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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)

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 the preliminary review of the unaudited consolidated management accounts of the Group for the three months ended March 31, 2021 (“**1Q2021**”) and the information currently available to the Board, it is expected that the Company would record a profit attributable to the owners of the Company for the six months ending June 30, 2021, representing a turnaround from a loss attributable to the owners of the Company of approximately HK\$15,154,000 for the six months ended June 30, 2020. The main reasons are:

- (i) the orders and production have gradually rebounded from the impact of the COVID-19 epidemic since the second half of 2020, and continued through 1Q2021;
- (ii) unaudited revenue amounted to HK\$ 1.42 billion in 1Q2021, representing an increase of 51.4% as compared with the corresponding period in 2020;
- (iii) Profit before income tax expense amounted to HK\$59,120,000 in 1Q2021, a turnaround from a loss of HK\$30,220,000 in the corresponding period in 2020.

Shareholders and potential investors are advised that the Group’s growth and financial performance in the second quarter of 2021 remains uncertain due to, among others, the ongoing COVID-19 pandemic and associated community shutdowns, and consumer sentiment which may affect the Company’s business.

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 1Q2021, the unaudited management accounts and the information currently available, which have not been confirmed or reviewed by the auditor or audit committee of the Company. Also, the financial performance information in this announcement relates to 1Q2021 only, while the financial results of the Group for the six months ending June 30, 2021 will also be subject to its business performance in the second quarter of 2021. Detailed results of the Group for the six months ending June 30, 2021 are expected to be published in August 2021, which may differ from the figures and information provided in this announcement.

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 and Chief Executive Officer

Hong Kong, 14 May 2021

As at the date of this announcement, the Board comprises 5 executive directors, namely Mr. ZHAO Yao (Chairman and Chief Executive Officer), Mr. LIU Xianfu, 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. SUN Fuji; and 3 independent non-executive directors, namely Mr. NG Kwok Tung, Mr. YING Wei and Mr. William LAM.