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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional advisor.

If you have sold or transferred all your shares in **Fountain Set (Holdings) Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

PROPOSALS FOR (1) RE-ELECTION OF RETIRING DIRECTORS; AND (2) GENERAL MANDATES TO ISSUE AND BUY BACK SHARES; AND NOTICE OF ANNUAL GENERAL MEETING

Capitalised terms used in the lower portion of this cover and the inside cover shall have the same respective meanings as those defined in the section headed “Definitions” of this circular.

A letter from the Board is set out on pages 3 to 6 of this circular.

The notice of AGM to be held at Block A, 6th Floor, Eastern Sea Industrial Building, 29-39 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong on Friday, 6 May 2022 at 9:30 a.m. is set out on pages 11 to 14 of this circular. **The Company reminds Shareholders who wish to exercise his/her/its voting rights that he/she/it must appoint the chairman of the AGM as his/her/its proxy to vote on the relevant resolution at the AGM.** Please complete and return the accompanying form of proxy in accordance with the instructions printed thereon to 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 holding the AGM or the adjournment thereof.

8 April 2022

SPECIAL ARRANGEMENTS AND PRECAUTIONARY MEASURES FOR THE AGM

Attendance by electronic means

Due to the recent development of the COVID-19 pandemic, the Company will adopt the following special arrangements at the AGM:

- (a) The AGM will be held with the minimum number of persons present as is legally required to form a quorate meeting by Directors and/or other senior staff members who are Shareholders or proxy. No other Shareholder, proxy or corporate representative should attend the AGM in person. Any other person who attempts to attend the AGM in person will be denied entry to the venue of the AGM.
- (b) If a Shareholder (other than those who are required to attend the AGM physically to form a quorate meeting) wishes to vote on any resolution at the AGM, he/she/it must appoint the chairman of the AGM as his/her/its proxy to exercise his/her/its right to vote at the AGM. Shareholders should specifically indicate how they wish to vote for or vote against the resolutions set out in the notice convening the AGM. If a person who is not the chairman of the AGM is appointed as proxy, that person will not be permitted entry to the venue of the AGM and will not be able to exercise the vote. In any event, Shareholders will not be deprived of their rights of voting on the resolution(s) to be proposed at the AGM (or any adjourned meeting thereof).
- (c) The AGM will be conducted through electronic means where all participants can participate and submit questions at the AGM. In order to do so, any Shareholders who wishes to join the AGM must contact the Company's share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, to pre-register no later than 9:30 a.m. on Wednesday, 4 May 2022 (being not less than forty-eight (48) hours before the AGM) by email to shareholders@fshl.com by providing personal particulars as follows:
 - 1. Full name (English and Chinese);
 - 2. Registered address;
 - 3. Number of Shares held;
 - 4. Hong Kong Identity Card number or passport number (in case of natural person) / company registration number (in case of body corporate);
 - 5. Contact telephone number; and
 - 6. Email address.

The Company will provide the pre-registered Shareholders with the link to the "live" webcast platform upon confirmation of the Shareholders' identification and interest in participating the AGM through electronic means. Shareholders **MUST NOT** forward the link to other persons who are not Shareholders and who are not entitled to attend the AGM.

- (d) Shareholders can submit questions relevant to the business of the AGM by email to shareholders@fshl.com in advance. If considered appropriate by the Directors at their absolute discretion, the questions will be answered at the AGM.

Attendance at the AGM venue (ONLY those who are required to attend the AGM physically to form a quorate meeting)

- (i) The Company will take the body temperature of the intended attendees and refuse entry of those with a temperature of 37.4 degree Celsius or above.
- (ii) Attendees are requested to observe good personal hygiene at all times at the AGM venue and alcohol rubs or hand sanitiser will be provided for use.
- (iii) Attendees must wear face-masks throughout the AGM and sit at a distance from other attendees and those not wearing face-masks may be denied entry to the AGM venue. Please note that no masks will be provided at the AGM venue and attendees should bring and wear their own masks.
- (iv) No distribution of corporate gift or refreshment.
- (v) Attendees who do not comply with the precautionary measures (i) to (iii) above or been found to have the symptom(s) of an upper respiratory system disease or be obeying a quarantine order may be denied entry to the AGM venue at the absolute discretion of the Company as permitted by law.

Due to the constantly evolving COVID-19 pandemic situation, the Company may be required to change the AGM arrangements at short notice. Shareholders should check the websites of the Company and the Stock Exchange for future announcement(s) and updates on the AGM arrangements.

