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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)

**1. VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION
RELATING TO
ACQUISITIONS OF THE 100% EQUITY INTERESTS IN
WUXI MEITONG FOOD TECHNOLOGY CO., LTD.;**
2. VARIATION TO TERMS OF THE FIRST AGREEMENT;
3. DELAY IN DESPATCH OF CIRCULAR;
AND
4. POSSIBLE PLACING OF SHARES UNDER GENERAL MANDATE

As disclosed in the Announcement, on 23 May 2015, the Company entered into the Agreement with the Seller to acquire 25% equity interests in the Target.

On 23 August 2015, the Company, the Seller and Seller's Subsidiary entered into the Second Agreement in relation to the acquisition of the remaining 75% equity interests in the Target based on the same terms in the acquisition of the 25% equity interests of the Target under the First Agreement.

The total consideration for the acquisition of the 75% equity interests in the Target is RMB296,247,000.

Completion of the Second Acquisition shall be inter-conditional with the completion of the First Acquisition. Immediately upon completion of the Acquisitions, the Company will hold directly, or indirectly through its wholly-owned subsidiary 100% equity interest in the Target, and the Target will become a wholly-owned subsidiary of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the relevant percentage ratios for the Acquisitions exceeds 100%, the Acquisitions constitute a very substantial acquisition on the part of the Company.

Since Seller's Subsidiary is indirectly wholly owned by the Seller, and the Seller is ultimately and indirectly owned as to 50% by Mr. Wang, both Seller's Subsidiary and the Seller are associates of Mr. Wang. Mr. Wang is also indirectly interested in 30% equity interests of Marvel Light, a substantial shareholder of the Company and, Marvel Light is also an associate of Mr. Wang. Accordingly, the Seller and Seller's Subsidiary are connected persons of the Company at the issuer level and the Acquisitions constitute a connected transaction on the part of the Company and is subject to reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DELAY IN DESPATCH OF CIRCULAR

As additional time is required for the Company to prepare and finalise the information to be included in the circular (containing among other things further details of the Acquisitions) to be despatched to the Shareholders in accordance with the requirements under the Listing Rules, the date of despatch of the circular is expected to be on or about 15 October 2015.

POSSIBLE PLACING OF SHARES UNDER GENERAL MANDATE

The Board would like to inform the Shareholders that the Company has commenced initial discussion with several placing agents on a possible private placing of new Shares utilizing the existing General Mandate. However, as at the date of this announcement, the terms to the possible placing have not been finalized and no binding agreement has been entered into by the Company. The Company will comply with all applicable Listing Rules requirements and make further announcement if the placing agreement is entered into.

References are made to the Announcement regarding the First Acquisition.

The Board is pleased to announce that on 23 August 2015, the Company, the Seller and Seller's Subsidiary entered into the Second Agreement in relation to the acquisition of the remaining 75% equity interests in the Target based on the same terms in the acquisition of the 25% equity interests of the Target under the First Agreement.

PRINCIPAL TERMS OF THE SECOND AGREEMENT

Date: 23 August 2015

Parties:

1. The Company as the purchaser;
2. Seller's Subsidiary, as the seller; and
3. The Seller, as guarantor of the obligations of its wholly owned subsidiary, Seller's Subsidiary.

The Seller is a company incorporated in Hong Kong with limited liability and its principal activities is investment holding. Seller's Subsidiary is a wholly foreign owned enterprise established under the laws of the PRC and its principal activities is investment holding. It is an indirectly wholly owned subsidiary of the Seller.

The Seller and Seller's Subsidiary, which are ultimately and indirectly owned as to 50% by Mr. Wang, are associates of Mr. Wang. Mr. Wang is also indirectly interested in 30% equity interests of Marvel Light, a substantial shareholder of the Company and Marvel Light is also an associate of Mr. Wang. Accordingly, the Seller and Seller's Subsidiary are connected persons of the Company at issuer level.

Assets to be acquired

Under the Second Acquisition, the Company will acquire 75% equity interests in the Target from Seller's Subsidiary. Together with the First Acquisition, the Company will acquire the entire 100% equity interests in the Target.

