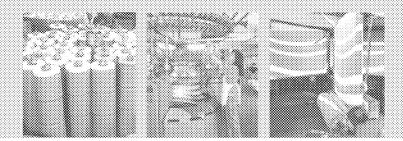
Fountain Set (Holdings) Limited



REVIEW AND OUTLOOK (Continued)

Despite keen competition and market uncertainties, the Group has been adhering to its proactive and aggressive policy aimed at enhancing service standard and quality of its products, as well as the implementation of rigorous cost control measures in order to achieve even better operating efficiency. With China's imminent accession to the World Trade Organisation, the market will be liberalised and tariffs will be lowered, bringing huge business opportunities and development potential for the textile industry in China. With this background, the Group is highly confident that there will be ample room for the textile industry to develop and prosper.

DIRECTORS' INTERESTS IN SECURITIES

At 28th February, 2001, according to the register required to be kept under Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance"), the interests of directors and their associates in the securities of the Company and a subsidiary were as follows:

(A) Interests in shares in the Company

	Number of shares held as			Number of share
	Personal	Corporate	Other	options held as
Name of director	interests	Interests	Interests	personal interests
				(Note 3)
Mr. Ha Chung Fong	_	3,540,000	308,276,044	-
		(Note 1)	(Note 2)	
Mr. Lau Hong Yon	_	_	_	280,000
Ms. Liou Wen Hwa, Cecilia	_	_	_	280,000
Mr. Pow Man Kue	_	_	_	280,000
Ms. Yeh Yi Hao, Yvette	70,000	_	_	_

Notes:

- These shares were beneficially owned by Yee Chang Company Limited which is controlled by Mr. Ha Chung Fong. 1.
- These shares were beneficially owned by Super Brilliance Company Limited, a company wholly-owned by Centre Trustee (C.I.) Limited as trustee of the Ha Trust, a trust established by Mr. Ha Chung Fong for the benefit of his family.
- The share options were granted during the year ended 31st August, 2000 under the share option scheme of the Company adopted on 2nd March, 1999 and entitle the holders thereof to subscribe for the Company's shares of HK\$0.20 each at a subscription price of HK\$0.62 per share at any time during a period of not exceeding six months commencing on the expiry of one year after the date on which the option is accepted and expiring on the last day of such period.