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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)

**INTERIM RESULTS
 FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

The board (the “Board”) of directors of FU JI Food and Catering Services Holdings Limited (the “Company”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2015 together with comparative figures for the previous period:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME**

For the six months ended 30 September 2015

		Six months ended 30 September	
		2015	2014
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
			Restated
Continuing operation			
Revenue	4	931,622	245,560
Cost of inventories sold		(881,362)	(219,981)
		<hr/>	<hr/>
Gross profit		50,260	25,579
Other income		2,744	1
Staff costs		(4,514)	(2,033)
Operating lease rentals		(1,524)	(720)
Depreciation		(353)	(78)
Fuel and utility costs		(317)	(253)
Other operating expenses		(6,649)	(265)
Finance cost		(811)	(386)
		<hr/>	<hr/>

		Six months ended	
		30 September	
	<i>Notes</i>	2015	2014
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
			Restated
Profit before tax	5	38,836	21,845
Income tax	6	(3,338)	(5,739)
Profit for the period from continuing operation		35,498	16,106
Discontinued operations			
Loss for the period from discontinued operations		–	(1,088)
Profit for the period		35,498	15,018
Other comprehensive income/(loss):			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		1,078	(169)
Total comprehensive income for the period		36,576	14,849
Profit/(loss) for the period attributable to:			
Equity holders of the Company			
From continuing operation		35,498	16,106
From discontinued operations		–	(1,088)
		35,498	15,018
Non-controlling interests			
From continuing operations		–	–
		35,498	15,018
Total comprehensive income for the period attributable to:			
Equity holders of the Company		36,576	14,849
Non-controlling interests		–	–
		36,576	14,849
Earnings/(loss) per share			
Basic (cents per share)	7		
From continuing operation		6.62	4.82
From discontinued operations		–	(0.33)
From continuing and discontinued operations		6.62	4.49
Diluted (cents per share)			
From continuing operation		6.62	3.43
From discontinued operations		–	(0.23)
From continuing and discontinued operations		6.62	3.20

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2015

	<i>Notes</i>	At 30 September 2015 RMB'000 (Unaudited)	At 31 March 2015 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	9	711	960
Current assets			
Inventories		112,178	23,564
Trade receivables	10	160,733	163,375
Prepayments, deposits and other receivables	11	149,569	67,666
Pledged bank deposits	12	280,000	210,000
Bank and cash balances		62,835	130,329
		<u>765,315</u>	<u>594,934</u>
Current liabilities			
Trade payables	13	180,773	156,225
Accruals and other payables		113,420	83,180
Tax payable		12,225	12,999
Bank borrowings	14	218,000	227,730
		<u>524,418</u>	<u>480,134</u>
Net current assets		<u>240,897</u>	<u>114,800</u>
NET ASSETS		<u><u>241,608</u></u>	<u><u>115,760</u></u>
Capital and reserves			
Share capital	15	4,392	3,864
Reserves		237,053	111,733
Equity attributable to equity holders of the Company		<u>241,445</u>	<u>115,597</u>
Non-controlling interests		163	163
TOTAL EQUITY		<u><u>241,608</u></u>	<u><u>115,760</u></u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The Company is an investment holding company. During the period, the Company and its subsidiaries (collectively "the Group") were principally engaged in the cold chain food distribution business of delivering fresh food to end-user corporations.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements ("Interim Financial Statements") have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The Interim Financial Statements do not include all the information and disclosures required in the full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs"), and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2015.

The preparation of an Interim Financial Statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The accounting policies adopted in the preparation of the Interim Financial Statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2015.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 April 2015. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; 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 period and prior periods.

The Group has not applied 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 and revised HKFRSs would have a material impact on its results of operations and financial position.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents the sale value of goods supplied to customers, net of business tax and other government surcharges, less sales returns and discounts during the period. 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.

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 bank and cash balances and other unallocated corporate assets.

