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福記食品服務控股有限公司

FU JI Food and Catering Services Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 1175)

CLARIFICATION ANNOUNCEMENT

Reference is made to (i) the circular of the FU JI Food and Catering Services Holdings Limited (the “**Company**”) dated 1 March 2013 in relation to the proposed restructuring (the “**Circular**”), in which the profit forecast of the Company together with its subsidiaries (the “**Group**”) for the year ending 31 March 2013 and the six months ending 30 September 2013 (the “**Profit Forecasts**”) and forecast of the unaudited consolidated profit attributable to equity holders of the Company for the six months ending 30 September 2013 were set out, and (ii) the interim results for the six months ended 30 September 2013 dated 29 November 2013 (the “**Interim Results**”). Unless otherwise specified herein, all capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

The Interim Results shows that the unaudited consolidated profit attributable to equity holders of the Company for the six months ended 30 September 2013 was approximately RMB805 million which is lower than the Profit Forecasts and the Board would like to make clarifications as follows:

The Directors, by having reviewed the previous trading and financial information and opining on certain assumptions adopted, had prepared the Profit Forecasts based on the unaudited interim results of the Group for the six months ended 30 September 2012. The Profit Forecasts had been prepared based on the accounting policies consistent in all material respects with those adopted by the Group as set out in the audited consolidated financial statements of the Company for the year ended 31 March 2012.

The principal assumptions on which the Profit Forecasts were prepared were set out in the Circular, including the assumption that “upon Completion, the Restructured Group is expected to record a gain of approximately RMB867.2 million for the year ending 31 March 2014 from the Group Reorganisation and the Restructuring. The gain mainly represents the amount due to deconsolidated subsidiaries to be discharged pursuant to the terms of the Debt Restructuring Agreement.”

Pursuant to the terms of the Debt Restructuring Agreement, the amount due to deconsolidated subsidiaries, including the Phase I Disposal Companies, the Restaurant Business Disposal Companies, the Phase III Disposal Companies and the Scheme Group Companies, shall be irrevocably waived and discharged upon Completion. The amount due to deconsolidated subsidiaries was approximately RMB807 million as at the signing date of the Debt Restructuring Agreement. In order to meet the operational needs of the semi-processed food business which commenced operations in December 2011, the deconsolidated subsidiaries had provided additional funds of approximately RMB50 million (the “**Additional Funds**”) to the Restructured Group and therefore contributed to the increase in the amount due to deconsolidated subsidiaries for the six months ended 30 September 2012. Such funding arrangement between the Restructured Group and the deconsolidated subsidiaries was a commercial decision and was determined after negotiations between the parties taking into account, amongst others, the financial position of the Restructured Group and the market potential of the semi-processed food business. As at 30 September 2012, the amount due to deconsolidated subsidiaries was approximately RMB867.2 million and by adopting this amount as base figure, the Directors expected that the Restructured Group shall record a gain of approximately RMB867.2 million for the year ending 31 March 2014 from discharging the amount due to deconsolidated subsidiaries upon Completion.

The Additional Funds were subsequently settled by the Restructured Group in late March 2013 which contributed to the decrease in the amount due to deconsolidated subsidiaries for the year ended 31 March 2013. As at the date of the Completion, the balance of the amount due to deconsolidated subsidiaries of approximately RMB816.2 million had been irrevocably waived and discharged and such amount is presented as “gain on completion of the Group Reorganisation and Restructuring” in the Interim Results.

Due to the above factor, the actual unaudited consolidated profit attributable to equity holders of the Company for the six months ended 30 September 2013 did not meet the forecasted level as disclosed in the Circular.

The information contained in this announcement is only a review of the Profit Forecasts made by the management of the Company based on the Circular and the Interim Results and is not based on any figures or information which has been audited or reviewed by the external auditors of the Company. The accurate figure relating to the consolidated profit attributable to equity holders of the Company for the year ending 31 March 2014 is subject to the audit result by the external auditors of the Company.

The Interim Results had been reviewed by the Audit Committee but not the external independent auditors of the Company.

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

By order of the Board
FU JI Food and Catering Services Holdings Limited
Huang Shourong
Executive Director and Chief Executive Officer

Hong Kong, 20 December 2013

As at the date of this announcement, the Board comprises Mr. Wang Jianqing and Mr. Huang Shourong as executive directors and Dr. Leung Hoi Ming, Mr. Mak Ka Wing, Patrick and Mr. Sung Wing Sum as independent non-executive directors.

Please also refer to the published version of this announcement on the Company's website: <http://www.fujicateringhk.com>.