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**福記食品服務控股有限公司**

(已委任臨時清盤人)

**FU JI Food and Catering Services Holdings Limited**

(Provisional Liquidators Appointed)

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code : 1175)**

**PROPOSED RESTRUCTURING OF THE COMPANY INVOLVING, INTER ALIA**

- (1) CAPITAL RESTRUCTURING; (2) OPEN OFFER;**
- (3) SUBSCRIPTION OF SUBSCRIPTION SHARES AND PREFERENCE SHARES;**
- (4) DEBT RESTRUCTURING INVOLVING ISSUE OF SCHEME SHARES;**
- (5) GROUP REORGANISATION;**
- (6) APPLICATION FOR LISTING OF NEW SHARES, OFFER SHARES, SUBSCRIPTION SHARES, NEW SHARES TO BE ISSUED UPON CONVERSION OF PREFERENCE SHARES AND SCHEME SHARES;**
- (7) AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATIONS OF THE COMPANY;**
- (8) CHANGE IN BOARD LOT SIZE; AND**
- (9) APPLICATION FOR WHITEWASH WAIVER**

**Independent financial adviser to the Independent Board Committee,  
the Independent Shareholders and  
the Open Offer Independent Shareholders**

**Quam**  **華富嘉洛**  
CAPITAL **企業融資**  
**Quam Capital Limited**

## **THE DEBT RESTRUCTURING AGREEMENT AND RESUMPTION PROPOSAL**

Trading in the Shares has been suspended since 29 July 2009. On 19 October 2009, the Company presented a petition to the Hong Kong Court for its winding-up on the ground that the Company was insolvent and unable to pay its debts taking into account its actual, contingent and prospective liabilities. By an order made by the Hong Kong Court on the same day, the Provisional Liquidators were appointed as joint and several provisional liquidators of the Company to preserve and safeguard the assets of the Company, to act in the interest of the general body of the Creditors and to explore the possibility of restructuring or other options that may be available to the Group.

On 14 January 2011, 6 September 2011 and 6 July 2012, the Company submitted respectively the initial and updated Resumption Proposal to the Stock Exchange. The Company also provided from time to time further explanations and supplementary documents in response to the queries raised by the Stock Exchange with respect to the Resumption Proposal.

On 5 September 2011, the Debt Restructuring Agreement was entered into to set out the definitive terms of the Restructuring.

On 18 October 2012, the Stock Exchange provided the Company with a written approval of the Resumption, subject to the Company's fulfilment of the Resumption Conditions as set out in the said written approval to the satisfaction of the Listing Division of the Stock Exchange by 17 June 2013.

## **CAPITAL RESTRUCTURING**

The Company proposes to implement the Capital Restructuring which will comprise (i) a reduction of the share capital of the Company by reducing the par value of every issued Share from HK\$0.01 to HK\$0.001; (ii) a cancellation of the authorised but unissued share capital of the Company of HK\$19,458,703.24; (iii) the consolidation of every 10 issued shares of par value HK\$0.001 each into one New Share of par value HK\$0.01 each; and (iv) the increase in the authorised share capital of the Company from HK\$541,296.75 to HK\$200,000,000.

## **OPEN OFFER**

Pursuant to the Debt Restructuring Agreement, the Company will issue 54,129,675 Offer Shares at the subscription price of HK\$0.74 per Offer Share and grant each Qualifying Shareholder a right to subscribe for one Offer Share for every one New Share held by the Qualifying Shareholders on the Record Date and payable in full on application, and where applicable, application for excess Offer Shares under the Open Offer. It is expected that the Company will raise approximately HK\$40 million as a result of the Open Offer. Pursuant to the Underwriting Agreement, the Underwriter has agreed to underwrite the Underwritten Shares.

## **SUBSCRIPTION OF SUBSCRIPTION SHARES AND PREFERENCE SHARES**

Pursuant to the Debt Restructuring Agreement, the Investor will subscribe for and the Company will allot and issue to the Investor (or its nominee) upon completion of the Subscription (i) 202,702,703 Subscription Shares at the subscription price of HK\$0.74 each; and (ii) 135,135,135 Preference Shares at the subscription price of HK\$0.74 each and for this purpose, the Company, the Investor and the Provisional Liquidators have entered into the Subscription Agreement.

### **THE SCHEME**

Upon the Scheme becoming effective on 9 August 2011, all the Indebtedness owed by the Company was fully compromised and discharged by the arrangements contemplated under the Scheme, in exchange for the Scheme Consideration.

### **THE GROUP REORGANISATION**

Pursuant to the Heads of Terms and subsequently the Debt Restructuring Agreement, upon completion of the Group Reorganisation, the Excluded Companies will cease to be subsidiaries or associates of the Company. It is expected that upon completion of the Restructuring, the Group will consist of the Restructured Group only.

### **AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY**

Amendments to the memorandum and articles of association of the Company will be proposed at the EGM to reflect the changes in the Company's share capital as a result of the Capital Restructuring and to allow for the issue and allotment of the Preference Shares.

### **CHANGE IN BOARD LOT SIZE**

Subject to the Capital Restructuring becoming effective and the approval by the Shareholders at the EGM, the Board also proposes to change the board lot size for trading in the shares of the Company from 1,000 Shares to 10,000 New Shares.

### **TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR WHITEWASH WAIVER**

Pursuant to the terms of the Debt Restructuring Agreement, the Concert Party Group will subscribe for 202,702,703 Subscription Shares. If all the Offer Shares are taken up by the Qualifying Shareholders, the Concert Party Group will be interested in (i) approximately 60.63% of the enlarged issued share capital of the Company upon completion of the Open Offer and the Subscription and the allotment of the Scheme Shares to the Scheme Creditors but before conversion of the Preference Shares; and (ii) approximately 71.96% of the enlarged issued share capital of the Company upon completion of the Open Offer and the Subscription, the allotment of the Scheme Shares to the Scheme Creditors and full conversion of the Preference Shares.

If none of the Offer Shares is taken up by the Qualifying Shareholders whereby the Underwriter will be required to take up the Underwritten Shares, the Concert Party Group will be interested in (i) approximately 76.82% of the enlarged issued share capital of the Company upon completion of the Open Offer and the Subscription and the allotment of the Scheme Shares to the Scheme Creditors but before conversion of the Preference Shares; and (ii) approximately 83.49% of the enlarged issued share capital of the Company upon completion of the Open Offer and the Subscription, the allotment of the Scheme Shares to the Scheme Creditors and full conversion of the Preference Shares.

Save for underwriting of the Open Offer, the Subscription and the arrangement for Placing Down (if necessary), the Concert Party Group members will not make any arrangement in relation to acquisitions or disposals of the Shares or the New Shares prior to the Resumption.

Therefore, the underwriting of the Underwritten Shares and the subscription for the Subscription Shares by the Investor will trigger an obligation on the part of the Concert Party Group to make a mandatory general offer for all the New Shares not already owned or agreed to be acquired by them under Rule 26.1 of the Takeovers Code. Accordingly, on 11 January 2013, the Investor made an application to the Executive for a Whitewash Waiver waiving the obligations of the Concert Party Group to make such mandatory general offer pursuant to Note 1 on dispensation from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted, will be subject to, among other things, the approval by the Independent Shareholders at the EGM by way of poll.

## **GENERAL**

The Company will convene the EGM for the purposes of considering, and if thought fit, approving, among other things, the Capital Restructuring, the Open Offer, the Subscription, the issue of the Scheme Shares, the Whitewash Waiver, the proposed amendments to the memorandum and articles of associations of the Company and any other matters as required by law, the Listing Rules and/or the Takeovers Code, which are necessary to give effect to the Restructuring and any transactions contemplated under the Debt Restructuring Agreement.

None of the Shareholders has direct or indirect interest (other than solely as a Shareholder) nor any involvement in the discussion of the Debt Restructuring Agreement, the Open Offer, the Subscription, the issue of the Scheme Shares and the Whitewash Waiver. As such, no Shareholder will be required to abstain from voting in respect of the resolutions to approve the Subscription, the issue of the Scheme Shares and the Whitewash Waiver at the EGM.

Pursuant to the Rule 7.24(5) of the Listing Rules, since the Open Offer would increase the issued share capital of the Company by more than 50% within the 12 month period immediately preceding the date of this announcement, the Open Offer is conditional on the approval by the Open Offer Independent Shareholders by way of poll at the EGM, where the controlling Shareholders and their respective associates are required to abstain from voting in favour of the Open Offer. As such, Mr. Wei and Ms. Yao, who, in aggregate, are interested in 261,185,000 Shares (representing approximately 48.25% of the existing issued share capital of the Company), and their respective associates will abstain from voting on the resolution to approve the Open Offer at the EGM.

The Independent Board Committee has been established to advise (i) the Independent Shareholders on the Subscription, the issue of the Scheme Shares and the Whitewash Waiver; and (ii) the Open Offer Independent Shareholders on the Open Offer. The Independent Financial Adviser has been appointed to advise the Independent Board Committee, the Independent Shareholders and the Open Offer Independent Shareholders in this regard.

A circular containing, among other things, details of (i) the proposed Capital Restructuring, the Open Offer, the Subscription, the Debt Restructuring Agreement involving the issue of the Scheme Shares and the Group Reorganisation, the Whitewash Waiver, the amendments to memorandum and articles of association of the Company, the change in board lot size and appointment of the proposed Directors; (ii) the recommendations of the Independent Board Committee; (iii) a letter of advice from the Independent Financial Advisor to the Independent Board Committee, the Independent Shareholders and the Open Offer Independent Shareholders; and (iv) a notice of the EGM will be despatched as soon as practicable. Pursuant to Rule 8.2 of the Takeovers Code, the Company is required to despatch the Circular to the Shareholders within 21 days of the date of this announcement, which is on or before 11 February 2013.

### **CONTINUED SUSPENSION OF TRADING IN THE SHARES**

**Trading in the Shares on the Stock Exchange has been suspended since 29 July 2009. Until the satisfaction of all Resumption Conditions, trading in the Shares will continue to be suspended. The release of this announcement does not indicate that the trading in the Shares will be resumed or that the listing approval for the New Shares, the Offer Shares, the Subscription Shares, the New Shares to be issued upon conversion of the Preference Shares and/or the Scheme Shares will be granted.**

**The transactions contemplated under the Restructuring Documentation are subject to the satisfaction and/or waiver of the applicable conditions and may or may not proceed. The Resumption is subject to a number of Resumption Conditions set out by the Stock Exchange. The release of this announcement is not an indication that the transactions contemplated under the Resumption Proposal will be successfully implemented and/or completed or that the Resumption Conditions have been or will be fulfilled. Trading in the Shares or New Shares will remain suspended until further notice.**

**Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares or New Shares, and if they are in any doubt about their positions, they should consult their professional advisors.**

## **INTRODUCTION**

Reference is made to the announcements of the Company dated 30 October 2009 in relation to the background to the decision of the Company to file winding-up petition, 26 May 2010 in relation to the proposed restructuring of the Company and in particular the entering into of the Heads of Terms, 7 July 2010 in relation to the Phase I Disposal, 26 May 2011 in relation to, *inter alia*, the Restaurant Business Disposal, 24 October 2012 in relation to the effective date of the Scheme and 26 October 2012 in relation to the Resumption Conditions.

## **SUMMARY OF KEY EVENTS**

### **Appointment of the Provisional Liquidators**

Trading in the Shares has been suspended since 29 July 2009. On 19 October 2009, the Company presented a petition to the Hong Kong Court for its winding-up on the ground that the Company was insolvent and unable to pay its debts taking into account its actual, contingent and prospective liabilities. By an order made by the Hong Kong Court on the same day, the Provisional Liquidators were appointed as joint and several provisional liquidators of the Company to preserve and safeguard the assets of the Company, to act in the interest of the general body of the Creditors and to explore the possibility of restructuring or other options that may be available to the Group.

### **Reorganisation proposal**

Following their appointment, the Provisional Liquidators commenced the tender process for the proposed sale of the Group's assets and businesses and received several proposals from potential investors. After carefully reviewing and considering the commercial and other aspects of such proposals, including but not limited to the estimated time for their implementation and the extent of recovery by Creditors, and having regard to the then financial position of the Company, the Provisional Liquidators were of the view that the proposal received from the Investor represented the best option available to the Company and its shareholders at that time. Accordingly, the Provisional Liquidators entered into exclusive negotiations with the Investor in relation to the restructuring of the Group, including but not limited to the disposal of certain assets and businesses of the Group.

### **Heads of Terms**

On 16 March 2010, the Company, the Provisional Liquidators and the Investor entered into the Heads of Terms which set out the major provisions of the proposed restructuring of the Company including, *inter alia*, the Phase I Disposal, the Phase II Disposal, the Capital Restructuring and the Debt Restructuring as defined in the Heads of Terms, which were subject to the execution of definitive documentation. On 1 April 2010, the Hong Kong Court sanctioned, among other things, the asset disposals contemplated in the Heads of Terms.

## **Phase I Disposal**

Following the Hong Kong Court's sanction on 22 June 2010, the Phase I SPA was entered into on 29 June 2010 to implement the Phase I Disposal. For further details of the Phase I Disposal (including the conditions precedent to its completion), please refer to the announcement of the Company dated 7 July 2010.

As at the date of this announcement, the parties to the Phase I SPA are still in the process of fulfilling the conditions precedent to the completion of the Phase I Disposal and therefore completion of the Phase I Disposal has yet to take place. Pursuant to the Phase I SPA, the conditions precedent to the completion of the Phase I Disposal can be waived by the party for whose benefit such conditions exist. The Resumption is conditional upon, *inter alia*, the completion of the Phase I Disposal, which is expected to take place by around April 2013.

## **Restaurant Business Disposal**

Pursuant to the Heads of Terms, it was originally intended that the Restaurant Business and certain idle processing centres would remain within the Restructured Group unless the Resumption failed and the Investor did not become the controlling shareholder of the Company, in which case the Restaurant Business and certain idle processing centres (among other things) would be disposed of to the Investor by way of the Phase II Disposal.

