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)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2010

The board (the "board") of director of FU JI Food and Catering Services Holdings Limited (Provisional Liquidators Appointed) (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2010 together with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2010

	Notes	**2010** *RMB'000*	2009 *RMB'000*
Turnover	*4*	**140,505**	177,902
Cost of materials consumed		**(120,226)**	(130,431)
Gross profit		**20,279**	47,471
Other income	*5*	**68,326**	7,684
Staff costs		**(39,379)**	(52,413)
Operating lease rentals		**(8,677)**	(9,953)
Depreciation		**(9,702)**	(9,645)
Fuel and utility costs		**(9,171)**	(15,338)
Consumable stores		**(2,592)**	(3,841)
Other operating expenses		**(21,680)**	(61,161)
Loss on deconsolidation of subsidiaries and impairments on due from deconsolidated subsidiaries	*7*	**(261,907)**	(3,880,961)
Loss on disposals of property, plant and equipments		**(548)**	(201,833)
Loss reclassified to profit or loss relating to available-for-sale asset disposed during the year		**(67,874)**	–
Impairment of assets		**(811)**	(31,762)
Loss from operations		**(333,736)**	(4,211,752)
Finance costs	*8*	**(138,136)**	(135,345)
Loss before tax	*9*	**(471,872)**	(4,347,097)
Income tax	*10*	**(12)**	(1,151)
Loss for the year attributable to equity holders of the Company		**(471,884)**	(4,348,248)

	Notes	**2010** ***RMB'000***	2009 *RMB'000*
Other comprehensive income/(loss) after tax:			
Available-for-sale financial asset:			
– Fair value changes of available-for-sale financial asset		**(67,874)**	–
– Reclassification adjustment relating to available-for-sale asset disposed during the year		**67,874**	–
Exchange differences on translating foreign operations		**3,621**	(41,530)
Exchange differences reclassified to profit or loss upon deconsolidation of subsidiaries		**–**	(110,691)
Other comprehensive income/(loss) for the year net of tax		**3,621**	(152,221)
Total comprehensive loss for the year attributable to equity holders of the Company		**(468,263)**	(4,500,469)
Loss per share	*12*		
Basic and diluted *(RMB cents per share)*		**(87)**	(803)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2010

	Notes	2010 RMB'000	2009 RMB'000
Non-current assets			
Property, plant and equipment		**27,268**	36,860
Current assets			
Inventories		**5,167**	5,274
Trade receivables	*13*	**12,472**	18,849
Available-for-sale financial asset	*14*	**–**	492,412
Due from deconsolidated subsidiaries		**105,316**	423,028
Prepayments, deposits and other receivables		**41,467**	4,303
Pledged bank deposits		**67,719**	119,109
Bank and cash balances		**240,255**	79,640
		472,396	1,142,615
Current liabilities			
Trade payables	*15*	**20,647**	25,123
Accruals and other payables		**24,467**	25,793
Due to deconsolidated subsidiaries		**711,905**	645,074
Bank borrowings		**25,715**	103,159
Consideration payable for acquisition of subsidiaries		**–**	317,412
Convertible bonds		**2,047,788**	463,052
		2,830,522	1,579,613
Net current liabilities		**(2,358,126)**	(436,998)
Total assets less current liabilities		**(2,330,858)**	(400,138)
Non-current liabilities			
Convertible bonds		**–**	1,462,978
NET LIABILITIES		**(2,330,858)**	(1,863,116)
Capital and reserves			
Share capital		**5,665**	5,665
Reserves		**(2,336,523)**	(1,868,781)
TOTAL EQUITY		**(2,330,858)**	(1,863,116)

NOTES:

1. General information

FU JI Food and Catering Services Holdings Limited (Provisional Liquidators Appointed) 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 Room 2703-08, 27th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, 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.

The Company is an investment holding company. The Company and its subsidiaries (collectively "the Group") were principally engaged in the provision of Catering Services and sale of Convenience Food products and related business in the People's Republic of China (the "PRC").

2. Basis of preparation

Winding-up petition and appointment of the provisional liquidators

On 29 July 2009, 26 August 2009 and 22 September 2009, the Company announced that there shall be certain delay in publication of the annual results announcement and dispatch of the annual report of the Company for the year ended 31 March 2009 (the "Delay").

