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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)

**ANNOUNCEMENT OF RESULTS
 FOR THE YEAR ENDED 31 MARCH 2014**

RESULTS

The Board of Directors (the “Directors”) of FU JI Food and Catering Services Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2014, together with the comparative figures, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 RMB'000	2013 RMB'000
Turnover	4	233,506	168,716
Cost of inventories sold		(182,411)	(114,571)
Gross profit		51,095	54,145
Other income	5	29	1,042
Gain on completion of the Group reorganisation and restructuring	7	816,247	–
Staff costs		(17,876)	(19,453)
Operating lease rentals		(3,060)	(3,285)
Depreciation		(3,466)	(3,288)
Fuel and utility costs		(3,872)	(3,908)
Consumable stores		(52)	(553)
Other operating expenses		(28,741)	(12,983)
Impairments on property, plant and equipment		(145)	–
Impairments on due from deconsolidated subsidiaries		–	(22,339)
Debt restructuring cost involving issue of Scheme Shares		–	(14,049)
Profit/(loss) before tax		810,159	(24,671)
Income tax	8	(3,627)	(4,121)

	<i>Notes</i>	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Profit/(loss) for the year	<i>9</i>	806,532	(28,792)
Other comprehensive income that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations		<u>(2,864)</u>	<u>1,239</u>
Total comprehensive income/(loss) for the year		<u>803,668</u>	<u>(27,553)</u>
Profit/(loss) for the year attributable to:			
Owners of the Company		806,542	(28,791)
Non-controlling interests		<u>(10)</u>	<u>(1)</u>
		<u>806,532</u>	<u>(28,792)</u>
Total comprehensive income/(loss) for the year attributable to:			
Owners of the Company		803,678	(27,552)
Non-controlling interests		<u>(10)</u>	<u>(1)</u>
		<u>803,668</u>	<u>(27,553)</u>
Earnings/(loss) per share			
Basic (RMB cents per share)	<i>11</i>	<u>299</u>	<u>(53)</u>
Diluted (RMB cents per share)		<u>265</u>	<u>(53)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2014

	<i>Notes</i>	2014 RMB'000	2013 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		<u>8,451</u>	<u>10,307</u>
Current assets			
Inventories	<i>12</i>	17,006	3,656
Trade receivables	<i>13</i>	16,538	11,568
Due from the Investor	<i>14</i>	–	53,914
Prepayments, deposits and other receivables		8,221	11,488
Bank and cash balances		<u>80,700</u>	<u>11,611</u>
		<u>122,465</u>	<u>92,237</u>
Current liabilities			
Trade payables	<i>15</i>	30,233	32,335
Accruals and other payables		19,564	17,822
Payable to the Scheme	<i>16</i>	–	205,085
Due to deconsolidated subsidiaries	<i>7</i>	–	816,294
Current tax liabilities		<u>5,888</u>	<u>4,119</u>
		<u>55,685</u>	<u>1,075,655</u>
Net current assets/(liabilities)		<u>66,780</u>	<u>(983,418)</u>
NET ASSETS/(LIABILITIES)		<u><u>75,231</u></u>	<u><u>(973,111)</u></u>
Capital and reserves			
Share capital	<i>17</i>	3,864	5,665
Reserves		<u>70,563</u>	<u>(978,960)</u>
Equity attributable to owners of the Company		74,427	(973,295)
Non-controlling interests		<u>804</u>	<u>184</u>
TOTAL EQUITY		<u><u>75,231</u></u>	<u><u>(973,111)</u></u>

NOTES

FOR THE YEAR ENDED 31 MARCH 2014

1. GENERAL INFORMATION

FU JI Food and Catering Services Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 8 April 2004 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and principal place of business is Unit D, 12/F, Seabright Plaza, 9-23 Shell Street, North Point, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the trading in shares of the Company has been suspended since 29 July 2009 and has been resumed on 5 July 2013.

The Company is an investment holding company. During the year, the Company and its subsidiaries (collectively “the Group”) were principally engaged in the provision of catering services and production and sale of convenience food products and related business in the People’s Republic of China (the “PRC”).

2. BASIS OF PREPARATION

Completion of the restructuring of the Group and resumption of trading in the shares of the Company

Trading in the shares of the Company was suspended on the Main Board of the Stock Exchange at the request of the Company on 29 July 2009.