An analysis of the Group's revenue and results by operating segments is as follows:

	<u>Discontinued operation</u>	<u>Continuing operation</u>	
	Catering Services <i>RMB'000</i> (Unaudited)	Convenience Food and related business <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
For the six months ended 30 September 2015:			
Revenue from external customers	–	931,622	931,622
Segment profit	–	40,803	40,803
Interest income	–	2,744	2,744
Depreciation	–	353	353
Income tax	–	3,338	3,338
At 30 September 2015:			
Segment assets – unaudited	–	702,119	702,119
	<u>Discontinued operation</u>	<u>Continuing operation</u>	
	Catering Services <i>RMB\$'000</i> (Unaudited)	Convenience Food and related business <i>RMB\$'000</i> (Unaudited)	Total <i>RMB\$'000</i> (Unaudited)
For the six months ended 30 September 2014:			
Revenue from external customers	1,667	245,560	247,227
Segment (loss)/profit	(1,088)	23,671	22,583
Interest income	–	1	1
Depreciation	1,216	78	1,294
Income tax	–	5,739	5,739
At 31 March 2015			
Segment assets – audited	–	465,514	465,514

Reconciliations of reportable segment profit and loss:

	Six months ended	
	30 September	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Total profit from reportable segments	40,803	23,671
Corporate and unallocated profit or loss	<u>(1,967)</u>	<u>(1,826)</u>
Consolidated profit from operations	<u>38,836</u>	<u>21,845</u>

5. PROFIT BEFORE TAX

The Group's profit before tax from continuing operation is stated after charging/(crediting) the following:

	Six months ended	
	30 September	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income	(2,744)	(1)
Cost of inventories sold	881,362	219,981
Depreciation	353	78
Minimum lease payments under operating leases in respect of land and buildings	1,524	720
Directors' remuneration	<u>297</u>	<u>490</u>

6. INCOME TAX

	Six months ended	
	30 September	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax – Provision for the period PRC enterprise income tax	<u>3,338</u>	<u>5,739</u>

No provision for Hong Kong Profits Tax has been made for six months ended 30 September 2015 as the Group did not generate any assessable profits arising in Hong Kong during the period.

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.

7. EARNINGS/(LOSS) PER SHARE

(a) From continuing and discontinued operations

Basic earnings per share

The calculation of basic earnings per share attributable to equity holders of the Company is based on the profit for the six months period attributable to equity holders of the Company of approximately RMB35,498,000 (six months ended 30 September 2014: approximately RMB15,018,000) and the weighted average number of 536,337,188 (six months ended 30 September 2014: 334,342,053) of ordinary shares in issue during the period.

Diluted earnings per share

No diluted earning per share is presented, as the Company did not have any outstanding dilutive potential ordinary shares for the six months ended 30 September 2015.

For the six months ended 30 September 2014, the calculation of diluted earnings per share attributable to equity holders of the Company is based on the profit for the period attributable to equity holders of the Company of approximately RMB15,018,000 and the weighted average number of ordinary shares of 469,477,188, being the weighted average number of ordinary shares of 334,342,053 in issue during the period used in the basic earnings per share calculation plus the weighted average number of ordinary shares of 135,135,135 assumed to converted of preference shares at the beginning of the period.

(b) From continuing operation

Basic earnings per share

The calculation of basic earnings per share from continuing operation attributable to equity holders of the Company is based on the profit for the period of approximately RMB35,498,000 (six months ended 30 September 2014: profit of approximately RMB16,106,000) attributable to equity holders of the Company and the denominator used is the same as that detailed above for calculation of basic earnings per share from continuing and discontinued operations.

Diluted earnings per share

No diluted earning per share is presented, as the Company did not have any outstanding dilutive potential ordinary shares for the six months ended 30 September 2015.

For the six months ended 30 September 2014, the calculation of diluted earnings per share attributable to equity holders of the Company is based on the profit for the period attributable to equity holders of the Company of approximately RMB16,106,000 and the denominator used is the same as that detailed above for calculation of diluted earnings per share from continuing and discontinued operation.

(c) **From discontinued operation**

Basic (loss) per share

The calculation of basic loss per share from discontinued operations attributable to equity holders of the Company is based on the loss for the period of approximately RMB nil (six months ended 30 September 2014: approximately RMB1,088,000) attributable to equity holders of the Company and denominator used is the same as that detailed above for calculation of basic earnings per share from continuing and discontinued operations.

Diluted (loss) per share

No diluted earning per share is presented, as the Company did not have any outstanding dilutive potential ordinary shares for the six months ended 30 September 2015.

For the six months ended 30 September 2014, the calculation of diluted earnings per share attributable to equity holders of the Company is based on the loss for the period attributable to equity holders of the Company of approximately RMB1,088,000 and the denominator used is the same as that detailed above for calculation of diluted earnings per share from continuing and discontinued operation.

8. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2015 (six months ended 30 September 2014: nil).

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2015, the Group has acquired property, plant and equipment of approximately RMB104,000.

