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## **FOURACE INDUSTRIES GROUP HOLDINGS LIMITED**

**科利實業控股集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1455)**

**(1) PROPOSED ISSUE OF NEW AWARD SHARES  
TO NON-CONNECTED GRANTEES  
PURSUANT TO GENERAL MANDATE  
AND  
(2) CONNECTED TRANSACTION  
PROPOSED ISSUE OF NEW AWARD SHARES  
TO CONNECTED GRANTEES  
PURSUANT TO SPECIFIC MANDATE**

**PROPOSED ISSUE OF NEW AWARD SHARES TO NON-CONNECTED  
GRANTEES PURSUANT TO GENERAL MANDATE**

On 28 June 2021, the Board resolved to grant a total of 20,937,500 Award Shares to twenty four (24) Employees, in order to recognize the contributions of such Employees and in driving the continuous business operation and development of the Group. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, all of the Non-connected Grantees are independent of and not connected with the Company and its connected persons.

The 20,937,500 Award Shares granted to the Non-connected Grantees shall be satisfied by the proposed allotment and issue of new Shares pursuant to the General Mandate.

**CONNECTED TRANSACTION — PROPOSED ISSUE OF NEW AWARD SHARES  
TO CONNECTED GRANTEES PURSUANT TO SPECIFIC MANDATE**

On 28 June 2021, the Board resolved to grant a total of 7,625,000 Award Shares to two (2) Directors, in order to recognize the contributions of such persons and in driving the continuous business operation and development of the Group. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Connected Grantees are Directors and thus are connected persons of the Company under Chapter 14A of the Listing Rules.

The 7,625,000 Award Shares granted to the Connected Grantees shall be satisfied by the proposed allotment and issue of new Shares pursuant to the Specific Mandate.

### **LISTING RULES IMPLICATIONS**

As Connected Grantees (i.e. Ms. Li Sen Julian and Ms. Tang Suk Yee) are Directors, they are connected persons of the Company. Therefore, the grant of Award Shares to the Connected Grantees constitute connected transactions of the Company under Chapter 14A of the Listing Rules and shall be subject to reporting, announcement, circular and independent shareholders' approval requirements.

The grant of Award Shares to the Connected Grantees is subject to, among others, the approval by the Independent Shareholders at the EGM.

As each of Ms. Li Sen Julian and Ms. Tang Suk Yee is a Connected Grantee and Mr. Li Shu Yeh is the father of Ms. Li Sen Julian, each of the above Directors is considered or deemed to have a material interest in and has therefore abstained from voting on the resolutions of the Board approving the proposed grant of Award Shares to the Connected Grantees and the transactions contemplated thereunder.

### **INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee comprising all the independent non-executive Directors will be formed to advise the Independent Shareholders on the proposed grant of Award Shares to the Connected Grantees and the transactions contemplated thereunder (including the grant of the Specific Mandate to the Directors for the allotment and issue of the Award Shares to the Connected Grantees).

### **INDEPENDENT FINANCIAL ADVISER**

An independent financial adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the proposed grant of Award Shares to the Connected Grantees and the transactions contemplated thereunder (including the grant of the Specific Mandate to the Directors for the allotment and issue of the Award Shares to the Connected Grantees).

### **GENERAL**

The EGM will be convened and held for the Independent Shareholders to consider, and if thought fit, approve the proposed grant of Award Shares to the Connected Grantees and the transactions contemplated thereunder (including the grant of the Specific Mandate to the Directors for the allotment and issue of the Award Shares to the Connected Grantees).

As at the date of this announcement, Ace Champion Inc. holds 468,750,000 Shares, representing 37.5% of the Shares of the Company. The entire issued share capital of Ace Champion Inc. is owned Mr. Li Shu Yeh, the father of Ms. Li Sen Julian who is a Connected Grantee. Therefore, each of Mr. Li Shu Yeh and Ace Champion Inc. is deemed to have a material interest in the proposed grant of Award Shares to the Connected Grantees. Accordingly, Ace Champion Inc. is required to abstain from voting on the resolution(s) in connection with the proposed grant of Award Shares to the Connected Grantees (including the grant of the Specific Mandate to the Directors for the allotment and issue of the Award Shares to the Connected Grantees) to be proposed at the EGM under the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, no other Shareholder has or is deemed to have a material interest in the proposed grant of Award Shares to the Connected Grantees and thus is required to abstain from voting on the resolution(s) in connection with the proposed grant of Award Shares to the Connected Grantees (including the grant of the Specific Mandate to the Directors for the allotment and issue of the Award Shares to the Connected Grantees) to be proposed at the EGM.