The Company reminds Shareholders who wish to exercise his/her/its voting rights that he/she/it must appoint the chairman of the AGM as his/her/its proxy to vote on the relevant resolution at the AGM.

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This circular is prepared in both English and Chinese. In the event of any inconsistency, the English text of this circular shall prevail.

DEFINITIONS

In this circular, the following expressions have the following respective meanings unless the context otherwise requires:

“AGM”	the annual general meeting of the Company to be held at Block A, 6th Floor, Eastern Sea Industrial Building, 29-39 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong on Friday, 6 May 2022 at 9:30 a.m.;
“Articles of Association”	the articles of association of the Company, and a reference to an “Article” is a reference to a provision in the Articles of Association;
“Audit Committee”	the audit committee of the Board;
“Board”	the board of Directors;
“Buy-back Mandate”	the general and unconditional mandate to be granted to the Directors authorising the buy-back by the Company on the Stock Exchange of Shares not exceeding 10% of the aggregate number of the issued Shares as at the date of passing the resolution approving such mandate;
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“Company”	Fountain Set (Holdings) Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 420);
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules;
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“COVID-19”	the 2019 novel coronavirus disease;
“Director(s)”	the director(s) of the Company;
“ED(s)”	the executive Director(s);
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“INED(s)”	the independent non-executive Director(s);
“Issue Mandate”	the general and unconditional mandate to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of passing the resolution approving such mandate;
“Latest Practicable Date”	24 March 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“NED(s)”	the non-executive Director(s);
“Nomination Committee”	the nomination committee of the Board;
“PRC”	the People’s Republic of China and, for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Remuneration Committee”	the remuneration committee of the Board;

DEFINITIONS

“Retiring Directors”	the Directors, namely Mr. ZHAO Yao, Dr. YEN Gordon, Mr. YAU Hang Tat Andrew and Mr. WONG Kwong Chi who are subject to retirement at the AGM according to the Articles of Association;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholder(s)”	registered holder(s) of fully-paid Shares;
“Shares”	ordinary shares in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules;
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules;
“Takeovers Code”	the Code on Takeovers and Mergers as amended from time to time and administered by the SFC;
“USA”	the United States of America;
“Year”	the year ended 31 December 2021; and
“%”	percentage or per cent.

LETTER FROM THE BOARD



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

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

Executive Directors:

Mr. LIU Xianfu (*Chairman*)
Mr. SUN Fuji (*Chief Executive Officer*)
Mr. ZHAO Yao
Mr. YAU Hang Tat Andrew
Mr. ZHANG Zheng

Non-executive Directors:

Dr. YEN Gordon (*Non-executive Vice Chairman*)
Mr. TAO Yongming

Independent Non-executive Directors:

Mr. NG Kwok Tung
Mr. YING Wei
Mr. William LAM
Mr. WONG Kwong Chi

Registered office:

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

8 April 2022

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
(1) RE-ELECTION OF RETIRING DIRECTORS;
AND
(2) GENERAL MANDATES TO ISSUE AND BUY BACK SHARES;
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with requisite information regarding certain resolutions to be proposed at the AGM and the notice of the AGM. The proposed resolutions include (i) re-election of the Retiring Directors; and (ii) grant of general mandates to issue and buy back Shares.

2. RE-ELECTION OF RETIRING DIRECTORS

Presently, the Board comprises 11 Directors, of which 5 are EDs, namely Mr. LIU Xianfu, Mr. SUN Fuji, Mr. ZHAO Yao ("**Mr. ZHAO**"), Mr. YAU Hang Tat Andrew ("**Mr. YAU**") and Mr. ZHANG Zheng; 2 are NEDs, namely Dr. YEN Gordon ("**Dr. YEN**") and Mr. TAO Yongming; and 4 are INEDs, namely Mr. NG Kwok Tung, Mr. YING Wei, Mr. William LAM and Mr. WONG Kwong Chi ("**Mr. WONG**").

In accordance with Article 102(A) of the Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest one-third or any other number subject to such manner of rotation as may be required by the statutes, the Listing Rules or other codes, rules and regulations prescribed from time to time by the applicable regulatory authority, shall retire from office. The same Article also provides that the Directors to retire in every year shall be those who have been the longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. Accordingly, Mr. ZHAO, Dr. YEN and Mr. YAU will retire by rotation at the AGM. All of them, being eligible, have offered themselves for re-election at the AGM.

LETTER FROM THE BOARD

According to Article 93 of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting (in the case of an addition to the Board) and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting. As Mr. WONG was appointed by the Board as Director with effect from 30 June 2021 as an additional Director, he will hold his office until the AGM and, being eligible, has offered himself for re-election at the AGM.