On 7 October 2009, the Company engaged Deloitte Touche Tohmatsu as an independent financial adviser (the "IFA") (i) to assist the Group with the finalisation 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 the stakeholders of the Company resulting from the Delay. During the course of IFA's reviewing on the Group's affairs, the IFA identified circumstances that indicated the Group had experienced significant financial challenges, particularly in connection with the Group's catering services business operations, the financial position and outlook of which had been deteriorating quite rapidly.

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.

The hearing of the Petition against the Company was originally scheduled on 23 December 2009 and the Court adjourned the hearing of the Petition against the Company to 8 February 2012. It is expected that the Petition against the Company will be withdrawn upon the successful implementation of the restructuring of the Company as referred to in the section headed "Proposed restructuring of the Group" below.

Suspension of trading in shares of the Company

At the request of the Company, trading in shares of the Company has been suspended since 29 July 2009. By a letter dated 28 January 2010, the Stock Exchange informed the Provisional Liquidators that the Company was placed in the first stage of the delisting procedures under Practice Note 17 ("PN 17") to the Listing Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), and the Company was required to submit a viable resumption proposal by 27 July 2010.

Upon the expiry of the first delisting stage, the Company was unable to submit the resumption proposal. On 30 July 2010, the Company was placed in the second stage of the delisting procedures pursuant to PN 17 of the Listing Rules and that the Company was still required to submit a viable resumption proposal to the Stock Exchange fulfilling certain requirements set out by the Stock Exchange therein including but not limited to the following:

(i) demonstrate sufficient operations or assets under Rule 13.24 of the Listing Rules;

(ii) publish outstanding financial results and address any audit qualifications;

(iii) demonstrate that the Company has an adequate financial reporting system and internal control procedures to meet its obligations under the Listing Rules; and

(iv) withdraw or dismiss the winding-up petition presented against the Company, and discharge the Provisional Liquidators.

If the Company fails to submit a viable resumption proposal to address the above conditions to the Stock Exchange at least 10 business days before 29 January 2011, the Stock Exchange might consider to proceed to place the Company in the third stage of the delisting procedures pursuant to PN 17 to the Listing Rules. In response to the requests from the Stock Exchange, on 14 January 2011, the Provisional Liquidators, on behalf of the Company, submitted a resumption proposal (the "Resumption Proposal") to the Stock Exchange. On 13 June 2011, the Provisional Liquidators, on behalf of the Company, submitted their reply/clarification in relation to the queries from the Stock Exchange on the Resumption Proposal received on 31 January 2011 and is preparing replies to the second round of queries from the Stock Exchange received on 25 July 2011.

Proposed restructuring of the Group

On 16 March 2010, Marvel Light Holdings Limited (the "Investor"), the Company and the Provisional Liquidators entered into the heads of terms (the "Heads of Terms") setting out the agreement of the parties in respect of major provisions of the reorganisation proposal on the Company (the "Reorganisation Proposal"). Further details of the Reorganisation Proposal are described in the Company's announcements dated 26 May 2010 and 7 July 2010 (the "Announcements"). Unless otherwise specified, capitalised terms used herein shall have the same meanings as in the Announcements. As set out in the Heads of Terms, the Reorganisation Proposal will mainly involve the execution of the following transactions, as the case may be:

(i) the intra-group transfer of the Catering and Restaurant Business including the relevant business contracts, assets and/or employees of the Group which the Provisional Liquidators consider necessary for the continuation of the Catering and Restaurant Business by the Group;

(ii) the transfer and disposal of such right, title and interest in certain assets of the Group to the Investor;

(iii) the execution of a management agreement between the Company and the Investor pursuant to which the Investor shall provide management services to the Catering and Restaurant Business for a fee;

(iv) the debt restructuring and the capital reorganisation of the Company;

(v) the submission of the resumption proposal to the Stock Exchange for the purpose of seeking the resumption of the trading of the Shares on the Stock Exchange;

(vi) the subscription of the new Shares and preference share of the Company by the Investor; and

(vii) the disposal of assets of the Group by way of Scheme of Arrangement to fully compromise and discharge all indebtedness due from the Group to the Scheme Creditors by creating a trust to hold certain assets of the Group for the purpose of payment and distribution to the Scheme Creditors.

On 11 March 2011, the Hong Kong Court directed that a meeting of Scheme Creditors (as defined in the Scheme) be convened for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement pursuant to section 166 of the Companies Ordinance (Cap. 32) proposed to be made between the Company and the Scheme Creditors.