Since at the relevant times, the Restaurant Business was incurring operating losses and the idle processing centres were not in operation and were no longer needed, while their owners (being certain target companies of the Restaurant Business Disposal) were nevertheless liable for the outstanding and future rental liabilities under the long term lease arrangements, the Provisional Liquidators considered that the Heads of Terms should be varied so that the Restaurant Business and certain idle processing centres could be spun out of the Group and disposed of to the Investor as soon as possible (i.e. the Restaurant Business Disposal).

Accordingly, the Restaurant Business SPA was executed by the parties thereto on 13 January 2011 to implement the Restaurant Business Disposal, which was sanctioned by the Hong Kong Court on 27 January 2011. For further details of the Restaurant Business Disposal (including the conditions precedent to its completion), please refer to the announcement of the Company dated 26 May 2011.

As at the date of this announcement, the parties to the Restaurant Business SPA are still in the process of fulfilling the conditions precedent to the completion of the Restaurant Business Disposal and therefore completion of the Restaurant Business Disposal has yet to take place. Pursuant to the Restaurant Business SPA, the conditions precedent to the completion of the Restaurant Business Disposal can be waived by the party for whose benefit such conditions exist. The Resumption is conditional upon, *inter alia*, the completion of the Restaurant Business Disposal, which is expected to take place by around April 2013.

## **Resumption Proposal and Conditional Approval for Resumption**

On 14 January 2011, 6 September 2011 and 6 July 2012, the Company submitted respectively the initial and updated Resumption Proposal to the Stock Exchange. The Company also provided, from time to time, further explanations and supplementary documents in response to the queries raised by the Stock Exchange with respect to the Resumption Proposal.

The Resumption Proposal outlines and elaborates on the various elements of the resumption proposal of the Company and provides information of the Company in terms of its business plan, envisaged future operations, financial position and performance, corporate governance and internal controls with an objective to apply to the Listing Division of the Stock Exchange for the Resumption.

On 18 October 2012, the Stock Exchange provided the Company with a written approval of the Resumption, subject to the Company's fulfilment of the Resumption Conditions as set out in the said written approval to the satisfaction of the Listing Division of the Stock Exchange by 17 June 2013. Please refer to the announcement of the Company dated 26 October 2012 for the detailed disclosures of the Resumption Conditions.

## **Debt Restructuring Agreement**

On 5 September 2011, the Debt Restructuring Agreement, details of which are set out in the section headed "The Debt Restructuring Agreement" in this announcement below, was entered into to set out the definitive terms of the Restructuring. Upon the signing of the Debt Restructuring Agreement, the Heads of Terms ceased to have any legal effect and were substituted entirely by the Debt Restructuring Agreement and all other Restructuring Documentation. On 18 January 2013, the Supplemental Agreement was entered into to amend certain terms of the Debt Restructuring Agreement with a view to reflect the latest Restructuring arrangements stipulated under the Resumption Proposal.

## **Phase III Disposal**

The Phase III SPA was also entered into on 5 September 2011 to implement the Phase III Disposal, which was sanctioned by the Hong Kong Court on 1 November 2010. The assets being disposed of under the Phase III Disposal mainly comprised of land and buildings located in the PRC. The cash consideration for the Phase III Disposal amounted to approximately RMB2.5 million. Pursuant to the Shortfall Guarantee, the Investor shall pay the difference between HK\$56,800,000 and the cash consideration for the Phase III Disposal of approximately RMB2.5 million to the Provisional Liquidators for the benefit of the Scheme Creditors.

Completion of the Phase III Disposal is conditional upon the satisfaction (or waiver by the Provisional Liquidators) of all the following conditions:

- (i) obtaining of directions (if any) required from the Hong Kong Court regarding the power of the Provisional Liquidators to procure the performance of the disposal of assets by way of Phase III Disposal;
- (ii) the parties to the Phase III SPA having duly executed, or caused to be duly executed, a trust deed with the Company as the trust beneficiary of certain member of the Group as part of the implementation of the Restructuring;
- (iii) the parties to the Phase III SPA having duly executed, or caused to be duly executed, a trust deed with the Company as the trust beneficiary of certain members of the Group as security of the Shortfall Guarantee;
- (iv) the relevant parties to the Phase III SPA having duly executed, or caused to be duly executed, a share charge in relation of shares of certain members of the Group in favour of the Company as security of the Shortfall Guarantee;
- (v) certain actions having been taken as security of the Shortfall Guarantee to the satisfaction of the Provisional Liquidators;
- (vi) the representations and warranties made by Fortune Guard (as purchaser in the Phase III SPA) in the Phase III SPA being true in all material respects;
- (vii) Fortune Guard having provided the Company with a certified true copy of the resolutions of its board of directors authorising the due execution and performance of the Phase III SPA and the transactions contemplated thereby;
- (viii) the Investor having provided the Company with a certified true copy of the resolutions of its board of directors authorising the due execution and performance of the Phase III SPA and the transactions contemplated thereby;
- (ix) the parties to the Phase III SPA having performed and complied in all material respects with all of their respective obligations under the Phase III SPA which are to be performed or complied with by them prior to the completion of the Phase III Disposal, and the parties to the Phase III SPA not otherwise being in default in any material respect under any of the provisions of the Phase III SPA; and
- (x) the parties to the Phase III SPA having duly executed the Shortfall Guarantee.

As at the date of this announcement, the parties to the Phase III SPA consider that conditions (i), (ii), (iii) and (x) above are satisfied and are still in the process of fulfilling the remaining conditions and therefore completion of the Phase III Disposal has yet to take place. Pursuant to the Phase III SPA, the conditions precedent to the completion of the Phase III Disposal can be waived by the Provisional Liquidators. The Resumption is conditional upon, *inter alia*, the completion of the Phase III Disposal, which is expected to take place by around April 2013.

## **The Scheme**

On 11 March 2011, an order was granted by the Hong Kong Court which allowed the Provisional Liquidators to convene a meeting of the Creditors for the purpose of considering, and if thought fit, approving the Scheme. On 29 April 2011, the Scheme was approved by the Scheme Creditors at the meeting of the Creditors and subsequently sanctioned by the Hong Kong Court on 17 May 2011.

On 9 August 2011, a completion notice was served to all the Scheme Creditors advising that following satisfaction or waiver of all of the conditions precedent to the Scheme, the Scheme has become effective, upon which all the Indebtedness owed by the Company was fully compromised and discharged by the arrangements contemplated under the Scheme in exchange for the Scheme Consideration. Please refer to the announcement of the Company dated 24 October 2012 for further details relating to the effectiveness of the Scheme.

## **THE DEBT RESTRUCTURING AGREEMENT**

The Debt Restructuring Agreement is the definitive agreement for the Restructuring. The Debt Restructuring Agreement provides that the completion of various transactions or arrangements contemplated thereunder, *inter alia*, (i) the Phase I Disposal, (ii) the Restaurant Business Disposal, (iii) the Phase III Disposal, (iv) the Scheme, (v) the Open Offer and (vi) the Subscription are subject to certain conditions, either being more particularly provided for in the respective documentation relating to each such transaction or arrangement or in the Debt Restructuring Agreement. Details of the Debt Restructuring Agreement, together with the detailed arrangements of (1) the Capital Restructuring, (2) the Open Offer, (3) the Subscription, (4) the Debt Restructuring, and (5) the Group Reorganisation are set out below.

### **Parties to the Debt Restructuring Agreement**

- (1) The Investor
- (2) The Investor Holdco
- (3) Fortune Guard
- (4) The Company
- (5) The Provisional Liquidators
- (6) Certain members of the Group as at the date of the Debt Restructuring Agreement
- (7) Perfect Future
- (8) Quick Glory

The Investor has confirmed to the Company and the Provisional Liquidators that the Concert Party Group and their respective associates are Independent Third Parties, and are not acting in concert with, the Company, the Directors, the substantial Shareholders or any of their subsidiaries or their respective associates.

## **1. Capital Restructuring**

As at the date of this announcement, the authorised share capital of the Company is HK\$20,000,000 divided into 2,000,000,000 Shares of par value HK\$0.01 each, of which 541,296,756 Shares are issued and credited as fully paid up. Pursuant to the Debt Restructuring Agreement, the share capital of the Company will be reorganised in the following manner:

### **(i) Capital Reduction**

The Capital Reduction will involve a reduction of the issued share capital of the Company by reducing the par value of every issued Share from HK\$0.01 to HK\$0.001, generating a credit of HK\$4,871,670.80 on the basis of 541,296,756 Shares in issue. Such credit will be applied in a manner permitted by the Companies Law, including but not limited to setting off part of the accumulated losses of the Company of approximately HK\$2,380.5 million as at 31 March 2012.

### **(ii) Capital Cancellation**

The authorised but unissued share capital of the Company of HK\$19,458,703.24 will be cancelled.

### **(iii) Share Consolidation**

Every 10 issued shares of par value HK\$0.001 each will be consolidated into one New Share of par value HK\$0.01 each. On the basis of 541,296,756 Shares currently in issue, there will be 54,129,675 New Shares of HK\$0.01 each in issue immediately following the Share Consolidation becoming effective.

Any fractions of New Shares arising from the Share Consolidation becoming effective will be ignored and will not be allocated to the Shareholders in question but all such fractional New Shares will be aggregated and, if possible, sold for the benefit of the Company.

### **(iv) Capital Increase**

The authorised share capital of the Company will be increased from HK\$541,296.75 to HK\$200,000,000 divided into 19,800,000,000 New Shares and 200,000,000 Preference Shares.

### ***Effect of the Capital Restructuring***

The following table sets out the share capital of the Company before and after the completion of the Capital Restructuring (assuming there is no change in the number of Shares from the date of this announcement to immediately before the Capital Restructuring):

|  | <b>Par value</b> | <b>Authorised share capital</b>  | <b>Issued and paid-up share capital</b>                 |
|--|------------------|--|---|
| Immediately before the Capital Restructuring             | HK\$0.01         | HK\$20,000,000<br>divided into<br>2,000,000,000 Shares                                   | HK\$5,412,967.56<br>divided into<br>541,296,756 Shares  |
| After the Capital Reduction and the Capital Cancellation | HK\$0.001        | HK\$541,296.76<br>divided into<br>541,296,756 shares                                     | HK\$541,296.76<br>divided into<br>541,296,756 shares    |
| After the Share Consolidation                            | HK\$0.01         | HK\$541,296.75<br>divided into<br>54,129,675 New Shares                                  | HK\$541,296.75<br>divided into<br>54,129,675 New Shares |
| After the Capital Increase                               | HK\$0.01         | HK\$200,000,000 divided into 19,800,000,000 New Shares and 200,000,000 Preference Shares | HK\$541,296.75<br>divided into<br>54,129,675 New Shares |

### ***Conditions of the Capital Restructuring***

The Capital Restructuring is conditional upon:

- (i) the obtaining of an order confirming the Capital Reduction from the Cayman Court, the registration of the order confirming Capital Reduction and a minute of the Capital Reduction with the Registrar of Companies in the Cayman Islands;
- (ii) the passing of the necessary resolutions to approve the Capital Restructuring by the Shareholders at the EGM;
- (iii) the passing of the necessary resolutions to approve the amendment to the memorandum and articles of association of the Company to reflect the changes in the Company's share capital as a result of the Capital Restructuring by the Shareholders at the EGM; and
- (iv) the Listing Committee granting the listing of, and permission to deal in, the New Shares in issue upon the Capital Restructuring becoming effective.

None of the conditions described above can be waived by the Parties pursuant to the Debt Restructuring Agreement. As at the date of this announcement, none of the conditions described above has been fulfilled.

### ***Latest time for lodging transfer of Shares and closure of register of members***

In order to be registered as a member in order to qualify for the posting of new share certificates for the New Shares, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) with Computershare Hong Kong Investor Services Limited, the branch share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by 4:30 p.m. on Monday, 8 April 2013.

Subject to completion of the Capital Restructuring, the Company's register of members will be closed from Tuesday, 9 April 2013 to Monday, 15 April 2013 (both dates inclusive), for the purpose of, among other things, establishing entitlements for the posting of new share certificates for the New Shares. No transfer of Shares or New Shares will be registered during this period.

### ***Posting of new certificates to the Shareholders***

Subject to completion of the Capital Restructuring, the Company will post the new share certificates for the New Shares to the Shareholders at the Company's expense. The old share certificates for existing Shares will be void automatically upon the despatch of the new share certificates.

## **2. Open Offer**

Pursuant to the Debt Restructuring Agreement, the Company will issue 54,129,675 Offer Shares at the subscription price of HK\$0.74 per Offer Share and grant each Qualifying Shareholder a right to subscribe for one Offer Share for every one New Share held by the Qualifying Shareholders on the Record Date payable in full on application. Offer Shares not taken up by the Qualifying Shareholders will be fully underwritten by the Underwriter. It is expected that the Company will raise approximately HK\$40 million as a result of the Open Offer.

### ***Issue statistics***

|   |   |   |
|---|---|---|
| Basis of the Open Offer   | : | One Offer Share for every one New Share held on the Record Date |
| Number of Shares in issue as at the date of this announcement                     | : | 541,296,756 Shares  |
| Number of New Shares in issue upon completion of the Capital Restructuring        | : | 54,129,675 New Shares   |
| Number of Offer Shares to be issued   | : | 54,129,675 Offer Shares   |
| Total number of New Shares in issue as enlarged upon completion of the Open Offer | : | 108,259,350 New Shares  |
| Subscription Price  | : | HK\$0.74 per Offer Share payable in full on application         |
| Number of Underwritten Shares fully underwritten by the Underwriter               | : | 54,129,675 Offer Shares   |

As at the date of this announcement, (i) there are 541,296,756 Shares in issue and the Company has no other outstanding options, warrants, derivatives or convertible securities in issue which confer any rights to subscribe for, convert or exchange into Shares as at the date of this announcement; and (ii) the Company has not procured any other undertaking and has not received any undertaking provided by any other Shareholders to subscribe for their entitlement under the Open Offer or any arrangement that may have an effect on the Open Offer.

