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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) CONNECTED TRANSACTION:
SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE;
(2) PLACING AND SUBSCRIPTION OF NEW SHARES
UNDER SPECIFIC MANDATE;
AND
(3) RESUMPTION OF TRADING**

Placing Agent



國泰君安國際
GUOTAI JUNAN INTERNATIONAL

On 14 March 2016, after trading hours, the Company entered into (1) the Placing Agreement with the Placing Agent, (2) the ML Subscription Agreement with Marvel Light and (3) the FG Subscription Agreement with the FG Subscribers.

I. PLACING

The Placing Agent has conditionally agreed to place a total of 40,080,000 Placing Shares on a fully underwritten basis, at a price of HK\$0.54 per Placing Share to one or more Places and it is expected that their ultimate beneficial owners will be Independent Third Parties and independent to the FG Subscriber.

A total of 40,080,000 Placing Shares will be allotted and issued by the Company under the Placing representing (i) approximately 6.23% of the existing share capital of the Company of 643,597,188 Shares as at the date of this announcement; and (ii) approximately 3.66% of the issued share capital of the Company of 1,094,107,188 Shares as enlarged by the allotment and issue of all the Subscription Shares and all the Placing Shares (and assuming there will be no change in the issued share capital of the Company from the date of this announcement and up to the Completion (save for the issue of the Subscription Shares and the Placing Shares)).

The Placing are conditional upon:

- a. approval of the Stock Exchange agreeing to grant the listing of, and permission to deal in, the Placing Shares;
- b. the Placing Agreement not having terminated in accordance with its terms;
- c. the passing of the resolution by the independent Shareholders at the EGM approving the grant of Specific Mandate in accordance with the Listing Rules; and
- d. the Sale and Purchase Agreements, the ML Subscription Agreement and the FG Subscription Agreement having become unconditional (other than the fulfilment of any condition in such agreements requiring the fulfilment of the conditions precedent of the Placing Agreement) and not being terminated in accordance with its terms and conditions.

II. SUBSCRIPTIONS

A total of 410,430,000 Subscription Shares will be allotted and issued by the Company under the Subscriptions representing (i) approximately 63.77% of the existing share capital of the Company of 643,597,188 Shares as at the date of this announcement; and (ii) approximately 37.51% of the issued share capital of the Company of 1,094,107,188 Shares as enlarged by the allotment and issue of all the Subscription Shares and all the Placing Shares (and assuming there will be no change in the issued share capital of the Company from the Date of this announcement and up to the Completion (save for the issue of the Subscription Shares and the Placing Shares)).

Both the ML Subscription and the FG Subscription are conditional upon:

- a. approval of the Stock Exchange agreeing to grant the listing of, and permission to deal in, the Subscription Shares;
- b. each of the ML Completion and the FG Completion would not cause any person to be obliged to make a mandatory offer pursuant to the Rule 26 of the Takeovers Code;
- c. the passing of the resolution by the independent Shareholders at the EGM approving the grant of Specific Mandate in accordance with the Listing Rules; and

- d. the Sale and Purchase Agreements and the other Fund Raising Agreement having become unconditional (other than the fulfilment of any condition in such agreements requiring the fulfilment of the conditions precedent of the relevant Subscription Agreement) and not being terminated in accordance with its terms and conditions.

III. GENERAL

The maximum gross proceeds and net proceeds from the Placing and the Subscriptions will be approximately HK\$243.28 million and HK\$240.43 million, respectively. The net proceeds from the Placing and the Subscriptions will be used to satisfy part or all of the considerations with any remaining balance as general working capital.

The Placing Shares and the Subscription Shares will be issued under the Specific Mandate.

Each of the ML Completion, the FG Completion and the Placing Completion shall take place at the same time of the completion of the Sale and Purchase Agreements so that in default of performance of any such agreement or transaction or any part thereof by any party to the Sale and Purchase Agreements, and the other Fund Raising Agreements, the parties to a Fund Raising Agreement shall not be obliged to complete any of the transactions thereunder but without prejudice to any further legal remedies, and if the completion of the Sale and Purchase Agreements and/or the other Fund Raising Agreements is delayed, Completion of a Fund Raising Agreement shall similarly be delayed to the same later date and time.