At the Scheme Creditors' Meeting held on 29 April 2011, the Scheme of Arrangement was approved by the requisite majority of Scheme Creditors and on 17 May 2011, the Hong Kong Court sanctioned the Scheme. On 9 August 2011, the Provisional Liquidators, on behalf of the Company, issued a completion notice notifying the Scheme Creditors that following the satisfaction or waiver of all the conditions as detailed in the Scheme document, the Scheme has become effective on 9 August 2011.

Going concern

The Group incurred a loss attributable to equity holders of the Company of approximately RMB471,884,000 for the year ended 31 March 2010 (2009: RMB4,348,248,000) and as at that date, the Group had net current liabilities of approximately RMB2,358,126,000 (2009: RMB436,998,000) and net liabilities of approximately RMB2,330,858,000 (2009: RMB1,863,116,000) respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The consolidated financial statements have been prepared on a going concern basis on the assumption that the proposed restructuring of the Company will be successfully completed, and that, following the financial restructuring, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future.

Should the Group be unable to achieve a successful restructuring and to continue its business as a going concern, adjustments would have to be made to the financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

3. **Adoption 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 2009. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); 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) Presentation of Financial Statements

HKAS 1 (Revised) "Presentation of Financial Statements" affects certain disclosures and presentation of the financial statements. The balance sheet is renamed as the statement of financial position and the cash flow statement is renamed as the statement of cash flows. All income and expenses arising from transactions with non-owners are presented in the statement of comprehensive income, and the total carried to the statement of changes in equity. The owner changes in equity are presented in the statement of changes in equity. HKAS 1 (Revised) also requires disclosures of the reclassification adjustments and tax effects relating to each component of other comprehensive income for the year. HKAS 1 (Revised) has been applied retrospectively.

(b) Operating Segments

HKFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. Previously, HKAS 14 "Segment Reporting" required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel' serving as the starting point for the identification of such segments. The primary segments reported under HKAS 14 are the same as the segments reported under HKFRS 8. HKFRS 8 has been applied retrospectively.

The Group has early adopted the HKAS 27 (Revised) "Consolidated and Separate Financial Statements" that has been in issue at the date of this report but not yet effective for the financial year ended 31 March 2010. Under the revised HKAS 27, when the disposal of a subsidiary results in a loss of control, the consideration of the sale and any investment retained in that subsidiary are required to be measured at their fair values. The previous HKAS 27 does not have specific requirements for such fair value measurements.

The Group has not applied other new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of those new and revised 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:

	2010	2009
	RMB'000	*RMB'000*
Catering Services business	**137,751**	177,711
Chinese Restaurants business	**–**	191
Convenience Food and related business	**2,754**	–
	140,505	177,902

5. Other Income

	2010	2009
	RMB'000	*RMB'000*
Interest income	**198**	7,525
Dividend income from available-for-sale financial asset	**67,874**	–
Others	**254**	159
	68,326	7,684

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 2010, the Group's revenue are derived from Catering Services business and sales of Convenience Food products and related business based in the PRC and accordingly, no analysis of the Group's geographical information is disclosed.

Segment profits or losses do not include gains or losses from investments, interest income, finance costs, income tax and other unallocated corporate income and expenses. Segment assets do not include available-for-sales financial assets, amounts due from deconsolidated subsidiaries, pledged bank deposits, bank and cash balances and other unallocated corporate assets. Segment liabilities do not include bank borrowings, convertible bonds, consideration payable for acquisition of subsidiaries and other unallocated corporate liabilities. Segment non-current assets do not include financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

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

Year ended 31 March 2010	**Catering Services**	**Convenience Food and related business**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Revenue from external customers	**137,751**	**2,754**	**140,505**
Segment loss	**(44,038)**	**(1,179)**	**(45,217)**
Interest income	**31**	**–**	**31**
Depreciation	**9,193**	**509**	**9,702**
Income tax	**12**	**–**	**12**
Other material non-cash items:			
Loss on disposal of property, plant and equipment	**548**	**–**	**548**
Impairment of assets	**811**	**–**	**811**
Additions to segment non-current assets	**853**	**–**	**853**
At 31 March 2010			
Segment assets	**48,263**	**6,165**	**54,428**
Segment liabilities	**711,645**	**7,309**	**718,954**