On 19 October 2009, the Company petitioned to the High Court of the Hong Kong Special Administrative Region (the “High Court”) for the winding-up of the Company (the “Petition”). On the same day, Messrs. Edmund Yeung Lui Ming, Derek Lai Kar Yan and Darach E. Haughey of Deloitte Touche Tohmatsu were appointed as joint and several provisional liquidators (the “Provisional Liquidators”) of the Company by the High Court. The Provisional Liquidators are empowered, inter alia, to take possession of the assets of the Company and its subsidiaries and, if thought to be in the best interests of creditors of the Company, to enter into any agreements necessary or desirable to effectively restructure the affairs of the Company.

Since then, the Provisional Liquidators had commenced restructuring the Company. On 16 March 2010, Marvel Light Holdings Limited (the “Investor”), the Company and the Provisional Liquidators entered into the heads of terms setting out the agreement of the parties in respect of major provisions of the reorganisation proposal (the “Reorganisation Proposal”) to grant the Investor an exclusive right to prepare and submit a resumption proposal to the Stock Exchange with the view to resume trading of the Company’s shares. Further details of the Reorganisation Proposal are described in the Company’s announcements dated 26 May 2010 and 7 July 2010.

On 5 September 2011, the Company, the Purchaser, the Investor, the Provisional Liquidators and certain members of the Group have entered into the Debt Restructuring Agreement (the “DRA”) for the purpose of formalising and amending the terms and conditions of the Company’s restructuring under the Heads of Terms. The DRA confirms all of the restructuring processes undergone by the Company with the cooperation of the Investor and outlines the remaining components of the restructuring.

On 1 March 2013, the Company despatched to the Company’s shareholders a circular in relation to the proposed restructuring and the notice of convening an extraordinary general meeting on 25 March 2013. All of the resolutions in relation to the restructuring were duly passed by the shareholders by way of poll on 25 March 2013 and the poll results of the extraordinary general meeting were published on the same day. Further details were set out in the announcements of the Company dated 1 March 2013 and 25 March 2013. Unless otherwise specified, capitalised terms used herein shall have the same meanings as in the respective public announcements made by the Company.

On 2 July 2013, the Provisional Liquidators were discharged and the petition for winding up of the Company was dismissed by the High Court. On 4 July 2013, the proposed restructuring was completed, and all resumption conditions have been fulfilled. Upon the granting of listing approval from the Stock Exchange, trading in the shares of the Company was resumed on 8 July 2013.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 April 2013. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards (“HKAS”) and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current year and prior years except as stated below.

(a) Amendments to HKAS 1 “Presentation of Financial Statements”

Amendments to HKAS 1 titled Presentation of Items of Other Comprehensive Income introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements.

The amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the change. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

4. TURNOVER

The Group’s turnover is analysed as follows:

	2014 <i>RMB’000</i>	2013 <i>RMB’000</i>
Catering services business	54,526	103,430
Convenience food and related business	178,980	65,286
	<u>233,506</u>	<u>168,716</u>

5. OTHER INCOME

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Interest income	13	10
Processing fee income	–	698
Others	16	334
	<u>29</u>	<u>1,042</u>

6. SEGMENT INFORMATION

The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and marketing strategies. During the year ended 31 March 2014, the Group's revenue are derived from Catering services business and Convenience food and related business.

Segment profits or losses do not include interest income, income tax, gain on completion of the Group reorganisation and restructuring, debt restructuring cost involving issue of Scheme Shares, impairments on due from deconsolidated subsidiaries and other unallocated corporate income and expenses. Segment assets do not include amounts due from the Investor, bank and cash balances and other unallocated corporate assets. Segment liabilities do not include due to deconsolidated subsidiaries, payable to the Scheme, current tax liabilities and other unallocated corporate liabilities.