### ***Qualifying Shareholders***

The Open Offer is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) if and to the extent legally and practically permissible, the Prospectus and the Overseas Letter, but without the Application Form and the EAF, for information purposes only, to the Excluded Shareholders, if any.

In order to be registered as a member on the Record Date with a view to qualify as a Qualifying Shareholder, Shareholders must lodge any transfers of Shares or New Shares, as the case may be (together with the relevant share certificates) with Computershare Hong Kong Investor Services Limited, the branch share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by 4:30 p.m. on Thursday, 18 April 2013.

**Qualifying Shareholders who do not take up the Offer Shares to which they are entitled (one Offer Share for every one New Share held on the Record Date) should note that their shareholding in the Company will be diluted.**

***Conditions of the Open Offer***

The Open Offer is conditional upon:

- (i) the Scheme having become effective in accordance with its terms;
- (ii) the Capital Restructuring having become fully effective as a matter of the applicable law;
- (iii) the Whitewash Waiver being granted by the SFC;
- (iv) all necessary authorisation in applicable jurisdictions having been obtained;
- (v) the passing of the necessary resolutions to approve the Open Offer by the Open Offer Independent Shareholders at the EGM;
- (vi) the due execution of the Open Offer Documentation;
- (vii) the Underwriter fully underwriting the Open Offer by the due execution of the Underwriting Agreement; and
- (viii) the Resumption Conditions having been fulfilled (save and except (1) completion of the Open Offer and the Subscription; (2) allotment of the Scheme Shares; and (3) discharge of the Provisional Liquidators and the petition for the winding-up of the Company).

None of the conditions described above can be waived by the Parties pursuant to the Debt Restructuring Agreement. As at the date of this announcement, the condition described in (i) above has been fulfilled.

### ***Excluded Shareholders***

If, at 4:30 p.m. on the Record Date, a Shareholder's address on the register of members of the Company is in a place outside Hong Kong, that Shareholder may not be eligible to take part in the Open Offer.

The Company will make enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules with overseas legal advisors as to the feasibility of extending the Open Offer to Overseas Shareholders taking into account the applicable securities legislation of the relevant overseas jurisdictions or the requirements of the relevant regulatory body or stock exchange for the issue of the Offer Shares to the Overseas Shareholders.

If, after making such enquiry, the Company is of the opinion that it would be unduly burdensome to, or otherwise necessary or expedient not to offer the Offer Shares to such Overseas Shareholders on account of any legal restrictions under the laws of such jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction, the Open Offer will not be extended to such Overseas Shareholders and they will become the Excluded Shareholders. The results of the enquiries and the basis of any exclusion of the Excluded Shareholders will be included in the Prospectus Documents.

The Prospectus Documents are not intended to be registered or filed under the applicable securities or equivalent legislation of any jurisdiction other than Hong Kong.

### ***Closure of register of members***

The register of members of the Company is expected to be closed from Friday, 19 April 2013 to Thursday, 25 April 2013 (both days inclusive) for determining the entitlements of the Qualifying Shareholders to the Open Offer, and accordingly no transfer of Shares or New Shares will be registered during this period.

### ***Application for excess Offer Shares***

Qualifying Shareholders may apply for entitlements of the Excluded Shareholders (see the paragraphs headed "Excluded Shareholders" above) and any Offer Shares provisionally allotted but not accepted by the Qualifying Shareholders.

Qualifying Shareholders may apply for excess Offer Shares by completing the EAF and lodging the same with a separate remittance for the excess Offer Shares being applied for. The Directors will allocate the excess Offer Shares at their discretion on a fair and equitable basis.

Shareholders with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company for the purpose of allocation of excess Offer Shares. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the top-up of odd lots for allocation of excess Offer Shares will not be extended to ultimate beneficial owners individually.

Shareholders with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant New Shares in the name of the beneficial owner(s) prior to the Record Date.

Excess application from Qualifying Shareholders (including registered nominee company) will be accepted by the Company even if their assured entitlement of the Offer Shares is not subscribed for in full.

### ***Status of the Offer Shares***

When allotted, issued and fully paid, the Offer Shares will rank pari passu in all respects with the New Shares in issue on the date of allotment and issue of the Offer Shares. Holders of the Offer Shares will be entitled to receive all future dividends and distributions which are declared, made and paid after the date of allotment and issue of the Offer Shares.

### ***Fractions of Offer Shares***

Fractional entitlements to the Offer Shares will not be issued but will be aggregated and taken up by the Underwriters. The Company will not allot any fraction of Offer Shares.

### ***Certificates and refund cheques for the Offer Shares***

Subject to the Open Offer becoming unconditional, certificates for all fully-paid Offer Shares are expected to be despatched by ordinary post to those Qualifying Shareholders who have accepted and paid for their Offer Shares, at their own risk. Refund cheques in respect of the Offer Shares if the Open Offer is terminated will be despatched by ordinary post to the applicants at their own risk.

### ***Underwriting arrangement***

On 18 January 2013, the Company as issuer and the Underwriter entered into the Underwriting Agreement relating to the Open Offer, under which the Underwriter has agreed to underwrite the Underwritten Shares.

The obligations of the Underwriter under the Underwriting Agreement are conditional upon:

- (i) the Resumption Conditions having been fulfilled (save and except (1) completion of the Open Offer and the Subscription; (2) allotment of the Scheme Shares; and (3) discharge of the Provisional Liquidators and the petition for the winding-up of the Company);
- (ii) the Whitewash Waiver having been granted by the SFC;
- (iii) the Scheme having become effective in accordance with its terms;

- (iv) the Capital Restructuring having become fully effective as a matter of applicable law;
- (v) all necessary notifications, registrations, applications, filings, authorisations, orders, recognitions, grants, consents, licenses, confirmations, clearances, permissions, no-action relief, exemption relief orders and approvals and all applicable waiting periods (including any extensions thereof) having been obtained or expired;
- (vi) all obligatory resolutions at an extraordinary general meeting of existing Shareholders required by applicable law or the Listing Rules having been obtained;
- (vii) the signing by or on behalf of all of the Directors of the Company of one printed copy of each of the Prospectus Documents and the certification by two Directors of two copies of each of the Prospectus Documents;
- (viii) the delivery to the Underwriter of one such copy of each of the Prospectus Documents signed by or on behalf of all of the Directors;
- (ix) the delivery to the Stock Exchange and filing and registration with the Companies Registry of Hong Kong respectively of one copy of each of the Prospectus Documents each duly certified by two Directors (or by their agents duly authorised in writing) in compliance with the Companies Ordinance (and all other documents required to be attached thereto) and otherwise complying with the requirements of the Companies Ordinance and the Listing Rules;
- (x) the posting of copies of the Prospectus Documents to the Qualifying Shareholders;
- (xi) compliance by the Company with all its obligations under the Underwriting Agreement in relation to the procedures of the Open Offer and the delivery of necessary documents; and
- (xii) the Listing Committee (1) agreeing to grant the listing of, and permission to deal in, the Offer Shares either unconditionally or subject to such conditions which the Underwriter in its reasonable opinion accepts and the satisfaction of such conditions (if any); and (2) not having withdrawn or revoked such listing and permission on or before 10:00 a.m. on Monday, 20 May 2013, being the settlement date prescribed in the Underwriting Agreement or such other date as the Underwriter may agree in writing with the Company and the Provisional Liquidators.

Save and except the conditions described in (v) and (xi) above which the Underwriter may at any time waive in writing, all other conditions described above cannot be waived by any party. As at the date of this announcement, the condition described in (iii) above has been fulfilled.

If at 4:00 p.m. on the Latest Acceptance Date, there shall remain any Offer Shares not taken up by Qualifying Shareholders, then the Underwriter shall subscribe or procure subscribers for such number of the untaken Offer Shares and shall pay or procure to be paid to the Company the amount due on acceptance in respect of such untaken Offer Shares. If the conditions set out above are not fulfilled (or not being waived by the Underwriter) by 4:00 p.m. on the second business day after the Latest Acceptance Date, the Underwriting Agreement may be terminated by the Underwriter by giving written notice to the other parties, and all rights and obligations of the parties will cease immediately upon termination save for any antecedent breach of the Underwriting Agreement.

**Shareholders and potential investors of the Company should note that the Open Offer is subject to the satisfaction of the conditions of the Open Offer and the terms and conditions of Underwriting Agreement. Accordingly, the Open Offer may or may not proceed.**

### **3. The Subscription**

Pursuant to the Debt Restructuring Agreement, the Investor will subscribe for and the Company will allot and issue to the Investor (or its nominee) upon completion of the Subscription (i) 202,702,703 Subscription Shares at the subscription price of HK\$0.74 each and (ii) 135,135,135 Preference Shares at the subscription price of HK\$0.74 each and for this purpose the Subscription Agreement has been entered into on 18 January 2013. The Subscription is conditional upon the satisfaction (or waiver) of the conditions precedent provided under the Subscription Agreement.

#### ***Subscription Shares***

The Subscription Shares to be issued will rank pari passu in all respects with the New Shares and will have the same voting, dividend and other rights attached or accruing thereto as from the date of allotment and issue of the Subscription Shares.

#### ***Preference Shares***

The Preference Shares to be issued in accordance with the Debt Restructuring Agreement and the Subscription Agreement will upon their issue carry the following rights:

|                           |   |  |
|---------------------------|---|--|
| Fixed cumulative dividend | : | 0% per annum on the paid-up value  |
| Ability to redeem         | : | Non-redeemable   |
| Convertibility            | : | Convertible into one New Share for each Preference Share at any time after 6 months of the date of issue |

|                             |   |  |
|-----------------------------|---|--|
| Voting right                | : | Non-voting at general meeting of the Company unless resolution to be proposed at a general meeting for winding-up the Company, or a resolution is to be proposed, which if passed, would vary or abrogate the rights or privileges of holders of Preference Shares |
| Claim on liquidation claims | : | Upon liquidation, the claim on liquidation proceeds of the Company is senior to other ordinary shares based on the par value per Preference Share  |

***Conditions precedent of the Subscription***

Pursuant to the Subscription Agreement, the Subscription is conditional upon:

- (i) the Resumption Conditions having been fulfilled (save and except (1) completion of the Subscription; (2) allotment of Scheme Shares; and (3) discharge of the Provisional Liquidators and the petition for the winding-up of the Company);
- (ii) the Capital Restructuring having been completed;
- (iii) the Open Offer having been completed;
- (iv) the Listing Committee of the Stock Exchange (1) having granted the listing of, and permission to deal in, *inter alia*, the Subscription Shares, the New Shares to be issued upon conversion of the Preference Shares, the New Shares to be issued as a result of the Capital Restructuring and the New Shares to be issued under the Open Offer, either unconditionally or subject to such conditions reasonably acceptable to the Provisional Liquidators and the satisfaction of such conditions (if any); and (2) not having withdrawn or revoked such listing and permission on or before 4:00 p.m. of the date of completion of the Subscription;
- (v) the Whitewash Waiver having been granted by the SFC;
- (vi) the Company having convened the EGM at which the resolutions in relation to the Subscription Agreement and the transactions contemplated thereunder shall have been duly passed by the Shareholders and all other consents and acts required under the Listing Rules having been obtained and completed;

- (vii) the Company having convened a board meeting at which resolutions shall have been duly passed by the Directors to approve the Subscription Agreement and the transactions contemplated thereunder;
- (viii) the passing of the necessary resolutions of the board of directors of the Investor approving the Subscription Agreement and the transactions contemplated thereunder;
- (ix) the obtaining by the Company and the Investor of all other necessary consents, authorisation, court sanction or other approvals in connection with the Subscription;
- (x) the absence of any law, regulation or other government action on the part of any relevant government authority which would prohibit the Company from completing the Subscription; and
- (xi) there being no material breach of the terms and conditions by any party under the Debt Restructuring Agreement.

Save and except the conditions described in (viii), (ix) and (xi), which the Provisional Liquidators may at any time waive in writing and the condition described in (xi), which the Investor may at any time waive in writing (provided that condition described in (xi) may only be waived by the Provisional Liquidators when the Investor is in default and by the Investor when the Company and/or the Provisional Liquidators are in default), all other conditions described above cannot be waived by any party. As at the date of this announcement, none of the conditions described above has been fulfilled.

If the conditions described above are not fulfilled (or not being waived by the Provisional Liquidators or by the Investor (as the case maybe)) by 30 June 2013, the Subscription Agreement may be terminated by the Provisional Liquidators by giving written notice, to the other parties, and all rights and obligations of the parties will cease immediately upon termination save for any antecedent breach of the Subscription Agreement.

Completion of the issue and allotment for the Subscription Shares and Preference Shares shall take place simultaneously on the date falling after 3 business days upon the fulfilment or waiver of the conditions described above or such other date as agreed between the parties in writing.

#### **4. Debt Restructuring**

##### ***The Scheme***

Based on the notices of claim received, it was estimated that the admitted claims owed by the Company to the Creditors amounts to approximately HK\$2,651.9 million. The indebtedness figure stated above is indicative only and the payment to the claims of the Creditors will be subject to the arrangement of the Scheme. After reviewing the notices of claim received, the books and records recovered by the Provisional Liquidators and the list of shareholders of the Company, as at the date of this announcement, none of the Scheme Creditors holds any Shares.

Upon the Scheme becoming effective on 9 August 2011, all the Indebtedness owed by the Company was fully compromised and discharged by the arrangements contemplated under the Scheme, in exchange for the Scheme Consideration more particularly described below:

### ***Cash consideration***

Cash consideration comprises (i) cash maintained in the Company's bank accounts after deducting all necessary cost and expense for the administration of the Provisional Liquidators; (ii) realisation cash proceeds from Phase I Disposal, Restaurant Business Disposal and Phase III Disposal; and (iii) upon successful Resumption, part of the proceeds from the Open Offer and the Subscription or, in the event of failure in Resumption, the consideration to be paid by the Investor for the Phase II Disposal.

The estimated cash consideration is approximately (i) HK\$539.3 million if the Resumption is successful; or (ii) HK\$409.3 million if the Resumption fails. Approximately HK\$291.4 million has been distributed to the Scheme Creditors in accordance with the Scheme and the remaining cash consideration is expected to be distributed to the Scheme Creditors after completion of the Capital Restructuring, the Open Offer and the Subscription.

