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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)

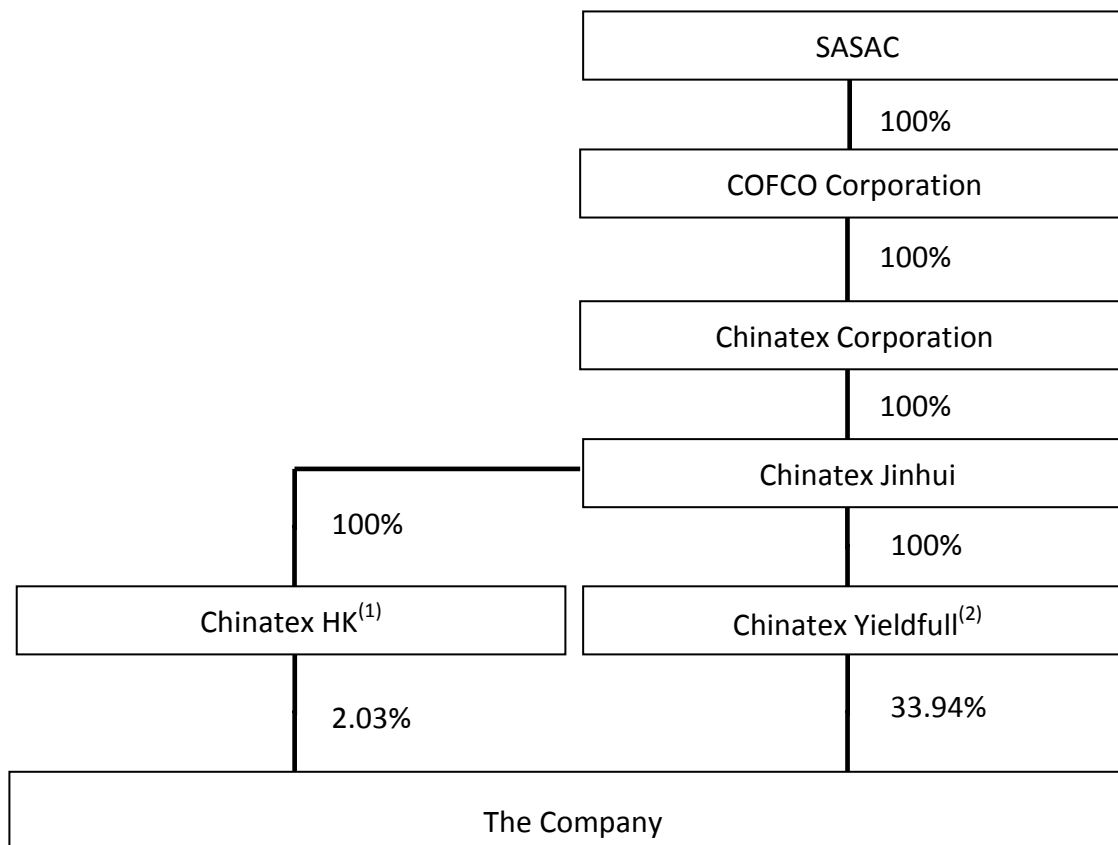
COMPLETION OF PROPOSED RESTRUCTURING

This announcement is made by Fountain Set (Holdings) Limited (the “**Company**”) pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on the Stock Exchange.

Reference is made to the announcement of the Company dated 27 July 2016 in respect of the Proposed Restructuring (the “**Announcement**”). Terms used in this announcement shall have the same respective meanings as those defined in the Announcement unless the context otherwise stated.

The Company announces that on 9 January 2018, it has received notification from Chinatex Corporation, which has been registered as a company with limited liability and renamed as “Chinatex Corporation Limited” with effect from 14 December 2017, an intermediate controlling Shareholder, that SASAC has transferred its entire equity interest in Chinatex Corporation at nil consideration to COFCO Corporation, a state-owned enterprise established in the PRC and a directly wholly-owned subsidiary of SASAC, upon completion of which COFCO Corporation held 100% of the equity interest in Chinatex Corporation, and became an intermediate controlling Shareholder (the “**Restructuring**”). Before and after the Restructuring, Chinatex Corporation remains as an intermediate controlling Shareholder and SASAC is the ultimate controlling Shareholder. SASAC has granted its approval of the equity transfer registration in respect of the Restructuring, and the relevant equity transfer registration procedures have been completed. Accordingly, the Restructuring has been completed.

The simplified shareholding structure of the Company after completion of the Restructuring is set out as follows:



Notes:

1. *Chinatex HK directly holds 24,458,000 Shares, representing approximately 2.03% of the issued Shares.*
2. *Chinatex Yieldfull directly holds 409,036,000 Shares, representing approximately 33.94% of the issued Shares.*

As stated in the Announcement, as informed by COFCO Corporation, COFCO Corporation has applied for and has been granted a waiver by the Executive pursuant to Note 6(a)(i) to Rule 26.1 of the Takeovers Code of the obligation of COFCO Corporation to make a mandatory general offer for all the Shares as a result of the Proposed Restructuring.

By Order of the Board
Fountain Set (Holdings) Limited
ZHAO Yao
Chairman and Chief Executive Officer

Hong Kong, 12 January 2018

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. ZHAO Yao, Mr. CHEN Minghong and Mr. LAN Jiang; two non-executive Directors, namely Dr. YEN Gordon and Mr. ZHANG Chong; and three independent non-executive Directors, namely Mr. NG Kwok Tung, Mr. YING Wei and Mr. William LAM.