Conditions precedent

Completion of the Second Acquisition is conditional upon the satisfactions of the following conditions precedent (which are similar to the conditions precedent under the First Agreement) on or before 31 December 2015:

- (1) the obtaining of all necessary approvals from the board of directors and the shareholders of the Purchaser, the Seller and Seller's Subsidiary in accordance with all applicable laws, rules and the constitutional documents respectively;
- (2) the obtaining of all necessary approvals from applicable governmental and regulatory authorities by the Purchaser, the Seller and Seller's Subsidiary in accordance with all applicable laws;
- (3) the Purchaser obtaining a valuation report from an independent professional property valuer to be engaged by the Purchaser showing the Properties' Values of the Target is substantially similar to the carrying value of RMB690,561,447;
- (4) the Purchaser obtaining a PRC legal opinion from a PRC legal adviser to be engaged by the Purchaser in relation to matters relating to the Target in the form and content satisfactory to the Purchaser; and
- (5) the First Agreement having become unconditional (other than the fulfilment of any condition in the First Agreement relating to the Second Agreement and other transactions contemplated thereunder) and not being terminated in accordance with its terms and conditions.

If the above conditions precedent are not satisfied on or before 31 December 2015, unless the Purchaser, the Seller and Seller's Subsidiary having otherwise extended the time to satisfy the outstanding conditions precedent, Seller's Subsidiary shall return the deposit, without interest, to the Company and any consideration that the Company may have paid to Seller's Subsidiary, and the Second Agreement shall automatically be terminated save for any antecedent breach.

Deposit and due diligence

On or before 1 October 2015, the Company shall pay to Seller's Subsidiary in cash RMB3,000,000 as deposit, failing which the Second Agreement will automatically lapse.

The Company shall be entitled to carry out all necessary due diligence on the Target within 60 Business Days from the date of the Second Agreement, and to carry out supplemental due diligence on the Target within 90 Business Days from the date of the Second Agreement. If the Company discovers that there are material defects of the Target, the Company is entitled to terminate the Second Agreement which shall be exercisable by the Company on or before 30 November 2015. If the Company exercises such right to terminate the Second Agreement, Seller's Subsidiary shall return the deposit, without interest, to the Company and any consideration that the Purchaser may have paid to Seller's Subsidiary.

Consideration

The total consideration for the acquisition of the 75% equity interests in the Target is RMB296,247,000. The consideration is determined based on the 75% of the net asset value of the Target as at 31 December 2014, which is RMB296,247,000 and the basis used is the same basis used in determining the consideration for the acquisition of the 25% equity interests in the Target under the First Agreement.

Since the principal business activities of the Target is the holding of the Properties, the Purchaser, the Seller and Seller's Subsidiary agree that if the Properties' Values to be obtained is less than RMB690,561,447 as shown on the accounts of the Target as at 31 December 2014, the total consideration for the acquisition of the 75% equity interests shall be adjusted downward by subtracting the 75% of the valuation shortfall on a dollar-to-dollar basis. On the contrary, if the Properties' Values to be obtained exceeds RMB690,561,447, no upward adjustment shall be made to the consideration.

It is one of the conditions precedent that the valuation report to be obtained by the Purchaser showing the Properties' Values of the Target shall be substantially similar to the carrying value of RMB690,561,447. If there is a valuation shortfall which exceeds the total consideration under the Acquisitions, such condition precedent will not be satisfied, and both the First Agreement and the Second Agreement shall automatically be terminated and the Seller and Seller's Subsidiary shall return the deposits to the Company and any consideration that the Purchaser may have paid to the Seller's Subsidiary without interest. In which event, the Company will look for other opportunities and alternative ways to increase its warehousing capacities to complement the business growth of the Company.

For illustration purpose only, assuming there were a valuation shortfall of RMB1,000,000: (a) under the Second Agreement, the total consideration for the acquisition of the 75% equity interests shall be adjusted downward by RMB750,000; (b) under the First Agreement, the total consideration for the acquisition of the 25% equity interests shall be adjusted downward by RMB250,000; and thus (c) the total consideration for the 100% equity interests shall be adjusted downward by the total amount of the shortfall of RMB1,000,000.

Payment terms

The consideration (or the adjusted consideration) under the Second Agreement shall be payable in cash by two stages as follows:

First payment: 40% of the consideration (or the adjusted consideration) shall be paid by the Company to Seller's Subsidiary on the date of completion of the Acquisitions; and

Second payment: the remaining balance of the consideration (or the adjusted consideration) shall be paid by the Company to Seller's Subsidiary within thirty Business Days after the date of completion of the Acquisitions and only after the Pledge has been fully released and discharged in favour of the Target, whichever is later.

The Company shall be entitled to treat the deposit to satisfy part of the consideration (or adjusted consideration).

