

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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months and twelve months ended 31 August 2012 respectively, it is expected that the Group's results for the six months and twelve months ended 31 August 2012 may record losses as compared with profits for the corresponding periods ended 31 August 2011.

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

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 board of directors (the "Board") of the Company wishes to inform the shareholders of the Company and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months and twelve months ended 31 August 2012 respectively, it is expected that the results of the Group for the six months and twelve months ended 31 August 2012 may record losses as compared with profits for the corresponding periods ended 31 August 2011. The Board considers that the losses for the six months and twelve months ended 31 August 2012 are mainly attributable to the decrease in the overall gross profit margin of the Group caused by continuous deterioration in the textile market conditions as well as the unusually high price premium of cotton in the Mainland China over that of the rest of the world. Nevertheless, the Board considers that the Group maintains sufficient liquidity to support its ongoing operations.

The information contained in this announcement is only based on a preliminary assessment by the Board based on information currently available to it, including the unaudited consolidated management accounts of the Group for the six months and twelve months ended 31 August 2012, which have not yet been confirmed or reviewed by the auditor of the Group or the audit committee of the Company. As the Company has changed its financial year end date from 31 August to 31 December, unaudited consolidated financial statements of the Group for the twelve months ended 31 August 2012 are expected to be reviewed by the Company's auditor and to be published before the end of October 2012.

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

By order of the Board
Fountain Set (Holdings) Limited

Li Lan
Chairman

Hong Kong, 26 September 2012

As at the date of this announcement, the Board comprises six executive directors, namely, Madam Li Lan, Mr. Ha Chung Fong, Mr. Ha Kam On, Victor, Dr. Yen Gordon, Mr. Gong Zhengyi and Mr. Chen Rong; two non-executive directors, namely, Mr. Zhang Chong and Mr. Chen Minghong; and three independent non-executive directors, namely, Mr. Ng Kwok Tung, Mr. Chow Wing Kin, Anthony, SBS, JP, and Mr. Yang Shibin.