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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

AND

DATE OF BOARD MEETING

This announcement is made by the Company pursuant to Rule 13.09 of 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 wishes to inform the shareholders of the Company and potential investors that based on preliminary review of the unaudited consolidated management accounts of the Group, it is expected that the Group will record a net profit for the twelve months ended 31 December 2013 as compared to a net loss for the sixteen months ended 31 December 2012.

The board of directors (the “**Board**”) of Fountain Set (Holdings) Limited (the “**Company**”) announces that a meeting of the Board will be held on 21 March 2014 (Friday), for the purpose of, among other matters, approving the final results of the Company and its subsidiaries for the year ended 31 December 2013 and also for considering the payment of a final dividend, if any.

Shareholders of the Company and potential 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 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 director (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that based on preliminary review of the unaudited consolidated management accounts of the Group, it is expected that the Group will record a net profit for the twelve months ended 31 December 2013 as compared to a net loss for the sixteen months ended 31 December 2012 ^(Note).

The profit for the twelve months ended 31 December 2013 was mainly attributable to the improvement in operation efficiency through adopting a series of measures by the Group to reduce operating and management costs; together with a decline in international cotton prices resulting in relatively stable costs of raw materials; and the increase in the Group's operational efficiency gained by constantly optimizing the management structure and operational processes.

The Company is still in the process of finalising the results of the Group for the twelve months ended 31 December 2013. The information contained in this announcement is only based on a preliminary assessment by the management of the Company with reference to the information currently available including the consolidated management accounts of the Group, which have not been reviewed or audited by the Company's auditors and are subject to possible adjustments arising from further review or audit. The audited final results of the Group for the twelve months ended 31 December 2013 are expected to be published on 21 March 2014.

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

Note: The financial year end date of the Company has been changed from 31 August to 31 December with effect from 10 August 2012. For the financial year 2012, the financial year results of the Company covers a period of sixteen months from 1 September 2011 to 31 December 2012.

On behalf of the Board
Fountain Set (Holdings) Limited
Li Lan
Chairman

Hong Kong, 14 February 2014

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