The consideration was arrived at after arm's length negotiation with Seller's Subsidiary with reference to the net asset value of the Target, and subject to adjustment if the Properties' Value is less than that as shown on the accounts of the Target as the assets of the Target comprises principally the Properties and the same basis of the acquisition of the 25% equity interests under the First Agreement. The Directors (other than the INEDs who will express their opinion after receiving the advice from the Independent Financial Adviser) considers that the consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at 31 March 2015, the bank and cash balances of the Company were approximately RMB130 million. As at the date of this announcement, the Company considers it is necessary to conduct additional fund raising activities, but at the moment the methods (including but not limited to placing, rights issue or obtaining loans from financial institutions) have not been determined. However, the Company has been discussing with potential placing agents for possible placing of Shares but no terms have been finalised and no binding agreement has been entered into by the Company. The Company will comply with all applicable Listing Rules requirements in carrying out any additional fund raising activities.

Outstanding Loans and Pledge with members of the Investor Group

As at the date of the Second Agreement, the Target owes an outstanding amount of RMB7,024,500 and RMB334,544,952 to the Seller and to Seller's Subsidiary respectively, and another member of the Investor Group owes an outstanding amount of RMB44,350,401 to the Target, which are unsecured, non-interest bearing and have no fixed repayment terms.

On 2 February 2015, the Target entered into the Pledge with the Bank to secure the general banking facilities granted by the Bank to Guangzhou Circle for financing its ordinary course of business for the period from 2 February 2015 to 1 February 2016. Guangzhou Circle is a company established in the PRC, which Mr. Wang is the general manager but he does not hold any equity interest or directorship of Guangzhou Circle.

As at the date of the Second Agreement, the amount drawn under the general banking facilities that are secured by the Pledge is RMB170,000,000.

The Loan and the Pledge will remain outstanding after completion of the Acquisitions and subject to the terms of the Second Agreement.

Under the terms of the Second Agreement, the Seller and Seller's Subsidiary have irrevocably agreed, and shall procure the other member of the Investor Group to agree that:

- (a) the terms of the Loans shall remain unsecured and non-interest bearing for the duration of the Loans;
- (b) the Seller, Seller's Subsidiary and each member of the Investor Group will not be entitled to demand, and the Target will not be required to repay all or part of the Loans or any other amount due by the Target to the Seller, Seller's Subsidiary or any member of the Investor Group for so long as the Pledge remain subsisting;
- (c) if and when the Target is required to pay any amount to the Bank or any third parties pursuant to the terms of the Pledge, the Target shall be entitled to set-off on a dollar-to-dollar basis such amount so paid from the outstanding Loans; and
- (d) the Seller, Seller's Subsidiary and each member of the Investor Group will only be entitled to demand, and the Target will only be required to repay all or part of the Loans (or the balance of the Loans, if any following payment pursuant to the terms of the Pledge) two years after the Pledge has fully been discharged and the Target will not be under any further obligation or subject to any potential liability under the Pledge to pay any amount to the Bank or any third parties.

Further, under the terms of the Second Agreement, the Seller and Seller's Subsidiary have irrevocably agreed to procure Guangzhou Circle, the related company to the Investor Group to discharge and release the Target from the Pledge as soon as is practicable and in any event will not renew or revise the terms of the Pledge.

After completion of the Acquisition, when the terms of the Loan and/or the Pledge are revised, each may constitute a notifiable transaction and/or a connected transaction under Chapter 14 and/or Chapter 14A of the Listing Rules and the Company will comply with all requirements under the Listing Rules.

The Board was informed by the Investor Group that since they had acquired the Seller, Seller's Subsidiary and the Target upon completion of the Phase I Disposal (please refer to the section "Reasons for Making the Acquisitions" for further details), it was commercially logical for them to utilize such assets for certain financing, and hence the entering into of the Pledge. The Board also noted that since the net amount of the Loans due by the Target to the members of the Investor Group exceeds the contingent liability under the Pledge, and given the repayment of the Loans will not arise until two years after the Pledge has fully been discharged, which reduce significantly the amount of cash outlays in the short to medium of the Company. In the event that the contingent liability under the Pledge is crystallised and the Target were required to pay any amount to the Bank or any third parties pursuant to the terms of the Pledge, the Target will be protected from the risk of recovering the amount so paid pursuant to the terms of the Pledge by setting-off on a dollar-to-dollar basis such amount so paid from the outstanding Loans. Also, the Board considers that the Loan provides a very good financing to the Company taking into account that it is non-interest bearing, unsecured and will not be due for repayment until two years after the Pledge is discharged which the Company cannot realistically obtain from the financial markets at all. In view of the terms relating to the Loans and the Pledge as set out above, the Board considers it is reasonable and provides adequate safeguard of the Group and the Target and are in the interests of the Company and the Shareholders as a whole.