Year ended 31 March 2009	Catering Services	Chinese Restaurants	Total
	RMB'000	*RMB'000*	*RMB'000*
Revenue from external customers	177,711	191	177,902
Segment (loss)/profit	(268,114)	119	(267,995)
Interest income	82	2	84
Depreciation and amortisation	9,645	–	9,645
Income tax	1,151	–	1,151
Other material non-cash items:			
Loss on disposal of property, plant and equipment	201,833	–	201,833
Impairment of assets	11,210	–	11,210
Additions to segment non-current assets	138,904	3,639	142,543
At 31 March 2009			
Segment assets	67,708	445	68,153
Segment liabilities	678,333	53	678,386

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

	2010	2009
	RMB'000	*RMB'000*
Revenue		
Total turnover of reportable segments disclosed as consolidated turnover	**140,505**	177,902
Profit or loss		
Total loss of reportable segments	**(45,217)**	(267,995)
Corporate and unallocated profit or loss	**(26,612)**	(62,796)
Loss on deconsolidation of subsidiaries and impairment on due from deconsolidated subsidiaries	**(261,907)**	(3,880,961)
Consolidated total loss from operations	**(333,736)**	(4,211,752)
Assets		
Total assets of reportable segments	**54,428**	68,153
Corporate and unallocated assets:		
Available-for-sale financial assets	**–**	492,412
Due from deconsolidated subsidiaries	**105,316**	423,028
Pledged bank deposits	**67,719**	119,109
Corporate bank and cash balances	**235,424**	75,035
Others	**36,777**	1,738
Consolidated total assets	**499,664**	1,179,475
Liabilities		
Total liabilities of reportable segments	**718,954**	678,386
Corporate and unallocated liabilities:		
Bank borrowings	**25,715**	103,159
Convertible bonds	**2,047,788**	1,926,030
Consideration payable for acquisition of subsidiaries	**–**	317,412
Others	**38,065**	17,604
Consolidated total liabilities	**2,830,522**	3,042,591

7. Loss on deconsolidation of subsidiaries and impairments on due from deconsolidated subsidiaries

	2010	2009
	RMB'000	*RMB'000*
Loss on deconsolidation of subsidiaries	**–**	241,472
Impairments on due from deconsolidated subsidiaries	**261,907**	3,639,489
	261,907	3,880,961

The Directors considered that the control over certain subsidiaries had been lost from 1 April 2008. The results, assets, liabilities and cash flows of these subsidiaries were deconsolidated from the financial statements of the Group from 1 April 2008.

Net assets of these subsidiaries as at the date of loss of control were as follows:

	RMB'000
Property, plant and equipment	3,077,357
Prepaid land leases payments	241,153
Intangible assets	161,465
Goodwill	393,188
Deposits for acquisition of leasehold land	5,800
Deposit for construction of a processing centre	189,100
Deposits for leasehold improvements of new theme restaurants	39,193
Deposits for acquisition of property, plant and equipment	53,016
Deposit for acquisition of a subsidiary	12,000
Inventories	81,826
Trade receivables	31,067
Prepayments, deposits and other receivables	181,702
Bank and cash balances	532,997
Trade and bills payables	(174,504)
Accruals and other payables	(124,692)
Bank borrowings	(269,000)
Current tax liabilities	(38,630)
Net amounts due to the Group	(3,442,756)
Net assets deconsolidated	950,282
Less: Release of foreign currency translation reserve	(110,691)
Minority interests	(105,707)
Amounts recoverable from a deconsolidated subsidiary *(Note 14)*	(492,412)
Loss on deconsolidation of subsidiaries	241,472

8. Finance costs

	2010 *RMB'000*	2009 *RMB'000*
Interest expenses on borrowings wholly repayable within five years:		
Bank borrowings	**15,041**	14,498
Convertible bonds	**123,095**	120,847
	138,136	135,345

9. Loss before tax

The Group's loss for the year is stated after charging the following:

	2010 *RMB'000*	2009 *RMB'000*
Auditor's remuneration	**967**	1,058
Cost of materials consumed	**120,226**	130,431
Depreciation	**9,702**	9,645
Minimum lease payments under operating leases in respect of land and buildings	**8,677**	9,953
Net foreign exchange loss	**3,853**	33,777
Staff costs (including directors' remuneration):		
Salaries, bonus and allowances	**38,039**	47,875
Retirement benefits scheme contributions	**819**	1,610
Equity settled share-based payment expenses	**521**	2,928
	39,379	52,413
Impairment of assets:		
Impairment of property, plant and equipment	**195**	7,762
Impairment of trade receivables	**112**	–
Impairment of deposit for acquisition of property, plant and equipment	**–**	1,941
Impairment of prepayments, deposits and other receivables	**504**	22,059
	811	31,762
Loss on disposals of property, plant and equipment	**548**	201,833

10. Income tax

	2010	2009
	RMB'000	*RMB'000*
Current tax – Provision for the PRC income tax	**12**	1,151

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits arising in Hong Kong for each of the years ended 31 March 2010 and 2009.

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 loss before tax is as follows:

	2010	2009
	RMB'000	*RMB'000*
Loss before tax	**(471,872)**	(4,347,097)
Tax on loss before tax calculated at the PRC statutory rate	**(117,968)**	(1,086,774)
Effect of different tax rates in other tax jurisdictions	**13,497**	28,594
Tax effect of non-deductible expenses	**104,596**	1,059,883
Tax effect of non-taxable income	**(113)**	(1,703)
Tax effect of unused tax losses not recognised	**–**	1,151
	12	1,151

The Group had no significant deferred tax for each of the years ended 31 March 2010 and 2009.

11. Dividends

The Directors do not recommend the payment of any dividend for each of the years ended 31 March 2010 and 2009.

12. Loss per share

The calculation of basic loss per share attributable to equity holders of the Company is based on the loss for the year attributable to equity holders of the Company of approximately RMB471,884,000 (2009: approximately RMB4,348,248,000) and the weighted average number of 541,296,756 (2009: 541,296,756) ordinary shares in issue during the year.

As the exercise of the Group's outstanding convertible bonds for each of the years ended 31 March 2010 and 2009 would be anti-dilutive and there was no dilutive potential ordinary shares of the Company's outstanding options, no diluted loss per share is presented in both years.

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	
	2010	2009
	RMB'000	*RMB'000*
30 days or less	**8,839**	9,571
31 to 90 days	**3,492**	8,105
91 to 180 days	**73**	651
Over 180 days	**180**	522
Less: impairments	**(112)**	–
	12,472	18,849

14. Available-for-sale financial asset

	Group	
	2010	2009
	RMB'000	*RMB'000*
At beginning of year	**492,412**	–
Exchange differences	**(1,204)**	–
Fair value changes	**(67,874)**	492,412
Disposal	**(423,334)**	–
At 31 March	**–**	492,412

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	
	2010	2009
	RMB'000	*RMB'000*
30 days or less	**4,027**	6,423
31 to 90 days	**6,144**	7,037
91 to 180 days	**8,546**	11,092
Over 180 days	**1,930**	571
	20,647	25,123

EXTRACT OF INDEPENDENT AUDITOR'S REPORT ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

The Company's auditor has qualified the report on the Group's consolidated financial statements for the year ended 31 March 2010, an extract of which is as follows:

Basis for disclaimer of opinion

1. *Opening balances and corresponding figures*

   Our audit opinion on the consolidated financial statements of the Group for the year ended 31 March 2009 (the "2009 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 effect of the limitations on 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 10 August 2011. Accordingly, we were then unable to form an opinion as to whether the 2009 Financial Statements gave a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2009 and of the Group's results and cash flows for the year then ended.

2. *Deconsolidation of subsidiaries and impairments on due from deconsolidated 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 year ended 31 March 2009 and 2010. Furthermore, no sufficient evidence had been provided to satisfy ourselves as to the impairments on due from deconsolidated subsidiaries of approximately RMB261,907,000 for the year ended 31 March 2010 as disclosed in note 10 to the consolidated financial statements.

   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 2010 and the Group's financial position as at that date.

3. *Property, plant and equipment*

   No sufficient evidence has been provided to satisfy ourselves as to the movements of property, plant and equipment for the year ended 31 March 2010. In particular, we were unable to assess as to whether the following items were free from material misstatements:

   (i) the loss on disposals of the property, plant and equipment of approximately RMB548,000 appeared in the consolidated statement of comprehensive income for the year ended 31 March 2010 and note 12 to the consolidated financial statements; and

   (ii) the accuracy and completeness of the disclosures in relation to the additions, disposals, depreciation and impairment losses of the property, plant and equipment as disclosed in notes 9, 12 and 18 to the consolidated financial statements.

