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 FOR THE YEAR BEFORE NON-RECURRING OTHER INCOME

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 2026 ("**FY2026**"), 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 for the year of approximately HK$36.4 million for FY2026, representing a decrease of approximately 12.7% as compared with the profit for the year of approximately HK$41.7 million for the financial year ended 31 March 2025.

Reference is made to the announcement of the Company dated 29 December 2025 in relation to the compensation for variation of the lease agreements in respect of the land located at Jiangshi Village, Gongming Town, Bao'an District, Shenzhen, the PRC (the "**Compensation**").

As previously disclosed, the Compensation is a one-off and non-recurring item. The Group currently estimates that the Compensation will give rise to net other income of approximately HK$22.0 million for FY2026. For illustrative purposes only, excluding the estimated one-off and non-recurring net other income derived from the Compensation, the Group would be expected to record a profit for the year of approximately HK$14.4 million for FY2026, representing a decrease of approximately 65.5% as compared with the profit for the year of approximately HK$41.7 million for FY2025.

The Board considers that the significant reduction in profit for the year for FY2026 (without taking into account the one-off and non-recurring net other income) is primarily attributable to the significant decrease in revenue and gross profit margin of the Group. Such decrease was mainly due to (i) a considerable decrease in the sales volume and average price of the hair styling products; in particular, the sales volume of hair styling products to a major U.S. customer of the Group saw a significant decline; (ii) the replacement of a key hair-dryer model manufactured by the Group in the Japan market by a major Japanese customer; and (iii) the reduced average selling prices of the Group's products in view of the fierce competition and overall sentiment in the Chinese Mainland market.

As the Company is still in the process of finalizing the unaudited consolidated final results of the Group for FY2026, 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 FY2026, 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 FY2026 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 FY2026, which is expected to be published by the end of June 2026 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 Executive Director

Hong Kong, 8 June 2026

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.