Information about reportable segment profit or loss, assets and liabilities:

	Catering services <i>RMB'000</i>	Convenience food and related business <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 March 2014:			
Revenue from external customers	54,526	178,980	233,506
Segment profit	3,534	17,026	20,560
Depreciation	3,046	375	3,421
Impairments on property, plant and equipment	145	–	145
Income tax	641	2,995	3,636
Additions to segment non-current assets	–	934	934
At 31 March 2014:			
Segment assets	19,183	30,256	49,439
Segment liabilities	44,476	2,405	46,881
Year ended 31 March 2013:			
Revenue from external customers	103,430	65,286	168,716
Segment profit	15,717	5,380	21,097
Depreciation	3,160	128	3,288
Income tax	2,512	1,609	4,121
Additions to segment non-current assets	43	–	43
At 31 March 2013:			
Segment assets	24,686	3,811	28,497
Segment liabilities	44,213	3,625	47,838

Reconciliations of reportable segment revenue, profit and loss, assets and liabilities:

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Revenue:		
Total turnover of reportable segments disclosed as consolidated turnover	<u>233,506</u>	<u>168,716</u>
Profit or loss:		
Total profit of reportable segments	20,560	21,097
Gain on completion of the Group reorganisation and restructuring	816,247	–
Impairments on due from deconsolidated subsidiaries	–	(22,339)
Debt restructuring cost involving issue of Scheme Shares	–	(14,049)
Corporate and unallocated profit or loss	<u>(26,648)</u>	<u>(9,380)</u>
Consolidated profit/(loss) before tax	<u>810,159</u>	<u>(24,671)</u>
Assets:		
Total assets of reportable segments	49,439	28,497
Corporate and unallocated assets		
Due from the Investor	–	53,914
Bank and cash balances	80,700	11,611
Others	<u>777</u>	<u>8,522</u>
Consolidated total assets	<u>130,916</u>	<u>102,544</u>
Liabilities:		
Total liabilities of reportable segments	46,881	47,838
Corporate and unallocated liabilities		
Payable to the Scheme	–	205,085
Due to deconsolidated subsidiaries	–	816,294
Others	<u>8,804</u>	<u>6,438</u>
Consolidated total liabilities	<u>55,685</u>	<u>1,075,655</u>

Geographical information:

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Revenue:		
The PRC	233,506	142,612
Philippines	<u>–</u>	<u>26,104</u>
	<u>233,506</u>	<u>168,716</u>

Information about revenue from the Group's one (2013: four) customer individually contributing over 10% of total revenue of the Group as follows:

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Customer A	82,910	30,973
Customer B (<i>Note</i>)	–	24,734
Customer C (<i>Note</i>)	–	54,744
Customer D	–	23,441
	82,910	133,892

Note: These customers individually contributing less than 10% of total revenue of the Group for the year ended 31 March 2014.

In presenting the geographical information, revenue is based on the locations of the customers. At the end of the reporting period, all non-current assets of the Group were located in the PRC.

7. GAIN ON COMPLETION OF THE GROUP REORGANISATION AND RESTRUCTURING

Upon completion of the Group reorganisation and restructuring on 4 July 2013, the amounts due to deconsolidated subsidiaries were discharged pursuant to the terms of the DRA. The amount payable to the Scheme was settled by the proceeds from the issuance of share subscription, open offer, preference shares, scheme shares and distribution of cash proceeds from disposal of restaurant business and nominated excluded assets in relation to the restructuring (the "Distribution").

	2014 <i>RMB'000</i>
Debts discharged:	
Due to deconsolidated subsidiaries	816,247
Payable to the Scheme	200,803
	<u>1,017,050</u>
Satisfied by:	
Cash settlement	
Proceeds from the issue of ordinary shares	(102,732)
Proceeds from the issue of preference shares	(31,610)
Cash proceeds from the Distribution	(52,789)
	<u>(187,131)</u>
Equity settlement	
Issuance of Scheme Shares	(13,672)
	<u>(200,803)</u>
Gain on completion of the Group reorganisation and restructuring	<u><u>816,247</u></u>

8. INCOME TAX

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Current tax:		
– Provision for the Hong Kong Profits Tax	–	348
– Over-provision in prior years	(9)	–
– Provision for the PRC enterprise income tax	<u>3,636</u>	<u>3,773</u>
	<u>3,627</u>	<u>4,121</u>

No provision for Hong Kong Profits Tax has been made for the year ended 31 March 2014 as the Group did not generate any assessable profits arising in Hong Kong during that year. Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits for the year ended 31 March 2013. Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

The reconciliation between the income tax and the profit/(loss) before tax are as follows:

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Profit/(loss) before tax	<u>810,159</u>	<u>(24,671)</u>
Notional tax on profit/(loss) before tax calculated at the PRC statutory rate	202,540	(6,168)
Effect of different tax rates in other tax jurisdictions	2,941	2,415
Tax effect of utilisation of tax losses not previously recognised	(2,391)	(1,198)
Over-provision in prior years	(9)	–
Tax effect of non-deductible expenses	5,295	9,076
Tax effect of non-taxable income	<u>(204,749)</u>	<u>(4)</u>
	<u>3,627</u>	<u>4,121</u>

The Group had no significant deferred tax for the years ended 31 March 2014 and 2013.