A circular containing, among others, (i) further details of the proposed allotment and issue of Award Shares to the Connected Grantees and the Specific Mandate; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the proposed allotment and issue of Award Shares to the Connected Grantees and the transactions contemplated thereunder (including the grant of the Specific Mandate to the Directors for the allotment and issue of Award Shares to the Connected Grantees); (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed allotment and issue of Award Shares to the Connected Grantees and the transactions contemplated thereunder (including the grant of the Specific Mandate to the Directors for the allotment and issue of Award Shares to the Connected Grantees); (iv) other information as required under the Listing Rules; and (v) the notice convening the EGM will be despatched to the Shareholders on or around 9 July 2021.

## **PROPOSED ISSUE OF NEW AWARD SHARES TO NON-CONNECTED GRANTEEES PURSUANT TO GENERAL MANDATE**

On 28 June 2021, the Board resolved to grant a total of 20,937,500 Award Shares to twenty four (24) Employees, in order to recognize the contributions of such Employees and in driving the continuous business operation and development of the Group. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, all of the Non-connected Grantees are independent of and not connected with the Company and its connected persons.

The 20,937,500 Award Shares granted to the Non-connected Grantees shall be satisfied by the proposed allotment and issue of new Shares pursuant to the General Mandate.

## **Number of Award Shares Granted to Non-connected Grantees**

Assuming that a total of not more than 20,937,500 Award Shares are to be allotted and issued by the Company to the Non-connected Grantees, such Award Shares shall represent:

- (i) approximately 1.68% of the total number of Shares in issue of the Company as at the date of this announcement; and
- (ii) approximately 1.65% of the total number of Shares in issue of the Company as enlarged by the allotment and issue of the Award Shares to the Non-connected Grantees (assuming there is no change in the total number of Shares in issue of the Company other than the proposed allotment and issue of the Award Shares to the Non-connected Grantees).

## **Issue Price**

The Award Shares shall be granted to the Non-connected Grantees for nil consideration.

The average closing price of the Shares for the five consecutive trading days immediately preceding the date of this announcement as quoted on the Stock Exchange is HK\$0.2308 per Share. Based on the closing price of HK\$0.3 per Share as quoted on the Stock Exchange as at the date of this announcement, the market value of 20,937,500 Award Shares granted to the Non-connected Grantees is HK\$6,281,250.

Accordingly, no funds will be raised as a result of the proposed allotment and issue of Award Shares by the Company to the Non-connected Grantees.

## **Conditions Precedent**

The proposed allotment and issue of 20,937,500 Award Shares to the Non-connected Grantees shall be subject to the Stock Exchange having granted the approval for the listing of, and permission to deal in such Award Shares.

The allotment and issue of Award Shares to the Non-connected Grantees is not subject to any vesting conditions, but the Grantees shall be subject to the Lock-up Undertaking after the allotment and issue of Award Shares.

## **General Mandate**

Pursuant to the General Mandate, the Directors were authorized to allot and issue up to 250,000,000 Shares, representing 20% of the total number of Shares in issue immediately following the completion of Global Offering and the Capitalisation Issue. As at the date of this announcement, no new Share has been issued under the General Mandate. Accordingly, the maximum number of new Shares which may be issued by the Company under the General Mandate is 250,000,000 Shares, representing approximately 20% of the total number of Shares in issue immediately following the completion of Global Offering and the Capitalisation Issue.

## **Application for Listing**

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, a total of not more than 20,937,500 Award Shares granted to the Non-connected Grantees.

### **CONNECTED TRANSACTION — PROPOSED ISSUE OF NEW AWARD SHARES TO CONNECTED GRANTEEES PURSUANT TO SPECIFIC MANDATE**

On 28 June 2021, the Board resolved to grant a total of 7,625,000 Award Shares to two (2) Directors, in order to recognize the contributions of such Directors and in driving the continuous business operation and development of the Group. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Connected Grantees are Directors and thus are connected persons of the Company under Chapter 14A of the Listing Rules.

