the Rights Agreement. The date on which the Rights separate from the common stock and become exercisable is referred to as the "Distribution Date." After the Distribution Date, the Company will mail Rights certificates to the Company's stockholders as of the close of business on the Distribution Date and the Rights will become transferable apart from the common stock. Thereafter, such Rights certificates alone will represent the Rights. Series A Preferred Stock Purchasable Upon

Exercise of Rights After the Distribution Date, each Right will entitle the holder to purchase, for the Exercise Price, one one- thousandth of a share of Series A Preferred Stock having economic and other terms similar to that of one share of common stock. This portion of a share of Series A Preferred Stock is intended to give the stockholder approximately the same dividend, voting and liquidation rights as would one share of common stock, and should approximate the value of one share of common stock. More specifically, each one one- thousandth of a share of Series A Preferred Stock, if issued, will:

- not be redeemable;
- entitle holders to quarterly dividend payments of \$ 0. 001 per one one- thousandth of a share of Series A Preferred Stock, or an amount equal to the dividend paid on one share of common stock, whichever is greater;
- entitle holders upon liquidation either to receive \$ 1 per one one- thousandth of a share of Series A Preferred Stock or an amount equal to the payment made on one share of common stock, whichever is greater;
- have the same voting power as one share of common stock; and
- entitle holders to a payment per one one- thousandth of a share of Series A Preferred Stock equal to the payment made on one share of common stock if the common stock is exchanged via merger, consolidation or a similar transaction.

Flip- In Trigger If an Acquiring Person obtains beneficial ownership of fifteen percent (15 %) or more of the common stock, then each Right will entitle the holder thereof to purchase, for the Exercise Price, a number of shares of common stock (or, in certain circumstances, cash, property or other securities of the Company) having a then- current market value of twice the Exercise Price. However, the Rights are not exercisable following the occurrence of the foregoing event until such time as the Rights are no longer redeemable by the Company, as further described below. Following the occurrence of an event set forth in preceding paragraph, all Rights that are or, under certain circumstances specified in the Rights Agreement, were beneficially owned by an Acquiring Person or certain of its transferees will be void.

Flip- Over Trigger If, after an Acquiring Person obtains fifteen percent (15 %) or more of the common stock, (1) the Company merges into another entity, (2) an acquiring entity merges into the Company or (3) the Company sells or transfers more than 50 percent of its assets, cash flow or earning power, then each Right (except for Rights that have previously been voided as set forth above) will entitle the holder thereof to purchase, for the Exercise Price, a number of shares of common stock of the person engaging in the transaction having a then- current market value of twice the Exercise Price. Redemption of the Rights The Rights will be redeemable at the Company's option for \$ 0. 001 per Right (payable in cash, common stock or other consideration deemed appropriate by the board of directors) at any time on or prior to the 10th business day (or such later date as may be determined by the board of directors) after the public announcement that an Acquiring Person has acquired beneficial ownership of fifteen percent (15 %) or more of the common stock. Immediately upon the action of the board of directors ordering redemption, the Rights will terminate and the only right of the holders of the Rights will be to receive the \$ 0. 001 redemption price. The redemption price will be adjusted if the Company undertakes a stock dividend or a stock split.

Exchange Provision At any time after the date on which an Acquiring Person beneficially owns fifteen percent (15 %) or more of the common stock and prior to the acquisition by the Acquiring Person of 50 percent of the common stock, the board of directors may exchange the Rights (except for Rights that have previously been voided as set forth above), in whole or in part, for common stock at an exchange ratio of one share of common stock per Right (subject to adjustment). In certain circumstances, the Company may elect to exchange the Rights for cash or other securities of the Company having a value approximately equal to one share of common stock.

Expiration of the Rights The Rights expire on the earliest of (1) 5: 00 p. m., New York City time, on April 11, 2024-2025 or (2) upon the redemption or exchange of the Rights as described above.

Amendment of Terms of the Rights Agreement and Rights The terms of the Rights and the Rights Agreement may be amended in any respect without the consent of the holders of the Rights on or prior to the Distribution Date. Thereafter, the terms of the Rights and the Rights Agreement may be amended without the consent of the holders of Rights in order to (1) cure any ambiguities, (2) shorten or lengthen any time period pursuant to the Rights Agreement or (3) make changes that do not adversely affect the interests of holders of the Rights.