IV. EGM

The EGM will be convened for the independent shareholders of the Company to consider and, if thought fit, to approve among other things, the Subscription Agreements and the Placing Agreement and the transactions contemplated thereunder (including but not limited to the Specific Mandate). Notice of the EGM shall be issued by the Company in accordance with the articles of associations of the Company and the Listing Rules.

Mr. Wang and his associates, including Marvel Light (holding 135,405,352 Shares, representing about 21.04% of the total issued share capital of the Company as at the date of this announcement), shall abstain from voting on the proposed resolution to approve the Placing and the Subscriptions at the EGM. Since Ms. Ji and Ms. Tang are also interested in the ML Subscription, they, and their associates, shall abstain from voting on the proposed resolutions to approve the Placing and the Subscriptions 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 Placing and the Subscriptions which requires him to abstain from voting on the proposed resolution to approve the Placing and the Subscriptions at the EGM.

Further information on (i) Placing Agreement; (ii) the Subscription Agreements; (iii) the Specific Mandate; and (iv) a notice of the EGM and a form of proxy will be included into the circular relating to the Acquisitions and will be dispatched to the Shareholders as soon as practicable. It is expected that the circular will be despatched to the Shareholder on or about 22 March 2016.

Shareholders and potential investors should note that completion of the Subscriptions and the Placing is subject to fulfilment of the condition(s) under the respective Subscription Agreements and the Placing Agreement. As the Subscriptions and the Placing may or may not complete, Shareholders and potential investors of the Company 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.

V. RESUMPTION OF TRADING IN THE SHARES

Trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 15 March 2016 at the request of the Company pending the publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 1:00 p.m. on 16 March 2016.

The Board is pleased to announce that on 14 March 2016, after trading hours, the Company entered into (1) the Placing Agreement with the Placing Agent, (2) the ML Subscription Agreement with Marvel Light and (3) the FG Subscription Agreement with the FG Subscriber.

I. THE PLACING

Date

14 March 2016 (after trading hours)

Issuer:

The Company

Placing Agent

The Placing Agent has conditionally agreed to place 40,080,000 Placing Shares on a fully underwritten basis and will receive a placing commission of 2% of the amount that is equal to the Placing Price multiplied by the number of Placing Shares. Such commission was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to prevailing market rate. The Directors are of the view that the placing commission of 2% is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are Independent Third Parties, and are independent to the FG Subscriber.

The Placing Agent is a corporation licensed to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Placees

The Placing Agent will place the Placing Shares to one or more Placees and it is expected that their ultimate beneficial owners will be Independent Third Parties and independent to the FG Subscriber. It is expected that none of the Placees will become a substantial shareholder (as defined in the Listing Rules) of the Company immediately after the Completion. The Company will make further announcement in accordance with the Listing Rules if the number of Placees shall be less than six.

Underwriting

If the Placing Agent fails to procure Placees to take up part or all of the Placing Shares, the Placing Agent will undertake to subscribe for the remaining Placing Shares not placed to the Placees.

Number of Placing Shares

A total of 40,080,000 Placing Shares will be allotted and issued by the Company under the Placing representing (i) approximately 6.23% of the existing issued share capital of the Company of 643,597,188 Shares as at the date of this announcement; and (ii) approximately 3.66% of the issued share capital of the Company of 1,094,107,188 Shares as enlarged by the allotment and issue of all the Subscription Shares and all the Placing Shares (and assuming there will be no change in the issued share capital of the Company from the date of this announcement and up to the Completion (save for the issue of the Subscription Shares and the Placing Shares)). The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$400,800.00.