The Nomination Committee reviewed the structure, size and diversity of the Board to reflect an appropriate mix of skills, experience and diversity that are relevant to the Company's strategy, governance and business and contribute to the Board's effectiveness and efficiency.

Procedures and Process for Nomination of Directors

The Nomination Committee will recommend to the Board for the appointment of Directors (including an INED) in accordance with the following procedures and process:

- i. The Nomination Committee will, giving due consideration to the current composition and size of the Board, develop a list of desirable skills, perspectives and experience at the outset to focus the search effort;
- ii. The Nomination Committee may consult any source it considers appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertising, recommendations from a third party agency firm and proposals from the Shareholders with due consideration given to the criteria which include but are not limited to:
 - (a) Diversity in the aspects of, amongst others, gender, age, cultural and educational background, professional experience, skills, knowledge and length of service;
 - (b) Commitment for responsibilities of the Board in respect of available time and relevant interest;
 - (c) Qualifications, including accomplishment and experience in the relevant industries in which the Group's business is involved;
 - (d) Independence;
 - (e) Reputation for integrity;
 - (f) Potential contributions that the individual can bring to the Board; and
 - (g) Plan(s) in place for the orderly succession of the Board.
- iii. The Nomination Committee may adopt any process it considers appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third party reference checks;
- iv. The Nomination Committee will consider a broad range of candidates who are in and outside of the Board's circle of contacts;
- v. Upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;
- vi. The Nomination Committee will provide the relevant information of the selected candidate to the Remuneration Committee for consideration of the remuneration package of such selected candidate;
- vii. The Nomination Committee will thereafter make the recommendation to the Board in relation to the proposed appointment, and where a Director is considered, the Remuneration Committee will make the recommendation to the Board on the policy and structure for the remuneration;
- viii. The Board may arrange for the selected candidate to be interviewed by the members of the Board, who are not members of the Nomination Committee and the Board will thereafter deliberate and decide the appointment as the case may be; and
- ix. All appointment of Directors will be confirmed by the filing of the consent to act as Director of the relevant Director (or any other similar filings requiring the relevant Director to acknowledge or accept the appointment as Director, as the case may be) to be filed with the relevant regulatory authorities, if required.

The re-election of the Retiring Directors has been reviewed by the Nomination Committee which made recommendation to the Board that the re-election be proposed for Shareholders' approval at the AGM.

LETTER FROM THE BOARD

In addition, the Nomination Committee had evaluated the performance of each of the Retiring Directors (except Mr. WONG who was appointed on 30 June 2021) for the Year based on the nomination policy of the Company and found their performance satisfactory. The Nomination Committee is also of the view that based on the perspectives, skills and experience of the Retiring Directors, they can bring further contributions to the Board and its diversity. The Board, with the recommendation of the Nomination Committee, has proposed that the Retiring Directors stand for re-election as Directors at the AGM. As a good corporate governance practice, each of the Retiring Directors abstained from voting at the relevant Board meeting or on the written resolutions in respect of the proposition of his recommendation for re-election by the Shareholders. The Board believes that the continuous appointment of the Retiring Directors contributes to the stability and diversity of the Board.

Pursuant to Rule 13.74 of the Listing Rules, the listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting. The requisite details of the Retiring Directors are set out in Appendix I to this circular.

3. GENERAL MANDATES TO ISSUE AND BUY BACK SHARES

It will be proposed at the AGM to grant to the Directors (i) an Issue Mandate to allot, issue and deal with Shares up to a limit equal to 20% of the aggregate number of the issued Shares as at the date of passing the relevant resolution and adding to such general mandate so granted to the Directors any Shares representing the aggregate number of the Shares bought back by the Company under the Buy-back Mandate; and (ii) a Buy-back Mandate to buy back Shares not exceeding 10% of the aggregate number of the Shares in issue as at the date of passing the relevant resolution.

As at the Latest Practicable Date, a total of 1,225,026,960 Shares were in issue. Subject to the passing of the proposed resolutions granting the Issue Mandate and the Buy-back Mandate to the Directors and on the basis that no Shares will be issued and/or bought back and cancelled by the Company prior to the AGM, the Company would be allowed under (i) the Issue Mandate to issue a maximum of 245,005,392 Shares, representing 20% of the aggregate number of the issued Shares as at the date of the AGM; and (ii) the Buy-back Mandate to buy back a maximum of 122,502,696 Shares, representing 10% of the aggregate number of the issued Shares as at the date of the AGM.

