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福田實業(集團)有限公司

Fountain Set (Holdings) Limited

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**AGM**” or the “**Meeting**”) of Fountain Set (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) will be held at Block A, 6th Floor, Eastern Sea Industrial Building, 29-39 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong on Thursday, 29 June 2023 at 9:30 a.m., or the adjournment thereof, for the following purposes:

1. To consider and adopt the audited consolidated financial statements of the Company and its subsidiaries, the directors’ report and the independent auditor’s report for the year ended 31 December 2022.
2. (A) To re-elect Mr. LI Gang as an executive director of the Company (the “**Director(s)**”).
(B) To re-elect Mr. NG Kwok Tung as an independent non-executive Director.
(C) To re-elect Mr. YING Wei as an independent non-executive Director.
(D) To re-elect Mr. William LAM as an independent non-executive Director.
3. To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration.
4. To re-appoint SHINEWING (HK) CPA Limited as the independent auditor of the Company in respect of the Company’s financial statements for the year ending 31 December 2023 and to authorise the Board to fix its remuneration.

To consider and, if thought fit, to pass with or without amendments, the following resolutions as Ordinary Resolutions of the Company:

ORDINARY RESOLUTIONS

5(A). “**THAT**:

- (i) subject to paragraph (ii) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to buy back Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

- (ii) the aggregate number of Shares to be bought back by the Company pursuant to the approval in paragraph (i) of this Resolution shall not exceed 10 per cent of the aggregate number of Shares in issue at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and
- (iii) for the purposes of this Resolution,

“Relevant Period” means the period from passing of this Resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of Hong Kong to be held; or
- (c) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

5(B). **“THAT:**

- (i) subject to paragraph (iii) of this Resolution and pursuant to sections 140 and 141 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional Shares and to make and grant offers, agreements and options (including bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into or exchangeable for Shares) which would or might require the Shares to be allotted be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) of this Resolution shall authorise the Directors during the Relevant Period to make and grant offers, agreements and options (including bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into or exchangeable for Shares) which would or might require the Shares to be allotted after the end of the Relevant Period;
- (iii) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (i) of this Resolution, otherwise than pursuant to (a) a Rights Issue (as hereinafter defined); or (b) an issue of Shares upon the exercise of subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to the grantees as specified in such scheme or similar arrangement of Shares or rights to acquire Shares; or (c) any issue of Shares pursuant to the exercise of rights of subscription, conversion or exchange under the terms of any existing bonds, debentures, notes and other securities of the Company which carry rights to subscribe for or are convertible into or exchangeable for Shares; or (d) an issue of Shares pursuant to any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of the dividend on Shares in accordance with the articles of association of the Company, shall not exceed 20 per cent of the aggregate number of Shares in issue at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and
- (iv) for the purposes of this Resolution,

“Relevant Period” shall have the same meaning as ascribed to it in Ordinary Resolution 5(A) set out in this notice.

“Rights Issue” means an offer of Shares or issue of option or other securities giving the right to subscribe for Shares, open for a period fixed by the Directors to holders of Shares, or any class of Shares, whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their holdings of such Shares (or, where appropriate, such other securities) as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

5(C). **“THAT** conditional upon the passing of Ordinary Resolutions 5(A) and 5(B) set out in this notice, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and deal with any additional Shares pursuant to Ordinary Resolution 5(B) of this notice be and is hereby extended by the addition thereto of an amount representing the aggregate number of Shares bought back by the Company under the authority granted pursuant to the Ordinary Resolution 5(A) of this notice, provided that such extended amount shall not exceed 10 per cent of the aggregate number of Shares in issue at the date of the passing of this Resolution.”

6. **“THAT:**

- (i) the Chinatex Supplemental Agreement (as defined and described in the circular of the Company dated 6 June 2023 (the **“Circular”**), a copy of the Chinatex Supplemental Agreement marked “A” together with a copy of the Circular marked “B” are produced to the Meeting and for the purpose of identification signed by the Chairman of the Meeting) and all transactions contemplated thereunder and in connection therewith and any other ancillary documents and the implementation thereof be and are hereby approved, ratified and confirmed;
- (ii) the Revised Chinatex Annual Caps (as defined and described in the Circular) in respect of the maximum aggregate consideration payable under the transactions as contemplated under the Existing Material Purchase Framework Agreement (as supplemented by the Chinatex Supplemental Agreement) for each of the two years ending 31 December 2023 and 31 December 2024 be and are hereby approved; and
- (iii) any one Director be and is hereby authorised for and on behalf of the Company to sign, seal, execute, perfect, perform and deliver all such agreements, instruments, documents and deeds, and do all such acts or things and take all such steps as he may in his absolute discretion consider to be necessary, desirable, appropriate or expedient to implement and/or to give effect to the Chinatex Supplemental Agreement, the Revised Chinatex Annual Caps and the transactions contemplated thereunder and all matters incidental to, ancillary or incidental thereto.”