10. TRADE RECEIVABLES

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

	At 30 September 2015 RMB'000 (Unaudited)	At 31 March 2015 RMB'000 (Audited)
30 days or less	128,282	130,391
31 to 90 days	32,451	32,984
	<u>160,733</u>	<u>163,375</u>

11. PREPAYMENTS DEPOSITS AND OTHER RECEIVABLES

	At 30 September 2015 <i>RMB'000</i> (Unaudited)	At 31 March 2015 <i>RMB'000</i> (Audited)
Prepayments	148,836	67,193
Deposits	335	335
Other receivable	398	138
	<u>149,569</u>	<u>67,666</u>

As at 30 September 2015, prepayment of approximately RMB139 million (31 March 2015: RMB 67 million) was paid to a major supplier for guarantee the purchases of goods.

12. PLEDGED BANK DEPOSITS

The Group's pledged bank deposits represented deposits pledged to banks to secure banking facilities granted to the Group as set out in note 14 to the interim financial statements. The deposits are in RMB and at fixed interest rates of 2.3% – 2.55% p.a..

13. TRADE PAYABLES

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

	At 30 September 2015 <i>RMB'000</i> (Unaudited)	At 31 March 2015 <i>RMB'000</i> (Audited)
30 days or less	138,533	91,366
31 to 90 days	30,334	48,303
91 to 180 days	11,906	16,556
	<u>180,773</u>	<u>156,225</u>

14. BANK BORROWINGS

	At 30 September 2015 <i>RMB'000</i> (Unaudited)	At 31 March 2015 <i>RMB'000</i> (Audited)
Bank loans	<u>218,000</u>	<u>227,730</u>
The borrowings are repayable as follows: On demand or within one year	<u>218,000</u>	<u>227,730</u>

The carrying amounts of the Group's borrowings are denominated in RMB, the average interest rates at 30 September 2015 range from 5% to 6.77%.

Bank borrowings of RMB200 million (31 March 2015: RMB200 million) are arranged at fixed interest rates and expose the Group to fair value interest rate risk. Other borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

The Group's borrowings are secured by the pledged bank deposits of RMB280 million (31 March 2015: RMB210 million) and property and personal guarantee from related parties.

15 SHARE CAPITAL

A summary of the share capital of the Company is as follows:

	Number of shares	Amount RMB'000
<i>Authorised:</i>		
Ordinary shares of HK\$0.01 each		
At 31 March 2015, 1 April 2015 and 30 September 2015	19,800,000,000	157,061
Preference shares of HK\$0.01 each		
At 31 March 2015, 1 April 2015 and 30 September 2015	200,000,000	1,586
<i>Issued and fully paid:</i>		
Ordinary shares of HK\$0.01 each		
At 31 March 2015 and 1 April 2015	469,477,188	3,864
Issue of shares on placement on 1 April 2015	66,860,000	528
As at 30 September 2015	536,337,188	4,392

FINANCIAL REVIEW

For the six months ended 30 September 2015, the revenue of the Group from continuing operations was approximately RMB932 million (six months ended 30 September 2014: approximately RMB245 million), representing an increase of approximately 280% from the six months ended 30 September 2014.

The consolidated profit attributable to equity holders of the Company amounted to approximately RMB35 million for the six months ended 30 September 2015 (six months ended 30 September 2014: approximately RMB15 million). Earnings per share was approximately RMB0.07 for the six months ended 30 September 2015 (six months ended 30 September 2014: approximately RMB0.04).

RESULTS AND APPROPRIATIONS

Revenue

The revenue of the Group from continuing operations, the Convenience Food business, was approximately RMB932 million (six months ended 30 September 2014: approximately RMB245 million), representing an increase of approximately 280% from the six months ended 30 September 2014 due to the fast expansion of the existing convenience food business and increase in the number of customers in various cities. The sales network was enhanced, which resulted in increased market share in the market.

The Catering Services business is classified as the discontinued operations. The revenue of the Group from discontinued operations decreased from RMB2 million to nil due to the termination of catering sites.

Gross Profit

Gross profit of the Group from continuing operations increased from approximately RMB25.6 million for the six months ended 30 September 2014 to approximately RMB50.3 million for the six months ended 30 September 2015. Whereas, the gross profit margin for the current period decreased from 10.4% to 5.4% as the Company targets to generate higher market shares.

Other operating expenses

Other operating expenses of the Group from continuing operations were approximately RMB6.6 million (six months ended 30 September 2014: approximately RMB0.3 million), representing a significant increase of approximately 2,100% from the six months ended 30 September 2014 mainly due to increase in transportation costs incurred during the delivery processes as a result of increased in the number of customers in various cities and market shares.