### ***Allotment of New Shares to the Scheme Creditors***

Pursuant to the terms of Scheme, the Company will allot and issue 23,380,000 Scheme Shares to the Scheme Creditors. The Scheme Shares are expected to be allotted and issued to the Scheme Creditors after completion of the Capital Restructuring, the Open Offer and the Subscription. The Scheme Shares will rank pari passu in all respects with the New Shares in issue as at the date of allotment and issue of the Scheme Shares.

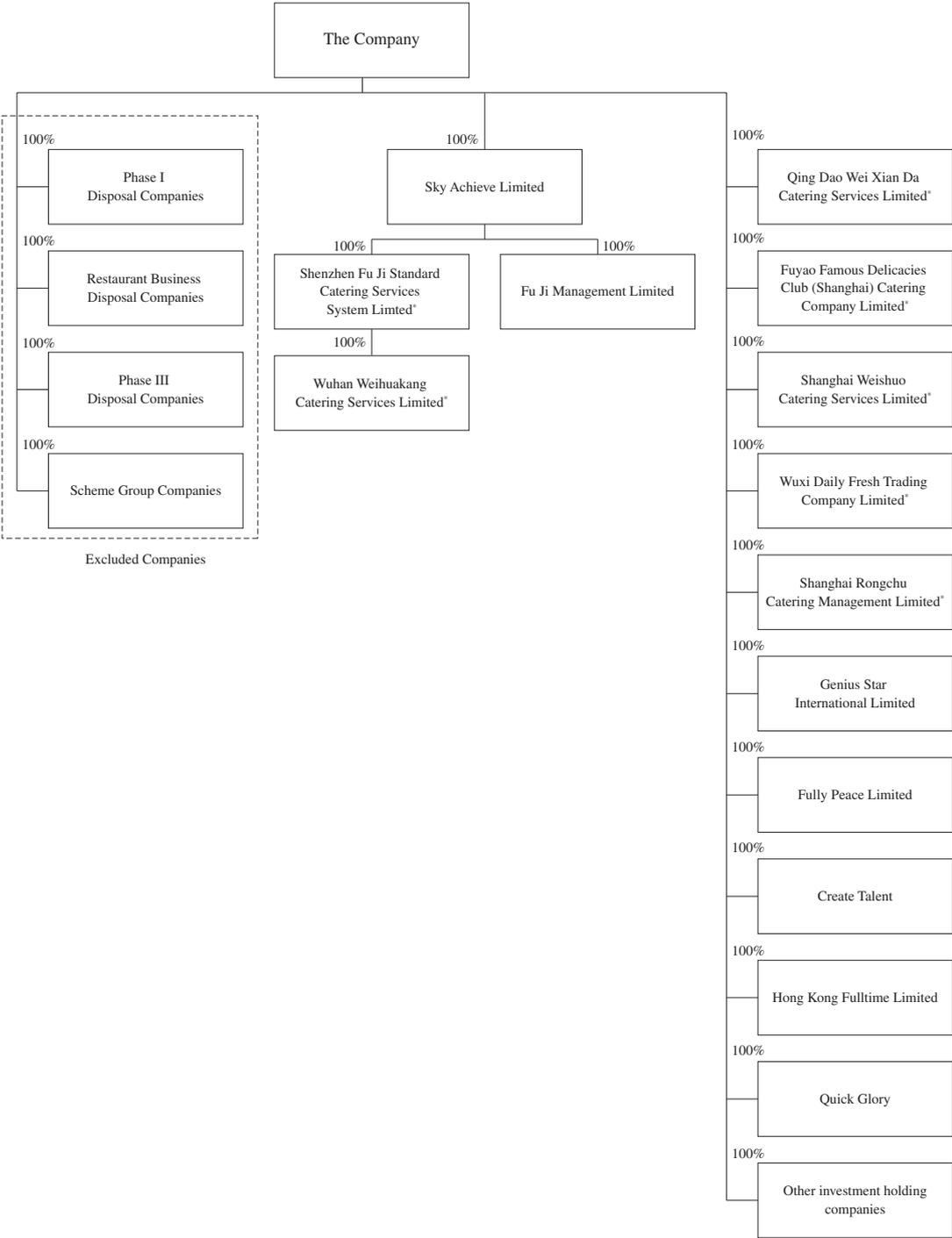
### **The 23,380,000 Scheme Shares represent:**

- (i) approximately 6.99% of the enlarged issued share capital of the Company upon completion of the Capital Restructuring and as enlarged by the Offer Shares, the Subscription Shares and the Scheme Shares (assuming no conversion of the Preference Shares); and
- (ii) approximately 4.98% of the enlarged issued share capital of the Company upon completion of the Capital Restructuring and as enlarged by the Offer Shares, the Subscription Shares, the Scheme Shares and following full conversion of the Preference Shares.

## **5. The Group Reorganisation**

Pursuant to the Heads of Terms and subsequently the Debt Restructuring Agreement, the Group has undergone a downsizing and business re-engineering on its structure and operation in an orderly manner. By proceeding with the Phase I Disposal, Restaurant Business Disposal and Phase III Disposal as contemplated in the Debt Restructuring Agreement and the relevant Restructuring Documentation, the Group will gradually scale down to become the Restructured Group.

The simplified group structure of the Group as at the date of this announcement and immediately prior to the completion of the Group Reorganisation is as follows:



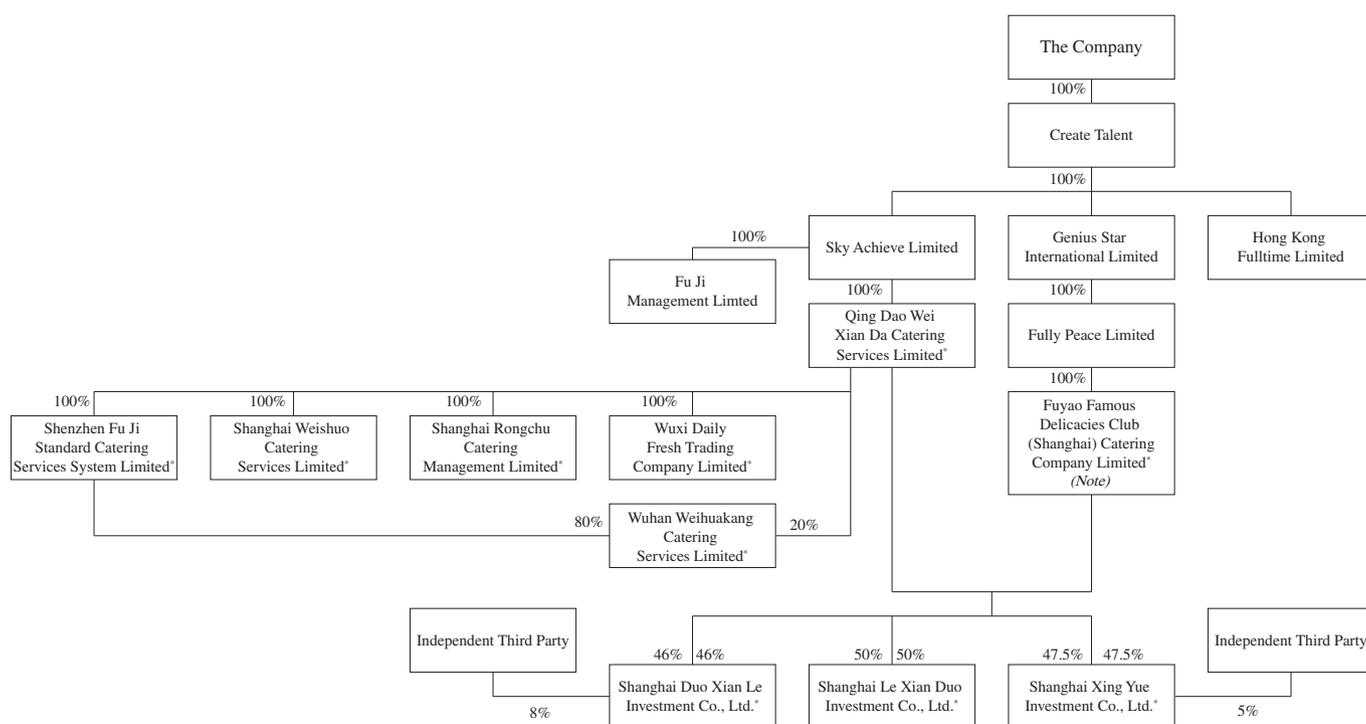
**Notes:**

1. Certain of the Restructured Group Companies were indirectly wholly-owned by the Company through the Phase I Disposal Companies, the Restaurant Business Disposal Companies, the Phase III Disposal Companies and/or the Scheme Group Companies prior to completion of the Group Reorganisation. The group structure of the Group immediately prior to the completion of the Group Reorganisation was simplified for illustrative purpose.

2. As at the date of this announcement, certain of the Phase I Disposal Companies, the Restaurant Business Disposal Companies, the Phase III Disposal Companies and the Scheme Group Companies were transferred to Fortune Guard or Quick Glory.

The assets held by the Phase I Disposal Companies were principally land and buildings which were frozen or under the risk of repossession by the local government in the PRC. The Restaurant Business Disposal Companies were principally engaged in the operations and management of Chinese restaurants, whereas the Phase III Disposal Companies mainly hold other non-core assets of the Group, representing certain lands and buildings in the PRC. The Scheme Group Companies mainly represent investment holding companies which would be transferred to Quick Glory for the benefit of the Scheme upon Completion.

The structure of the Restructured Group upon Completion is as follows:



Note: Fuyao Famous Delicacies Club (Shanghai) Catering Company Limited is currently held on trust by the Investor.

The Restructured Group upon Completion will principally engage in the (i) provision of catering services to corporations; and (ii) production and sale of convenience food products.

The Restructured Group will engage in the production and sale of convenience food products mainly through its wholly-owned subsidiary, Shanghai Weishuo Catering Services Limited, where the provision of catering services to corporation will be conducted through other wholly-owned subsidiaries, namely, Shenzhen Fu Ji Standard Catering Services System Limited, Wuxi Daily Fresh Trading Company Limited, Wuhan Weihuakang Catering Services Limited, Qingdao Wei Xian Da Catering Services Limited and Fuyao Famous Delicacies Club (Shanghai) Catering Company Limited.

The remaining companies of the Restructured Group, namely Shanghai Rongchu Catering Management Limited, Fu Ji Management Limited, Sky Achieve Limited, Genius Star International Limited, Hong Kong Fulltime Limited, Fully Peace Limited, Shanghai Duo Xian Le Investment Co., Ltd, Shanghai Le Xian Duo Investment Co., Ltd and Shanghai Xing Yue Investment Co., Ltd are either investment holding companies or companies principally engaging in administrative functions for the Restructured Group.

Upon completion of the Group Reorganisation, the Excluded Companies will cease to be subsidiaries or associates of the Company. It is expected that upon completion of the Restructuring, the Group will consist of the Restructured Group only.

### ***Termination of the Debt Restructuring Agreement***

Pursuant to the Debt Restructuring Agreement, the Provisional Liquidators or the Investor may by written notice to the other Parties terminate the Debt Restructuring Agreement if any of the events described in (a) to (g) below occurs before Completion; provided that no such termination of the Debt Restructuring Agreement will affect the rights and obligations of the parties under the Shortfall Guarantee, the Phase I Disposal Documentation, the Working Capital Facility Amendment, the Restaurant Business Disposal Documentation, the Phase II Documentation, the Deed of Assignment, the Waiver Agreement or the Phase III Disposal Documentation (which documents will govern the rights and obligations of the parties thereto).

- (a) **Performance unlawful:** At any time, it is or becomes unlawful for any Party to perform or comply with any or all of its material obligations under the Debt Restructuring Agreement and/or any of the Restructuring Documentation;
- (b) **Incorrect representation:** Any representation, warranty or statement made by any of the Investor, the Investor Holdco and Fortune Guard and each subsidiary, associate or nominee of any of them in the Debt Restructuring Agreement or in any document furnished under or in connection therewith is incorrect in any material respect as at the date on which it is made and not remedied or otherwise rectified within fourteen (14) business days after being notified by the Provisional Liquidators of the same;
- (c) **Breach:** Any of the Investor, the Investor Holdco, the members of the Group, or the Provisional Liquidators has breached any of the terms and conditions set out in the Debt Restructuring Agreement which breach is unable to be fully rectified within fourteen (14) business days of such breach;

- (d) **Regulatory consent or approval:** Any regulatory authority in Hong Kong, the Cayman Islands, the United Kingdom, PRC or such other applicable jurisdiction and whose consent, authorisation or approval is required for any transaction contemplated by the Restructuring Documentation indicates that the required consent or approval will not be given on terms acceptable to the Parties and the reasons for its refusal to give such consent or approval cannot be overcome and such consent or approval cannot be obtained without varying one or more terms of the Debt Restructuring Agreement to the material detriment of any Party;
- (e) **Approval of the Shareholders:** The Company fails to obtain the Shareholders' approval of the transactions contemplated by the Restructuring Documentation at the EGM (or any adjournment thereof) if any such approval is required as a matter of applicable law;
- (f) **Approval of the Creditors:** The Company fails to obtain the Creditors' approval for the Scheme or as the case may be either the Cross-border Recognition or the Cross-border Scheme; or
- (g) **Court approval:** The Hong Kong Court declines to sanction approval of the Scheme or the Cayman Court declines to sanction approval of the Cross-border Recognition or the Cross-border Scheme, as the case may be.

For the avoidance of doubt, all other terms, provisions and conditions of the Debt Restructuring Agreement will remain in full force and effect and will not in any way be impaired nor made invalid or unenforceable by the occurrence of the events described in (f) and/or (g) above. The Parties have unconditionally and irrevocably agreed that in the event of the Company failing to obtain the approval of Creditors for the Scheme or as the case may be either the Cross-border Recognition or the Cross-border Scheme, the Parties will use their best endeavours to agree on the terms for a new Scheme.