The 7,625,000 Award Shares granted to the Connected Grantees shall be satisfied by the proposed allotment and issue of new Shares pursuant to the Specific Mandate.

#### **Number of Award Shares Granted to Connected Grantees**

Assuming that a total of 7,625,000 Award Shares are to be allotted and issued by the Company to the Connected Grantees, such Award Shares shall represent:

- (i) approximately 0.61% of the total number of Shares in issue of the Company as at the date of this announcement;
- (ii) approximately 0.61% of the total number of Shares in issue of the Company as enlarged by the allotment and issue of the Award Shares to the Connected Grantees (assuming there is no change in the total number of Shares in issue of the Company other than the proposed allotment and issue of the Award Shares to the Connected Grantees); and
- (iii) approximately 0.60% of the total number of Shares in issue of the Company as enlarged by the allotment and issue of the Award Shares to the Non-connected Grantees and Connected Grantees (assuming there is no change in the total number of Shares in issue of the Company other than the proposed allotment and issue of the Award Shares to the Non-connected Grantees and Connected Grantees).

## Connected Grantees

Details of the grant of Award Shares to the Connected Grantees are as follows:

<b>Name of Connected Grantees</b>	<b>Position held by Connected Grantees</b>	<b>Number of Award Shares granted to Connected Grantees</b>
1. Ms. Li Sen Julian	Executive Director and general manager	3,812,500
2. Ms. Tang Suk Yee	Executive Director	<u>3,812,500</u>
<b>Total</b>		<u><u>7,625,000</u></u>

## Issue Price

The Award Shares shall be granted to the Connected Grantees for nil consideration.

The average closing price of the Shares for the five consecutive trading days immediately preceding the date of this announcement as quoted on the Stock Exchange is HK\$0.2308 per Share. Based on the closing price of HK\$0.3 per Share as quoted on the Stock Exchange as at the date of this announcement, the market value of 7,625,000 Award Shares granted to the Connected Grantees is HK\$2,287,500.

Accordingly, no funds will be raised as a result of the proposed allotment and issue of Award Shares by the Company to the Connected Grantees.

## Conditions Precedent

The proposed allotment and issue of 7,625,000 Award Shares to the Connected Grantees shall be subject to:

- (i) the approval by the Independent Shareholders at a general meeting to be held and convened by the Company in respect of the proposed allotment and issue of the Award Shares to the Connected Grantees and the transactions contemplated therein (including the grant of the Specific Mandate to the Directors for the issue and allotment of the Award Shares to the Connected Grantees); and
- (ii) the Stock Exchange having granted the approval for the listing of, and permission to deal in the Award Shares granted to the Connected Grantees.

The allotment and issue of the Award Shares to the Connected Grantees is not subject to any vesting condition, but the Grantees shall be subject to the Lock-up Undertaking after the allotment and issue of Award Shares.

## Specific Mandate

The 7,625,000 Award Shares granted to the Connected Grantees shall be satisfied by the proposed allotment and issue of new Shares pursuant to the Specific Mandate.

## **Application for Listing**

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, a total of not more than 7,625,000 Award Shares granted to the Connected Grantees.

## **RANKING OF THE AWARD SHARES**

The Award Shares, when issued and fully paid, shall rank *pari passu* among themselves and with the other Shares in issue, with rights to receive all dividends and other distributions declared, made or paid on or after the date of proposed allotment and issue.

## **LOCK-UP UNDERTAKING**

From the date of issue and allotment of the Award Shares (the “**Date of Issue**”) to the date falling three (3) years after the Date of Issue (both days inclusive) (the “**Lock-up Period**”), each of the Grantees shall undertake to the Company that, neither he/she or his/her nominee nor anyone acting on his/her behalf will, during the Lock-up Period, sell, assign, transfer or otherwise dispose of any interest in any Award Shares.