9. PROFIT/(LOSS) FOR THE YEAR

The Group's profit/(loss) for the year is stated after charging the following:

	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Auditor's remuneration	1,189	1,137
Cost of inventories sold	182,411	114,571
Depreciation	3,466	3,288
Minimum lease payments under operating leases in respect of land and buildings	3,060	3,285
Impairment of property, plant and equipment	145	–
Staff costs (including directors' remuneration):		
Salaries, bonus and allowances	17,862	19,453
Retirement benefits scheme contributions	14	–
	<u>17,876</u>	<u>19,453</u>

10. DIVIDENDS

The Directors do not recommend the payment of any dividend for each of the years ended 31 March 2014 and 2013.

11. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share attributable to owners of the Company is based on the profit for year attributable to owners of the Company of approximately RMB806,542,000 (2013: loss of approximately RMB28,791,000) and the weighted average number of 269,958,883 (2013: 54,129,675, as adjusted to reflect the impact of share consolidation on 7 May 2013 and open offer on 4 June 2013) ordinary shares in issue during the year.

(b) Diluted earnings/(loss) per share

The calculation of diluted earnings/(loss) per share attributable to owners of the Company for the year ended 31 March 2014 is based on the profit for the year attributable to owners of the Company of approximately RMB806,542,000 and the weighted average number of ordinary shares of 304,760,808, being the weighted average number of ordinary shares of 269,958,883 in issue during the year used in the basic earnings/(loss) per share calculation plus the weighted average number of ordinary shares of 34,801,925 assumed to converted of the preference shares on 28 December 2013.

No diluted loss per share is presented for the year ended 31 March 2013, as there were no dilutive potential ordinary shares outstanding for that year.

12. INVENTORIES

	Group	
	2014	2013
	RMB'000	RMB'000
Raw materials and consumable stores	52	442
Finished goods	16,954	3,214
	17,006	3,656

13. TRADE RECEIVABLES

Other than cash and credit card sales, invoices are normally payable within 30 days of issuance, except for certain well-established customers where the terms are extended up to 90 days. Trade receivables are recognised and carried at their original invoiced amounts less allowance for impairment when collection of the full amount is no longer probable. Bad debts are written off as incurred.

An aging analysis of the trade receivables at the end of the reporting period, based on invoice dates, is as follows:

	Group	
	2014	2013
	RMB'000	RMB'000
30 days or less	9,525	7,938
31 to 90 days	6,298	1,372
91 to 180 days	715	1,412
Over 180 days	–	846
	<u>16,538</u>	<u>11,568</u>

14. DUE FROM THE INVESTOR

	Group and Company	
	2014	2013
	RMB'000	RMB'000
<i>Cash consideration receivable:</i>		
– Disposal of restaurant business	–	8,070
– Disposal of nominated excluded assets	–	45,844
	<u>–</u>	<u>53,914</u>

Note: Upon execution of the Heads of Terms, the amounts due from the Investor has been settled by the cash consideration provided by the Investor upon completion of the relevant disposals of business and the nominated excluded assets of deconsolidated subsidiaries in accordance with the Heads of Terms.

15. TRADE PAYABLES

An aging analysis of the trade payables at the end of the reporting period, based on invoice dates, is as follows:

	Group	
	2014	2013
	RMB'000	RMB'000
180 days or less	533	2,616
Over 180 days	29,700	29,719
	<u>30,233</u>	<u>32,335</u>

Included in the Group's trade payables were amounts payable to a deconsolidated subsidiary of the Group amounting to RMB2,554,000 at 31 March 2013.

