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)

INSIDE INFORMATION
REDUCTION IN PROFIT AFTER TAX

This announcement is made by Fourace Industries Group Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary review by the Board on the unaudited consolidated management accounts of the Group for the financial year ended 31 March 2024 ("**FY2024**"), which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company, and taking into account the information currently available to the Board, it is estimated that the Group will record a profit after tax of no more than HK$39.0 million for FY2024, as compared to the profit after tax of approximately HK$64.2 million for the financial year ended 31 March 2023.

The Board considers that the decrease in profit after tax of the Group for FY2024 was primarily attributable to (i) the decrease in sales to two major customers as a result of their reduced demand for hair styling products, leading to a decrease in gross profit; and (ii) the increase in marketing and distribution expenses; primarily incurred in the development of the Group's original brand manufacturing (OBM) business, partially offset by exchange gains of approximately HK$3.0 million due to the depreciation of Renminbi against U.S. dollars during FY2024 and also a mild improvement in the gross profit margin of the Group's products.

As the Company is still in the process of finalizing the unaudited consolidated final results of the Group for FY2024, the information contained in this announcement is only based on the information currently available to the Board and the preliminary review by the Board on the unaudited management accounts of the Group for FY2024, which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company.

The actual financial results of the Group for FY2024 may differ from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the announcement of the Company in relation to the final results of the Group for FY2024, which is expected to be published by the end of June 2024 in accordance with the requirements of the Listing Rules. Further announcement(s) will be made by the Company as and when appropriate.

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

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

Hong Kong, 5 June 2024

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.