



福田實業(集團)有限公司  
Fountain Set (Holdings) Limited

(Incorporated in Hong Kong with limited liability) (Stock Code: 420)

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## POSITIVE PROFIT ALERT

This announcement is made by Fountain Set (Holdings) Limited (the “**Company**” and, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions 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**”) would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 (“**FY 2021**”) and assessment of the latest information currently available to the Board, the Group is expected to record the profit after income tax expense of the Group of approximately HK\$270 million in FY 2021, compared to the profit after income tax expense for the year ended 31 December 2020 (“**FY 2020**”) which was approximately HK\$102 million, representing an increase of about 166%. The Board is of the view that the outstanding performance of the Group was mainly attributable to the continuous recovery of market demand for textile products after the impact of the COVID-19 pandemic in FY 2020.

Shareholders and potential investors are advised that the Group will continue to fully leverage the advantages of the overseas production plants of the Group in order to further improve the financial performance of the Group. However, the Board also wishes to emphasise that the performance of the Group can be affected by market environment, including cotton market price, the global development of the COVID-19 pandemic, the foreign exchange rate of Renminbi and the impact of the Sino-US dispute on the global textile market.

The information contained in this announcement is based on the preliminary assessment by the Board, with reference to the Company’s unaudited operations update for FY 2021, the unaudited consolidated financial results and the information currently available, which have not been confirmed or reviewed by the auditor or audit committee of the Company. The actual financial results of the Group for FY 2021 may differ from what is disclosed in this announcement. Details of the Group’s performance will be disclosed in its results for FY 2021, which is expected to be published in March 2022.

The Company will publish further announcements if there is any additional information warranting disclosure in accordance with the Listing Rules.

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

By Order of the Board of  
**Fountain Set (Holdings) Limited**  
**ZHAO Yao**  
*Chairman*

Hong Kong, 31 January 2022

*As at the date of this announcement, the Board comprises 5 executive directors, namely Mr. ZHAO Yao (Chairman), Mr. SUN Fuji (Chief Executive Officer), Mr. TAO Yongming, Mr. YAU Hang Tat Andrew and Mr. ZHANG Zheng; 2 non-executive directors, namely Dr. YEN Gordon (Non-executive Vice Chairman) and Mr. LIU Xianfu; and 4 independent non-executive directors, namely Mr. NG Kwok Tung, Mr. YING Wei, Mr. William LAM and Mr. WONG Kwong Chi.*