16. PAYABLE TO THE SCHEME

	Group and Company	
	2014	2013
	RMB'000	RMB'000
Scheme consideration payable to Scheme Creditors to be settled by:		
– <i>Issue of Scheme Shares</i>	–	13,964
– <i>Realisation from Investor, presented as due from the Investor:</i>		
– Disposal of restaurant business	–	8,071
– Disposal of nominated excluded assets	–	45,843
	–	53,914
– <i>Proceeds from the issue of shares to the Investor upon resumption:</i>		
– Ordinary shares	–	104,923
– Preference shares	–	32,284
	–	137,207
Payable to the Scheme	–	205,085

Note:

Upon completion of the Group reorganisation and restructuring on 4 July 2013, The amount payable to the Scheme was settled by the proceeds from the issuance of share subscription, open offer, preference shares, Scheme Shares and distribution of cash proceeds from disposal of restaurant business and nominated excluded assets in relation to the restructuring.

17. SHARE CAPITAL

	<i>Notes</i>	Number of shares	Nominal value of shares RMB'000
Authorised:			
<i>Ordinary shares:</i>			
Ordinary shares of HK\$0.01 each at 1 April 2012, 31 March 2013 and 1 April 2013		2,000,000,000	21,200
Capital restructuring: net increase in authorised ordinary share capital	<i>(a)</i>	17,800,000,000	135,861
Ordinary shares of HK\$0.01 each at 31 March 2014		19,800,000,000	157,061
<i>Preference shares:</i>			
Capital restructuring: inception of authorised preference share capital of HK\$0.01 each during the year and balance at 31 March 2014	<i>(a)</i>	200,000,000	1,586
Total	<i>(a)</i>	20,000,000,000	158,647

	<i>Notes</i>	Number of shares	Nominal value of shares RMB '000
Issued and fully paid:			
<i>Ordinary shares:</i>			
At 1 April 2012, 31 March 2013 and 1 April 2013		541,296,756	5,665
Capital restructuring	<i>(a)</i>	<u>(487,167,081)</u>	<u>(5,099)</u>
	<i>(a)</i>	54,129,675	566
Open offer	<i>(b)</i>	54,129,675	428
Share subscription	<i>(c)</i>	202,702,703	1,611
Issue of Scheme Shares	<i>(d)</i>	<u>23,380,000</u>	<u>185</u>
At 31 March 2014		<u><u>334,342,053</u></u>	<u><u>2,790</u></u>
<i>Preference shares:</i>			
Issue of preference shares during the year and balance at 31 March 2014	<i>(e)</i>	<u>135,135,135</u>	<u>1,074</u>
Total		<u><u>469,477,188</u></u>	<u><u>3,864</u></u>

Notes:

(a) There was a capital restructuring of the Company effected on 7 May 2013 which comprised the following:

	Prior to the capital restructuring	After the capital reduction <i>(i)</i>	After the capital cancellation <i>(ii)</i>	After the share consolidation <i>(iii)</i>	After the increase in authorised share capital <i>(iv)</i>
Par value of share (HK\$)	0.01	0.001	0.001	0.01	0.01
Number of authorised shares	2,000,000,000	2,000,000,000	541,296,756	54,129,675	20,000,000,000
Authorised share capital (HK\$)	20,000,000	2,000,000	541,296.75	541,296.75	200,000,000
Authorised share capital (RMB equivalent)	21,200,000	2,120,000	566,500	566,500	158,647,124
Number of issued ordinary shares	541,296,756	541,296,756	541,296,756	54,129,675	54,129,675
Issued ordinary share capital (HK\$)	5,412,967.56	541,296.75	541,296.75	541,296.75	541,296.75
Issued ordinary share capital (RMB equivalent)	5,665,000	566,500	566,500	566,500	566,500

- (i) reduced the par value of all issued and un-issued ordinary shares in the Company from HK\$0.01 to HK\$0.001 each;
- (ii) cancelled the entire existing un-issued ordinary share capital of the Company;
- (iii) consolidated every 10 shares of the Company into 1 new ordinary share; and
- (iv) authorised share capital of the Company became HK\$200,000,000 divided into 20,000,000,000 new shares of HK\$0.01 each.

(b) Open offer

Completion of the open offer took place on 4 June 2013 pursuant to which 54,129,675 offer shares were issued under the open offer on the basis of one offer share for every one share held by the qualifying shareholders after completion of the capital restructuring at the subscription price of HK\$0.74 per offer share with par value of HK\$0.01 each. Accordingly, the Company's issued ordinary share capital was increased by approximately HK\$0.5 million (equivalent to approximately RMB0.4 million) and the share premium account was increased by approximately HK\$39.5 million (equivalent to approximately RMB31.2 million).