Completion

Completion of the Second Acquisition shall be inter-conditional with the completion of the First Acquisition, and shall proceed to completion within five Business Days following the day on which all the conditions precedent of the Second Agreement are satisfied by submitting all necessary documents to the relevant regulatory authorities in the PRC to effect the change of the shareholders of the Target, and the date of completion of the Acquisitions shall be the date when the regulatory authorities registered the Purchaser or its wholly-owned subsidiary as the sole shareholder of the Target.

Immediately upon completion of the Acquisitions, the Company will hold directly, or indirectly through its wholly-owned subsidiary 100% equity interest in the Target, and the Target will become a wholly-owned subsidiary of the Company.

Variation to terms of the First Agreement

Pursuant to the Second Agreement, it has also been agreed between the Company and the Seller that completion of the First Acquisition shall be conditional upon the satisfactions of an additional conditions precedent on or before 31 December 2015, i.e.:

- the Second Agreement having become unconditional (other than the fulfilment of any condition in the Second Agreement requiring completion of the First Agreement and other transactions contemplated thereunder) and not being terminated in accordance with its terms and conditions.

The payment terms is changed as follows:

- the consideration (or the adjusted consideration) under the First Agreement shall be in cash by two stages as follows:

First payment: 40% of the consideration (or adjusted consideration) shall be paid by the Company to the Seller on the date of completion of the Acquisitions; and

Second payment: the remaining balance of the consideration (or the adjusted consideration) shall be paid by the Company to Seller within thirty Business Days after the date of completion of the Acquisitions.

Further, all relevant warranties and undertakings made by the Seller to the Company under the First Agreement that the Seller shall not sell, transfer or in any way dispose of the 75% equity interests of the Target the Seller indirectly holds through Seller's Subsidiary shall be amended and revised as the Seller shall, and shall procure Seller's Subsidiary to sell the 75% equity interests of the Target to the Company.

Save as the amendments disclosed above, all other terms and conditions under the First Agreement shall remain in full force and effect.

INFORMATION OF THE SELLER AND SELLER'S SUBSIDIARY

The Seller is a company incorporated in Hong Kong with limited liability and its principal activities is investment holding. The Seller directly holds 25% equity interests in the Target and indirectly holds the remaining 75% equity interests in the Target through Seller's Subsidiary.

Seller's Subsidiary is wholly foreign owned enterprise established under the laws of the PRC and its principal activities is investment holding. It is an indirectly wholly owned subsidiary of the Seller.

As explained in the section "Historical Background" below, both the Seller, the Seller's Subsidiary and the Target (which include the food processing centre in Wuxi) were originally wholly owned subsidiaries of the Company but were disposed of and formed part of the assets under the Phase I Disposal. In order to facilitate the restructuring and reorganisation of the Company and the resumption of trading of the Shares, the Investor Group agreed to, among other matters, acquire the companies and assets constituting the Phase I Disposal as a whole for a total consideration comprising cash of HK\$77,270,000 and assumption of liabilities of HK\$324 million. However, no separate consideration was given to each of the companies or assets being disposed of under Phase I Disposal.

The Phase I Disposal was completed in June 2013 and the Seller, the Seller's Subsidiary and the Target became wholly owned subsidiaries of the Investor Group.

As at the date of this announcement, the Seller and Seller's Subsidiary, which are ultimately and indirectly owned as to 50% by Mr. Wang, are associates of Mr. Wang. Mr. Wang is also indirectly interested in 30% equity interests of Marvel Light, a substantial shareholder of the Company and Marvel Light is also an associate of Mr. Wang. Accordingly, the Seller and Seller's Subsidiary are connected persons of the Company at issuer level.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Ms. Ji and Ms. Tang, other than being an indirect shareholder of the Seller with Mr. Wang, does not have any other relationship with Mr. Wang, the Company and its connected persons.

INFORMATION OF THE TARGET

The Target is a sino-foreign equity enterprise established under the laws of the PRC with a registered capital of USD25,000,000. Its principal activities are food processing business and holding of the Properties.