The Issue Mandate and the Buy-back Mandate would expire at the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; or (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors.

An explanatory statement, as required by the Listing Rules to be given to the Shareholders in connection with the Buy-back Mandate, is set out in Appendix II to this circular.

4. THE AGM

A notice convening the AGM to be held on Friday, 6 May 2022 is set out on pages 11 to 14 of this circular. A form of proxy in connection with the AGM is also enclosed with this circular. The Company reminds Shareholders who wish to exercise his/her/its voting rights that he/she/it must appoint the chairman of the AGM as his/her/its proxy to vote on the relevant resolutions at the AGM. Please complete the form of proxy and return it to the Company's share registrar, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, in accordance with the instructions printed thereon 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 holding the AGM or the adjournment thereof.

5. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, save for resolutions which relate purely to a procedural or an administrative matter to be voted on by a show of hands, any vote of the Shareholders at a general meeting must be taken by poll. Therefore, all the resolutions put to the vote at the AGM will be voted on by way of poll. The chairman of the AGM will explain the detailed procedures for conducting a poll at the commencement of the AGM.

After the conclusion of the AGM, the poll results will be published on the respective websites of the Stock Exchange and the Company.

LETTER FROM THE BOARD

6. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

7. RECOMMENDATION

The Board is of the opinion that the re-election of the Retiring Directors and the granting of General Mandates to the Directors to issue and buy back Shares are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of all the relevant resolutions to be proposed at the AGM.

8. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Fountain Set (Holdings) Limited
LIU Xianfu
Chairman

The biographical and other details of the Retiring Directors proposed to be re-elected at the AGM are set out as follows:

Mr. ZHAO Yao

Aged 58, has been an ED since 27 November 2012, and was appointed as the Chairman of the Board and the Chairman of the Nomination Committee on 14 November 2014. He was further appointed as the CEO of the Company on 23 January 2015. Mr. ZHAO no longer acted as the CEO since 1 November 2021, and no longer acted as the Chairman of the Board and the Chairman of the Nomination Committee since 1 April 2022 and remains as an ED. Mr. ZHAO also holds directorships in certain subsidiaries of the Company. Mr. ZHAO has almost 34 years of experience in the textile industry. He joined China National Textiles Import and Export Corporation* (中國紡織品進出口總公司) (“**General Corporation**”), the predecessor of Chinatex Corporation Limited* (中國中紡集團有限公司) (“**Chinatex**”), a controlling shareholder of the Company, in 1987 and held positions as the Assistant President of Chinatex, the General Manager of Asset Management Department of Chinatex, Chairman and General Manager of Chinatex Xinyuan Assets Management Co., Ltd.* (中紡信遠資產管理有限公司), General Manager of Chinatex Tianyuan Property Management Co., Ltd.* (廊坊中紡天元投資有限公司), General Manager of Chinatex Real Estate Administration Co., Ltd.* (中紡物業管理有限公司) (“**Chinatex Real Estate**”), Chairman of Chinatex (H.K.) Holding Limited, Chairman of Huasheng Fujitec Elevator Co., Ltd.* (華升富士達電梯有限公司), Chairman of Shanghai Huasheng Fujitec Escalator Co., Ltd.* (上海華升富士達扶梯有限公司), Chairman of Shanghai Huade Photoelectron Science & Technology Co., Ltd.* (上海華德光電科技有限公司), Financial Manager of Wah Gar Knitwear Factory Company Limited, General Manager of Suzhou Zhongfa Property Management Co., Ltd.* (蘇州中發物業有限公司) and Vice President of Chudai Trading Co., Ltd.* (日本中大株式會社), a subsidiary of Chinatex. Mr. ZHAO graduated with a diploma in industrial accounting from Renmin University of China in 1987. In 2013, Mr. ZHAO obtained a Senior Management Master’s Degree of Business Administration awarded by University of Texas at Arlington in the USA.