(c) Subscription

Completion of the Subscription took place on 28 June 2013 pursuant to which 202,702,703 subscription shares were issued to the Investor at the subscription price of HK\$0.74 per subscription share with par value of HK\$0.01 each. Accordingly, the Company's issued ordinary share capital was increased by approximately HK\$2 million (equivalent to approximately RMB1.6 million) and the share premium account was increased by approximately HK\$148 million (equivalent to approximately RMB117.6 million).

(d) Issue of Scheme Shares

Pursuant to the Group reorganisation and restructuring, 23,380,000 new ordinary shares were issued to the scheme creditors on 4 July 2013. Accordingly, the Company's ordinary share capital was increased by approximately HK\$0.2 million (equivalent to approximately RMB0.18 million) and share premium account was increased by approximately HK\$17.1 million (equivalent to approximately RMB13.5 million).

(e) Issue of preference shares

Completion of the issuance of preference shares took place on 28 June 2013 pursuant to which 135,135,135 preference shares were issued to the Investor at the subscription price of HK\$0.74 per preference share with par value of HK\$0.01 each. Accordingly, the Company's issued preference share capital was increased by approximately HK\$1.4 million (equivalent to approximately RMB1.1 million) and the share premium account was increased by approximately HK\$98.6 million (equivalent to approximately RMB78.4 million).

EXTRACT OF INDEPENDENT AUDITOR'S REPORT ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

The Company's auditor has qualified the report on the Group's consolidated financial statements for the year ended 31 March 2014, an extract of which is as follows:

Basis for qualified opinion

1. Opening balances and corresponding figures

Our audit opinion on the consolidated financial statements of the Group for the year ended 31 March 2013 (the "2013 Financial Statements"), which form the basis for the corresponding figures presented in the current year's consolidated financial statements, was disclaimed because of the significance of the possible effects of the limitations in the scope of our audit and the material uncertainty in relation to going concern basis, and details of which are set out in our audit report dated 28 June 2013. Accordingly, we were then unable to form an opinion as to whether the 2013 Financial Statements gave a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2014 and of the Group's results and cash flows for the year then ended.

2. Deconsolidation of the subsidiaries

Certain subsidiaries of the Company were deconsolidated from the Group since 1 April 2008. No sufficient evidence has been provided to satisfy ourselves as to whether the Company had lost control of the subsidiaries since 1 April 2008 and throughout the years ended 31 March 2009, 2010, 2011, 2012 and 2013, and for the period from 1 April 2013 to 4 July 2013.

Accordingly, no sufficient evidence has been provided to satisfy ourselves, in relation to the deconsolidated subsidiaries, as to the completeness of the transactions of the Group for the year ended 31 March 2014.

3. Gain on completion of the of the Group reorganisation and restructuring

As explained in note 10 to the consolidated financial statements, upon completion of the Group reorganisation and restructuring on 4 July 2013, the Company recognised a gain on completion of the Group reorganisation and restructuring of approximately RMB816,247,000 for the year ended 31 March 2014.

No sufficient evidence has been provided to satisfy ourselves as to certain liabilities of the Company being discharged under the Group reorganisation and restructuring. As a result, we are unable to satisfy ourselves as to the gain on completion of the Group reorganisation and restructuring of approximately RMB816,247,000 included in the consolidated statement of profit or loss and other comprehensive income.

Any adjustments that are found necessary in relation to matters as described in points 1 to 3 above might have a consequential effect on the Group's results and cash flows for the year ended 31 March 2013 and 2014 and the financial positions of the Group as at 31 March 2013, and the related disclosures thereof in the consolidated financial statements.

Qualified opinion

In our opinion, except for the possible effects of the matters as described in the basis for qualified opinion paragraphs, the consolidated financial statements give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2014 and of the results and cash flows of the Group for the year ended 31 March 2014 in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31 March 2014 (year ended 31 March 2013: nil).

BUSINESS REVIEW

For the year ended 31 March 2014, the Group continued to engage in the provision of catering services and production and sale of convenience food products and related business in the PRC.