7. **“THAT:**

- (i) the COFCO Finance Supplemental Agreement (as defined and described in the Circular), a copy of the COFCO Finance Supplemental Agreement marked “C” is produced to the Meeting and for the purpose of identification signed by the Chairman of the Meeting) and all transactions contemplated thereunder and in connection therewith and any other ancillary documents and the implementation thereof be and are hereby approved, ratified and confirmed;
- (ii) the Revised Deposit Annual Cap (as defined and described in the Circular) in respect of the maximum daily balance of deposits (including accrued interests) placed by the Group with COFCO Finance Company Limited under the transactions as contemplated under the Existing Financial Services Agreement (as supplemented by the COFCO Finance Supplemental Agreement) during the remaining term be and are hereby approved; and
- (iii) any one Director be and is hereby authorised for and on behalf of the Company to sign, seal, execute, perfect, perform and deliver all such agreements, instruments, documents and deeds, and do all such acts or things and take all such steps as he may in his absolute discretion consider to be necessary, desirable, appropriate or expedient to implement and/or to give effect to the COFCO Finance Supplemental Agreement, the Revised Deposit Annual Cap and the transactions contemplated thereunder and all matters incidental to, ancillary or incidental thereto.”

By Order of the Board
Fountain Set (Holdings) Limited
LIU Xianfu
Chairman and Chief Executive Officer

Hong Kong, 6 June 2023

Registered Office:
Block A, 6th Floor
Eastern Sea Industrial Building
29-39 Kwai Cheong Road
Kwai Chung
New Territories
Hong Kong

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

Notes:

1. Any member of the Company (the “**Member**” or “**Shareholder**”) entitled to attend and vote at the Meeting is entitled to appoint one (or, if he/she/it holds two or more Shares, more than one) proxy to attend and vote instead of him/her/it. A proxy need not be a Member.
2. In order to be valid, the form of proxy together with any power of attorney or other authority (if any) under which it is signed or a notorially certified copy of that power of attorney or authority, must be deposited at the Company’s share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, as soon as possible but in any event not less than 48 hours (excluding any public holiday in Hong Kong) before the time appointed for the holding of the Meeting or the adjournment thereof.
3. The register of members of the Company (the “**Register of Members**”) will be closed from Monday, 26 June 2023 to Thursday, 29 June 2023, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Meeting, the non-registered Shareholders must lodge all transfer documents accompanied by the relevant share certificates with the Company’s share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Friday, 23 June 2023.
4. At the Meeting, the chairman of the Meeting will exercise his power under article 73 of the articles of association of the Company to put all the resolutions set out in this notice to be voted by way of poll as required under the Listing Rules. On a poll, every Member present in person (or in the case of the corporation by its corporate representative) or by proxy shall have one vote for each Share of which he/she/it is the holder.
5. Completion and return of the form of proxy will not preclude a Member from attending and voting in person at the Meeting or the adjournment thereof should the Member so wish and in such event, the authority of the proxy shall be deemed to be revoked.
6.
 - (a) Subject to paragraph (b) below, if a tropical cyclone warning signal No.8 or above is expected to be hoisted or an announcement of “extreme conditions” by the government of Hong Kong or a black rainstorm warning signal is expected to be in force at any time between 7:00 a.m. and 5:00 p.m. on the date of the Meeting, the Meeting will be postponed and Members will be informed of the date, time and venue of the postponed Meeting by a supplemental notice posted on the respective websites of the Company and the Stock Exchange.
 - (b) If a tropical cyclone warning signal No.8 or above or an announcement of “extreme conditions” by the government of Hong Kong or a black rainstorm warning signal is lowered or cancelled 3 hours or more before the time appointed for holding the Meeting and where conditions permit, the Meeting will be held as scheduled.
 - (c) The Meeting will be held as scheduled when a tropical cyclone warning signal No.3 or below or an amber or red rainstorm warning signal is in force.
 - (d) After considering their own situations, Members should decide on their own whether or not they would attend the Meeting under any bad weather condition and if they do so, they are advised to exercise care and caution.
7. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.