The grant of Award Shares to the Grantees (both Connected Grantees and Non-connected Grantees) are subject the following terms and conditions:

During the Lock-up Period:

- (1) if the Grantee is no longer employed by the Group due to (a) his/her retirement; (b) his/her death or disability; (c) his/her being made redundant by the Group; or (d) the Group electing not to extend the term of the Grantee’s expired employment contract, then the Grantee is not required to make any payment or compensation to the Company; and
- (2) if the Grantee is no longer employed by the Group due to (a) his/her resignation during his/her employment contract; (b) the Grantee electing not to extend the term of his/her expired employment contract; (c) the Grantee’s breach of laws or regulations, breach of the Group’s internal rules and policies or serious negligence; or (d) any of the grounds under which the Company may summarily dismiss such Grantee under the Employment Ordinance (Cap. 57 of the laws of Hong Kong) or PRC laws and regulations (including but not limited to the Grantee being habitually neglectful of his/her duties), then, the Grantee shall compensate the Company by making a payment in cash equivalent to the closing price per Share as quoted on the Stock Exchange as at the date of cessation of employment of the Grantee multiplied by the number of Award Shares granted to him/her.

The interpretation of the above terms shall be subject to the absolute discretion of the Board (the “**Lock-up Undertaking**”).



## EQUITY FUND-RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has conducted the following equity fund-raising activities in the past 12 months immediately preceding the date of this announcement:

Date of prospectus	Description	Net proceeds (approximately)	Planned use of proceeds	Actual use of proceeds (approximately)
31 August 2020	Global Offering of 312,500,000 offer shares at the offer price of HK\$0.40 per offer share	HK\$66.2 million	— HK\$36.1 million for expanding and upgrading the Company's production facilities to enhance the Company's production capabilities	HK\$0.5 million
			— HK\$16.4 million for enhancing the Company's research and engineering capabilities	Nil
			— HK\$8.5 million for introducing new products carrying the Company's "IHA" brand	Nil
			— HK\$2.3 million for enhancing the Company's sales and marketing efforts in the global market including the PRC market	Nil
			— HK\$2.9 million for upgrading the Company's information technology system and design-aided software	Nil

Save as disclosed above, the Company has not conducted any equity fund-raising activities in the past 12 months immediately preceding the date of this announcement.

## REASONS FOR AND BENEFITS OF THE GRANT OF AWARD SHARES

The Company is principally engaged in the design, development and manufacturing of personal care and lifestyle electrical appliances.

The Grantees comprise two Directors and twenty-four (24) Employees serving in various positions within the Group, including senior management executives and managers and supervisors in the operation, manufacturing, procurement and administration and supporting departments of the Group. The Board considers that the proposed grant of the Award Shares



to the Grantees recognises and motivates the outstanding contributions made by them and would drive the continuous business operation and development of the Group. The proposed grant of the Award Shares is to align the interest of selected executives and Employees of the Group with the performance of the Group and provide an additional form of reward to the Grantees. In addition, the Company recognises that the grant of Award Shares will not result in an actual cash outflow by the Group. The number of Award Shares is determined by the Board after taking into consideration factors such as market practices, years of service, role and responsibilities within the Group, performance as well as the salary of the Grantees.

The Board (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the independent financial adviser to be appointed) is of the view that the terms of the grant of Award Shares to the Connected Grantees are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Board (including the independent non-executive Directors) considers that the terms of the grant of Award Shares to the Non-connected Grantees are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## EFFECTS ON SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Award Shares to the Non-connected Grantees but before the allotment and issue of the Award Shares to the Connected Grantees; and (iii) immediately after the allotment and issue of the Award Shares to the Non-connected Grantees and Connected Grantees.

	As at the date of this announcement		Immediately after the allotment and issue of the Award Shares to the Non-connected Grantees but before the allotment and issue of the Award Shares to the Connected Grantees		Immediately after the allotment and issue of the Award Shares to the Non-connected Grantees and Connected Grantees	
	Number of Shares	Approximate (%)	Number of Shares	Approximate (%)	Number of Shares	Approximate (%)
Ace Champion Inc.	468,750,000	37.5	468,750,000	36.88	468,750,000	36.66
Forever Golden Inc.	468,750,000	37.5	468,750,000	36.88	468,750,000	36.66
<b>Connected Grantees</b>						
— Ms. Li Sen Julian	—	—	—	—	3,812,500	0.30
— Ms. Tang Suk Yee	—	—	—	—	3,812,500	0.30
<b>Public Shareholders</b>						
Non-Connected Grantees	—	—	20,937,500	1.65	20,937,500	1.64
Other Public Shareholders	312,500,000	25	312,500,000	24.59	312,500,000	24.44
<b>Total</b>	<u>1,250,000,000</u>	<u>100</u>	<u>1,270,937,500</u>	<u>100</u>	<u>1,278,562,500</u>	<u>100</u>

## INFORMATION OF THE PARTIES

### Information of the Company and the Group

The Company is a company incorporated in the Cayman Islands as an exempted company with limited liability. The Group is principally engaged in the design, development and manufacturing of personal care and lifestyle electrical appliances on an ODM basis.

