

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



福田實業(集團)有限公司

Fountain Set (Holdings) Limited

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

POSITIVE PROFIT ALERT

This announcement is made by Fountain Set (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) 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 (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company hereby informs the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on a preliminary assessment of the Group’s unaudited consolidated management accounts for the six months ended 30 June 2025 and other information currently available, the Group is expected to record a significant improvement in profit during the relevant period. The profit attributable to owners of the Company turned around from a loss of HK\$9.9 million in the same period of 2024 to a profit of HK\$30.7 million in the corresponding period of 2025, achieving a turnaround from loss to profit; the Group’s profit for the period increased significantly from HK\$4.2 million in the same period of 2024 to HK\$35.8 million in the current period.

Such improvement in results was mainly attributable to the following factors:

1. **Synergy between Procurement and Sales:** Stabilize existing customers, develop new customers, actively reduce procurement costs, and enhance overall business gross profit and profit contribution;
2. **Strengthened Cost Control:** Use information systems as management tools and aim to improve product quality, continuously reducing factory production consumption and lowering production costs; and
3. **Enhanced Management and Control:** The Group continues to promote refined management to reduce costs and increase efficiency, resulting in further decreases in expenses such as transportation and labor costs; actively carry out inventory monitoring, formulate reasonable procurement plans, and make effective use of long-aged inventory.

The Board wishes to emphasise that the information contained in this announcement is only a preliminary assessment made by the Board based on the information currently available (including the unaudited consolidated management accounts of the Group for the six months ended 30 June 2025). Such information has not been reviewed or audited by the Company's auditors or the audit committee of the Company. The Board also wishes to highlight that the performance of the Group is affected by market conditions, including the market price of cotton yarn, global economic developments, and the progress of the Sino-US trade war. The Group's interim results for the six months ended 30 June 2025 will be announced in compliance with the Listing Rules by the end of August 2025.

Shareholders and potential investors are advised to read carefully the Company's unaudited interim results announcement when it is published, and to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 1 August 2025

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