4. *Opening inventories*

We were initially appointed as auditor of the Company subsequent to the end of its last reporting period of 31 March 2009. In consequence, we were unable to observe the counting of the Group's opening inventories as at 31 March 2009 or satisfy ourselves concerning the existence, quantities, conditions and valuation of those inventories by alternative means. Since opening inventories affect the determination of the results of operations, we were unable to determine whether adjustments to the results of operations and opening accumulated losses might be necessary for the year ended 31 March 2010.

5. *Pledged bank deposits*

We were unable to obtain sufficient evidence to satisfy ourselves as to the recoverability of the pledged bank deposits of approximately RMB67,719,000 as at 31 March 2010. There are no other satisfactory audit procedures that we could adopt to determine whether any allowance for non-recovery of the amount should be made in the consolidated financial statements.

6. *Accruals and other payables*

No sufficient evidence has been received by us up to the date of this report in respect of the accruals and other payables of approximately RMB3,196,000 as included in the accruals and other payables of approximately RMB24,467,000 in the consolidated statement of financial position as at 31 March 2010.

7. *Due to deconsolidated subsidiaries*

No direct confirmation and other sufficient evidence have been received by us up to the date of this report in respect of the amounts due to deconsolidated subsidiaries of approximately RMB711,905,000 and RMB339,000 shown in the consolidated and Company statements of financial position respectively as at 31 March 2010.

8. *Commitments and contingent liabilities*

No sufficient evidence has been provided to satisfy ourselves as to the existence and completeness of the disclosures of commitments and contingent liabilities as at 31 March 2010.

9. *Related party transactions and balances*

No sufficient evidence has been provided to satisfy ourselves as to the existence and completeness of the disclosures of the related party transactions for the year ended 31 March 2010 and the balances as at that date as required by Hong Kong Accounting Standard 24 "Related Party Disclosures".

Any adjustments to the figures as described from points 1 to 9 above might have a significant consequential effect on the Group's results and cash flows for the two years ended 31 March 2010 and 2009 and the financial positions of the Group and of the Company as at 31 March 2010 and 2009, and the related disclosures thereof in the consolidated financial statements.

Material uncertainty relating to the going concern basis

In forming our opinion, we have considered the adequacy of the disclosures made in note 2 to the consolidated financial statements which explains that the Investor has decided to pursue a restructuring of the Company.

The consolidated financial statements have been prepared on a going concern basis on the assumption that the proposed restructuring of the Company will be successfully completed and that, following the restructuring, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future. The consolidated financial statements do not include any adjustments that would result from a failure to complete the restructuring. We consider that the disclosures are adequate. However, in view of the extent of the material uncertainty relating to the completion of the restructuring, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

Disclaimer of opinion

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs and the material uncertainty relating to the going concern basis as described above, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2010 and of the Group's results and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

RESULTS AND APPROPRIATIONS

For the year ended 31 March 2010, the Group's turnover was approximately RMB140.51 million (2009: approximately RMB177.90 million), representing a decrease of approximately 21.02% from the last financial year.

The consolidated loss attributable to equity holders of the Company amounted to approximately RMB471.89 million for the year ended 31 March 2010 (2009: approximately RMB4,348.25 million). Loss per share was approximately RMB0.87 as compared with loss per share of approximately RMB8.03 for the preceding year.

The Directors do not recommend the payment of any dividend for the year ended 31 March 2010 (2009: nil).

WINDING-UP PETITION AND APPOINTMENT OF PROVISIONAL LIQUIDATORS

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 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, on 19 October 2009, the Board of Directors of the Company presented to the High Court of the Hong Kong SAR (the "High Court") a petition (the "Petition") to wind up the Company. 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 of the Company (the "Provisional Liquidators") by the Hong Kong Court.

The Provisional Liquidators are empowered, inter alia, to take possession of the assets of the Group, to close or cease or operate all or any part of the business operations of the Group, to take control of such of the subsidiaries of the Company, joint ventures, associated companies or other entities in which the Company or any of its subsidiaries holds an interest and to consider if thought to be in the best interests of creditors of the Company, to enter into discussions and negotiations for and on behalf of the Company for the purpose of, but not limited to, restructuring of the Company's business, operations, or indebtedness or to Implement a scheme of arrangement between the Company and its creditors and/or shareholders for such restructuring.