Mr. ZHAO has entered into a service agreement (the “**First Service Agreement**”) with the Company for a term of 3 years commencing on 14 November 2020 and two supplemental agreements on 1 November 2021 and 23 March 2022 (the “**Second Supplemental Agreement**”), which are terminable by either the Company or Mr. ZHAO by giving no less than 6 months’ advance notice in writing to each other. Mr. ZHAO’s position as an ED is subject to renewal, retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association. Pursuant to the First Service Agreement, Mr. ZHAO is entitled to a remuneration of HK\$3,050,000 per annum. The remuneration is divided into 2 portions, i.e. basic salary portion and incentive portion. The basic salary portion is equivalent to 65% of the annual remuneration which amounts to HK\$1,982,500 and is payable in arrears on a monthly basis. The remaining 35% incentive portion will be payable on a proportional basis depending on the progress of the completion of the annual budget of the Group. Mr. ZHAO is also entitled to a bonus arrangement, which includes but is not limited to double pay and bonus, discretionary upon the actual annual results of the Group. Pursuant to the Second Supplemental Agreement, Mr. ZHAO agreed to waive the director’s remuneration for his service with effect from 1 June 2022. Mr. ZHAO’s remuneration was determined by the Board by reference to the market terms, his duties and responsibilities within the Group, the Company’s remuneration policy and the Articles of Association.

Dr. YEN Gordon

Aged 52, has been a NED since 31 May 2013 and was further appointed as the Non-executive Vice Chairman of the Board on 28 August 2018. Prior to that, he was the Chief Financial Officer of the Group and an ED. He joined the Group in 1999 and was then promoted to the role of ED in 2004 before being re-designated as a NED. Dr. YEN is currently the founding managing partner of Radiant Tech Ventures Limited, an innovation and technology venture capital firm, and is registered as a responsible officer under the Securities and Futures Ordinance for Type 9 (asset management) regulated activity. He serves as an independent non-executive director and a member of each of the audit committee and the nomination committee as well as the chairman of the sustainability committee of Impro Precision Industries Limited, and also serves as an independent non-executive director and a member of the nomination committee of Asia Allied Infrastructure Holdings Limited, both companies listed on the Main Board of the Stock Exchange. Dr. YEN is a member of the Henan Province Committee of the Chinese People’s Political Consultative Conference of the PRC; Honorable Life-Chairman of the Hong Kong General Chamber of Textiles Limited; chairman of the Hong Kong Business Angel Network; and a director of the Hong Kong Chiu Chow Chamber of Commerce. He holds a Bachelor’s degree in Manufacturing Engineering from Boston University, USA; a Master degree in Business Administration from McGill University, Canada and a Doctorate in Business Administration from The Hong Kong Polytechnic University.

Dr. YEN has entered into a letter of appointment (the “**First Letter of Appointment**”) with the Company for a term of 1 year commencing on 28 August 2021, which is terminable by either the Company or Dr. YEN by giving no less than 1 month’s advance notice in writing to each other. Dr. YEN’s position as a NED is subject to renewal, retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association. Pursuant to the First Letter of Appointment, Dr. YEN is entitled to a director’s fee of HK\$200,000 per annum, which has been determined by the Board upon the Remuneration Committee’s recommendation by reference to his qualifications, experience, duties and responsibilities within the Group, market conditions, the Company’s remuneration policy and the Articles of Association.

As at the Latest Practicable Date, Dr. YEN was beneficially interested in 8,380,000 Shares.

Mr. YAU Hang Tat Andrew

Aged 53, was appointed as an ED on 28 August 2018. Mr. YAU is also the chief operating officer of the Group (“**COO**”) and holds directorships in certain subsidiaries of the Company. Mr. YAU joined the Group in 1992 and has over 27 years of experience in the textile industry with extensive experience in operations and strategic planning. Mr. YAU is also a director of the Hong Kong General Chamber of Textiles Limited. Mr. YAU graduated from the Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) in 1991 with a Higher Diploma in Textile Technology and subsequently obtained a Master of Science degree in Textile Engineering from the University of Leeds in England in 1992. He earned an Executive Master of Business Administration degree and a Master of Science (MSc) degree in Finance from the Chinese University of Hong Kong in 2015 and 2019, respectively.

Mr. YAU has entered into a service agreement (the “**Second Service Agreement**”) with the Company for a term of 3 years commencing on 28 August 2021, which is terminable by either the Company or Mr. YAU by giving no less than 6 months’ advance notice in writing to each other. Mr. YAU’s position as an ED is subject to renewal, retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association. Pursuant to the Second Service Agreement, the director’s fee and other monetary remuneration are waived by Mr. YAU. However, as Mr. YAU is currently the COO, he is entitled to a salary of HK\$2,200,000 per year, as well as a double pay and a discretionary bonus payment for this position. Mr. YAU’s remuneration is determined by the Board upon the Remuneration Committee’s recommendation by reference to his qualifications, experience, duties and responsibilities within the Group and the market conditions.