The Properties comprise a total site area of about 77,776.5 sq.m. of land located in Wuxi City, Jiangsu Province, the PRC, with 11 buildings built on the land having a gross floor area of about 64,878.87 sq.m., and related structures and fixtures. The Properties are used as food processing, storage and logistics centre for fresh and cold food.

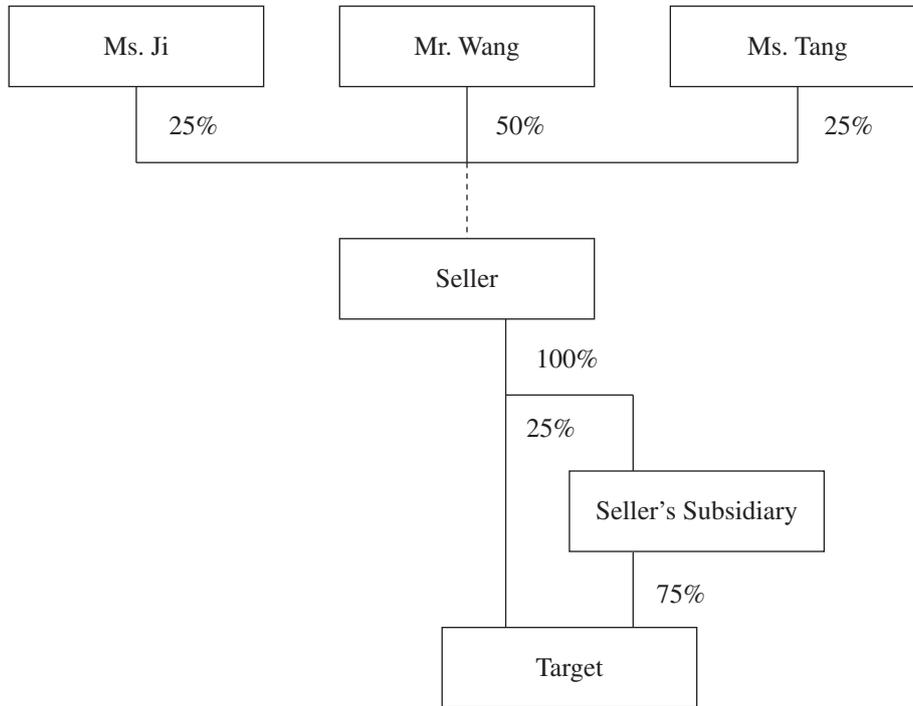
The Properties have been pledged to secure general banking facilities for approximately RMB285,000,000 granted to Guangzhou Circle, a related company to the Investor Group.

Set out below is the financial information of the Target for the two financial years ended 31 December 2013 and 2014:

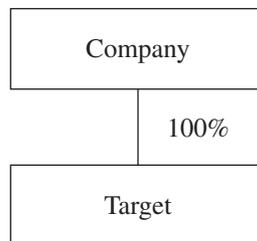
	For the year ended 31 Dec 2013 <i>RMB'000</i>	For the year ended 31 Dec 2014 <i>RMB'000</i>
Turnover	9,265	9,831
Net profits (before taxation)	3,823	4,007
Net profits (after taxation)	3,823	4,007
	As at 31 Dec 2013 <i>RMB'000</i>	As at 31 Dec 2014 <i>RMB'000</i>
Total asset value	716,740	698,914
Net asset value	390,989	394,996

The shareholding structures of the Target as at the date of this announcement and immediately upon completion of the Acquisitions are as follows:

As at the date of this announcement:



Immediately upon completion of the Acquisitions:



REASONS FOR MAKING THE ACQUISITIONS

Historical background

Trading of the Shares of the Company was suspended on 29 July 2009 due to the delay in the publication of the 2009 annual results of the Company. Such delay constituted defaults of the two listed convertible bonds issued by the Company and several banking facilities of the Group.

As no feasible solutions could be reached by the Board with the creditors and the lenders, on 19 October 2009, a petition to wind up the Company was presented to the Hong Kong Court by the Company, and Provisional Liquidators were appointed.

The Provisional Liquidators then took over the management of the Company as all the then Directors except one independent non-executive Director subsequently resigned from their offices.

In order to successfully settle the outstanding liabilities of the Group, among other matters, the Provisional Liquidators had finally accepted the proposals from the Investor Group, including many steps, which include the Phase I Disposal.

The Seller, Seller's Subsidiary and the Target (which include the food processing centre in Wuxi) were originally wholly owned subsidiaries of the Company, but were disposed of and formed part of the assets under the Phase I Disposal. Certain assets under the Phase I Disposal had been frozen due to legal proceedings in local courts of the PRC.