Placing Price

The Placing Price of HK\$0.54 per Placing Share represents (i) the closing price of HK\$0.54 per Share as quoted on the Stock Exchange on the date of this announcement; and (ii) a discount of approximately 1.1% to the average closing price of HK\$0.546 per Share as quoted on the Stock Exchange for the last five trading days up to and including 11 March 2016, being the last trading day immediately prior to the date of the Placing Agreement.

The Placing Price is the same as the Subscription Price under the Subscription Agreements.

The net placing price under the Placing is approximately HK\$0.51 per Placing Share. The Directors consider that the Placing Price, which was agreed after arm's length negotiations between the Company and the Placing Agent with reference to current market price of the Shares, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The aggregate Placing Price for the Placing Shares is approximately HK\$21.64 million and shall be used to satisfy part or all of the considerations of the Acquisitions with any remaining balance as general working capital.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

Specific Mandate

The Placing Shares will be issued under the Specific Mandate to be sought at the EGM to allot, issue and deal with new Shares to be granted to the Directors by a resolution of the independent Shareholders.

Conditions of the Placing

The Placing is conditional upon the following conditions being fulfilled on or before the Placing Long Stop Date:

- a. approval of the Stock Exchange agreeing to grant the listing of, and permission to deal in, the Placing Shares;
- b. the Placing Agreement not having terminated in accordance with its terms;
- c. the passing of the resolution by the independent Shareholders at the EGM approving the grant of Specific Mandate in accordance with the Listing Rules; and
- d. the Sale and Purchase Agreements, the ML Subscription Agreement and the FG Subscription Agreement having become unconditional (other than the fulfilment of any condition in such agreements requiring the fulfilment of the conditions precedent of the Placing Agreement) and not being terminated in accordance with its terms and conditions.

If the foregoing conditions are not satisfied on or before the Placing Long Stop Date, all rights, obligations and liabilities of the Placing Agent and of the Company under the Placing Agreement in relation to the Placing shall cease and determine and neither party to the Placing Agreement shall have any claim against the others in respect of the Placing save for any antecedent breach and/or any rights or obligations which may have accrued under this Agreement prior to such termination.

Application for listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Termination and force majeure events

The Placing Agent shall be entitled by notice to the Company given prior to 6:00 p.m. on the day immediately preceding the date of completion of the Placing to terminate the Placing Agreement if:

- (i) any event occurring or matter arising on or after the date of the Placing Agreement and prior to the date of completion which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of the undertakings, warranties and representations given by the Company untrue or incorrect and such would have an adverse impact or effect on the Placing and comes to the notice of the Placing Agent; or
- (ii) there develops, occurs or comes into force:
 - (a) any new law or regulation or any change in existing laws or regulations or the interpretation thereof which may in the reasonable opinion of the Placing Agent and in its reasonable discretion may materially and adversely affect the business or financial condition or prospects of the Company as a whole; or
 - (b) any local, regional, national or international event or change (whether or not permanent or forming part of a series of events or changes occurring or continuing, on and/or after the date thereof) of a political, military, economic or other nature (whether or not ejusdem generis with the foregoing) which, in the reasonable opinion of the Placing Agent and in its reasonable discretion will, or may be expected to, have a material adverse effect on the Placing; or
 - (c) any significant change (whether or not permanent) in local, regional, national or international market conditions (or in conditions affecting a sector of the market) which in the reasonable opinion of the Placing Agent and in its reasonable discretion has or may have a material adverse effect on the Placing; or
- (iii) there is any adverse change in the business or in the financial or trading position of the Company taken as a whole which being unaware of by the Placing Agent and in the reasonable opinion of the Placing Agent and in its reasonable discretion is material in the context of the Placing.

If a termination notice is validly given by the Placing Agent, the Placing Agreement shall be terminated and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

If the Placing Agreement is terminated, the Placing will not proceed.

Completion

Placing Completion shall take place after the conditions precedent pursuant to the Placing Agreement have been satisfied or waived (if applicable).