Voting Rights Other Stockholder Rights The Rights will not have any voting rights. Until a Right is exercised, the holder thereof, as such, will have no separate rights as stockholder of the Company.

Anti- Dilution Provisions The board of directors may adjust the Exercise Price, the number of shares of Series A Preferred Stock issuable and the number of outstanding Rights to prevent dilution that may occur from a stock dividend, a stock split or a reclassification of the Series A Preferred Stock or common stock. With certain exceptions, no adjustments to the Exercise Price will be made until the cumulative adjustments amount to at least one percent of the Exercise Price. No fractional shares of Series A Preferred Stock will be issued and, in lieu thereof, an adjustment in cash will be made based on the current market price of the Series A Preferred Stock. The distribution of Rights should not be taxable for federal income tax purposes. However, following an event that renders the Rights exercisable or upon redemption of the Rights, stockholders may recognize taxable income. For additional information regarding the Rights, the Rights **Plan Agreement** and the Series A Preferred Stock, see our Registration Statement on Form 8- A filed with the SEC on April 12, 2023, **our Amendment No. 1 to Form 8- A filed with the SEC on April 11, 2024, our Amendment No. 2 to Form 8- A filed with the SEC on April 12, 2024** and our Current Report on Form 8- K filed with the SEC on April 12, 2023.

Anti- Takeover Effects of Provisions of our Certificate of Incorporation and Bylaws Some provisions of Delaware law, our Certificate of Incorporation and our Bylaws could delay or discourage some transactions involving an actual or potential change in control of us or our management and may limit the ability of our stockholders to remove current management or approve transactions that our stockholders may deem to be in their best interests. These provisions:

- **a-** allow our board of directors to issue any authorized but unissued shares of common stock without approval of stockholders;
- **b-** authorize our board of directors to establish one or more series of preferred stock, the terms of which can be determined by our board of directors at the time of issuance;
- **c-** provide an advanced written notice procedure with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of our board of directors, subject to the rights of stockholders to request inclusion of proposals in our proxy statement pursuant to Rule 14a- 8 under the Exchange Act (or any successor provision of law);
- **d-** state that special meetings of our stockholders may be called only by the Chairman of our board of directors, our President, or at the request of a majority of our board of directors;
- **e-** allow our directors, and not our stockholders, to fill vacancies on our board of directors, including vacancies resulting from removal or enlargement of our board of directors, unless such vacancies are created by the removal of a director by the stockholders; and
- **f-** grant our board of directors the authority to alter any provision of the Bylaws without a stockholder assent or vote; provided, however, that such authority of our board of directors is subject to the power of the stockholders to alter, amend, change, add to, repeal, rescind or make new Bylaws by the affirmative vote of the holders of at least a majority of the voting power of the outstanding shares entitled to vote thereon.

Delaware Anti- takeover Law The Company is subject to Section 203 of the DGCL, which is an anti- takeover law. **In- In** general, Section 203 prevents a publicly- held Delaware corporation from engaging in a " business combination" with any " interested stockholder" for a period of three years following the date that **the such** person became an interested stockholder unless (1) our board of directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder, (2) at least two- thirds of the outstanding shares not owned by that interested stockholder approve the business combination, or (3) upon becoming an interested stockholder, that stockholder owned at least 85 % of the outstanding shares, excluding those held by officers, directors and some employee stock plans. **Section 203 of the DGCL defines a " business combination " to include:**

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, lease, pledge or other disposition involving the interested stockholder of 10 % or more of the assets of the corporation;
- subject to exceptions, any transaction that results in the issuance of transfer by the corporation of any stock of the corporation to the interested stockholder;
- subject to exceptions, any

transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; and • the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation. In general, Section 203 of a "business combination" includes, among other things, a merger or consolidation involving us and an "interested stockholder" as "and the sale of more than 10% of our assets. In general, an "interested stockholder" is any entity or person beneficially owning 15% or more of our the outstanding voting stock of the corporation and any entity or person affiliated with or controlling or controlled by such entity or person. A Delaware corporation may "opt out" of these provisions with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or bylaws resulting from a stockholders' amendment approved by at least a majority of the outstanding voting shares. We have not opted out of these provisions. Exclusive Forum Provision **Our Certificate of Incorporation provides that, Unless unless** the Company consents in writing to the selection of an alternative forum, the sole and exclusive forum for certain legal actions involving the Company will be the Court of Chancery of the State of Delaware. If the Court of Chancery of the State of Delaware lacks subject matter jurisdiction over such action or proceeding, the sole and exclusive forum for such action or proceeding shall be another state or federal court located within the State of Delaware or, if no court of the State of Delaware has jurisdiction, then the United States District Court for the District of Delaware. Unless the Company consents in writing to the selection of an alternative forum, the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended and the rules and regulations promulgated thereunder. **AMENDMENT NO. 3 TO THIRD AMENDED AND RESTATED CREDIT AGREEMENT This AMENDMENT NO. 3 TO THIRD AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment") is entered into as of September 18, 2024, by and among HF FOODS GROUP INC., a Delaware corporation ("HF"), B & R GLOBAL HOLDINGS, INC., a Delaware corporation ("B & R"), RONGCHENG TRADING, LLC, a California limited liability company ("Rongcheng"), CAPITAL TRADING, LLC, a Utah limited liability company ("Capital"), WIN WOO TRADING, LLC, a California limited liability company ("Win Woo"), R & C TRADING L. L. C., an Arizona limited liability company ("R & C"), GREAT WALL SEAFOOD LA, LLC, a California limited liability company ("Great Wall"), B & L TRADING, LLC, a Washington limited liability company ("B & L"), MOUNTAIN FOOD, LLC, a Colorado limited liability company ("Mountain"), MIN FOOD INC., a California corporation ("Min Food"), MONTEREY FOOD SERVICE, LLC, a California limited liability company ("Monterey"), HAN FENG, INC., a North Carolina corporation ("Han Feng"), NEW SOUTHERN FOOD DISTRIBUTORS, INC., a Florida corporation ("NSFD"), KIRNLAND FOOD DISTRIBUTION, INC., a Georgia corporation ("Kirnland"), GREAT WALL SEAFOOD IL, L. L. C., an Illinois limited liability company ("Great Wall IL"), GREAT WALL SEAFOOD TX, L. L. C., a Texas limited liability company ("Great Wall TX"), GREAT WALL SEAFOOD VA, L. L. C., a Virginia limited liability company ("Great Wall VA"; HF, B & R, Rongcheng, Capital, Win Woo, R & C, Great Wall, B & L, Mountain, Min Food, Monterey, Han Feng, NSFD, Kirnland, Great Wall IL, Great Wall TX and Great Wall VA are collectively referred to as the "Working Capital Borrowers"), B & R REALTY, LLC, a California limited liability company ("Realty"), LUCKY REALTY, LLC, a California limited liability company ("Lucky"), GENSTAR REALTY, LLC, a California limited liability company ("Genstar"), MURRAY PROPERTIES, LLC, a Utah limited liability company ("Murray"), FORTUNE LIBERTY, LLC, a Utah limited liability company ("Fortune"), A & KIE, LLC, an Arizona limited liability company ("A & Kie"), LENFA FOOD, LLC, a Colorado limited liability company ("Lenfa"), BIG SEA REALTY, LLC, a Washington limited liability company ("Big Sea"; Realty, Lucky, Genstar, Murray, Fortune, A & Kie, Lenfa and Big Sea are collectively referred to as the "Real Estate Borrowers"; the Working Capital Borrowers and the Real Estate Borrowers, each a "Borrower" and collectively, the "Borrowers"), the Lenders party hereto (which constitute Required Lenders) and JPMORGAN CHASE BANK, N. A., as administrative agent for the Lenders (in such capacity, "Administrative Agent"). W I T N E S S E T H: WHEREAS, the Borrowers, the other Loan Parties party thereto, the Lenders party thereto and Administrative Agent are parties to that certain Third Amended and Restated Credit Agreement dated as of March 31, 2022 (as amended, restated, supplemented or otherwise modified to date and from time to time, including hereby, the "Credit Agreement"; capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Credit Agreement); and WHEREAS, the Borrowers have requested that Required Lenders agree to amend the Credit Agreement as specified herein, and Required Lenders have agreed to such request, subject to the terms and conditions of this Amendment. NOW THEREFORE, in consideration of the mutual conditions and agreements set forth in the Credit Agreement and this Amendment, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:- 1- 1. Amendments to Credit Agreement. Subject to the satisfaction of the conditions precedent set forth in Section 2 below, and in reliance on the representations and warranties set forth in Section 3 below: (a) Section 1. 01 of the Credit Agreement is hereby amended by adding the following new defined terms thereto, in appropriate alphabetical order, to read as follows: " Powder Springs Lease" means that certain Lease Agreement, entered into on or about the Third Amendment Closing Date, between CH REALTY IX- NDG ATLANTA FREEMAN INTERMODAL, L. P., a Delaware limited partnership, as landlord thereunder, and HF Foods, as tenant thereunder, with respect to 4795 Innovative Way, Powder Springs, Georgia 30127, in form and substance substantially similar to the draft thereof provided to Administrative Agent on or prior to the Third Amendment Closing Date or as otherwise approved by Administrative Agent in its reasonable discretion." Third Amendment Closing Date" means September 18, 2024. (b) Section 3. 24 of the Credit Agreement is hereby amended and restated in its entirety as follows: Holding Companies. Each of B & R, HF Foods and HF Holding is a holding company that does not conduct any business, own any material assets or have any material liabilities, other than (i) ownership of the Equity Interests of its Subsidiaries, (ii) its obligations under the Loan Documents, (iii) maintenance of its existence, (iv) the leasing of executive office space and the engagement of services related to its corporate management functions and (v) obligations (x) as a tenant under the Powder Springs Lease or (y) in respect of a Guarantee by B & R, HF Foods or HF Holding of the obligations of another Loan Party acting as tenant under the Powder Springs Lease. (c) Section 6. 03 (d) of the Credit Agreement is hereby amended and restated in its entirety as follows: (d) None of B & R, HF Foods or HF Holding will engage in any business or activity, own any material assets or incur any material liabilities other than (i) ownership of the Equity Interests of its Subsidiaries, (ii) its obligations under the Loan Documents, (iii) maintenance of its existence, (iv) the leasing of executive office space and the engagement of services related to its corporate management functions and (v) obligations (x) as a tenant under the Powder Springs Lease or (y) in respect of a Guarantee by B & R, HF Foods or HF Holding of the obligations of another Loan Party acting as tenant under the Powder Springs Lease. 2. Conditions to Effectiveness. The effectiveness of Section 1 of this Amendment is subject to the following conditions precedent: (a) Administrative Agent shall have received a copy of this Amendment executed by each Borrower, Administrative Agent and Required Lenders; (b) Administrative Agent shall have received all fees, costs and expenses due and payable as of the date hereof under the Credit Agreement and the other Loan Documents (including reasonable fees and expenses of legal counsel to the extent invoiced on or prior to the date hereof); and- 2- (c) immediately after giving effect to this Amendment, no Default or Event of Default**