The hearing of the Petition against the Company was originally scheduled on 23 December 2009 and the Court adjourned the hearing of the Petition against the Company to 8 February 2012. It is expected that the Petition against the Company will be withdrawn upon the successful implementation of the restructuring of the Company as referred to in the section headed "Restructuring of the Group" below.

RESTRUCTURING OF THE GROUP

On 30 November 2009, the Provisional Liquidators published advertisements in relation to the proposed sale of the Group's assets and business as a going concern and sought expression of interest in relation to such sale. Further to such advertisement, the Provisional Liquidators received expressions of interest from various parties, including companies in the catering and food and beverage industry and other industries as well as various financial investors.

In December 2009, the Provisional Liquidators issued a tender process memorandum and guidance note to those parties who had registered their interest in the proposal sale of the Group's assets and businesses as a going concern and executed confidentiality and non-disclosure agreements with such parties.

On 5 February 2010, the Provisional Liquidators received proposals from potential investors for the sale of the Group's assets and businesses as a going concern. After careful consideration, the Provisional Liquidators considered that the proposal received from Marvel Light Holdings Limited ("Investor") represented the best option available to the Company and its shareholders at that time.

On 16 March 2010, the Company, the Investor and the Provisional Liquidators entered into the Heads of Terms, which are legally binding and set out the agreement of the parties in respect of major provisions of the reorganization proposal and are subject to the execution of definitive documentation. Details of the Heads of Terms are set out in the Company's announcement dated 26 May 2010.

On 29 June 2010, the Company, Fortune Guard Holdings Limited (the "Purchaser", a company wholly-owned by the Investor), the Investor, the Provisional Liquidators and certain members of the Group entered into a sale and purchase agreement which involved the disposal of certain subsidiaries of the Company to the Investor in order to strengthen the remaining Group (the "Phase I Disposal"). Details of the Phase I Disposal are set out in the Company's announcement dated 7 July 2010.

On 17 August 2010, the Provisional Liquidators published advertisements seeking expressions of interest from parties interested in relation to the sale of the remaining non-core assets under the Heads of Terms (the "Nominated Excluded Assets"), which comprise mainly land and buildings in the PRC.

On 30 August 2010, the Provisional Liquidators issued a tender process memorandum and guidance note to those parties who had registered their interest in the Nominated Excluded Assets and executed confidentiality and non-disclosure agreements with such parties.

On 13 January 2011, the Company, the Purchaser, the Investor, the Provisional Liquidators and certain members of the Group entered into a sale and purchase agreement for the disposal of the restaurants business, certain idle food processing centres and certain subsidiaries of the Group which operated as investment vehicles. Details of such disposal are set out in the Company's announcement dated 26 May 2011.

On 31 January 2011, the Provisional Liquidators received a proposal from an interested person for the purchase of the Nominated Excluded Assets. Pursuant to the Heads of Terms, the Investor was granted a Right of First Refusal ("ROFR") to acquire the Nominated Excluded Asset at no less favorable terms than those offered by any interested person. Subsequently on 14 February 2011, the Investor elected to exercise the ROFR to acquire the Nominated Excluded Assets. The terms of the related sale and purchase agreement was under negotiation by the Company, the Investor, the Purchaser, the Provisional Liquidators and certain members of the Group.

On 11 March 2011, the Hong Kong Court directed that a meeting of Scheme Creditors (as defined in the Scheme) be convened for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement pursuant to section 166 of the Companies Ordinance (Cap. 32) proposed to be made between the Company and the Scheme Creditors.

At the Scheme Creditors' Meeting held on 29 April 2011, the Scheme of Arrangement was approved by the requisite majority of Scheme Creditors and on 17 May 2011 the Hong Kong Court sanctioned the Scheme. On 9 August 2011, the Provisional Liquidators, on behalf of the Company, issued a completion notice notifying the Scheme Creditors that following the satisfaction or waiver of all the conditions as detailed in the Scheme document, the Scheme has become effective on 9 August 2011.