Placing Completion shall take place at the same time of the completion of the Sale and Purchase Agreements and the Subscription Agreements so that in default of performance of any such agreement or transaction or any part thereof by any party to the Sale and Purchase Agreements and the Subscription Agreements, the parties to Placing Agreement shall not be obliged to complete any of the transactions thereunder but without prejudice to any further legal remedies, and if the completion of the Sale and Purchase Agreements and/or the Subscription Agreements is delayed, completion of the Placing Agreement shall similarly be delayed to the same later date and time.

II. THE SUBSCRIPTIONS

1. Connected Transaction: The ML Subscription Agreement

Date

14 March 2016 (after trading hours)

Parties

Issuer

The Company

Subscriber

Marvel Light

Marvel Light is a company incorporated in the British Virgin Islands with limited liability. Marvel Light is principally engaged in investment holding.

As at the date of this announcement, Marvel Light is a substantial shareholder of the Company, which is interested in 135,405,352 Shares of the Company, representing approximately 21.04% of the existing issued share capital of the Company.

The ML Subscription

Marvel Light has conditionally agreed to subscribe for 192,710,000 ML Subscription Shares at the Subscription Price of HK\$0.54 per ML Subscription Share, representing approximately 29.94% of the existing issued share capital of the Company of 643,597,188 Shares as at the date of this announcement, and approximately 16.49% of the issued share capital of the Company of 1,094,107,188 Shares as enlarged by the allotment and issue of all the Subscription Shares and all the Placing Shares (and assuming there will be no change in the issued share capital of the Company from the Date of this announcement and up to the Completion (save for the issue of the Subscription Shares and the Placing Shares)).

Immediately after the Completion, Marvel Light will be interested in 328,115,352 Shares of the Company, representing approximately 29.99% of the enlarged share capital of the Company of 1,094,107,188 Shares.

Condition of the ML Subscription

The ML Subscription is conditional upon the following conditions being fulfilled on or before the Subscription Long Stop Date:

- a. approval of the Stock Exchange agreeing to grant the listing of, and permission to deal in, the Subscription Shares;
- b. ML Subscription would not cause any person to be obliged to make a mandatory offer pursuant to the Rule 26 of the Takeovers Code;
- c. the passing of the resolution by the independent Shareholders at the EGM approving the grant of Specific Mandate in accordance with the Listing Rules; and
- d. the Sale and Purchase Agreements, the Placing Agreement and the FG Subscription Agreement having become unconditional (other than the fulfilment of any condition in such agreements requiring the fulfilment of the conditions precedent of the ML Subscription Agreement) and not being terminated in accordance with its terms and conditions.

If the foregoing conditions are not satisfied on or before the Subscription Long Stop Date, all rights, obligations and liabilities of Marvel Light and of the Company under the ML Subscription Agreement in relation to the ML Subscription shall cease and determine and neither party to the ML Subscription Agreement shall have any claim against the others in respect of the ML Subscription save for any antecedent breach and/or any rights or obligations which may have accrued under this Agreement prior to such termination.

2. The FG Subscription Agreement

Date

14 March 2016 (after trading hours)

Parties

Issuer

The Company

Subscriber

FG Subscriber

The FG Subscriber is a company incorporated established in Hong Kong and is principally engaged in investment holding.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the date of this announcement, the FG Subscriber and each of its ultimate beneficial owners (i) are Independent Third Parties, (ii) are independent to the Placing Agent and (iii) will be independent to each of the Placees.

The FG Subscription

The FG Subscriber has conditionally agreed to subscribe for 217,720,000 FG Subscription Shares at the Subscription Price of HK\$0.54 per FG Subscription Share, representing approximately 33.83% of the existing issued share capital of the Company of 643,597,188 Shares as at the date of this announcement, and approximately 19.90% of the issued share capital of the Company of 1,094,107,188 Shares as enlarged by the issue of all the Subscription Shares and all the Placing Shares (and assuming there will be no change in the issued share capital of the Company from the Date of this announcement and up to the Completion (save for the issue of the Subscription Shares and the Placing Shares)).