As at the Latest Practicable Date, Mr. YAU held 2,508,000 Shares and the wife of Mr. YAU (“**Mrs. YAU**”) held 380,000 Shares. By virtue of the SFO, Mr. YAU is deemed to be interested in such Shares held by Mrs. YAU, and therefore, Mr. YAU was interested and was deemed to be interested in a total of 2,888,000 Shares as at the Latest Practicable Date.

Mr. WONG Kwong Chi

Aged 70, has been an INED since 30 June 2021 and was further appointed as a member of the Audit Committee since 1 November 2021. Mr. Wong was an independent non-executive director of the Group from 1998 to 2012. He has extensive experience in the capital investment market. Mr. WONG is a founding partner and a member of the investment committee of Whiz Partners Asia Limited and he is the chairman of the board of directors of Cornwall Medical Holding Company Limited. Mr. WONG was an executive director of CDC Corporation which is a listed company in the United States and an executive director of CDC Software Corporation which is a public company in the United States. He was also an executive director of China.com Inc. (now known as Sino Splendid Holdings Limited) and an independent non-executive director of Glory Mark Hi-Tech (Holdings) Limited and Sinoref Holdings Limited (now known as Cybernaut International Holdings Company Limited), all of which are listed companies in Hong Kong. Mr. WONG holds a Bachelor’s degree of Science in Physics and a Master’s degree in Business Administration from the Chinese University of Hong Kong. Additionally, Mr. WONG served as the former Chairman of the Hong Kong Venture Capital and Private Equity Association, the former Vice President of The Hong Kong Electronic Industries Association and the former Vice President of the Hong Kong Auto Parts Industry Association. He is also a member of the Hong Kong Young Industrialists Council and the Honorary Advisor of the Hong Kong Critical Components Manufacturers Association.

Mr. WONG has entered into a letter of appointment (the “**Second Letter of Appointment**”) with the Company for a term of 1 year commencing on 30 June 2021, which is terminable by either the Company or Mr. WONG by giving no less than 1 month’s advance notice in writing to each other. Mr. WONG’s position as an INED is subject to retirement and re-election at annual general meetings in accordance with the Articles of Association. Pursuant to the Second Letter of Appointment, Mr. WONG is entitled to a director’s fee of HK\$200,000 per annum, which has been determined by the Board upon the Remuneration Committee’s recommendation by reference to his qualifications, experience, duties and responsibilities within the Group, market conditions, the Company’s remuneration policy and the Articles of Association.

GENERAL INFORMATION

Save as disclosed above, as at the Latest Practicable Date, Mr. ZHAO, Dr. YEN, Mr. YAU and Mr. WONG

- (i) did not hold any directorship in other listed companies during the past three years nor any other position in any member of the Group;
- (ii) did not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company; and
- (iii) did not have any interest in the shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. ZHAO, Dr. YEN, Mr. YAU and Mr. WONG have confirmed that there is no other information to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders in respect of their re-election.

* *the English translation of Chinese name is for information purpose only and should not be regarded as the official English translation of such Chinese name.*

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide you with the requisite information for your consideration of the Buy-back Mandate and also constitutes the memorandum required under section 239 of the Companies Ordinance.

1. LISTING RULES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to buy back their shares on the Stock Exchange or on any other stock exchange on which the shares of the companies may be listed and recognised by the SFC and the Stock Exchange for this purpose subject to certain restrictions, the most important of which are summarised below:

- (a) the shares proposed to be bought back by the company are fully-paid up;
- (b) the company has previously sent to its shareholders an explanatory statement complying with the Listing Rules; and
- (c) the shareholders of the company have given a specific approval or a general mandate to the directors of the company to make such buy-back, by way of an ordinary resolution which complies with the Listing Rules and has been passed at a general meeting of the company duly convened and held.

2. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 1,225,026,960 Shares in issue, all of which were fully paid up.

Subject to the passing of the Ordinary Resolution as referred to in item 6(A) of the notice convening the AGM and on the basis that no further Shares are issued or no Shares are bought back and cancelled between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Buy-back Mandate to buy back a maximum of 122,502,696 Shares which are fully paid up during the period from the date of the AGM up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; or (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying such authority, whichever occurs first.

3. REASONS FOR BUY-BACKS

The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from the Shareholders to enable the Directors to buy back the Shares on the market.

Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or its earnings per share and will only be made when the Directors believe that such buy-backs will benefit the Company and the Shareholders.

4. FUNDING OF BUY-BACKS

In buying back Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association and the Companies Ordinance. It is proposed that buy-back of Shares under the Buy-back Mandate in these circumstances would be financed from available cash flow or working capital facilities of the Group.