### **The subscription price for the Offer Shares, the Subscription Shares and the Preference Shares**

The subscription price for the Offer Shares, the Subscription Shares and the Preference Shares of HK\$0.74 each represent:

- (i) a discount of approximately 99.03% to the theoretical closing price of HK\$76.00 per New Share as adjusted for the effect of the Capital Restructuring based on the closing price of HK\$7.6 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 98.93% to the average theoretical closing price of HK\$69.26 per New Share as adjusted for the effect of the Capital Restructuring based on the average closing price of HK\$6.926 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;

- (iii) a discount of approximately 98.87% to the average theoretical closing price of HK\$65.34 per New Share as adjusted for the effect of the Capital Restructuring based on the average closing price of HK\$6.534 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day; and
- (iv) a premium of approximately HK\$18.20 over the audited consolidated net liabilities per New Share of approximately HK\$17.46 as at 31 March 2012 (based on the Company's audited consolidated net liabilities of approximately HK\$945.2 million as at 31 March 2012 and 54,129,675 New Shares in issue upon the Capital Restructuring becoming effective).

The subscription price for the Offer Shares, the Subscription Shares and the Preference Shares was arrived at after arm's length negotiation between the Company and the Investor (in the capacity of the Underwriter in respect of the Offer Shares) after taking into account, among other things, the suspension of the trading of the Shares and the audited consolidated net liabilities per Share of approximately HK\$17.46 as at 31 March 2012 based on the Company's audited consolidated net liabilities of approximately HK\$945.2 million and 54,296,756 Shares in issue as set out in the annual report of the Company for the year ended 31 March 2012.

On the basis that the Qualifying Shareholders are to be offered a chance to elect to subscribe for the Offer Shares and to maintain their respective pro rata shareholdings in the Company as well as an opportunity to apply for additional shares (if they so wish) by way of application for excess Offer Shares, the Directors consider that the subscription price for the Offer Shares, the Subscription Shares and the Preference Shares is fair and reasonable and the Open Offer is in the interests of the Group and the Shareholders as a whole.

The shareholding structure of the Company after Completion is illustrated in the section headed "The Group and its shareholding structure" below. The Subscription Shares, the Preference Shares and the Scheme Shares are not subject to any lock-up restrictions.

## **APPLICATION FOR LISTING**

The Company will apply to the Listing Committee for the listing of, and permission to deal in the New Shares, the Offer Shares, the Subscription Shares, the New Shares to be issued upon conversion of the Preference Shares and the Scheme Shares. Dealings in the New Shares, the Offer Shares, the Subscription Shares, the New Shares to be issued upon conversion of the Preference Shares and the Scheme Shares will be subject to the payment of stamp duty in Hong Kong (where applicable). Subject to the granting of listing of, and permission to deal in, the New Shares, the Offer Shares, the Subscription Shares, the New Shares to be issued upon conversion of the Preference Shares and the Scheme Shares on the Stock Exchange, the New Shares, the Offer Shares, the Subscription Shares, the New Shares to be issued upon conversion of the Preference Shares and the Scheme Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares, the Offer Shares, the Subscription Shares, the New Shares to be issued upon conversion of the Preference Shares and the Scheme Shares on the Stock Exchange or such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

## **USE OF PROCEEDS FROM THE OPEN OFFER AND THE SUBSCRIPTION**

The aggregate gross proceeds from the Open Offer and the Subscription of approximately HK\$290 million will be applied as follows:

- (i) HK\$170 million as cash consideration under the Scheme as part of the Scheme Consideration;
- (ii) HK\$20 million will be applied to pay the Restructuring Costs in accordance with the Debt Restructuring Agreement; and
- (iii) the balance of approximately HK\$100 million as general working capital for the continuation and future expansion of the existing business of the Restructured Group.

## **Fund raising activities of the Company in the past 12 months**

The Company did not carry out any rights issue, open offer or other issue of equity securities for fund raising purpose or otherwise within the 12 months immediately prior to the date of this announcement.

## THE GROUP AND ITS SHAREHOLDING STRUCTURE

The table below sets out the shareholding structure of the Company under different scenarios immediately before and after Completion:

*Scenario 1: Assuming all the Qualifying Shareholders take up their respective entitlements to the Offer Shares under the Open Offer*

|                                | As at the date of this announcement |                | After Capital Reorganisation |                | After Capital Reorganisation and Open Offer |                | After Capital Reorganisation, Open Offer and Subscription BUT before conversion of Preference Shares |                | After Capital Reorganisation, Open Offer, Subscription and allotment to Scheme Creditors BUT before conversion of Preference Shares |                | After Capital Reorganisation, Open Offer, Subscription, allotment to Scheme Creditors and conversion of Preference Shares |                |
|--------------------------------|-------------------------------------|----------------|------------------------------|----------------|---|----------------|--|----------------|---|----------------|---|----------------|
|                                | No. of shares                       | %              | No. of shares                | %              | No. of shares                               | %              | No. of shares  | %              | No. of shares   | %              | No. of shares   | %              |
| <b>The Concert Party Group</b> |                                     |                |                              |                |   |                |  |                |   |                |   |                |
| Investor (Note 1)              | -                                   | -              | -                            | -              | -   | -              | 202,702,703  | 65.19%         | 202,702,703   | 60.63%         | 337,837,838   | 71.96%         |
| <b>Public shareholders</b>     |                                     |                |                              |                |   |                |  |                |   |                |   |                |
| Mr. Wei (Note 2)               | 186,185,000                         | 34.40%         | 18,618,500                   | 34.40%         | 37,237,000                                  | 34.40%         | 37,237,000   | 11.97%         | 37,237,000  | 11.14%         | 37,237,000  | 7.93%          |
| Ms. Yao (Note 3)               | 75,000,000                          | 13.85%         | 7,500,000                    | 13.85%         | 15,000,000                                  | 13.85%         | 15,000,000   | 4.82%          | 15,000,000  | 4.49%          | 15,000,000  | 3.20%          |
| Scheme Creditors               | -                                   | -              | -                            | -              | -   | -              | -  | -              | 23,380,000  | 6.99%          | 23,380,000  | 4.98%          |
| Other public shareholders      | 280,111,756                         | 51.75%         | 28,011,175                   | 51.75%         | 56,022,350                                  | 51.75%         | 56,022,350   | 18.02%         | 56,022,350  | 16.76%         | 56,022,350  | 11.93%         |
| <b>Total</b>                   | <b>541,296,756</b>                  | <b>100.00%</b> | <b>54,129,675</b>            | <b>100.00%</b> | <b>108,259,350</b>                          | <b>100.00%</b> | <b>310,962,053</b>   | <b>100.00%</b> | <b>334,342,053</b>  | <b>100.00%</b> | <b>469,447,188</b>  | <b>100.00%</b> |

### Notes:

- As it is expected that the Investor will not become a Qualifying Shareholder on the Record Date, the Investor will not participate in the Open Offer except as the Underwriter.
- As at the date of this announcement, Mr. Wei is beneficially interested in 186,185,000 Shares of which 1,185,000 Shares are held directly by Mr. Wei and 185,000,000 Shares are held by Million Decade Limited, a company wholly-owned by Mr. Wei.
- As at the date of this announcement, Ms. Yao is beneficially interested in 75,000,000 Shares through Top Ample Limited, a company wholly-owned by Ms. Yao.

*Scenario 2: Assuming none of the Qualifying Shareholders take up their respective entitlements to the Offer Shares under the Open Offer, accordingly, the Underwriter will be required to take up the Underwritten Shares in full pursuant to the terms of the Underwriting Agreement*

|                                | As at the date of this announcement |                | After Capital Reorganisation |                | After Capital Reorganisation and Open Offer |                | After Capital Reorganisation, Open Offer and Subscription BUT before conversion of Preference Shares |                | After Capital Reorganisation, Open Offer, Subscription and allotment to Scheme Creditors BUT before conversion of Preference Shares |                | After Capital Reorganisation, Open Offer, Subscription, allotment to Scheme Creditors and conversion of Preference Shares |                |
|--------------------------------|-------------------------------------|----------------|------------------------------|----------------|---|----------------|--|----------------|---|----------------|---|----------------|
|                                | No. of shares                       | %              | No. of shares                | %              | No. of shares                               | %              | No. of shares  | %              | No. of shares   | %              | No. of shares   | %              |
| <b>The Concert Party Group</b> |                                     |                |                              |                |   |                |  |                |   |                |   |                |
| Investor (Note 1)              | -                                   | -              | -                            | -              | -   | -              | 202,702,703  | 65.19%         | 202,702,703   | 60.63%         | 337,837,838   | 71.96%         |
| Underwriter                    | -                                   | -              | -                            | -              | 54,129,675                                  | 50.00%         | 54,129,675   | 17.41%         | 54,129,675  | 16.19%         | 54,129,675  | 11.53%         |
| <b>Subtotal</b>                | -                                   | -              | -                            | -              | 54,129,675                                  | 50.00%         | 256,832,378  | 82.59%         | 256,832,378   | 76.82%         | 391,967,513   | 83.49%         |
| <b>Public shareholders</b>     |                                     |                |                              |                |   |                |  |                |   |                |   |                |
| Mr. Wei (Note 2)               | 186,185,000                         | 34.40%         | 18,618,500                   | 34.40%         | 18,618,500                                  | 17.20%         | 18,618,500   | 5.99%          | 18,618,500  | 5.57%          | 18,618,500  | 3.97%          |
| Ms. Yao (Note 3)               | 75,000,000                          | 13.85%         | 7,500,000                    | 13.85%         | 7,500,000                                   | 6.92%          | 7,500,000  | 2.41%          | 7,500,000   | 2.24%          | 7,500,000   | 1.59%          |
| Scheme Creditors               | -                                   | -              | -                            | -              | -   | -              | -  | -              | 23,380,000  | 6.99%          | 23,380,000  | 4.98%          |
| Other public shareholders      | 280,111,756                         | 51.75%         | 28,011,175                   | 51.75%         | 28,011,175                                  | 25.87%         | 28,011,175   | 9.01%          | 28,011,175  | 8.38%          | 28,011,175  | 5.97%          |
| <b>Total</b>                   | <b>541,296,756</b>                  | <b>100.00%</b> | <b>54,129,675</b>            | <b>100.00%</b> | <b>108,259,350</b>                          | <b>100.00%</b> | <b>310,962,053</b>   | <b>100.00%</b> | <b>334,342,053</b>  | <b>100.00%</b> | <b>469,477,188</b>  | <b>100.00%</b> |

**Notes:**

- As it is expected that the Investor will not become a Qualifying Shareholder on the Record Date, the Investor will not participate in the Open Offer except as the Underwriter.
- As at the date of this announcement, Mr. Wei is beneficially interested in 186,185,000 Shares of which 1,185,000 Shares are held directly by Mr. Wei and 185,000,000 Shares are held by Million Decade Limited, a company wholly-owned by Mr. Wei.
- As at the date of this announcement, Ms. Yao is beneficially interested in 75,000,000 Shares through Top Ample Limited, a company wholly-owned by Ms. Yao.

If none of the Offer Shares is taken up by the Qualifying Shareholders whereby the Underwriter will be required to take up the Underwritten Shares, the Concert Party Group will be interested in (i) approximately 76.82% of the enlarged issued share capital of the Company upon completion of the Open Offer and the Subscription and allotment of the Scheme Shares to the Scheme Creditors but before conversion of the Preference Shares; and (ii) approximately 83.49% of the enlarged issued share capital of the Company upon completion of the Open Offer and the Subscription, allotment of the Scheme Shares to the Scheme Creditors and full conversion of the Preference Shares. If the shareholding of the public Shareholders falls below 25%, the Investor has undertaken to arrange Placing Down of New Shares to maintain the minimum public float as required under the Listing Rules. (For details, please refer to the paragraphs headed “Placing Down by Investor to maintain public float” below)

## **PLACING DOWN BY INVESTOR TO MAINTAIN PUBLIC FLOAT**

The Investor has undertaken with, *inter alia*, the Company and the Provisional Liquidators that, following the completion of the Open Offer and the Subscription, it will to the extent required by the Listing Rules and within the time limits permitted by the Stock Exchange, but in any event, prior to the Resumption, engage a placing agent to sell or otherwise dispose to third parties independent of the Investor and its connected persons and not acting in concert with the Investor, its ultimate beneficial owners and their respective parties acting in concert, of such number of New Shares as may be required to ensure that the minimum public float as required under the Listing Rules is maintained to permit the continued listing of all issued New Shares on the Stock Exchange.

The placing agent will place the required number of New Shares to not less than six placees, who will be professional, institutional or other private investors and will procure placees to be third parties independent of the Investor and its connected persons and not acting in concert with the Investor, its ultimate beneficial owners and their respective parties acting in concert. It is expected that no individual placee will become a substantial Shareholder immediately after completion of the placing. As such, the relevant number of New Shares to be placed will form part of the public float of the Company.

The Investor is precluded from exercising any conversion rights attaching to the Preference Shares if such conversion will result in a breach of the public float requirement as set out in the Listing Rules. Save for the Placing Down of New Shares which may or may not happen, the Investor has no intention to transfer, charge, pledge or otherwise dispose of any New Shares to any other person.

## **PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY**

Amendments to the memorandum and articles of association of the Company will be proposed at the EGM to reflect the changes in the Company's share capital as a result of the Capital Restructuring and to allow for the issue and allotment of the Preference Shares.

## **PROPOSED CHANGE IN BOARD LOT SIZE**

Subject to the Capital Restructuring becoming effective, the Board also proposes to change the board lot size for trading in the Company's shares from 1,000 Shares to 10,000 New Shares.

Such change in the board lot size will increase the value of each board lot of New Shares as well as reduce transaction and registration costs incurred by the Shareholders and investors of the Company. Accordingly, the Board is of the view that the change in board lot size is in the interest of the Company and the Shareholders as a whole.

## Arrangement on odd lot trading

Subject to the listing approval for the New Shares being granted by the Stock Exchange, in order to facilitate the trading of odd lots (if any) of the New Shares, the Company will appoint a licensed securities firm to provide a matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of New Shares to make up a full board lot, or to dispose of their holding of odd lots of New Shares. Further announcement will be made when such arrangement is in place.