During the year, through the fast expansion of the existing convenience food business and the increase in the number of showrooms in various cities, the convenience food business had achieved significant growth in turnover. The sales network was enhanced, which resulted in increased market share in the market.

During the year, as the market size of provision of catering services in China was downsizing due to the continuous increase in food raw material costs, rent and labor costs, the management closed down some provision of catering services business.

RESULTS AND APPROPRIATIONS

Revenue

The turnover of the Group was approximately RMB233.51 million (2013: approximately RMB168.72 million), representing an increase of approximately 38.40% from the last financial year. The turnover of the convenience food business increased from RMB65.29 million to RMB178.98 million for the year, representing an increase of approximately 174.13%. The increment was mainly due to the fast expansion of the existing convenience food business and the increase in the number of showrooms in various cities. The sales network was enhanced, which resulted in increased market share in the market.

The turnover of the catering services business was approximately RMB54.53 million (2013: approximately RMB103.43 million), representing a decrease of approximately 47.28%. The decrement was mainly due to termination of several catering sites under the keen competition of the catering services business and environmental enhancement work performed in one of the catering services customer's catering site. The results of the Group for the year ended 31 March 2014 are set out in the Group's consolidated statement of profit or loss and other comprehensive income.

Gross Profit

Gross profit of the Group decreased from approximately RMB54.15 million to approximately RMB51.09 million in 2014 due to the decrement in turnover of the catering services business. Whereas, the gross profit margin for the current year decreased from 32.10% to 21.58% as the gross profit margin of convenience food business is thinner than catering services business.

Gain on completion of the Group reorganisation and restructuring

Upon completion of the Restructuring on 4 July 2013, the amounts due to deconsolidated subsidiaries were discharged pursuant to the terms of the DRA. The amount payable to the Scheme was settled by the proceeds from the issuance of Subscription Shares, Offer Shares, Preference Shares, Scheme Shares and distribution of cash proceeds from disposal of Restaurant Business and nominated excluded assets in relation to the Restructuring. A gain on completion of the Group Reorganisation and Restructuring was approximately RMB816.25 million (2013: Nil).

Other operating expenses

Other operating expenses of the Group were approximately RMB28.69 million (2013: approximately RMB12.98 million), representing an increase of approximately 121.03%. The increment was mainly due to professional fees of approximately RMB22.89 million incurred by Reorganisation and Restructuring of the Group during the period.

Profit for the year attributable to owners of the Company

The profit for the period attributable to owners of the Company amounted to approximately RMB806.54 million for the year ended 31 March 2014 (2013: loss of approximately RMB28.79 million). Basic earnings per share were approximately RMB2.99 as compared with basic loss per share of approximately RMB0.53 for the preceding year. The profit for the year attributable to owners of the Company was mainly due to the gain on completion of the Group Reorganisation and Restructuring.

GROUP RESTRUCTURING AND RESUMPTION OF TRADING OF SHARES

During the year, the Company has successfully completed a series of corporate restructuring exercises, including but not limited to Capital Restructuring, Debt Restructuring, fundraising by ways of Open Offer, Subscription and issue of Preference Shares and Scheme Shares. In addition, pursuant to the order of the High Court of Hong Kong dated 2 July 2013, the Petition was dismissed and the Provisional Liquidators were discharged on 2 July 2013. As all the Resumption Conditions of the Company have been fulfilled on 4 July 2013, the trading in the shares of the Company was resumed on 8 July 2013.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

Upon the completion of a series of corporate and debt restructuring exercises of the Company on 4 July 2013, the Group's financial position had been significantly improved. Bank and cash balances as at 31 March 2014 was approximately RMB80.70 million (2013: approximately RMB11.61 million). The Group's debt-to-equity ratio measured on the basis of the Group's total liabilities of approximately RMB55.68 million (2013: approximately RMB1,075.66 million) to the total equity of positive of approximately RMB75.23 million (2013: negative of approximately RMB973.11 million) is 0.74 (2013: not applicable as the Group had a net deficiency in capital).

CAPITAL STRUCTURE

The Company has completed a series of Capital Restructuring including Capital Reduction, Capital Cancellation, Share Consolidation and Capital Increase. As a result, the authorized share capital of the Company after the Capital Restructuring was 20,000,000,000 of HK\$0.01 each with total par value of HK\$200,000,000 (equivalent to approximately of RMB158.6 million).

