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POLYFAIR

Polyfair Holdings Limited

寶發控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8532)

PROFIT WARNING

This announcement is made by Polyfair Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary assessment by the management of the Company on the unaudited consolidated management accounts of the Group for the year ended 31 March 2026 (the "**Reporting Year**") and the information currently available to the Board, the Group is expected to record a net loss for the Reporting Year in the range from approximately HK$44.5 million to HK$54.5 million, compared with a net loss of approximately HK$133.1 million recorded for the year ended 31 March 2025 (the "**Previous Year**").

Based on the latest information available to the Board, the expected net loss was mainly attributable to (i) the expected gross loss of the Group for the Reporting Year of approximately HK$0.1 million as compared to the gross loss of approximately HK$83.3 million for the Previous Year; (ii) the total impairment losses recognised under the expected credit loss model across the Group's financial assets (including trade receivables, contract assets, deposits and other receivables) for the Reporting Year are estimated at not less than approximately HK$34.0 million, higher than the corresponding total impairment losses under the expected credit loss model of approximately HK$23.0 million for the year ended 31 March 2025; (iii) the expected finance costs of the Group for the Reporting Year of not less than approximately HK$5.2 million as compared to the finance costs of approximately HK$8.5 million for the Previous Year; and (iv) the expected administrative expenses of the Group for the Reporting Year of not less than approximately HK$11.0 million as compared to the administrative expenses of approximately HK$20.3 million for the Previous Year.

The narrowing of the Group's expected net loss for the Reporting Year is primarily attributable to (i) material manpower restructuring undertaken in the Previous Year, which yielded ongoing operational cost benefits during the current reporting period; and (ii) the Group's avoidance of unforeseen disruptive operational incidents this year, in contrast to the Previous Year when several subcontractors withdrew from multiple incomplete projects, which forced the Group to assume full responsibility for completing such works independently and consequently incurred substantially elevated labour costs.

Information contained in this announcement is a preliminary assessment made by the Board based on the latest unaudited consolidated management accounts of the Group for the Reporting Year and the information currently available to the Board, which has not been audited or reviewed by the independent auditors or the audit committee of the Company and is still subject to possible adjustments such as impairment under expected credit loss model on financial assets (including trade receivables, contract assets, deposits and other receivables) arising from further review.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Polyfair Holdings Limited
Yu Lap On Stephen
Executive Director

Hong Kong, 26 June 2026

As at the date of this announcement, the executive Directors are Mr. Mu Ruifeng, Mr. Yu Lap On Stephen and Mr. Wong Wai Man; and the independent non-executive Directors are Mr. Zheng Lei, Ms. Sun Shui and Ms. Lo Lai Lai Samantha.