The total consideration relating to the Phase I Disposal comprises cash of HK\$77,270,000 and assumption of liabilities of HK\$324,000,000 by the Investor Group. According to the Restructuring Announcement, the Provisional Liquidators had confirmed with an independent appraiser that the aggregate consideration payable by the Investor Group for the underlying assets of the Phase I Disposal were in excess of the liquidation values of such assets at that time.

The Phase I Disposal was one of the condition precedent for the resumption of trading of the Shares, and was completed in June 2013 and the Seller, the Seller's Subsidiary and the Target became wholly owned subsidiaries of the Investor Group. All the resumption conditions were fulfilled on 4 July 2013 and the Shares resumed trading on 8 July 2013.

Background relating to the First Acquisition

As previously disclosed in the Announcement, the principal activities of our Group have been changing its business focus from delivery and processing and sale of convenient packaged food to providing nationwide cold food storage and logistics platforms, providing catering industries and individuals for large scale food ingredients and convenient packaged food integrated services, and facilitate the integration of the demand and supply networks of the PRC's food industry.

Following the completion of the restructuring and reorganisation of the then existing Group leading up to the resumption of trading of the Shares on 8 July 2013, the Group has been consolidating and improving upon its business operations. Also taking into consideration the positive response from the placing of new Shares of the Company which was completed on 8 April 2015, the Board considered it is prudent not only to focus on the segment of the existing business operations (which have more potential for growth and which are expanding), but also to slowly recapture our Group's previous business assets and activities, which complement such shifting of business focus. In May 2015, the Board initiated discussion with the Investor Group exploring the possibilities to repurchase certain of those assets and business disposed by the Group under the restructuring and reorganisation. Following arm's length discussion, the Company signed the First Agreement with the Seller on 23 May 2015 intending to become a strategic investor in the Target holding 25% of its equity interests.

Reasons for entering into the Second Agreement

As reported by the Chairman in the 2015 Annual Report of the Company, the Group continued to scale down and terminate its catering business in the year ended 31 March 2015, and based on the existing logistic distribution facilities, the Group was committed to expand the cold chain food distribution business of delivering fresh food to end-user corporations.

Since 2009, the Group has been engaging in production, sale and trading of convenience food, which include the cold chain food distribution business of delivering fresh food to end-user corporations as a separate business segment. The trading of convenience food business of the Company grows gradually through time and the growth has become very substantial and remarkable since the financial year ended 31 March 2014. Further, cold-chain distribution of fresh food has always been an integral part of the Group's business operation throughout as this is one of the Company's necessary expertise and requisite for all the Group's business operation for the proper storage, transport and distribution of all food related products. In view of the rapid development of the current cold chain food distribution business, and the establishment of a regionalized cold chain food distribution network, the Chairman reported that the Company will, in the next three years, capitalising on the experience gained from the successful transformation of the cold chain distribution business, gradually establish a nationwide cold chain distribution and delivery network covering all major cities in the eastern and central part of the PRC.

Also, after having reviewed the financial and business results of our Group for the year ended 31 March 2015, in particular that the trading and distribution of food products having recorded about 400% increase in revenue from about RMB179 million for the year ended 31 March 2014 to about RMB911 million for the year ended 31 March 2015, and after having formulated our Group's future strategic plans as explained above, the Board have decided to seize the opportunities and on 13 July 2015 approached and negotiated with the Investor Group for acquiring the remaining 75% equity interests in the Target and subsequently led to the signing of the Second Agreement. Taking into

account the positive response in the placing of new shares completed on 8 April 2015, the revenue growth as mentioned above, and securing a long repayment term of the Loan, the Board considers that the Company will be able to obtain necessary financial resources via fund raising activities together with existing internal resources to satisfy payment of the Consideration. The Board believes that it will be more beneficial to the Group that the Target and the Properties will become wholly owned by the Company after completion of the Acquisitions and the Company will have full control and flexibility to utilize and reintegrate the Properties for the continued expansion of the regional distribution network in the eastern part of the PRC.

Taking into account the above, the terms of the First Agreement and the Second Agreement and the basis of the consideration (and adjusted consideration) as a whole, the Directors (other than the INEDs who will express their opinion after receiving the advice from the Independent Financial Adviser) believe the terms of the First Agreement and the Second Agreement and the transactions contemplated therein are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the relevant percentage ratios for the Acquisitions exceeds 100%, the Acquisitions constitute a very substantial acquisition on the part of the Company.

