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福記食品服務控股有限公司
(已委任臨時清盤人)

FU JI Food and Catering Services Holdings Limited
(Provisional Liquidators Appointed)
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1175)

HK\$1,000,000,000 ZERO COUPON CONVERTIBLE BONDS DUE 2009
(Stock Code: 1506)

**RMB1,500,000,000 HK\$ SETTLED ZERO COUPON
CONVERTIBLE BONDS DUE 2010**
(Stock Code: 1603)

**BACKGROUND TO THE DECISION OF THE COMPANY
TO FILE WINDING UP PETITION
AND
STATUS UPDATE**

This announcement is made pursuant to Rules 13.09(1) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Reference is made to the announcement of FU JI Food and Catering Services Holdings Limited (Provisional Liquidators Appointed) (the "**Company**", together with its subsidiaries, collectively known as the "**Group**") dated 20 October 2009.

**BACKGROUND TO THE DECISION OF THE COMPANY TO FILE WINDING
UP PETITION**

On 7 October 2009, the Company engaged Deloitte Touche Tohmatsu as an independent financial adviser (the "**IFA**") (i) to assist the Group with the finalization of its financial statements for the year ended 31 March 2009 and (ii) to conduct independent analysis on the Group's financial position with a view to addressing concerns raised by stakeholders of the Company resulting from the delay in the publication of the Company's annual results.

In the course of it reviewing the Group's affairs, the IFA identified circumstances that indicated the Group had experienced significant financial challenges, particularly in connection with its catering business operations, the financial position and outlook of which had been deteriorating quite rapidly. After receiving and discussing the IFA's preliminary findings, the board of directors of the Company decided to apply to the Court

for the appointment of provisional liquidators for the Company to preserve and safeguard its assets, and to explore the possibility of a restructuring or other options that may be available to the Group.

The Company takes this opportunity to point out that the primary purpose of the appointment of the provisional liquidators is generally to preserve the assets of the Company and to act in the interests of the general body of the creditors of the Company until the hearing of the petition or the making of a winding-up order. The Company is not and may or may not be placed into liquidation.

STATUS UPDATE ON THE COMPANY'S TRADING AND FINANCIAL POSITION

After reviewing certain matters arising from the delay in the publication of the Group's annual results for the year ended 31 March 2009, it is believed that the Group had experienced significant financial challenges which could be attributed, inter alia, to the following:

- a) Immediate repayment obligations of the Group's outstanding trading debts;
- b) Rapid deterioration in the financial position and business operations of the Group:
 - Insufficient short-term working capital to maintain the business operations;
 - Significant loss of contracts with key customers of the Group;
 - High turnover of employees and inability to replenish unfilled senior management positions in a timely manner;
 - Early termination of contracts with the Group by certain key customers/ suppliers as a result of the adverse publicity concerning the Group; and
 - Legal proceedings being brought against the Group in the PRC by food suppliers and construction contractors.

Investigations of the Company's financial position are still underway. The Company will continue to keep its investors and other stakeholders informed through further announcements as and when necessary and appropriate.

Please note that at the request of the Company, trading in the shares and convertible bonds of the Company has been suspended since 29 July 2009 and shall remain suspended until further notice.

For and on behalf of
FU JI Food and Catering Services Holdings Limited
(Provisional Liquidators appointed)

Lai Kar Yan (Derek)

Yeung Lui Ming (Edmund)

Darach E. Haughey

Joint and Several Provisional Liquidators

Acting as agents for and on behalf

of the Company without personal liability

Hong Kong, 30 October 2009

As at the date of this announcement, the Board comprises of Wei Dong, Yao Juan, Tung Fai and Ku Wang as executive directors and Wong Chi Keung, Su Gang Bing and Yang Liu as independent non-executive directors.