### Information of Ms. Li Sen Julian

Ms. Li Sen Julian, aged 45, is an executive Director who is primarily responsible for supervising the overall operations and financial management of the Group. Ms. Li joined the Group in August 2001 and has more than 19 years of experience in the personal care electrical appliances industry. She has been the general manager of the Group since June 2006, responsible for the overall supervision of the sales department, quality management and customer relations. She also serves as a director of Fourace Industries Limited (科利實業有限公司) (“**HK Fourace**”), an indirect wholly-owned subsidiary of the Company. Ms. Li Sen Julian is the daughter of Mr. Li Shu Yeh, the chairman, an executive Director and a controlling shareholder of the Company.

### Information of Ms. Tang Suk Yee

Ms. Tang Suk Yee, aged 54, is an executive Director who is primarily responsible for the overall operations and management of Shenzhen Fourace Electrical Appliances Co., Ltd.\* (深圳科利電器有限公司) (“**Shenzhen Fourace**”), an indirect wholly-owned subsidiary of the Company. Ms. Tang joined the Group on 6 June 1988 and has more than 30 years of experience in the personal care electrical appliances industry. Since August 2000, she serves as an assistant factory manager of the Group, responsible for monitoring production progress and shipping. She is also a director of HK Fourace and the executive director and legal representative of Shenzhen Fourace, responsible for the overall progress management of the productions of the Group.

## LISTING RULES IMPLICATIONS

As the Connected Grantees (i.e. Ms. Li Sen Julian and Ms. Tang Suk Yee) are Directors, they are connected persons of the Company. Therefore, the grant of Award Shares to the Connected Grantees constitutes connected transactions of the Company under Chapter 14A of the Listing Rules and shall be subject to reporting, announcement, circular and independent shareholders’ approval requirements.

The grant of Award Shares to the Connected Grantees is subject to, among others, the approval by the Independent Shareholders at the EGM.

As each of Ms. Li Sen Julian and Ms. Tang Suk Yee is a Connected Grantee and Mr. Li Shu Yeh is the father of Ms. Li Sen Julian, each of the above Directors is considered or deemed to have a material interest in and has therefore abstained from voting on the resolutions of the Board approving the proposed grant of Award Shares to the Connected Grantees and the transactions contemplated thereunder.

## **INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee comprising all the independent non-executive Directors will be formed to advise the Independent Shareholders on the proposed grant of Award Shares to the Connected Grantees and the transactions contemplated thereunder (including the grant of the Specific Mandate to the Directors for the allotment and issue of the Award Shares to the Connected Grantees).

## **INDEPENDENT FINANCIAL ADVISER**

An independent financial adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the proposed grant of Award Shares to the Connected Grantees and the transactions contemplated thereunder (including the grant of the Specific Mandate to the Directors for the allotment and issue of the Award Shares to the Connected Grantees).

## **GENERAL**

The EGM will be convened and held for the Independent Shareholders to consider, and if thought fit, approve the proposed grant of Award Shares to the Connected Grantees and the transactions contemplated thereunder (including the grant of the Specific Mandate to the Directors for the allotment and issue of the Award Shares to the Connected Grantees).