## EXPECTED TIMETABLE

The following events are conditional on the results of the EGM and the relevant Cayman Court hearings. The dates are therefore tentative.

|  |   |
|--|---|
| Expected date of despatch of the Circular . . . . .  | Friday, 8 February 2013                           |
| Latest time for lodging proxy forms for the EGM . . . . .  | .2:30 p.m. on<br>Saturday, 2 March 2013           |
| Expected date of the EGM . . . . .   | .2:30 p.m. on<br>Monday, 4 March 2013             |
| Announcement of results of the EGM . . . . .   | Monday, 4 March 2013                              |
| First hearing to obtain directions from<br>Cayman Court regarding the Capital Reduction . . . . .  | Tuesday, 19 March 2013                            |
| Latest time for lodging transfer of the Shares . . . . .<br>in order to qualify for the posting of<br>new share certificates for the New Shares  | 4:30 p.m. on<br>Monday, 8 April 2013              |
| Hearing in Cayman Court of Petition for Capital Reduction . . . . .  | Friday, 12 April 2013                             |
| Closure of register of members for posting of . . . . .<br>new share certificates for the New Shares<br>(both dates inclusive)   | Tuesday, 9 April 2013 to<br>Monday, 15 April 2013 |
| Registration of order confirming Capital Reduction and . . . . .<br>minutes with the Registrar of Companies in<br>the Cayman Islands i.e. effective date of<br>the Capital Restructuring and record date for posting<br>of new share certificates for the New Shares | After 5:00 p.m. on<br>Monday, 15 April 2013       |

|  |   |
|--|---|
| Effective date for change in board lot size<br>from 1,000 Shares to 10,000 New Shares  | Tuesday, 16 April 2013                              |
| Posting of new share certificate for<br>the New Shares and register of members reopens   | Tuesday, 16 April 2013                              |
| Last day of dealing in the New Shares on<br>a cum-entitlements basis   | Tuesday, 16 April 2013                              |
| First day of dealing in the New Shares on<br>an ex-entitlements basis  | Wednesday, 17 April 2013                            |
| Latest time for lodging transfer of the New Shares<br>in order to qualify for the Open Offer   | 4:30 p.m. on<br>Thursday, 18 April 2013             |
| Closure of register of members to determine<br>the eligibility of the Open Offer (both dates inclusive)  | Friday, 19 April 2013 to<br>Thursday, 25 April 2013 |
| Record Date and time for the Open Offer.   | Thursday, 25 April 2013                             |
| Register of members reopens and the date of despatch<br>of the Prospectus Document   | Friday, 26 April 2013                               |
| Last Acceptance Date of the Open Offer under<br>the Underwriting Agreement   | 4:00 p.m. on<br>Monday, 13 May 2013                 |
| Latest time for termination of the Open Offer  | 4:00 p.m. on<br>Tuesday, 14 May 2013                |
| Announcement of results of the Open Offer.   | Monday, 20 May 2013                                 |
| Completion of the Subscription and despatch of certificates<br>for the Offer Shares, Subscription Shares,<br>Preference Shares and Scheme Shares | Tuesday, 21 May 2013                                |
| If the Open Offer is terminated, refund cheques<br>to be despatched on or before   | Tuesday, 21 May 2013                                |
| Resumption of trading in the New Shares and<br>dealings in Offer Shares commence   | Tuesday, 28 May 2013                                |

Designated broker starts to stand in the market . . . . . Tuesday, 28 May 2013  
to provide matching services for the sale and  
purchase of odd lots of the New Shares

Designated broker ceases to stand in the market . . . . . Tuesday, 18 June 2013  
to provide matching services for  
the sale and purchase of odd lots of the New Shares

*Note: All references to time in this announcement are references to Hong Kong time.*

Dates or deadlines specified in this announcement for events in the timetable for (or otherwise in relation to) the Capital Restructuring and the Open Offer are indicative only and may be extended or varied by agreement between the relevant parties, and subject to the availability of the Cayman Court for hearings and the approval by the Stock Exchange of such amendments. Any consequential changes to the expected timetable will be published or notified to the Shareholders appropriately.

### **Effect of bad weather on the latest time for acceptance of and payment for the Open Offer**

If there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Last Acceptance Date, the latest time of acceptance of and payment for the Offer Shares will not take place at 4:00 p.m. on the Last Acceptance Date, but will be extended to 5:00 p.m. on the same day instead;
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Last Acceptance Date, the latest time of acceptance of and payment for the Offer Shares will not take place on the Last Acceptance Date, but will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

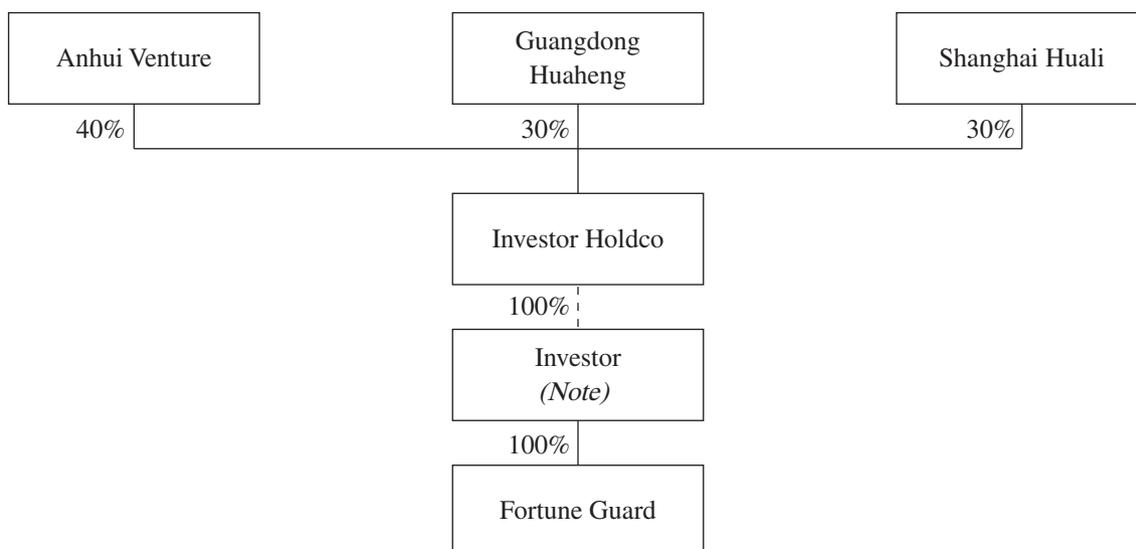
If the latest time for acceptance of and payment for the Offer Shares does not take place on the Last Acceptance Date, the dates mentioned in the section headed “Expected Timetable” in this announcement may be affected. An announcement will be made by the Company in such event.

### **INFORMATION ON THE INVESTOR**

The Investor is a company incorporated under the laws of the BVI with limited liability for the purpose of implementing the Resumption Proposal and it has no shareholdings or investment in other companies other than its direct interest in Fortune Guard. The Investor is legally owned by Mr. Bi Hao and Mr. Bao Jun each holding 50% of its issued share capital. Pursuant to a declaration of trust dated 18 May 2010, Mr. Bi Hao and Mr. Bao Jun declared, *inter alia*, that (i) the entire issued share capital of the Investor together with all interests, benefits and rights therein are held on trust for the Investor Holdco; and (ii) Mr. Bi Hao and Mr. Bao Jun should exercise the voting rights as shareholders of the Investor in accordance with the instructions from Anhui Venture, Shanghai Huali and Guangdong Huaheng.

Investor Holdco is a company established under the laws of the PRC for the purpose of implementing the Resumption Proposal. Investor Holdco is beneficially owned by Anhui Venture, Shanghai Huali and Guangdong Huaheng respectively as to 40%, 30% and 30%. The Investor, its ultimate beneficial owners (including the two nominee individual shareholders) and the directors of the Investor are Independent Third Parties.

Please refer to the below diagram for the corporate structure of the Investor:



*Note:*

*Investor Holdco's shares in the Investor are currently held on trust by two nominee individual shareholders (in equal proportion) on behalf of the Investor Holdco.*

Anhui Venture is wholly-owned by Anhui Investment, which is a stated-owned enterprise in the PRC.

Guangdong Huaheng is wholly-owned by Shanghai Hengliyuan Petro Chemical Co., Ltd.\* (上海恒利源石油化工有限公司), which is 90% owned by Mr. Wang Jian Qing and 10% owned by Mr. Wang Jian. Mr. Wang Jian Qing and Mr. Wang Jian are involved in various investment projects in the PRC and have extensive experience in corporate management.

Shanghai Huali, a company established under the laws of the PRC, is owned as to 80% by Redbud Holding and 20% by Yitou (Shanghai) Industrial Development Co., Ltd.\* (伊投(上海)實業發展有限公司). Redbud Holding is owned as to 77% by a group of state controlled entities, more particularly as to 33% by Hebei Tsinghua Institute of Development\* (河北清華發展研究院), 24% by China Venture Capital Guarantee Co. Ltd.\* (中國創投擔保有限公司) and 20% by Redbud Huacheng Investment Consulting Co., Ltd.\* (紫荊華誠投資顧問有限公司), and the remaining 23% by Independent Third Parties. Yitou (Shanghai) Industrial Development Co., Ltd.\* (伊投(上海)實業發展有限公司) is an investment company jointly owned by Mr. Tang Qin and Mr. Ji Qing Qiao as to 50% each. Mr. Tang Qin and Mr. Ji Qing Qiao are involved in various investment projects in the PRC and have extensive experience in corporate management.

Pursuant to an undertaking executed by Anhui Venture, Shanghai Huali and Guangdong Huaheng dated 21 May 2010, Anhui Venture, Shanghai Huali and Guangdong Huaheng have undertaken to Mr. Bi Hao and Mr. Bao Jun, the Company and the Provisional Liquidators that they will procure the transfer and vesting of 100% legal interest in the Investor from Mr. Bi Hao and Mr. Bao Jun to Investor Holdco (or its wholly-owned subsidiary) at nil consideration upon Investor Holdco obtaining all necessary approvals, registrations and completion of necessary filing procedures in the PRC. Upon completion of the said transfer, Investor Holdco (or its wholly-owned subsidiary) will become the immediate legal and beneficial owner of the Investor. Anhui Venture, Shanghai Huali and Guangdong Huaheng have further undertaken to Mr. Bi Hao and Mr. Bao Jun, the Company and the Provisional Liquidators that upon completion of the said transfer, they will continue to perform the obligations of the Investor under the Debt Restructuring Agreement through Investor Holdco and the Investor.

The said transfer may trigger an obligation on the part of the Concert Party Group to make a mandatory general offer for all the New Shares not already owned or agreed to be acquired by them under Rule 26.1 of the Takeovers Code. Accordingly, the Investor Holdco will make an application to the Executive for a waiver waiving the Concert Party Group's obligations to make such mandatory general offer pursuant to Note 6 of Rule 26.1 of the Takeovers Code prior to the despatch of the Circular.

As at the date of this announcement, the Investor is in the process of obtaining the necessary approvals, registrations and filing procedures in the PRC for the said transfer and the transfer is expected to be completed prior to the Resumption.

## **INTENTION OF THE INVESTOR**

The Investor will assist the Group to continue to seek new business opportunities to improve the Group's profitability as well as to further consolidate the Group's business, including but not limited to, various pursuits of organic and inorganic growth of the business should suitable opportunities arise. The Investor does not have any intention to (i) change the existing business operations and structure of the Restructured Group; (ii) inject any new assets or businesses into the Restructured Group; or (iii) dispose of any of the material assets of the Restructured Group within 24 months after the Resumption.

The Company and the Investor (including Anhui Venture, Shanghai Huali and Guangdong Huaheng and their ultimate beneficial shareholders) confirm that they have no agreement, arrangement, negotiation and/or plan to cause the Group to carry out a principal business other than catering provision and convenience food production within 24 months after the Resumption.

Upon Completion, the Investor will conduct a detailed review on the business operations and financial position of the Restructured Group for the purpose of formulating appropriate business plans and strategies which may include asset acquisitions, business diversification, business rationalisation, business divestment and/or asset disposals in order to enhance the long-term growth potential of the Restructured Group. Subject to completion of a detailed review of the existing business operations of the Restructured Group and formulation of an appropriate business plan for the Restructured Group, it is the intention of the Investor to further improve the existing business operation of the Restructured Group by taking advantage of the business experience and network of the Investor.

## **INVESTOR'S DEALING AND INTEREST IN THE COMPANY'S SECURITIES**

Save for entering into the Debt Restructuring Agreement, none of the Concert Party Group members has dealt in the Shares, outstanding options, derivatives, warrants or other securities convertible or exchangeable into the Shares during the period commencing on the date falling six months prior to the date of the Debt Restructuring Agreement and up to the date of this announcement.

As at the date of this announcement,

- (i) none of the Concert Party Group members holds, controls or has direction over any Shares, warrants, options or convertible securities of the Company or any derivatives in respect of the securities of the Company;
- (ii) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Investor or the Shares and which might be material to the transactions under the Debt Restructuring Agreement and/or the Whitewash Waiver;
- (iii) there is no agreement or arrangement pursuant to which any Concert Party Group member is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Debt Restructuring Agreement;
- (iv) none of the Concert Party Group members has borrowed or lent any of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company; and
- (v) none of the Concert Party Group members has received any irrevocable commitment to vote for or against the Debt Restructuring Agreement, the Open Offer, the Subscription and/or the Whitewash Waiver.

## **TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR WHITEWASH WAIVER**

Pursuant to the terms of the Debt Restructuring Agreement, the Concert Party Group will subscribe for 202,702,703 Subscription Shares. If all the Offer Shares are taken up by the Qualifying Shareholders, the Concert Party Group will be interested in (i) approximately 60.63% of the enlarged issued share capital of the Company upon completion of the Open Offer and the Subscription and the allotment of the Scheme Shares to the Scheme Creditors but before conversion of the Preference Shares; and (ii) approximately 71.96% of the enlarged issued share capital of the Company upon completion of the Open Offer and the Subscription, the allotment of the Scheme Shares to the Scheme Creditors and full conversion of the Preference Shares.