Conditions of the FG Subscription

The FG Subscription is conditional upon the following conditions being fulfilled on or before the Subscription Long Stop Date:

- a. approval of the Stock Exchange agreeing to grant the listing of, and permission to deal in, the Subscription Shares;
- b. FG Subscription would not cause any person to be obliged to make a mandatory offer pursuant to the Rule 26 of the Takeovers Code;
- c. the passing of the resolution by the independent Shareholders at the EGM approving the grant of Specific Mandate in accordance with the Listing Rules; and
- d. the Sale and Purchase Agreements, the Placing Agreement and the ML Subscription Agreement having become unconditional (other than the fulfilment of any condition in such agreements requiring the fulfilment of the conditions precedent of the FG Subscription Agreement) and not being terminated in accordance with its terms and conditions.

If the foregoing conditions are not satisfied on or before the Subscription Long Stop Date, all rights, obligations and liabilities of FG Subscriber and of the Company under the FG Subscription Agreement in relation to the FG Subscription shall cease and determine and neither party to the FG Subscription Agreement shall have any claim against the others in respect of the FG Subscription save for any antecedent breach and/or any rights or obligations which may have accrued under this Agreement prior to such termination.

3. Common terms for the Subscription Agreements

The Subscription Price

The Subscription Price of the Subscription Shares is the same for each of the Subscription Agreements. The Subscription Price per Subscription Share of HK\$0.54 represents:

- (i) the closing price of HK\$0.54 per Share as quoted on the Stock Exchange on the date of this announcement; and
- (ii) a discount of approximately 1.1% to the average closing price of HK\$0.546 per Share as quoted on the Stock Exchange for the last five trading days up to and including 11 March 2016, being the last trading day immediately prior to the date of the Subscription Agreements.

The Subscription Price is the same as the Placing Price under the Placing Agreement.

The Subscription Price per Subscription Share of HK\$0.54 was determined on arm's length basis between the Company and the respective Subscribers based on current market conditions and the prevailing market price of the Shares. The Directors consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The aggregate Subscription Price for the Subscription Shares is approximately HK\$221.6 million. The aggregate Subscription Price shall be used to satisfy part or all of the considerations of the Acquisitions with any remaining balance as general working capital.

The Subscription Shares and ranking

A total of 410,430,000 Subscription Shares will be allotted and issued by the Company under the Subscriptions representing (i) approximately 63.77% of the existing share capital of the Company of 643,597,188 Shares as at the date of this announcement; and (ii) approximately 37.51% of the issued share capital of the Company of 1,094,107,188 Shares as enlarged by the allotment and issue of all the Subscription Shares and all the Placing Shares (and assuming there will be no change in the issued share capital of the Company from the Date of this announcement and up to the Completion (save for the issue of the Subscription Shares and the Placing Shares)).

The aggregate nominal value of the Subscription Shares under the Subscriptions will be HK\$4,104,300.00.

The net subscription price under the Subscriptions is approximately HK\$0.536 per Subscription Share.

The Subscription Shares shall rank pari passu among themselves and with all the Shares in issue as at the date of the Subscription Completion.

Specific Mandate

The Subscription Shares will be issued under the Specific Mandate to be sought at the EGM to allot, issue and deal with new Shares to be granted to the Directors by a resolution of the independent Shareholders.

Completion of the Subscriptions

Each of the ML Completion and the FG Completion shall take place at the same time of the completion of the Sale and Purchase Agreements and the Placing Completion so that in default of performance of any such agreement or transaction or any part thereof by any party to the Sale and Purchase Agreements, and the other Fund Raising Agreements, the parties to a Fund Raising Agreement shall not be obliged to complete any of the transactions thereunder but without prejudice to any further legal remedies, and if the completion of the Sale and Purchase Agreements and/or the other Fund Raising Agreements is delayed, Completion of a Fund Raising Agreement shall similarly be delayed to the same later date and time.

If the Sale and Purchase Agreements are terminated, each of the Fund Raising Agreements will be terminated and the transactions contemplated under the Fund Raising Agreements will not proceed.

Application for Listing

Application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the Subscription Shares.

III. EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structures of the Company as at the date of this announcement and immediately after the Completion are as follows (assuming there will not be any change in the issued share capital of the Company from the date of the Subscription Agreements and the Placing Agreement to the Completion Date save for the allotment and issue of the Subscription Shares and the Placing Shares):

Names of Shareholders	As at the date of this announcement		Immediately after Completion	
	<i>No of Shares</i>	<i>Approx. %</i>	<i>No of Shares</i>	<i>Approx. %</i>
Marvel Light (<i>Note 1</i>)	135,405,352	21.04	328,115,352	29.99
FG Subscriber	0	0	217,720,000	19.90
Placees and/or the Placing Agent	0	0	40,080,000	3.66
Public Shareholders	508,191,836	78.96	508,191,836	46.45
	<u>643,597,188</u>	<u>100.00</u>	<u>1,094,107,188</u>	<u>100.00</u>

Notes:

- Marvel Light Holdings Limited is wholly-owned by Bomao Holdings Limited, which in turn is wholly-owned by Harvest (Overseas) Investment Limited, which in turn is wholly-owned by 安徽豐收投資有限公司 (Anhui Harvest Investment Company Limited*), which in turn is owned as to 40% by 安徽省創業投資有限公司 (Anhui Province Venture Investment Co. Ltd*) and is wholly-owned by 安徽省投資集團控股有限公司 (Anhui Province Investment Group Co. Ltd*).
- The above percentages may not be exact figures due to rounding.

IV. REASONS FOR THE PLACING AND THE SUBSCRIPTIONS AND USE OF PROCEEDS

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.

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.

Taking into consideration the financial resources required for the Group's business operation and expansion and the acquisition of the Target under the Agreements, the Board considers it to be prudent to raise additional funds for settlement of the consideration payable for the Acquisitions instead of utilising the existing internal financial resources.

The Board has considered various ways of raising funds and given the number of new Shares to be issued under the Subscriptions and the Placings are approximately 70% of the existing issue number of Shares as at the date of this announcement, the Board is of the view that a mixture of placing and subscription may be more appropriate. In the process of identifying suitable subscribers, the Company has been introduced to various placing agents, brokers and potential investors, including equity funds and professional investors, which include FG Subscriber. After arms' length negotiations with the Company, FG Subscriber agreed to enter into the FG Subscription Agreement with the Company. Due to volatile market, the Company has taken protracted time to finalise necessary fund raising transactions. The Company then approached Marvel Light, and after arm's length negotiations, Marvel Light finally agreed to continuously support the Company and agreed to subscribe for the ML Subscription Shares.

The maximum gross proceeds and net proceeds from the Placing and the Subscriptions will be approximately HK\$243.28 million and HK\$240.43 million, respectively. The net proceeds from the Placing and the Subscriptions will be used to satisfy part or all of the considerations with any remaining balance as general working capital.

If the Acquisition is not completed, the Placing and the Subscriptions will also not be completed.

The Directors are of the opinion that, after taking into account the available financial resources, including the available credit facilities, the internally generated funds and the cash flow impact of the Acquisitions, the Enlarged Group has, in the absence of unforeseeable circumstances, sufficient working capital for its present requirements for at least the next 12 months from the date of this announcement. Currently, the Company does not have any plan to conduct further equity fund raising activities.

The Directors are of the view that the Placing and the Subscription will provide a good opportunity to raise additional funds to strengthen the financial position and broaden the capital base of the Group and to settle the consideration. Accordingly, the Board considers that the Placing and the Subscription is in the interests of the Company and the Shareholders as a whole.

V. FUND RAISING ACTIVITY IN THE PAST TWELVE MONTHS

During the past twelve months immediately before the date of this announcement, the Company conducted the following equity fund raising activities:

Date of Announcement	Event	Net proceeds	Intended use of Proceeds	Actual use of Proceeds
9 March 2015	Placing	Approximately HK\$113 million	General working capital	Utilised as intended
25 August 2015	Placing	The placing was terminated in accordance with its terms		
19 November 2015	Placing	Approximately HK\$96 million	General working capital	Utilised as intended

VI. LISTING RULES IMPLICATIONS

Since Marvel Light is a substantial Shareholder, it is a connected person (as defined under the Listing Rules) of the Company. Accordingly, the entering into of the ML Subscription Agreement constitutes 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.

