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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)**

## NOTICE OF EGM

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of Fountain Set (Holdings) Limited (the “Company”) will be held at Meeting Room 727, Units 751-759, 7/F, KITEC, 1 Trademart Drive, Kowloon Bay, Hong Kong on Thursday, 10 May 2012 at 10:00 a.m. or any adjournment thereof for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolutions as ordinary resolutions of the Company:

### ORDINARY RESOLUTIONS

1. **“THAT:**

- (a) the conditional subscription agreement dated 3 April 2012 between Chinatex Corporation\* (中國中紡集團公司) (the “**Subscriber**”) and the Company (the “**Subscription Agreement**”, a copy of which is produced to the meeting marked “A” and initialed by the chairman of the meeting for the purpose of identification) and all transactions contemplated thereunder and in connection therewith be and are hereby approved, confirmed and ratified;
- (b) the allotment and issue to the Subscriber (or its nominee) of 409,036,000 share(s) of HK\$0.20 each in the capital of the Company (the “**Subscription Share(s)**”) for cash at HK\$1.25 per Subscription Share in accordance with the terms and conditions of the Subscription Agreement be and is hereby approved; and

\* *For identification purpose only*

- (c) any one director of the Company or any other person authorized by the board of directors of the Company from time to time, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to sign, seal, execute, perfect, perform and deliver all such agreements, instruments, documents and deeds, and do all such acts or things and take all such steps as he or she or they may in his or her or their absolute discretion consider to be necessary, desirable, appropriate or expedient to implement and/or give effect to the Subscription Agreement and the transactions contemplated thereunder (including the allotment and issue of the Subscription Shares) and all matters incidental to, ancillary to or in connection thereto, including agreeing and making any modifications, amendments, waivers, variations or extensions of the Subscription Agreement and/or the transactions contemplated thereunder.”
2. “**THAT** subject to and conditional on the passing of resolution no.1 as set out in the notice of this meeting, the waiver granted or to be granted by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate thereof pursuant to Note 1 of the Notes on Dispensations from Rule 26 of the Code on Takeovers and Mergers (“**Takeovers Code**”) of the obligations on the part of the Subscriber and parties acting in concert with it to make a mandatory general offer to the shareholders of the Company for all the issued shares and securities of the Company not already owned or agreed to be acquired by any of them which would otherwise arise under Rule 26.1 of the Takeovers Code as a result of the Subscriber (or its nominee) being allotted and issued the Subscription Shares (as defined in resolution no.1 as set out in the notice of this meeting) be and is hereby approved.”

By order of the Board  
**Fountain Set (Holdings) Limited**  
**HA CHUNG FONG**  
*Chairman*

Hong Kong, 24 April 2012

*Registered Office:*

Block A, 7<sup>th</sup> Floor  
Eastern Sea Industrial Building  
29-39 Kwai Cheong Road  
Kwai Chung, New Territories  
Hong Kong

*Notes:*

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company.
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, must be deposited at the Company's share registrar, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof.
3. At the extraordinary general meeting, the Chairman of the Meeting will exercise his power under article 73 of the Articles of Association of the Company to put the resolutions set out in this notice to be voted by way of poll as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Takeovers Code. 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 any class of which he is the holder.
4. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the meeting convened or any adjournment thereof and in such event, the authority of the proxy shall be deemed to be revoked.
5. As at the date of this notice, the board of directors of the Company comprises a total of eight Directors, namely, Mr. Ha Chung Fong, Mr. Ha Kam On, Victor, Mr. Ha Hon Kuen and Dr. Yen Gordon as Executive Directors and Mr. Ng Kwok Tung, Mr. Wong Kwong Chi, Mr. Chow Wing Kin, Anthony, SBS, JP, and Mrs. Fung Yeh Yi Hao, Yvette as Independent Non-executive Directors.