Since Seller's Subsidiary is indirectly wholly owned by the Seller, and the Seller is ultimately and indirectly owned as to 50% by Mr. Wang, both Seller's Subsidiary and the Seller are associates of Mr. Wang. Mr. Wang is also indirectly interested in 30% equity interests of Marvel Light, a substantial shareholder of the Company and, Marvel Light is also an associate of Mr. Wang. Accordingly, the Seller and Seller's Subsidiary are connected persons of the Company at the issuer level and the Acquisitions constitute a connected transaction on the part of the Company and is subject to reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Wang and his associates, including Marvel Light (holding 135,405,352 Shares, representing about 25.25% of the total issued share capital of the Company as at the date of this announcement), shall abstain from voting on the proposed resolution(s) to approve the Acquisitions at the EGM. Since Ms. Ji and Ms. Tang are also interested in the Acquisitions, they, and their associates, shall abstain from voting on the proposed resolutions(s) to approve the Acquisitions at the EGM. As at the date of this announcement, to the best knowledge of the Board, Ms. Ji and Ms. Tang (other than they are indirectly interested in the 135,405,352 Shares which are held by Marvel Light) and their associates do not hold any other Shares. Save for the aforesaid and to the best knowledge of the Board as at the date of this announcement, no other Shareholder is involved in or interested in the Acquisitions which requires him to abstain from voting on the proposed resolution(s) to approve the Acquisitions at the EGM.

The Independent Board Committee has been established comprising all the INEDs to advise the independent Shareholders in respect of the Agreements and the transactions contemplated thereunder. Veda Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the independent Shareholders as to whether the terms of the Agreements and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

DELAY IN DESPATCH OF CIRCULAR

As additional time is required for the Company to prepare and finalise the information to be included in the circular (containing among other things further details of the Acquisitions) to be despatched to the Shareholders in accordance with the requirements under the Listing Rules, the date of despatch of the circular is expected to be on or about 15 October 2015.

POSSIBLE PLACING OF SHARES UNDER GENERAL MANDATE

The Board would like to inform the Shareholders that the Company has commenced initial discussion with several placing agents on a possible private placing of new Shares utilizing the existing General Mandate. However, as at the date of this announcement, the terms to the possible placing have not been finalized and no binding agreement has been entered into by the Company. The Company will comply with all applicable Listing Rules requirements and make further announcement if the placing agreement is entered into.

WARNING NOTICE

The possible placing of Shares may or may not proceed. The Company will make further announcement(s) as and when appropriate and comply with all other applicable requirements under the Listing Rules. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and if there is any doubt about their positions, they should consult their professional advisers.

DEFINITIONS

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

“Acquisitions”	the First Acquisition and the Second Acquisition
“Agreements”	collectively the First Agreement and the Second Agreement
“Announcement”	the announcement of the Company dated 25 May 2015 relating to the First Acquisition
“associate”	has the meaning ascribed to it under Chapter 14A of the Listing Rules