VII. EGM

The EGM will be convened for the independent shareholders of the Company to consider and, if thought fit, to approve among other things, the Subscription Agreements and the Placing Agreement and the transactions contemplated thereunder (including but not limited to the Specific Mandate). Notice of the EGM shall be issued by the Company in accordance with the articles of associations of the Company and the Listing Rules.

Mr. Wang and his associates, including Marvel Light (holding 135,405,352 Shares, representing about 21.04% of the total issued share capital of the Company as at the date of this announcement), shall abstain from voting on the proposed resolution to approve the Placing and the Subscriptions at the EGM. Since Ms. Ji and Ms. Tang are also interested in the ML Subscription, they, and their associates, shall abstain from voting on the proposed resolutions to approve the Placing and the Subscriptions 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 Placing and the Subscriptions which requires him to abstain from voting on the proposed resolution to approve the Placing and the Subscriptions at the EGM.

Further information on (i) Placing Agreement; (ii) the Subscription Agreements; (iii) the Specific Mandate; and (iv) a notice of the EGM and a form of proxy will be included into the circular relating to the Acquisitions and will be dispatched to the Shareholders as soon as practicable. It is expected that the circular will be despatched to the Shareholder on or about 22 March 2016.

VIII. WARNING NOTICE

Shareholders and potential investors should note that completion of the Subscriptions and the Placing is subject to fulfilment of the condition(s) under the respective Subscription Agreements and the Placing Agreement. As the Subscriptions and the Placing may or may not complete, Shareholders and potential investors of the Company 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.

IX. RESUMPTION OF TRADING IN THE SHARES

Trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 15 March 2016 at the request of the Company pending the publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 1:00 p.m. on 16 March 2016.

X. DEFINITIONS

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

“Acquisitions”	the acquisition of the 100% equity interests in 無錫美通食品科技有限公司 (Wuxi Meitong Food Technology Co., Ltd.*) by the Company pursuant to the terms and conditions of the Sale and Purchase Agreements
“associate(s)”	with the meaning ascribed thereto under the Listing Rules

“Board”	the board of directors of the Company
“Business Day”	any day (excluding Saturdays, Sundays and public holidays) on which banks generally are open for business in Hong Kong
“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
“Completion”	the completion of the Acquisitions, ML Completion, the FG Completion and the Placing Completion
“Completion Date”	the date of completion of the Sale and Purchase Agreements, the Placing Agreement, the ML Subscription Agreement and the FG Subscription Agreement;
“connected person”	with the meaning ascribed thereto under the Listing Rules
“Directors”	directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened, and which approved, among others, the grant of the Specific Mandate
“Enlarged Group”	the Group and 無錫美通食品科技有限公司 (Wuxi Meitong Food Technology Co., Ltd.*) upon completion of the Acquisitions
“FG Completion”	completion of the FG Subscription in accordance with the terms and conditions of the FG Subscription Agreement
“FG Subscriber”	Fortunate Gravity Hongkong Limited, a company incorporated in Hong Kong with limited liability, which is owned as to as to 90% by Cherry International Hongkong Limited, a company incorporated in Hong Kong with limited liability, and as to 10% by Theone Holdings Limited, a company incorporated in the British Virgin Islands with limited liability. Cherry International Hongkong Limited is wholly owned by 上海新泉投資有限公司 (a company established in the PRC with limited liability), which is in turn owned as to 80% by Mr 龐道滿 and as to 20% by an Independent Third Party. Theone Holdings Limited is wholly owned by another Independent Third Party