If none of the Offer Shares is taken up by the Qualifying Shareholders whereby the Underwriter will be required to take up the Underwritten Shares, the Concert Party Group will be interested in (i) approximately 76.82% of the enlarged issued share capital of the Company upon completion of the Open Offer and the Subscription and the allotment of the Scheme Shares to the Scheme Creditors but before conversion of the Preference Shares; and (ii) approximately 83.49% of the enlarged issued share capital of the Company upon completion of the Open Offer and the Subscription, the allotment of the Scheme Shares to the Scheme Creditors and full conversion of the Preference Shares.

Save for the underwriting of the Open Offer, the Subscription, and the arrangement for Placing Down (if necessary), the Concert Party Group members will not make any arrangement in relation to acquisitions or disposals of the Shares or the New Shares prior to the Resumption.

Therefore, the underwriting of the Underwritten Shares and the subscription for the Subscription Shares by the Investor will trigger an obligation on the part of the Concert Party Group to make a mandatory general offer for all the New Shares not already owned or agreed to be acquired by them under Rule 26.1 of the Takeovers Code. Accordingly, on 11 January 2013 the Investor made an application to the Executive for a Whitewash Waiver waiving the obligations of the Concert Party Group to make a mandatory general offer pursuant to Note 1 on dispensation from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted, will be subject to, among other things, the approval by the Independent Shareholders at the EGM by way of poll.

## **DEALING DISCLOSURE**

In accordance with Rule 3.8 of the Takeovers Code, the respective associates (as defined in the Takeovers Code) including persons who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company and the Concert Party Group are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

***“Responsibilities of stockbrokers, banks and other intermediaries***

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

**GENERAL**

The Company will convene the EGM for the purposes of considering, and if thought fit, approving, among other things, the Capital Restructuring, the Open Offer, the Subscription, the issue of the Scheme Shares, the Whitewash Waiver, the proposed amendments to the memorandum and articles of associations of the Company and any other matters as required by law, the Listing Rules and the Takeovers Code, which are necessary to give effect to the Restructuring and any transactions contemplated under the Debt Restructuring Agreement.

None of the Shareholders has direct or indirect interest (other than solely as a Shareholder) nor any involvement in the discussion of the Debt Restructuring Agreement, the Open Offer, the Subscription, the issue of the Scheme Shares and the Whitewash Waiver. As such, no Shareholder will be required to abstain from voting in respect of the resolutions to approve the Subscription, the issue of the Scheme Shares and the Whitewash Waiver at the EGM.

Pursuant to the Rule 7.24(5) of the Listing Rules, since the Open Offer would increase the issued share capital of the Company by more than 50% within the 12 month period immediately preceding the date of this announcement, the Open Offer is conditional on the approval by the Open Offer Independent Shareholders by way of poll at the EGM, where the controlling Shareholders and their respective associates are required to abstain from voting in favour of the Open Offer at the EGM. As such, Mr. Wei and Ms. Yao who are interested in 261,185,000 Shares (representing approximately 48.25% of the existing issued share capital of the Company), and their respective associates will abstain from voting on the resolution to approve on the Open Offer at the EGM.

The Independent Board Committee has been established to advise (i) the Independent Shareholders on the Subscription, the issue of the Scheme Shares and the Whitewash Waiver; and (ii) the Open Offer Independent Shareholders on the Open Offer. The Independent Financial Adviser has been appointed to advise the Independent Board Committee, the Independent Shareholders and the Open Offer Independent Shareholders in this regard.

A circular containing, among other things, details of (i) the proposed Capital Restructuring, the Open Offer, the Subscription, the Debt Restructuring involving the issue of the Scheme Shares and the Group Reorganisation, the Whitewash Waiver, the amendments to memorandum and articles of association of the Company, the change in board lot size and the appointment of the proposed Directors; (ii) the recommendations of the Independent Board Committee; (iii) a letter of advice from the Independent Financial Advisor to the Independent Board Committee, the Independent Shareholders and the Open Offer Independent Shareholders; and (iv) a notice of the EGM will be despatched as soon as practicable. Pursuant to Rule 8.2 of the Takeovers Code, the Company is required to despatch the Circular to the Shareholders within 21 days of the date of this announcement, which is on or before 11 February 2013.

## **CONTINUED SUSPENSION OF TRADING IN THE SHARES**

**Trading in the Shares on the Stock Exchange has been suspended since 29 July 2009. Until the satisfaction of all the Resumption Conditions, trading in the Shares will continue to be suspended. The release of this announcement does not indicate that the trading in the Shares will be resumed or that the listing approval for the New Shares, the Offer Shares, the Subscription Shares, the New Shares to be issued upon conversion of the Preference Shares and/or the Scheme Shares will be granted.**

**The transactions contemplated under the Restructuring Documentation are subject to the satisfaction and/or waiver of the applicable conditions and may or may not proceed. The Resumption is subject to a number of Resumption Conditions set out by the Stock Exchange. The release of this announcement is not an indication that the transactions contemplated under the Resumption Proposal will be successfully implemented and completed or that the Resumption Conditions have been or will be fulfilled. Trading in the Shares or New Shares will remain suspended until further notice.**

**Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares or New Shares, and if they are in any doubt about their positions, they should consult their professional advisors.**

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

|                         |   |
|-------------------------|---|
| “acting in concert”     | has the meaning ascribed thereto in the Takeovers Code  |
| “Anhui Investment”      | 安徽省投資集團有限責任公司 (Anhui Province Investment Group Co., Ltd.*), a state-owned enterprise in the PRC   |
| “Anhui Venture”         | 安徽省創業投資有限公司 (Anhui Province Venture Investment Group Co., Ltd.*), a company established under the laws of the PRC and is wholly-owned by Anhui Investment   |
| “Application Form(s)”   | the application form(s) for use by the Qualifying Shareholder(s) in connection with the Open Offer  |
| “associate(s)”          | has the meaning ascribed thereto in the Listing Rules   |
| “Board”                 | the board of Directors  |
| “business day”          | a day (excluding Saturdays, Sundays, public holidays and a day on which a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time and remaining in effect between 9:00 a.m. and 5:00 p.m. and is not discontinued at or before 12:00 noon) on which banks are generally open for business in Hong Kong |
| “BVI”                   | British Virgin Islands  |
| “Capital Cancellation”  | the proposed cancellation of the authorised but unissued share capital of the Company following the Capital Reduction   |
| “Capital Increase”      | the increase of the authorised share capital of the Company to HK\$200,000,000 following completion of the Capital Reduction, Capital Cancellation and Share Consolidation  |
| “Capital Reduction”     | the proposed reduction of the par value of every Share in issue from HK\$0.01 to HK\$0.001  |
| “Capital Restructuring” | the proposed restructuring of the capital of the Company through the collective implementation of the Capital Reduction, the Capital Cancellation, the Share Consolidation and the Capital Increase   |

|                                   |   |
|-----------------------------------|---|
| “Cayman Court”                    | the Grand Court of the Cayman Islands   |
| “CCASS”                           | the Central Clearing and Settlement System established and operated by HKSCC  |
| “Circular”                        | a circular containing, among other things, details of (i) the proposed Capital Restructuring, the Open Offer, the Subscription, the Debt Restructuring involving the issue of the Scheme Shares and the Group Reorganisation, the Whitewash Waiver, the amendments to memorandum and articles of association of the Company, the change in board lot size and the appointment of the proposed Directors; (ii) the recommendations of the Independent Board Committee; (iii) a letter of advice from the Independent Financial Advisor to the Independent Board Committee, the Independent Shareholders and the Open Offer Independent Shareholders; and (iv) a notice of the EGM, to be despatched by the Company to the Shareholders |
| “Company”                         | FU JI Food and Catering Services Holdings Limited (Provisional Liquidators Appointed), an exempted company incorporated under the laws of the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange  |
| “Companies Law”                   | the Companies Law (2012 Revision) of the Cayman Islands, as amended from time to time   |
| “Companies Ordinance”             | the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time   |
| “Completion”                      | the satisfaction (or waiver) of each of the conditions precedent to the effectiveness of the transactions contemplated in the Restructuring Documentation and the fulfilment of any other action or matter as provided for under the terms of the Restructuring Documentation   |
| “Concert Party Group”             | the Investor, the Investor Holdco, their respective ultimate beneficial owners and parties acting in concert with any of them, and “Concert Party Group member” means any member of the Concert Party Group   |
| “Conditional Placement Agreement” | the agreement to be entered into by the Investor regarding the disposal of certain New Shares in order to maintain the public float requirements under the Listing Rules  |

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| “connected person(s)”          | has the meaning ascribed thereto in the Listing Rules, and “connected” is construed accordingly  |
| “Create Talent”                | Create Talent Limited (傑創有限公司), a company incorporated under the laws of the BVI, and a wholly-owned subsidiary of the Company   |
| “Creditor(s)”                  | collectively, all the creditors of the Company (other than the Investor)   |
| “Cross-border Recognition”     | the recognition of the Scheme in another jurisdiction, whether under laws relating to bankruptcy, liquidation, insolvency, reorganisation, winding-up, or composition or adjustment of debts or similar law, international principles of judicial comity, statute, enactment or other regulation including any application under the Foreign Bankruptcy Rules or an ancillary compromise or arrangement made in the Cayman Islands pursuant to section 86 of the Companies Law |
| “Cross-border Scheme”          | any scheme of arrangement effected in the Cayman Islands under section 86 of the Companies Law or any other relevant jurisdiction as may be considered necessary for Cross-border Recognition  |
| “Debt Restructuring”           | the proposed debt restructuring to be implemented by the Company to settle the Indebtedness pursuant to the terms of the Scheme  |
| “Debt Restructuring Agreement” | an agreement relating to the debt and capital restructuring of the Company dated 5 September 2011 between the Parties, as amended by the Supplemental Agreement  |
| “Deed of Assignment”           | the deed of assignment dated 5 September 2011 entered into between the Company, the Provisional Liquidators, the Scheme Administrators, certain members of the Group and Quick Glory on the terms provided for in the Debt Restructuring Agreement   |
| “Director(s)”                  | the director(s) of the Company   |
| “EAF(s)”                       | the form(s) of application for Offer Shares in excess of the entitlements of each Qualifying Shareholder   |

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| “EGM”                   | the extraordinary general meeting of the Shareholders to be held in accordance with the Companies Law (and any requirements of the Stock Exchange) to consider and approve the resolutions in connection with the Restructuring  |
| “Excluded Companies”    | collectively, the Phase I Disposal Companies, the Restaurant Business Disposal Companies, the Phase III Disposal Companies and the Scheme Group Companies  |
| “Excluded Shareholders” | Overseas Shareholder(s) to whom the Board (based on legal opinions provided by legal advisers to the Company if the Board considers it necessary) considers it necessary or expedient not to offer the Offer Shares on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place |
| “Executive”             | the executive director of the Corporate Finance Division of the SFC or its delegate  |
| “Fortune Guard”         | Fortune Guard Holdings Limited (保祺控股有限公司), a company incorporated under the laws of the BVI, and a wholly-owned subsidiary of the Investor   |
| “Group”                 | the Company and its subsidiaries from time to time   |
| “Group Reorganisation”  | the proposed reorganisation of the Group’s structure which involves, <i>inter alia</i> , the transfer of assets of the Group to Fortune Guard pursuant to the Phase I Disposal, the Restaurant Business Disposal and the Phase III Disposal and the transfer of the entire shareholdings of the Scheme Group Companies to the Scheme   |
| “Guangdong Huaheng”     | 廣東華亨能源有限公司 (Guangdong Huaheng Energy Co., Ltd.*), a company established under the laws of the PRC  |
| “HKSCC”                 | Hong Kong Securities Clearing Company Limited  |
| “Hong Kong”             | the Hong Kong Special Administrative Region of the PRC   |
| “Hong Kong Court”       | the High Court of Hong Kong  |
| “Indebtedness”          | all outstanding indebtedness of the Company  |

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| “Independent Board Committee”   | the independent committee of the Board comprising the independent non-executive Director, who has no direct or indirect interest in (i) the Debt Restructuring Agreement for advising the Independent Shareholders in relation to the Subscription, the issue of the Scheme Shares and the Whitewash Waiver; and (ii) the Open Offer for advising the Open Offer Independent Shareholders in relation to the Open Offer |
| “Independent Financial Adviser” | Quam Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO, who has been appointed as the independent financial adviser to the Independent Board Committee, the Independent Shareholders and Open Offer Independent Shareholders   |
| “Independent Shareholders”      | the Shareholders other than (i) the Concert Party Group; and (ii) any other Shareholder who is interested in or involved in the Restructuring, the transactions contemplated under the Debt Restructuring Agreement and/or the Whitewash Waiver   |
| “Independent Third Party(ies)”  | a person(s) or company(ies) who or which is/are independent of and not connected (within the meaning of the Listing Rules) with the Company and its connected persons   |
| “Investor”                      | Marvel Light Holdings Limited (奇輝控股有限公司), a company incorporated under the laws of the BVI  |
| “Investor Holdco”               | 安徽豐收投資有限公司 (Anhui Harvest Investment Company Limited*), a company established under the laws of PRC   |
| “Last Acceptance Date”          | 13 May 2013 or such other date as the Underwriter may agree in writing with the Company, being the latest time at which application may be validly accepted as described in the Prospectus  |
| “Last Trading Day”              | 28 July 2009, being the last trading day for the Shares on the Main Board of the Stock Exchange before the trading of Shares was suspended on 29 July 2009  |