shall have occurred and be continuing or shall be caused by the transactions contemplated by this Amendment. 3. Representations and Warranties. To induce Administrative Agent and the Lenders party hereto to enter into this Amendment, each of the Borrowers hereby represents and warrants to Administrative Agent and the Lenders that: (i) the execution, delivery and performance of this Amendment has been duly authorized by all requisite action on the part of such Borrower and this Amendment has been duly executed and delivered by such Borrower; (ii) immediately before and after giving effect to the consummation of the transactions contemplated by this Amendment, each of the representations and warranties of the Loan Parties set forth in the Credit Agreement and each of the other Loan Documents are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of the date hereof (except to the extent they relate to an earlier date, in which case they shall have been true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date); and (iii) immediately after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing. 4. [Reserved]. 5. Release. (a) In consideration of the agreements of Administrative Agent and the Lenders contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Borrower, on behalf of itself, each of its Subsidiaries, and each of its and their respective successors, assigns, and other legal representatives (each such Borrower and all such other Persons being hereafter referred to collectively as the " Releasors" and individually as a " Releasor"), hereby absolutely, unconditionally and irrevocably releases, remises and forever discharges Administrative Agent and the Lenders, and each of their successors and assigns, and each of their present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents, other representatives (Administrative Agent and the Lender and all such other Persons being hereinafter referred to collectively as the " Releasees" and individually as a " Releasee"), of and from all demands, actions, causes of action, suits, controversies, damages and any and all other claims, counterclaims, defenses, rights of set-off and liabilities whatsoever, including claims for breach of contract, (individually, a " Claim" and collectively, " Claims") of every name and nature, known or unknown, suspected or unsuspected, both at law and in equity, which any Releasor may now own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the day and date of this Amendment for or on account of, or in relation to, or in any way in connection with the Credit Agreement or any of the other Loan Documents or transactions thereunder or related thereto; provided that nothing in this paragraph shall modify, amend, or terminate the Credit Agreement, any of the other Loan Documents, or any other contract or agreement to which a Releasor is a party or of which the Releasor is a beneficiary and further provided that nothing in this paragraph shall release, remise or discharge any Releasee from liability for future performance due under any such contracts or agreements or with respect to any demand deposit account. (b) Each Releasor understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release. (c) Each Releasor agrees that no fact, event, circumstance, evidence or transaction which could now be asserted or which may hereafter be discovered shall affect in any manner the final, absolute and unconditional nature of the release set forth above. 6. Severability. Any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such- 3- invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. 7. References. Any reference to the Credit Agreement contained in any Loan Document or any other document, instrument or agreement executed in connection with the Credit Agreement shall be deemed to be a reference to the Credit Agreement as modified by this Amendment. 8. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall constitute an original, but all of which taken together shall be one and the same instrument. Delivery by telecopy or electronic portable document format (i. e., " pdf") transmission of executed signature pages hereof from one party hereto to another party hereto shall be deemed to constitute due execution and delivery by such party. 9. Ratification. The terms and provisions set forth in this Amendment shall modify and supersede all inconsistent terms and provisions of the Credit Agreement and shall not be deemed to be a consent to the modification or waiver of any other term or condition of the Credit Agreement or any of the other Loan Documents. Except as expressly modified and superseded by this Amendment, the terms and provisions of the Credit Agreement are ratified and confirmed and shall continue in full force and effect. 10. Governing Law. This Amendment shall be governed by and construed in accordance with the internal laws (and not the law of conflicts) of the State of Illinois, but giving effect to federal laws applicable to national banks. [Signature pages follow]- 4- IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective duly authorized officers on the date first written above.