The principal elements of the proposed restructuring of the Group are, inter alia, as follows:

a) Capital Restructuring

The Company will undergo, inter alia, a capital restructuring, involving the capital reduction, the capital cancellation, the capital consolidation and the capital increase.

b) Share Subscription

The Company will raise new funds by way of an open offer to all the existing shareholders, and the issuance of ordinary shares and preference shares to the Investor.

c) Scheme and Debt Restructuring

The Provisional Liquidators will implement a Scheme of Arrangement to settle the debts owed to the Scheme Creditors by payment of cash and, where applicable, the issue and allotment of new shares in the agreed percentage to Scheme Creditors, to be distributed in accordance with the terms of the Scheme of Arrangement.

The Investor would become a controlling shareholder of the Company upon completion of the proposed restructuring of the Group (the "Completion") as contemplated under the Heads of Terms.

PROSPECTS

On 30 July 2010, the Company was placed in the second stage of the delisting procedures pursuant to Practice Note 17 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "HKSE") (the "Listing Rules") and that the Company was required to submit a viable resumption proposal which demonstrates its compliance with the requirement stipulated under Rule 13.24 of the Listing Rules.

On 14 January 2011, a resumption proposal was submitted by the Company to the HKSE to demonstrate to the HKSE that when the resumption proposal is successfully implemented, the Group will have in place suitable structures and have a sufficient level of operations and tangible assets of sufficient value and will be able to fully comply with Rule 13.24 of the Listing Rules.

On 13 June 2011, the Company submitted a reply/clarification in relation to the queries from the Stock Exchange on the Resumption Proposal received on 31 January 2011. Subsequently, the Company received a second round of queries from the Stock Exchange on 25 July 2011 and is preparing the reply to the queries accordingly.

The Company is confident that, with strong financial support from Investor, the Group will be able to regain dominant in its business and maintain a substantial level of operations after the resumption of trading in the Company's shares on the HKSE.

It is anticipated that the financial position of the Group will be substantially improved upon the Completion as all the liabilities arising from the creditors of the Company will be compromised and discharged through the proposed scheme of arrangement and liabilities assumed through assets disposal.

Upon the Completion, the Company's shares will resume trading on the HKSE subject to the approval of the HKSE.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

Bank and cash balances as at 31 March 2010 was approximately RMB240.26 million (2009: approximately RMB79.64 million). The Group's debt-to-capital ratio measured on the basis of the Group's total liabilities net of bank and cash balances related to the total equity is not applicable as the Group had a net deficiency in capital as at 31 March 2009 and 2010.

EMPLOYMENT

As at 31 March 2010, the Group had 1,335 (2009: 1,320) 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 RMB39,379,000 (2009: RMB52,413,000). 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 2010, there were no charges on the Group's assets

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2010.

CODE ON CORPORATE GOVERNANCE PRACTICES

Mr. Chin Chang Keng Raymond was appointed as Executive Director on 1 June 2011 and Mr. Chung Wai Man was appointed as Independent Non-executive Director on the same day. Consequently, they are unable to comment as to whether the Company has complied with the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules throughout the year ended 31 March 2010.

REVIEW BY THE AUDIT COMMITTEE

By the time the financial statements for the year ended 31 March 2010 of the Group were prepared, no audit committee had been established owing to the current insufficient number of Independent Non-executive Directors in accordance with Rule 3.21 of the Listing Rules. Appropriate personnel will be appointed as members of audit committee before the resumption of the trading in the shares of the Company on the HKSE.

Since the audit committee has yet to be established, the annual report for the financial year ended 31 March 2010 (the "Annual Report") has not been reviewed by an audit committee.

SCOPE OF WORK OF ANDA CPA LIMITED

The figures above in respect of this annual results announcement for the year ended 31 March 2010 have been agreed with the Company's auditor, ANDA CPA Limited ("ANDA"), to the amounts set out in the Group's consolidated financial statements for the year. The work performed by 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 ANDA on this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Director of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Each of Mr. Chin Chang Keng Raymond, the Executive Director and Mr. Chung Wai Man, the Independent Non-executive Director, who were appointed on 1 June 2011, has confirmed that he complied with the required standards as set out in the Model Code during the year ended 31 March 2010. But the Board makes no representations as to whether the other then Directors had Complied with the required standards set out in the model Code throughout the year ended 31 March 2010.

On behalf of the Board
FU JI Food and Catering Services Holdings Limited
(Provisional Liquidators appointed)
Chin Chang Keng Raymond
Director

Hong Kong, 10 August 2011

As at the date of this announcement, the board of directors comprises Mr. Chin Chang Keng Raymond as executive director and Mr. Chung Wai Man as independent non-executive director.