The Companies Ordinance provides that the Company may make a payment in respect of a redemption or buy-back of its own Shares out of (i) the Company's distributable profits; (ii) the proceeds of a fresh issue of Shares made for the purpose of the redemption or buy-back; or (iii) the capital of the Company. The Companies Ordinance further provides that a listed company must not make a payment out of capital in respect of a buy-back of its own shares on a recognised stock market or on an approved stock exchange.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements of the Group for the Year contained in the Company's 2021 Annual Report) in the event that the proposed buy-back of Shares was to be carried out in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Highest HK\$	Lowest HK\$
2021		
March	1.070	0.910
April	1.180	1.060
May	1.450	1.100
June	1.480	1.380
July	1.430	1.180
August	1.380	1.210
September	1.400	1.340
October	1.400	1.340
November	1.380	1.290
December	1.360	1.260
2022		
January	1.380	1.320
February	1.450	1.360
March (up to and including the Latest Practicable Date)	1.440	1.250

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make share buy-backs pursuant to the proposed Ordinary Resolution as referred to in item 6(A) of the notice convening the AGM in accordance with the Listing Rules and the applicable laws of Hong Kong.

7. EFFECTS ON THE TAKEOVERS CODE

If as a result of the share buy-backs, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, COFCO Corporation (中糧集團有限公司), a controlling shareholder of the Company, together with its close associates were interested in an aggregate of 465,262,000 Shares, representing approximately 37.98% of the total number of Shares in issue. Based on such shareholding, and in the event that the Directors exercised in full the Buy-back Mandate, the beneficial interests of COFCO Corporation together with its close associates in the issued Shares would be increased to approximately 42.20% of the total number of Shares in issue. The Directors believe that such an increase will give rise to an obligation of COFCO Corporation together with its close associates to make a mandatory offer in respect of all the remaining issued Shares not owned by them under Rule 26 of the Takeovers Code as they will be regarded as having acquired in any period of 12 months additional Shares carrying more than 2% of the voting rights. The Directors have no present intention to exercise the power to buy back Shares pursuant to the Buy-back Mandate to such an extent that COFCO Corporation together with its close associates will have an obligation to make a mandatory offer under the Takeovers Code and the number of Shares held by the public would be reduced to less than 25% of the total number of Shares in issue.

Save as aforesaid, the Directors are not aware of any Shareholders or a group of Shareholders acting in concert which will give rise to an obligation to make a mandatory offer under the Takeovers Code as a consequence of any buy-backs made under the Buy-back Mandate.

8. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates presently intend to sell Shares to the Company under the Buy-back Mandate in the event that the Buy-back Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons that they have a present intention to sell any Shares, or that they have undertaken not to sell any Shares held by them to the Company in the event that the Buy-back Mandate is approved by the Shareholders.

9. SHARES BOUGHT BACK BY THE COMPANY

The Company had not bought back any of the Shares (whether on the Stock Exchange or otherwise) during the 6 months preceding the Latest Practicable Date.

NOTICE OF AGM



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**”) will be held at Block A, 6th Floor, Eastern Sea Industrial Building, 29-39 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong on Friday, 6 May 2022 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 2021 (the “**Year**”).
2. To approve the payment of a final dividend of HK16.00 cents per share in the capital of the Company (the “**Share**”) for the Year.
3. (A) To re-elect Mr. ZHAO Yao as an executive director of the Company (the “**Director**”).
(B) To re-elect Dr. YEN Gordon as a non-executive Director.
(C) To re-elect Mr. YAU Hang Tat Andrew as an executive Director.
(D) To re-elect Mr. WONG Kwong Chi as an independent non-executive Director.
4. To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration.
5. To re-appoint BDO Limited as the independent auditor of the Company in respect of the Company’s financial statements for the year ending 31 December 2022 and to authorise the Board to fix its remuneration.
6. To consider and, if thought fit, to pass with or without amendments, the following resolutions as Ordinary Resolutions of the Company:

ORDINARY RESOLUTIONS

(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.”

NOTICE OF AGM

(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 6(A) set out in the notice convening this meeting (the “**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).”

- (C) **“THAT** conditional upon the passing of Ordinary Resolutions 6(A) and 6(B) set out in the 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 6(B) of the 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 6(A) of the 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.”