BORROWERS: HF FOODS GROUP INC. By: Name: Title: B & R GLOBAL HOLDINGS, INC. By: Name: Title: RONGCHENG TRADING, LLCBy: Name: Title: CAPITAL TRADING, LLCBy: Name: Title: WIN WOO TRADING, LLCBy: Name: Title: R & C TRADING L. L. C. By: Name: Title: Signature Page to Amendment No. 3 to Third Amended and Restated Credit Agreement GREAT WALL SEAFOOD LA, LLCBy: Name: Title: B & L TRADING, LLCBy: Name: Title: MOUNTAIN FOOD, LLCBy: Name: Title: MIN FOOD INC. By: Name: Title: MONTEREY FOOD SERVICE, LLCBy: Name: Title: HAN FENG, INC. By: Name: Title: NEW SOUTHERN FOOD DISTRIBUTORS, INC. By: Name: Title: KIRNLAND FOOD DISTRIBUTION, INC. By: Name: Title: GREAT WALL SEAFOOD TX, L. L. C. By: Name: Title: GREAT WALL SEAFOOD IL, L. L. C. By: Name: Title: GREAT WALL SEAFOOD VA, L. L. C. By: Name: Title: B & R REALTY, LLCBy: Name: Title: LUCKY REALTY, LLCBy: Name: Title: GENSTAR REALTY, LLCBy: Name: Title: MURRAY PROPERTIES, LLCBy: Name: Title: FORTUNE LIBERTY, LLCBy: Name: Title: A & KIE, LLCBy: Name: Title: LENFA FOOD, LLCBy: Name: Title: BIG SEA REALTY, LLCBy: Name: Title: JPMORGAN CHASE BANK, N. A., as Administrative Agent and a LenderBy: Name: Title: COMERICA BANK, as a LenderBy: Name: Title:

Exhibit 19. 1 HF FOODS GROUP, INC. INSIDER TRADING POLICY Last Revised March 13, 2025 HF Foods Group, Inc. (" HFFG " or " Company ") is a reporting company under the U. S. Securities Exchange Act of 1934, as amended (the " Exchange Act ") and therefore must abide by U. S. securities laws and regulations. This Insider Trading Policy (" Policy ") describes the Company' s standards on trading, and causing the trading of, the Company' s securities or securities of other publicly- traded companies while in possession of confidential information. This Policy is designed to prevent insider trading and the appearance of impropriety, to satisfy the Company' s obligation to use reasonable efforts to supervise the activities of HFFG employees and all employees of its operating companies, subsidiaries, divisions and affiliated companies, and all officers and directors, including our Board of Directors (" Employees " or " You "), and to help Employees avoid the severe consequences associated with violations of insider trading laws. It is Your obligation to understand and comply with this Policy. Application This Policy continues to apply following the termination of any such individual' s service to or employment with the Company until any and all material information about the Company, its business

and its finances that has not been made public by the Company that is possessed by such individual has been made public by the Company or is no longer material. The same restrictions that apply to You also apply to anyone with whom You have a close personal relationship and to any investment fund, trust, retirement plan, partnership, corporation or other entity or person over which You have the ability to influence or direct investment decisions concerning securities. You are responsible for ensuring compliance with this Policy by all such persons and anyone else that is affiliated with You. General Principles It is illegal for Employees to trade in the securities of the Company while in the possession of material, non- public information about the Company. It is also illegal for Employees to disclose material, non- public information about the Company to others who may trade on the basis of that information. These illegal activities are commonly referred to as “ insider trading. ” If You wish to buy, sell, or enter into any other form of transaction with respect to the Company’ s securities, You must first request in writing and obtain pre- clearance from the Legal Department. No trade shall be entered into without the express written approval of the Legal Department. Notwithstanding the foregoing, if You are a member of the Company’ s Board of Directors or an officer of the Company that has been deemed an “ Executive Officer ” as defined in Section 16 the Securities Exchange Act of 1934, as amended (a “ Section 16 Filer ”), You must first request pre- clearance in writing to the Company’ s General Counsel. No trade by a Section 16 Filer shall be entered into without the express written approval of the Company’ s General Counsel, Chief Executive Officer and the chairperson of the Nominating and Corporate Governance Committee of the Company’ s Board of Directors. Trading includes, without limitation, buying or selling or participating in a decision to buy or sell, the Company’ s securities. The Company will maintain a written record of any requests for pre- clearance under this Policy and of any advice given the ability to trade in the Company’ s securities. For further clarity, this pre- clearance requirement also applies to any instructions or directions You may give to another person to take any action with respect to the Company’ s securities, even if You do not profit personally from such action. Failure to obtain pre- clearance prior to a trade could result in disciplinary action taken against You, up to and including termination, and may subject You to criminal prosecution, depending on the circumstances. Every person subject to this Policy has the individual responsibility to comply with this Policy against insider trading, and appropriate judgment should be exercised in connection with any trade in the Company’ s securities. You may, from time to time, have to forego a proposed transaction in the Company’ s securities even if You planned to make the transaction before learning of material, non- public information and even though You believe You may suffer an economic loss or forego anticipated profit by waiting. Materiality Information about the Company is “ material ” if it could reasonably be expected to affect the market price of the Company’ s securities or if a reasonable investor would consider the information important in determining whether to buy, sell or hold the Company’ s securities. Both positive and negative information may be material. While it is not possible to identify all information that would be deemed “ material, ” the following items are types of information that are generally considered material: • Projections of future revenues, earnings or losses, or other financial guidance (such as operating margins) or changes in such projections • Earnings and revenue • Restatements or potential restatements of the Company’ s financial statements • Changes in auditors, auditor notification that the Company may no longer rely on an auditor’ s audit report, and issues with the Company’ s or the auditor’ s assessments of the Company’ s internal controls • Significant pending or proposed mergers, acquisitions, tender offers, joint ventures or dispositions of significant assets or operations • Changes in management or the Board of Directors • Significant actual or threatened litigation, regulatory action or governmental investigations or major developments in such matters • Significant changes in operations • Significant developments regarding products, services, customers, suppliers, orders, contracts, or financing sources • Changes in a significant customer relationship • Changes in dividend policy, declarations of stock splits, stock repurchases, or public or private sales of additional securities • Defaults or potential defaults under the Company’ s credit agreements or indentures, or the existence of material liquidity deficiencies • Bankruptcies or receiverships The US Securities and Exchange Commission (“ SEC ”) has stated that there is no dollar value that determines materiality, and that even very small quantitative changes can be material if they could result in a change in the price of the Company’ s securities. When in doubt, information concerning the Company should be presumed to be material and non- public (i. e., not disclosed to the public). If You have any questions about what is “ material, ” You must reach out to the Legal Department for further guidance. Non- Public Information Material information is “ non- public ” if it has not been made generally available to the investing public. To show that information is public, it is necessary to point to some fact that establishes that the information has become publicly available, such as the filing of a report with the SEC, the distribution of a press release through a widely disseminated news or wire service, or by other means used by the Company that are reasonably designed to provide broad public access. Before a person who possesses material, non- public information can trade, there also must be adequate time for the market as a whole to absorb the information that has been disclosed. For the purposes of this Policy, information will be considered public beginning on the first full trading day following the Company’ s public release of the information. Thus, if an announcement is made before the market opens on a Monday, Tuesday generally would be the first day on which you may trade. If an announcement is made before the market opens on a Friday, Monday generally would be the first day on which you may trade. If You have any questions about what information is “ non- public, ” You must reach out to the Legal Department for further information. Violations Employees with knowledge of material, non- public information may not trade in the Company’ s securities, which includes common stock, options to purchase common stock, any other type of securities that the Company may issue (such as preferred stock, convertible debentures, warrants, exchange- traded options or other derivative securities), and any derivative securities that provide the economic equivalent of ownership of any of the Company’ s securities or an opportunity, direct or indirect, to profit from any change in the value of the Company’ s securities. Having others trade in the Company’ s securities for You in order to circumvent this Policy is also prohibited. Giving trading advice of any kind about the Company, disclosing the material, non- public information about the Company to anyone else who might then trade, or recommending to anyone that they purchase or sell the Company’ s securities are practices known as “ tipping. ” Tipping is also illegal and a violation of this Policy. You may, when appropriate, advise others not to trade if doing so might violate the law or this Policy. Employees may not engage in short- term or speculative transactions in the Company’ s securities or sales of Company securities that evidence an expectation on the part of the seller that the securities will decline in value or reduce the seller’ s incentive to improve the Company’ s performance. As such, the following transactions are prohibited and will not be approved by the Legal Department: • Purchases or sales of puts, calls, or other derivative securities, or any derivative securities that provide the economic equivalent of ownership of any of the Company’ s securities or an opportunity to profit from a change directly or indirectly in the value of the Company’ s securities • Short sales of the Company’ s securities, which are also illegal under Section 16 (c) of the Exchange Act for officers and directors • Margining, or make any offer to margin, any of the Company’ s securities as collateral to purchase the Company’ s securities or the securities of any other issuer The preceding sentence is not meant to, and shall not be construed so as to, affect Your ability to use your securities as collateral to securitize a bona fide loan. Trading Windows The announcement of the Company’ s quarterly financial results and the filing of the Company’ s annual and quarterly reports with the SEC can always have a material effect on the market for the Company’ s securities. Although You may not