Profit for the period attributable to equity holders

The profit for the period attributable to equity holders of the Company from continuing operation amounted to approximately RMB35.5 million for the six months ended 30 September 2015 (six months ended 30 September 2014: approximately RMB16.1 million). The profit for the period attributable to equity holders of the Company from discontinued operations was nil for the six months ended 30 September 2015 (six months ended 30 September 2014: loss approximately RMB1.1 million). Basic earnings per share were approximately RMB0.07 as compared with basic earnings per share of approximately RMB0.04 for the preceding period. The profit for the period attributable to equity holders of the Company increased was mainly due to enlarging the market shares during the period.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

Bank and cash balances as at 30 September 2015 was approximately RMB62.8 million (31 March 2015: approximately RMB130.3 million). The Group's debt-to-equity ratio measured on the basis of the Group's total liabilities of approximately RMB524.4 million (31 March 2015: approximately RMB480.1 million) to the total equity of positive of approximately RMB241.6million (31 March 2015: positive of approximately RMB115.8 million) is 2.17 (31 March 2015: 4.14).

CAPITAL STRUCTURE

On 1 April 2015, the Company has issued 66,860,000 Placing Shares under the Placing Agreement. Details were set out in the circular and announcement of the Company dated 8 April 2015.

EVENTS AFTER THE REPORTING PERIOD

On 23 May 2015, the Company entered into an agreement (the "First Agreement") with Perfect Future Investment Limited (the "Seller") regarding the sale and purchase of 25% equity interests in the target company (the "Target").

Subsequently on 23 August 2015, the Company entered into the Second Agreement in relation to the acquisition of the remaining 75% equity interests in the Target based on the same terms in the acquisition of the 25% equity interests of the Target under the First Agreement. Accordingly, the Seller is a connected person of the Company at issuer level. The Target is principally engaged in the food processing business and holding of properties. The transaction in relation to the acquisition of 100% equity interest in the Target has not yet completed as at the date of the report.

On 19 November 2015, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place up to 107,260,000 Placing Shares through the Placing Agent on a best effort basis, at a price of HK\$0.91 per Placing Share.

PROSPECTS

As mentioned in the annual report of FY2014/2015, the direction for future developments in the business of the Group will still be the rapid establishment of a nation-wide cold chain logistics purchasing network for various kinds of food and a nation-wide cold chain logistics food distribution network based on its cold chain food logistic distribution plant, with an aim to become the most competitive cold chain food distribution and delivery services provider in China.

EMPLOYMENT

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 30 September 2015, 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 six months ended 30 September 2015.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with the code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2015, except for the deviation of A2.1, A.4.1 and F.1.2 of the Code.

Pursuant to A.2.1 of the Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual, with the division of responsibilities between the chairman and chief executive clearly established and set out in writing. On 23 September 2014, Mr. Wang Jianqing retired as an executive director and chairman of the Company. On the same date, Mr. Huang Shourong ("Mr. Huang") resigned from the position of Chief Executive Officer ("CEO") of the Company and was appointed chairman of the Company. Mr. Huang, albeit resigned from the position of CEO, has kept on carrying out the responsibilities of CEO. Mr. Huang possesses the essential leadership skills to manage the Board and extensive knowledge in the business of the Group. The Board considers the present structure to be suitable to the Company because it can promote the efficient formulation and implementation of the Company's strategies. The Board will review the effectiveness of this arrangement from time to time and will consider appointing an individual as CEO when it thinks appropriate.

Pursuant to A.4.1 of the Code, non-executive directors should be appointed for specific terms, subject to re-election. For the period ended 30 September 2015, all the existing independent non-executive Directors were not appointed for a specific term but are subject to retirement and re-election at the forthcoming annual general meeting of the Company (the “AGM”) and retirement by rotation and re-election at least once every three years at the AGM in accordance with the provisions of the Company’s bye-laws.

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

REVIEW OF INTERIM REPORT

The Audit Committee constitutes three independent non-executive Directors. The unaudited results of the Group for the six months ended 30 September 2015 have been reviewed by the Audit Committee.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules. Having made specific enquiry to all Directors, they have confirmed that they complied with the required standards as set out in the Model Code during the six months ended 30 September 2015.

PUBLICATION OF INFORMATION ON WEBSITES

This results announcement is available for viewing on the website of the Company at www.fujicateringhk.com.

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

Hong Kong, 30 November 2015

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