As at the date of this announcement, Ace Champion Inc. holds 468,750,000 Shares, representing 37.5% of the Shares of the Company. The entire issued share capital of Ace Champion Inc. is owned by Mr. Li Shu Yeh, the father of Ms. Li Sen Julian who is a Connected Grantee. Therefore, each of Mr. Li Shu Yeh and Ace Champion Inc. is deemed to have a material interest in the proposed grant of Award Shares to the Connected Grantees. Accordingly, Ace Champion Inc. is required to abstain from voting on the resolution(s) in connection with the proposed grant of Award Shares to the Connected Grantees (including the grant of the Specific Mandate to the Directors for the allotment and issue of the Award Shares to the Connected Grantees) to be proposed at the EGM under the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed above, no other Shareholder has or is deemed to have a material interest in the proposed grant of Award Shares to the Connected Grantees and thus is required to abstain from voting on the resolution(s) in connection with the proposed grant of Award Shares to the Connected Grantees (including the grant of the Specific Mandate to the Directors for the allotment and issue of the Award Shares to the Connected Grantees) to be proposed at the EGM.

A circular containing, among others, (i) further details of the proposed allotment and issue of Award Shares to the Connected Grantees and the Specific Mandate; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the proposed allotment and issue of Award Shares to the Connected Grantees and the transactions contemplated thereunder (including the grant of the Specific Mandate to the Directors for the allotment and issue of Award Shares to the Connected Grantees); (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed allotment and issue of Award Shares to the Connected Grantees and the transactions contemplated thereunder (including

the grant of the Specific Mandate to the Directors for the allotment and issue of Award Shares to the Connected Grantees); (iv) other information as required under the Listing Rules; and (v) the notice convening the EGM, will be despatched to the Shareholders on or around 9 July 2021.

## DEFINITIONS

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

“Award Shares”	an aggregate of 28,562,500 new Shares to be granted to the Grantees, comprising 7,625,000 and 20,937,500 new Shares to be granted to the Connected Grantees and Non-connected Grantees, respectively
“Board”	the board of Directors
“Capitalisation Issue”	the allotment and issue of 937,499,998 Shares made upon the capitalisation of certain sums standing to the credit of the share premium account of the Group, as detailed in the prospectus of the Company dated 31 August 2020
“Company”	Fourace Industries Group Holdings Limited (科利實業控股集團有限公司), a company incorporated in the Cayman Islands as an exempted company with limited liability, the Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1455)
“Connected Grantee(s)”	Ms. Li Sen Julian and Ms. Tang Suk Yee, being Grantees who are Directors and thus connected persons of the Company
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company
“EGM”	an extraordinary general meeting of the Company to be held and convened for the Independent Shareholders to consider and, if thought fit, approve the proposed allotment and issue of the Award Shares to the Connected Grantees and the transactions contemplated thereunder (including the grant of the Specific Mandate to allot and issue the Award Shares to the Connected Grantees)
“Employees”	employee(s) of the Group

“General Mandate”	the general mandate granted to the Directors to allot, issue and deal with up to 250,000,000 Shares, representing approximately 20% of the total number of issued Shares immediately following the completion of the Global Offering and the Capitalisation Issue
“Global Offering”	Global offering of 312,500,000 offer shares at the offer price of HK\$0.40 per offer share, as detailed in the prospectus of the Company dated 31 August 2020
“Grantees”	means the Employees and/or Directors selected by the Board at its full discretion for the grant of Award Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee comprising all the independent non-executive Directors, which will be formed to advise the Independent Shareholders as to the proposed grant of Award Shares to the Connected Grantees (including the grant of the Specific Mandate to the Directors for the allotment and issue of the Award Shares to the Connected Grantees)
“Independent Shareholders”	Shareholders which are not required to abstain from voting at the EGM to approve the proposed grant of Award Shares to the Connected Grantees (including the grant of the Specific Mandate to the Directors for the allotment and issue of the Award Shares to the Connected Grantees)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-connected Grantee(s)”	the Grantees who are independent of and not connected with the Company or its connected persons
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of our Company
“Shareholder(s)”	holder(s) of the Shares
“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the EGM to be convened by the Company to grant the authority to the Board for the allotment and issue of the Award Shares to the Connected Grantees

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

By order of the Board  
**Fourace Industries Group Holdings Limited**  
**Li Shu Yeh**  
*Chairman and Chief Executive Officer*

Hong Kong, 28 June 2021

*As at the date of this announcement, the executive Directors are Mr. Li Shu Yeh, Ms. Li Sen Julian and Ms. Tang Suk Yee; and the independent non-executive Directors are Mr. Liu Kai Yu Kenneth, Mr. Leung Wai Chuen and Mr. Man Yun James.*