know the financial results prior to public announcement, if You engage in a trade before the financial results are disclosed to the public, such trades may give an appearance of impropriety that could subject You and the Company to a charge of insider trading. Therefore, subject to limited exceptions, the Legal Department may approve of Your trade in Company securities only during four quarterly trading windows. The four trading windows consist of the periods beginning on the first full trading day following the Company's issuance of a press release (or other method of broad public dissemination) announcing its quarterly or annual earnings and end at the close of business on the 5th calendar day before the end of the quarter during which that announcement is made. Even during a time when a trading window is open, all trading must still be approved by the Legal Department. Please consult the Legal Department if You have questions regarding the Company's trading windows. The Company may impose special blackout periods during which Employees are prohibited from trading in the Company's securities in order to prevent Employees from trading on material, non-public information. If the Company imposes a special blackout period, the Legal Department will notify You. The prohibition of trading during blackout periods shall also not apply with respect to a public offering of Company securities specifically authorized by the Company's Board of directors or duly authorized committee of the Board of Directors. Online Activities While the Company encourages its stockholders and potential investors to obtain as much information as possible about the Company, the Company believes that information should come from its publicly-filed SEC reports, press releases and external website or from a designated Company spokesperson, rather than from speculation or unauthorized disclosures by Employees. For this reason, the Company has designated spokespeople to respond to inquiries regarding the Company's business and prospects. This centralization of communication is designed to ensure that the information the Company discloses is accurate and considered in light of previous disclosures. Formal announcements are generally reviewed by management and the Legal Department before they are made public. Any communications that do not go through this review process create an increased risk to the Company, as well as to the individual responsible for the communication, of civil and criminal liability. In addition, with the advent of the Internet, and the emergence of websites and apps where individuals discuss investments, such as Reddit, electronic discussions about companies and their business prospects have become common. Inappropriate communications disseminated on the Internet may pose an inherently greater risk due to the size of the audience they can reach. These forums have the potential to move a stock price significantly, and very rapidly – yet the information disseminated through these sources often is unreliable, and in some cases, may be deliberately false. The SEC has investigated and prosecuted a number of fraudulent schemes involving discussions online. You may encounter information about the Company on the Internet that You believe is harmful or inaccurate, or other information that You believe is true or beneficial for the Company. Although You may have a natural tendency to deny or confirm such information online, any sort of response, even if it presents accurate information, could be considered improper disclosure and could result in legal liability to You and / or to the Company. Therefore, Employees may not participate in such forums or communicate any information on such media unless such communications have been specifically authorized. Confidentiality The Company is committed to preventing inadvertent disclosures of material, non-public information, preventing unwitting participation in Internet-based securities fraud, and avoiding the appearance of impropriety by the Company or Employees. Accordingly, the Company expects You to keep non-public information, non-public. This Policy prohibits You from discussing Material, Non-Public Information about the Company with anyone, including other Employees, except as required in the performance of Your duties. You should not under any circumstances provide information or discuss matters involving the Company with the news media, any broker-dealer, analyst, investment banker, investment advisor, institutional investment manager, investment company or stockholder (even if You are contacted directly by such persons) without express prior authorization. You should refer all such contact or inquiries to the Legal Department. Penalties The U. S. Government, including the SEC, pursues insider trading violations aggressively. Penalties for insider trading or tipping can include: • Disgorgement of the profit gain or loss avoided • Payment of the loss suffered by individuals who purchased or sold securities legally • Criminal penalties up to \$ 5 million • Civil penalties up to three times the profit made or loss avoided • Imprisonment The Company can be required to pay civil and criminal penalties or be subject to lawsuits from individuals or classes of plaintiffs. Violation of this Policy or applicable laws by Employees may result in disciplinary action by the Company up to and including termination. The Company reserves the right to determine, in its own discretion and on the basis of the information available to it, whether this Policy has been violated. The Company may determine that specific conduct violates this Policy, whether or not the conduct also violates the law. It is not necessary for the Company to await the filing or conclusion of a civil or criminal action against the alleged violator before taking disciplinary action. Exceptions This Policy does not apply to: • Stock option exercises or a tax withholding right • Restricted stock, restricted stock units, performance stock units, or similar securities that have been withheld by the Company under a stock incentive plan • Purchases of Company securities as part of an employee stock purchase plan Other Companies This Policy and the restrictions and guidelines described herein also apply to material, nonpublic information relating to other companies, including the Company's customers, vendors or suppliers ("business partners"), when that information is obtained in the course of employment with, or other services performed for, the Company. Civil and criminal penalties, and termination of employment, may result from trading on inside information regarding the Company's business partners. You should treat Material Nonpublic Information about the Company's business partners with the same care required for information related directly to the Company. Reporting and Training If You violate this Insider Trading Policy or any federal or state laws governing insider trading, or know of any such violation by another Employee, You must report the violation immediately to the Legal Department. Our Company has a non-retaliation policy and we encourage Employees to speak up when there are concerns. Additional Resources and Questions If You have any questions about this Policy, please speak with Your manager, the Legal Department, or see the Code section titled "How to Report and Additional Contact Information."