“FG Subscription”	217,720,000 new Shares the FG Subscriber has conditionally agreed to subscribe under the FG Subscription Agreement
“FG Subscription Agreement”	the agreement in relation to the FG Subscription entered into between the Company and the FG Subscriber on 14 March 2016 (after trading hours)
“FG Subscription Shares”	the Subscription of 217,720,000 FG Subscription Shares pursuant to the terms of the FG Subscription
“First Agreement”	the agreement dated 23 May 2015 (as supplemented by the Second Agreement and the supplemental agreements dated 31 December 2015 and 25 January 2016) and entered into between the Company and Perfect Future Investment Limited regarding the sale and purchase of 25% equity interests in 無錫美通食品科技有限公司 (Wuxi Meitong Food Technology Co., Ltd.*), and as amended and supplemented by the Second Agreement
“Fund Raising Agreements”	collectively the Placing Agreement, the ML Subscription Agreement and the FG Subscription Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party (Parties)”	third party (parties) independent of the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“ML Completion”	completion of the ML Subscription in accordance with the terms and conditions of the ML Subscription 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 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
“ML Subscription”	the subscription of 192,710,000 ML Subscription Shares pursuant to the terms of the ML Subscription Agreement
“ML Subscription Agreement”	the agreement in relation to the ML Subscription entered into between the Company and the Marvel Light on 14 March 2016 (after trading hours)
“ML Subscription Shares”	192,710,000 new Shares Marvel Light has conditionally agreed to subscribe under the ML Subscription Agreement
“Mr. Wang”	Mr. Wang Jianqing
“Ms. Ji”	Ms. Ji Qingqiao
“Ms. Tang”	Ms. Tang Qin
“Placee”	any individual, institutional, professional and/or private investors independent of and not connected with the Company, the connected persons of the Company and their respective associates procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares by or on behalf of the Placing Agent to the Placees on the terms and subject to the condition set out in the Placing Agreement
“Placing Agent”	Guotai Junan Securities (Hong Kong) Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent dated 14 March 2016 in respect of the Placing
“Placing Completion”	completion of the Placing in accordance with the terms and condition as set out in the Placing Agreement
“Placing Long Stop Date”	12:00 noon on 30 April 2016 or such later time and date as the Company and the Placing Agent may from time to time agree in writing
“Placing Price”	HK\$0.54 per Placing Share
“Placing Shares”	40,080,000 new Shares to be issued pursuant to the Placing Agreement
“PRC”	The People’s Republic of China
“Sale and Purchase Agreements”	the First Agreement and the Second Agreement (as supplemented from time to time)
“Second Agreement”	the agreement dated 23 August 2015 (as supplemented by the supplemental agreements dated 31 December 2015 and 25 January 2016) and entered into between the Company, Perfect Future Development Limited and 廣西美通食品有限公司 (Guangxi Meitong Foods Co., Ltd) regarding the purchase of the remaining 75% equity interests in 無錫美通食品科技有限公司 (Wuxi Meitong Food Technology Co., Ltd.*) and amendment to the First Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary shares in the Company of HK\$0.01 each
“Shareholder(s)”	the holder(s) of the Share(s)
“Specific Mandate”	the specific mandate to be granted by the independent Shareholders to the Board at the EGM for the allotment and issue of the Placing Shares pursuant to the Placing Agreement and the Subscription Shares pursuant to the Subscription Agreements
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subscribers”	the FG Subscriber and Marvel Light

“Subscriptions”	the subscription of the Subscription Shares pursuant to the terms of the FG Subscription Agreement and the ML Subscription Agreement
“Subscription Agreements”	the FG Subscription Agreement and the ML Subscription Agreement
“Subscription Long Stop Date”	means 12:00 noon on 30 April 2016 or such later time and date as the Company and the Subscribers may from time to time agree in writing
“Subscription Price”	HK\$0.54 per Subscription Share
“Subscription Shares”	the new Shares to be subscribed by the Subscribers under the Subscription Agreements, and where the context requires, shall mean either FG Subscription Shares or ML Subscription Shares
“substantial shareholder”	with the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the SFC
“%”	per cent.

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

Hong Kong, 16 March 2016

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.