“Bank”	渤海銀行股份有限公司廣州分行 (China Bohai Bank Co. Ltd, Guangzhou Branch)
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	FU JI Food and Catering Services Holdings Limited, a company incorporated in Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under Chapter 14A of the Listing Rules
“Directors”	directors of the Company
“EGM”	an extraordinary general meeting of the Company to be convened and held to approve the Acquisitions
“First Acquisition”	the purchase of 25% equity interests in the Target by the Company from the Seller pursuant to the terms and conditions of the First Agreement and as amended and supplemented by the Second Agreement
“First Agreement”	the agreement dated 23 May 2015 and entered into between the Company and the Seller regarding the sale and purchase of 25% equity interests in the Target
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting held on 12 August 2015, among other thing, to allot, issue and deal with up to 20% (being 107,267,437 Shares) of the then issued share capital of the Company as at the date of the resolution approving the grant of the general mandate (being 536,337,188 Shares), which has not been used before the date of this announcement
“Group”	the Company and its subsidiaries
“Guangzhou Circle”	廣州元亨能源有限公司(Guangzhou Circle Energy Company Limited*), a company established in the PRC, which Mr. Wang is the general manager but he does not hold any equity interests or directorship
“Hong Kong Court”	The High Court of the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Board Committee”	the independent board committee has been formed by the Company comprising all the INEDs to advise the independent Shareholders on the terms of the Agreements and the transactions contemplated thereunder
“Independent Financial Adviser”	Veda Capital Limited, the independent financial adviser engaged by the Company to advise the independent Shareholders and the Independent Board Committee in relation to the terms of the Agreements and the transactions contemplated thereunder
“INEDs”	the independent non-executive Directors
“Investor Group”	including Marvel Light, any ultimate shareholders of Marvel Light, and their respective fellow subsidiaries, and “member of the Investor Group” shall mean any of them
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loans”	the sums of RMB7,024,500 and RMB334,544,952 due by the Target to the Seller and to Seller’s Subsidiary respectively, and a sum of RMB44,350,401 due from another member of the Investor Group to the Target, which remain outstanding as at the date of the Second Agreement
“Marvel Light”	Marvel Light Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which is indirectly and ultimately owned as to (i) 40% by安徽省創業投資有限公司 (Anhui Province Venture Investment Limited*), (ii) 30% by廣東華亨能源有限公司 (Guangdong Huaheng Energy Limited*) which is 90% owned by Mr. Wang, and (iii) 30% by上海華利投資有限公司 (Shanghai Huali Investment Co Limited*) which is owned as to 20% by伊投(上海)實業發展有限公司 (Yitou (Shanghai) Industrial Development Co., Limited*), which in turn is owned as to 50% by each of Ms. Ji and Ms. Tang, and accordingly Marvel Light is an associate of Mr. Wang
“Mr. Wang”	Mr. Wang Jianqing
“Ms. Ji”	Ms. Ji Qingqiao
“Ms. Tang”	Ms. Tang Qin
“percentage ratio”	has the meaning ascribed to it under Chapter 14 of the Listing Rules

“Phase I Disposal”	the disposal of all equity interests in or share capital of Phase I Disposal Companies (as defined in the Restructuring Circular) which include the Seller, the Seller’s Subsidiary and the Target, together with all assumed liabilities and any freezing orders or other encumbrances pursuant to the Phase I Disposal Documentation (as defined in the Restructuring Circular)
“Pledge”	The pledge of the Properties to secure general banking facilities of up to RMB285,000,000 granted to Guangzhou Circle, a related company to the Investor Group, which remain subsisting as at the date of the Second Agreement
“PRC”	The People’s Republic of China
“Properties”	a total site area of about 77,776.5 sq.m. of land located in Wuxi City, Jiangsu Province, the PRC, with 11 buildings built on the land having a gross floor area of about 64,878.87 sq.m., and related structures and fixtures
“Properties’ Values”	the values of the Properties to be valued by a professional property valuer to be engaged by the Purchaser
“Provisional Liquidators”	the provisional liquidators of the Company appointed by the Hong Kong Court on 19 October 2009 and were subsequently discharged on 2 July 2013
“Purchaser”	the Company
“Restructuring Announcement”	the announcement dated 7 July 2010 of the Company relating to the disposal of assets of the Company sanctioned by the Hong Kong Court
“Restructuring Circular”	the circular of the Company dated 1 March 2013 containing details, among other matters, of the restructuring and reorganisation of the Company
“Second Acquisition”	the purchase of the remaining 75% equity interests in the Target by the Company from Seller’s Subsidiary pursuant to the terms and conditions of the Second Agreement
“Second Agreement”	the agreement dated 23 August 2015 and entered into between the Company, the Seller and Seller’s Subsidiary regarding the Second Acquisition and amendment to the First Agreement

“Seller”	Perfect Future Investment Limited (創輝投資有限公司), a company incorporated in Hong Kong with limited liability, which is ultimately and indirectly owned as to 50% by Mr. Wang, 25% by Ms. Ji and 25% by Ms. Tang and, accordingly the Seller is an associate of Mr. Wang
“Seller’s Subsidiary”	廣西美通食品有限公司 (Guangxi Meitong Foods Co., Ltd.*), a wholly foreign owned enterprise established under the laws of the PRC, which is indirectly wholly owned by the Seller
“Shareholders”	holders of Shares
“Shares”	ordinary shares of HK\$0.01 each of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Target”	無錫美通食品科技有限公司 (Wuxi Meitong Food Technology Co., Ltd.*), a sino-foreign equity enterprise established under the laws of the PRC

By Order of the Board
FU JI Food and Catering Services Holdings Limited
Huang Shourong
Chairman and Executive Director

Hong Kong, 23 August 2015

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

In case of any inconsistency, the English version of this announcement shall prevail over the Chinese version.

* for identification purpose only