On 4 June 2013, the Company has issued 54,129,675 Offer Shares under Open Offer pursuant to the Underwriting Agreement. On 28 June 2013, the Company has issued 202,702,703 Subscription Shares and 135,135,135 Preference Shares to the Investor (now the controlling shareholder of the Company) pursuant to the Subscription Agreement. On 4 July 2013, the Company has issued 23,380,000 New Shares to Scheme Creditors pursuant to the Scheme. Details were set out in the circular and announcement of the Company dated 1 March 2013.

At the year end, the Company comprises of 334,342,053 issued ordinary shares with par value of HK\$0.01 each and 135,135,135 issued preference shares with par value of HK\$0.01 each as enlarged by the issue of Offer Shares, Subscription Shares, Scheme Shares and Preference Shares.

PROSPECTS

Upon the completion of the Restructuring of the Company during the year, the financial position of the Group had been successfully improved by turning from net liabilities to net assets amounting to approximately RMB75.23 million as at 31 March 2014. The successful completion of the Subscription by the Investor (now the controlling shareholder of the Company) and the Open Offer in June 2013 contributed new working capital for the continuation as well as the future expansion of the Group's businesses.

In view of the tremendous market prospects of convenience food business, the Group will focus on this aspect. Meanwhile, the Group will strive to explore better investment opportunities in convenience seafood products market.

EMPLOYMENT

As at 31 March 2014, the Group had 550 (2013: 867) full-time employees, most of whom were working in the Company's subsidiaries in the PRC. During the year under review, the total employees' costs including Directors' remuneration were approximately RMB17,876,000 (2013: RMB19,453,000). It is the Group's policy that remuneration of the employees is in line with the market and commensurate with the level of pay for similar responsibilities within the industry. Discretionary year-end bonuses are payable to the employees based on individual performance. Other benefits to the employees included medical insurance, retirement schemes, training programs and education subsidies.

CHARGES ON GROUP'S ASSETS

As at 31 March 2014, there were no charges on the Group's assets.

CAPITAL AND OTHER COMMITMENTS

The Group had no any capital commitment as at 31 March 2014 (2013: Nil).

CONTINGENT LIABILITIES

The Group had no any contingent liabilities as at 31 March 2014 (2013: Nil).

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with the code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules immediate after the resumption of trading in the Shares of the Company, except for the deviation of A.4.1 and F.1.2 of the Code.

Pursuant to A.4.1 of the Code, non-executive directors should be appointed for specific terms, subject to re-election. For the year ended 31 March 2014, all the existing independent non-executive Directors were not appointed for a specific term but are subject to retirement and reelection at the forthcoming annual general meeting of the Company (the "AGM") and retirement by rotation and re-election at least once every three years at the AGM in accordance with the provisions of the Company's bye-laws.

Pursuant to F.1.2 of the Code, the appointment of the company secretary should be dealt with by a physical board meeting rather than a written resolution. The appointment of the current company secretary was dealt with by a written resolution in September 2013. The Board considers that, prior to the execution of the written resolution to appoint the current company secretary, all Directors were individually consulted on the matter without any dissenting opinion and there was no need to approve the matter by a physical board meeting instead of a written resolution.

AUDIT COMMITTEE

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 March 2014. The Audit Committee comprises three independent non-executive directors, namely, Dr. Leung Hoi Ming, Mr. Mak Ka Wing, Patrick and Mr. Sung Wing Sum.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2014 set out in the Preliminary Announcement have been agreed by the Group's auditor, ZHONGHUI ANDA CPA Limited ("ZHONGHUI ANDA"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by ZHONGHUI ANDA in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGHUI ANDA on the preliminary announcement.

COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions (the "Model Code"). Having made specific enquiry of all directors of the Company, the directors of the Company have complied with the required standard set out in the Model Code throughout the year ended 31 March 2014.

DEALING IN COMPANY'S LISTED SECURITIES

During the year, there were no purchases, sale or redemption by the Company or any of its subsidiaries, of the Company's listed securities.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement of results is available for viewing on the website of Hong Kong Exchange and Clearings Limited at www.hkex.com.hk under "Latest Listed Company Information" and on the website at www.fujicateringhk.com. The annual report of the Company contained all the information required by the Listing Rules will be published on the above websites in due course.

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

Hong Kong, 27 June 2014

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>.*