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| “Latest Time for Termination”         | 4:00 p.m. on the second business day following (but excluding) the Latest Acceptance Time   |
| “Listing Committee”                   | the listing committee of the Stock Exchange   |
| “Listing Rules”                       | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Mr. Wei”                             | Mr. Wei Dong, the former chairman of the Company and a former executive Director, who is also a substantial shareholder of the Company and the spouse of Ms. Yao  |
| “Ms. Yao”                             | Ms. Yao Juan, a former executive Director, who is also a substantial shareholder of the Company and the spouse of Mr. Wei   |
| “New Share(s)”                        | the new share(s) in the capital of the Company following the Capital Restructuring becoming effective with a par value of HK\$0.01 each   |
| “Offer Share(s)”                      | the New Share(s) proposed to be offered to the Qualifying Shareholders for subscription at the subscription price of HK\$0.74 per Offer Share pursuant to the Open Offer  |
| “Open Offer”                          | the proposed issue of the Offer Shares on the basis of one Offer Share for every one New Share held by the Qualifying Shareholders on the Record Date on the terms to be set out in the Prospectus Documents and summarised therein   |
| “Open Offer Documentation”            | the documents necessary to effect and complete the Open Offer in accordance with the Listing Rules (including, but not limited to, the Underwriting Agreement, necessary Stock Exchange forms and other customary allotment documents) to validly authorise the Open Offer in accordance with the memorandum and articles of association of the Company |
| “Open Offer Independent Shareholders” | Shareholders other than the controlling Shareholders, namely Mr. Wei, Ms. Yao and their respective associates   |
| “Overseas Letter”                     | a letter from the Company to the Excluded Shareholder(s) explaining the circumstances under which the Excluded Shareholder(s) are not permitted to participate in the Open Offer  |

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| “Overseas Shareholders”          | the Shareholders whose registered addresses as shown on the register of members of the Company at 5:30 p.m. on the Record Date are in places outside Hong Kong   |
| “Parties”                        | the parties to the Debt Restructuring Agreement  |
| “Perfect Future”                 | Perfect Future Investment Limited (創輝投資有限公司), a company incorporated under the laws of Hong Kong and, being one of the Phase I Disposal Companies, was a wholly-owned subsidiary of the Company and currently a wholly-owned subsidiary of Fortune Guard |
| “Phase I Disposal”               | the disposal of all equity interests in or share capital of the Phase I Disposal Companies together with all assumed liabilities and any freezing orders or other encumbrances pursuant to the Phase I Disposal Documentation                            |
| “Phase I Disposal Companies”     | the target companies wholly-owned by the Group (either directly or indirectly with other members of the Group) as listed out in the Phase I SPA  |
| “Phase I Disposal Documentation” | those agreements executed under Hong Kong law and any other document or agreement as may be necessary for the implementation of the Phase I Disposal   |
| “Phase I SPA”                    | the sale and purchase agreement dated 29 June 2010 between the Company, the Provisional Liquidators, the Investor, Fortune Guard and certain members of the Group in respect of the Phase I Disposal   |
| “Phase II Disposal”              | the transfer of all equity interests in or share capital of Create Talent together with all assumed liabilities and subject to any freezing orders or other encumbrances   |
| “Phase II Documentation”         | any document or agreement as may be necessary for the completion of either the Phase II Restructuring or Phase II Disposal depending on whether the Resumption is successful   |
| “Phase III Disposal”             | the disposal of all equity interests in or share capital of the Phase III Disposal Companies together with all assumed liabilities and any freezing orders or other encumbrances pursuant to the Phase III Disposal Documentation                        |

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| “Phase III Disposal Companies”     | the target companies wholly-owned by the Group (either directly or indirectly with other members of the Group) as listed out in the Phase III SPA  |
| “Phase III Disposal Documentation” | those agreements executed under Hong Kong law and any other document or agreement as may be necessary for the implementation of the Phase III Disposal   |
| “Phase III SPA”                    | the sale and purchase agreement dated 5 September 2011 between the Company, the Provisional Liquidators, the Investor, Fortune Guard and certain members of the Group in respect of the Phase III Disposal |
| “Placing Down”                     | the proposed placing of New Shares owned by the Investor to ensure that the minimum public float is maintained by the Company as required under the Listing Rules  |
| “PRC” or “China”                   | the People’s Republic of China, for the purpose of this announcement only, excludes Hong Kong, Macau and Taiwan  |
| “Preference Shares”                | the cumulative non-voting non-redeemable preference shares in the capital of the Company with a par value of HK\$0.01 per share credited as fully paid up  |
| “Prospectus”                       | a document relating to the Open Offer to be despatched to Shareholders, in such form as may be agreed between the Company and the Underwriter  |
| “Prospectus Documents”             | the Prospectus, the Application Form and the EAF   |
| “Provisional Liquidators”          | Messrs Yeung Lui Ming (Edmund), Lai Kar Yan (Derek) and Darach E. Haughey of Deloitte Touche Tohmatsu of 35th Floor, One Pacific Place, 88 Queensway, Hong Kong  |
| “Qualifying Shareholder(s)”        | the Shareholder(s), other than the Excluded Shareholder(s), whose names appear on the register of members of the Company as at the close of business on the Record Date                                    |
| “Quick Glory”                      | Quick Glory Limited (耀捷有限公司), a company incorporated under the laws of the BVI and a wholly-owned subsidiary of the Company  |

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| “Record Date”                                | 25 April 2013 or such other date as the Company and the Underwriter may agree in writing, being the date by reference to which entitlements to the Open Offer will be determined  |
| “Redbud Holding”                             | 紫荆控股有限公司 (Tsinghua Redbud Holding Ltd.*), a state-owned enterprise in the PRC   |
| “Restaurant Business”                        | the Chinese restaurant business carried on or controlled by certain Group companies as listed out in the Restaurant Business SPA  |
| “Restaurant Business Disposal”               | the disposal of all equity interests in or share capital of the Restaurant Business Disposal Companies together with all assumed liabilities and any freezing orders or other encumbrances pursuant to the Restaurant Business Disposal Documentation |
| “Restaurant Business Disposal Companies”     | the target companies wholly-owned by the Group (either directly or indirectly with other members of the Group) as listed out in the Restaurant Business SPA   |
| “Restaurant Business Disposal Documentation” | those agreements executed under Hong Kong law and any other document or agreement as may be necessary for the implementation of the Restaurant Business Disposal  |
| “Restaurant Business SPA”                    | the sale and purchase agreement dated 13 January 2011 between the Company, the Provisional Liquidators, the Investor, Fortune Guard and certain members of the Group in respect of the Restaurant Business Disposal                                   |
| “Restructured Group”                         | the Group after completion of the Group Reorganisation, which consists of the Company, the Restructured Group Companies and subsidiaries of the Company established after the Scheme became effective on 9 August 2011                                |

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| “Restructured Group Companies” | Sky Achieve Limited (天成有限公司), Fu Ji Management Limited (福記管理有限公司), Qing Dao Wei Xian Da Catering Services Limited* (青島味鮮達餐飲服務有限公司), Fuyao Famous Delicacies Club (Shanghai) Catering Company Limited* (福堯名肴會(上海)餐飲有限公司), Shenzhen Fu Ji Standard Catering Services System Limited* (深圳市福記標準送餐服務系統有限公司), Shanghai Weishuo Catering Services Limited* (上海味碩餐飲配送服務有限公司), Shanghai Rongchu Catering Management Limited* (上海隆廚餐飲管理有限公司), Wuhan WeiHuakang Catering Services Limited* (武漢市味華康餐飲服務有限公司), Wuxi Daily Fresh Trading Company Limited* (無錫多鮮樂貿易有限公司), Genius Star International Limited (賢星國際有限公司), Fully Peace Limited (太和有限公司), Create Talent Limited (傑創有限公司) and Hong Kong Fulltime Limited (香港富大有限公司) |
| “Restructuring”                | the proposed restructuring of the Company pursuant to the Restructuring Documentation, involving, <i>inter alia</i> , the Debt Restructuring, the Capital Restructuring, the Open Offer and the Subscription  |
| “Restructuring Costs”          | All fees, costs and expenses incurred by the Company and each other member of the Group and the Provisional Liquidators in connection with the negotiation, entry into and implementation of Restructuring and the Restructuring Documentation generally and all transactions contemplated thereby  |
| “Restructuring Documentation”  | the Debt Restructuring Agreement, the Phase I Disposal Documentation, the Restaurant Business Disposal Documentation, the Phase II Documentation, the Subscription Agreement, the Shortfall Guarantee, the Conditional Placement Agreement, the Scheme Documents, the Phase III Disposal Documentation, the Underwriting Agreement, the Open Offer Documentation, the Deed of Assignment, the Waiver Agreement and all other documents necessary to implement their terms, including those necessary for Cross-border Recognition in other jurisdictions, if required   |
| “Resumption”                   | the resumption of the trading in the shares of the Company on the Stock Exchange  |

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| “Resumption Conditions”  | the conditions to be fulfilled by the Company for the Resumption, such conditions being more particularly disclosed in the announcement of the Company dated 26 October 2012            |
| “Resumption Proposal”    | the written proposal submitted to the Stock Exchange for the purpose of seeking approval of the Stock Exchange for the Resumption   |
| “Scheme”                 | the scheme of arrangement between the Company and the Scheme Creditors pursuant to section 166 of the Companies Ordinance   |
| “Scheme Administrators”  | those persons appointed as such under the terms of the Scheme (and any Cross-border Recognition) in respect of which it is anticipated that the Provisional Liquidators will be elected |
| “Scheme Consideration”   | the payment of cash and, where applicable, the issue and allotment of Scheme Shares to the Scheme Creditors, to be distributed in accordance with the terms of the Scheme               |
| “Scheme Creditors”       | the creditors of the Company whose claims were accepted by order of the Scheme Administrators for the purpose of the Scheme   |
| “Scheme Documents”       | the composite document including the explanatory statement and terms of the Scheme  |
| “Scheme Group Companies” | all those companies as set out in the Scheme to be transferred to Quick Glory for the benefit of the Scheme upon Completion   |
| “Scheme Shares”          | the 23,380,000 New Shares to be issued and allotted to the Scheme Creditors under the Scheme  |
| “SFC”                    | the Securities and Futures Commission of Hong Kong  |
| “SFO”                    | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time   |
| “Shanghai Huali”         | 上海華利投資有限公司 (Shanghai Huali Investment Co., Ltd.*), a company established under the laws of the PRC and owned as to 80% by Redbud Holding  |

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| “Share(s)”               | ordinary share(s) of par value HK\$0.01 each in the existing capital of the Company  |
| “Share Consolidation”    | the proposed consolidation of every 10 issued shares of par value HK\$0.001 each into one consolidated New Share of par value HK\$0.01 each immediately upon the Capital Reduction and the Capital Cancellation becoming effective   |
| “Shareholder(s)”         | the holder(s) of the Share(s) or holder(s) of the New Share(s) after completion of the Capital Restructuring   |
| “Shortfall Guarantee”    | that guarantee by deed poll dated 5 September 2011 granted by the Investor in favour of the Scheme Creditors on the terms provided for in the Debt Restructuring Agreement   |
| “Stock Exchange”         | The Stock Exchange of Hong Kong Limited  |
| “Subscription”           | the subscription of the Subscription Shares and the Preference Shares by the Investor pursuant to the Subscription Agreement   |
| “Subscription Agreement” | a subscription agreement entered into on 18 January 2013 among the Company, the Provisional Liquidators and the Investor for the purpose of the issue and allotment of the Subscription Shares and the Preference Shares   |
| “Subscription Share(s)”  | the New Share(s) to be issued and allotted by the Company to the Investor pursuant to the Subscription   |
| “Supplemental Agreement” | a supplemental agreement entered into on 18 January 2013 between the Company, the Provisional Liquidators, the Investor and the Investor Holdco to amend certain terms of the Debt Restructuring Agreement   |
| “Takeovers Code”         | the Codes on Takeovers and Mergers as applied in Hong Kong   |
| “Underwriter”            | the underwriter of the Open Offer, being the Investor  |
| “Underwriting Agreement” | the underwriting agreement entered into on 18 January 2013 between the Company, the Provisional Liquidators and the Underwriter in relation to the Open Offer, pursuant to which the Underwriter will fully underwrite the Offer Shares not taken up by the Qualifying Shareholders under the Open Offer |

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| “Underwritten Shares”                | 54,129,675 Offer Shares fully underwritten by the Underwriter on and subject to terms and conditions as set out in the Underwriting Agreement  |
| “Waiver Agreement”                   | the waiver agreement dated 5 September 2011 entered into between the Company, the Provisional Liquidators, the Scheme Administrators and certain members of the Group on the terms provided for in the Debt Restructuring Agreement  |
| “Whitewash Waiver”                   | a waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the obligations on the part of the Concert Party Group to make a mandatory general offer under Rule 26 of the Takeovers Code for all the securities of the Company not already owned or agreed to be acquired by the Concert Party Group as a result of the underwriting of the Underwritten Shares for the Open Offer and the subscription of the Subscription Shares by the Investor |
| “Working Capital Facility”           | the banking facility granted by the Investor (or entities controlled by it) in the maximum amount of HK\$204,550,000 as the same is governed by the laws of the PRC  |
| “Working Capital Facility Amendment” | the variation to the Working Capital Facility, if necessary, to be entered into by, amongst others, the Company and the Investor, extending the term for maturity and requested in writing by the Company and/or the Provisional Liquidators, increasing the level of the facilities available in respect of the Working Capital Facility  |
| “RMB”                                | Renminbi, the lawful currency of the PRC   |
| “HK\$” and “cents”                   | Hong Kong dollars and cents, the lawful currency of Hong Kong  |
| “%”                                  | per cent.  |

*Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.*

By order of the Board  
**FU JI Food and Catering Services Holdings Limited**  
**(Provisional Liquidators Appointed)**  
**Chin Chang Keng, Raymond**  
*Director*

For and on behalf of  
**FU JI Food and Catering Services Holdings Limited**  
**(Provisional Liquidators Appointed)**  
**Lai Kar Yan (Derek)**  
**Yeung Lui Ming (Edmund)**  
**Darach E. Haughey**  
*Joint and Several Provisional Liquidators*  
*Acting as agents for and on behalf of*  
*the Company without personal liability*

Hong Kong, 21 January 2013

*As at the date of this announcement, the Board comprises of Mr. Chin Chang Keng Raymond as executive Director and Mr. Chung Wai Man as independent non-executive Director.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement, have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

\* *For identification purpose only*