By Order of the Board
Fountain Set (Holdings) Limited
LIU Xianfu
Chairman

Hong Kong, 8 April 2022

NOTICE OF AGM

Registered Office:

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

Notes:

1. In view of the current 2019 novel coronavirus disease (the "**COVID-19**") situation in Hong Kong, a member of the Company (the "**Member**" or "**Shareholder**") will not be able to attend the AGM in person. Member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.
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 notarially 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 Tuesday, 3 May 2022 to Friday, 6 May 2022, 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, 29 April 2022.
4. Subject to the passing of ordinary resolution 2 of this Notice, the Register of Members will be closed from Tuesday, 17 May 2022 to Thursday, 19 May 2022, both days inclusive, during which period no transfer of Shares will be registered. In order to ascertain Shareholders' entitlement to the proposed final dividend, 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 Monday, 16 May 2022.
5. 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.
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.

As at the date of this announcement, the Board comprises 5 executive Directors, namely Mr. LIU Xianfu (Chairman), Mr. SUN Fujii (Chief Executive Officer), Mr. ZHAO Yao, Mr. YAU Hang Tat Andrew 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.

NOTICE OF AGM

SPECIAL ARRANGEMENTS AND PRECAUTIONARY MEASURES FOR THE AGM

Attendance by electronic means

Due to the recent development of the COVID-19 pandemic, the Company will adopt the following special arrangements at the AGM:

- (a) The AGM will be held with the minimum number of persons present as is legally required to form a quorate meeting by Directors and/or other senior staff members who are Shareholders or proxy. No other Shareholder, proxy or corporate representative should attend the AGM in person. Any other person who attempts to attend the AGM in person will be denied entry to the venue of the AGM.
- (b) If a Shareholder (other than those who are required to attend the AGM physically to form a quorate meeting) wishes to vote on any resolution at the AGM, he/she/it must appoint the chairman of the AGM as his/her/its proxy to exercise his/her/its right to vote at the AGM. Shareholders should specifically indicate how they wish to vote for or vote against the resolutions set out in the notice convening the AGM. If a person who is not the chairman of the AGM is appointed as proxy, that person will not be permitted entry to the venue of the AGM and will not be able to exercise the vote. In any event, Shareholders will not be deprived of their rights of voting on the resolution(s) to be proposed at the AGM (or any adjourned meeting thereof).
- (c) The AGM will be conducted through electronic means where all participants can participate and submit questions at the AGM. In order to do so, any Shareholders who wishes to join the AGM must contact the Company's share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, to pre-register no later than 9:30 a.m. on Wednesday, 4 May 2022 (being not less than forty-eight (48) hours before the AGM) by email to shareholders@fshl.com by providing personal particulars as follows:
 1. Full name (English and Chinese);
 2. Registered address;
 3. Number of Shares held;
 4. Hong Kong Identity Card number or passport number (in case of natural person) / company registration number (in case of body corporate);
 5. Contact telephone number; and
 6. Email address.

The Company will provide the pre-registered Shareholders with the link to the "live" webcast platform upon confirmation of the Shareholders' identification and interest in participating the AGM through electronic means. Shareholders **MUST NOT** forward the link to other persons who are not Shareholders and who are not entitled to attend the AGM.

- (d) Shareholders can submit questions relevant to the business of the AGM by email to shareholders@fshl.com in advance. If considered appropriate by the Directors at their absolute discretion, the questions will be answered at the AGM.

Attendance at the AGM venue (ONLY those who are required to attend the AGM physically to form a quorate meeting)

- (i) The Company will take the body temperature of the intended attendees and refuse entry of those with a temperature of 37.4 degree Celsius or above.
- (ii) Attendees are requested to observe good personal hygiene at all times at the AGM venue and alcohol rubs or hand sanitiser will be provided for use.
- (iii) Attendees must wear face-masks throughout the AGM and sit at a distance from other attendees and those not wearing face-masks may be denied entry to the AGM venue. Please note that no masks will be provided at the AGM venue and attendees should bring and wear their own masks.
- (iv) No distribution of corporate gift or refreshment.
- (v) Attendees who do not comply with the precautionary measures (i) to (iii) above or been found to have the symptom(s) of an upper respiratory system disease or be obeying a quarantine order may be denied entry to the AGM venue at the absolute discretion of the Company as permitted by law.

Due to the constantly evolving COVID-19 pandemic situation, the Company may be required to change the AGM arrangements at short notice. Shareholders should check the websites of the Company and the Stock Exchange for future announcement(s) and updates on the AGM arrangements.

The Company reminds Shareholders who wish to exercise his/her/its voting rights that he/she/it must appoint the chairman of the AGM as his/her/its proxy to vote on the relevant resolution at the AGM.