
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee. The Prospectus Documents should not, however, be distributed, forwarded to or transmitted to, into or from any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (WUMP) Ordinance. The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of the Prospectus Documents.

Dealings in the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC. You should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings in the Rights Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

新煮意控股有限公司 FOOD IDEA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8179)

RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO SHARES HELD ON THE RECORD DATE

Financial adviser to the Company



KINGSTON CORPORATE FINANCE LTD.

Underwriters to the Rights Issue



KINGSTON SECURITIES LTD.



Capitalised terms used in this cover shall have the same meanings as defined in the Prospectus.

Dealings in the Rights Shares in the nil-paid form will take place from Thursday, 20 August 2015 to Thursday, 27 August 2015 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated by the Underwriters, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Thursday, 20 August 2015 to Thursday, 27 August 2015 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

It should be noted that the Underwriting Agreement contains provisions granting the Underwriters the right to terminate the obligations of the Underwriters thereunder on the occurrence of certain events including force majeure. These certain events are set out in the paragraph headed "Termination of the Underwriting Agreement" on pages 8 to 10 of this Prospectus. If the Underwriting Agreement is terminated by the Underwriters or does not become unconditional, the Rights Issue will not proceed.

The latest time for acceptance of and payment for the Rights Shares and for application is 4:00 p.m. on Tuesday, 1 September 2015. The procedure for acceptance and transfer is set out on pages 15 to 17 of this Prospectus.

18 August 2015

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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EXPECTED TIMETABLE

The expected timetable for the Rights Issue set out below is for indicative purposes only and it has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled. The expected timetable is subject to change, and any changes will be announced in separate announcement(s) by the Company as and when appropriate.

Event	2015 (Hong Kong time)
Commencement of dealings in nil-paid Rights Shares	9:00 a.m. on Thursday, 20 August
Latest time for splitting nil-paid Rights Shares	4:00 p.m. on Monday, 24 August
Last day of dealings in nil-paid Rights Shares	4:00 p.m. on Thursday, 27 August
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Tuesday, 1 September
Latest time to terminate the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Monday, 7 September
Announcement of the allotment results of the Rights Issue	Tuesday, 8 September
Share certificates for the fully-paid Rights Shares to be despatched on or before	Wednesday, 9 September
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Thursday, 10 September
Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lots of Shares	4:00 p.m. on Friday, 18 September

All references to time in this Prospectus are references to Hong Kong time. Dates stated in this Prospectus for events in the timetable are indicative only and may be extended or varied. Any changes to the anticipated timetable for the Rights Issue will be announced by the Company as and when appropriate.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE

The latest time for acceptance of and payment for Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a 'black' rainstorm warning:

1. in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Tuesday, 1 September 2015. Instead, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same business day; or
2. in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Tuesday, 1 September 2015. Instead, the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take place on Tuesday, 1 September 2015, the dates mentioned in the expected timetable above may be affected. The Company will notify Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 26 June 2015 in relation to, among other things, the Rights Issue
“associates”	has the meaning ascribed to this term under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays and Sundays) on which banks generally are open for business in Hong Kong
“BVI”	British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Food Idea Holdings Limited (stock code: 8179), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong
“Directors”	the directors of the Company
“Disposal MOU”	the non-legally binding memorandum of understanding dated 11 May 2015 in relation to the proposed disposal of 10% equity interest in Lucky Dessert (China) Holdings Limited, an indirect 49%-owned associate of the Company
“Excluded Shareholder(s)”	the/those Overseas Shareholder(s) who, in the opinion of the Directors based on enquiry made in compliance with the GEM Listing Rules, is/are necessary or expedient to be excluded from the Rights Issue on account of the legal restrictions under the laws or requirements of the relevant regulatory body or stock exchange in the places where such Overseas Shareholder(s) reside(s)
“Food Idea”	Food Idea Group Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company

DEFINITIONS

“FP Sino-Rich”	FP Sino-Rich Securities & Futures Limited, a licensed corporation to carry on business in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 9 (asset management) regulated activities under the SFO, being one of the Underwriters to the Rights Issue
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) (as defined in the GEM Listing Rules) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Kingston Securities”	Kingston Securities Limited, a licensed corporation to carry out business in type 1 (dealing in securities) regulated activity under the SFO, being one of the Underwriters to the Rights Issue
“KMW Investments”	KMW Investments Limited, a company incorporated in the BVI, together with Strong Light, the controlling shareholders (as defined under the GEM Listing Rules) of the Company, a corporation jointly owned by Mr. Wong Kwan Mo and Ms. Lau Lan Ying in equal shares, both being the executive Directors
“Last Trading Day”	Friday, 26 June 2015, being the last trading day of the Shares on GEM prior to the release of the Announcement

DEFINITIONS

“Latest Lodging Date”	4:30 p.m. on Friday, 17 July 2015 or such other date and/or time as the Underwriters and the Company may agree as the latest time for lodging transfer of the Shares in order to qualify for the Rights Issue
“Latest Practicable Date”	14 August 2015, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information referred to in this Prospectus
“Latest Time for Termination”	4:00 p.m. on Monday, 7 September 2015 or such other time as may be agreed between the Company and the Underwriters, being the latest time to terminate the Underwriting Agreement
“MOU”	the non-legally binding memorandum of understanding dated 9 June 2015 and entered into between Mr. Wong Yat Cheung and Wong Yat Tung as vendors and Food Idea as purchaser, in relation to a possible acquisition of the entire issued share capital of a company to be incorporated in the BVI with limited liability to develop dessert catering business in Singapore
“Overseas Shareholder(s)”	the/those person(s) whose address(es) as shown on the register of members of the Company as at the Record Date is/are resident in a place outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) in respect of the Rights Issue to be issued to the Qualifying Shareholders
“Placing Proceeds”	the net proceeds of approximately HK\$19.5 million from the placing of new Shares under general mandate as disclosed in the announcement of the Company dated 9 March 2015
“Posting Date”	Tuesday, 18 August 2015, the date on which the despatch of the Prospectus Documents takes place in accordance with the Underwriting Agreement (or such other date as the Underwriters and the Company may agree from time to time in writing)

DEFINITIONS

“PRC”	the People’s Republic of China, for the purpose of this Prospectus excludes Hong Kong, Macau Special Administration Region of the PRC and Taiwan
“Prospectus”	this prospectus issued by the Company in relation to the Rights Issue
“Prospectus Documents”	together, this Prospectus and PAL
“Qualifying Shareholder(s)”	Shareholder(s), other than the Excluded Shareholders, whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date
“Record Date”	Friday, 24 July 2015, being the date by reference to which entitlements to the Rights Issue are determined
“Registrar”	Union Registrars Limited, the Company’s share registrar and transfer office in Hong Kong
“Rights Issue”	the issue of 1,920,000,000 Rights Shares by way of rights to the Qualifying Shareholders for subscription on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date
“Rights Share(s)”	1,920,000,000 new Shares to be offered to the Qualifying Shareholders for subscription pursuant to the Rights Issue
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.001 each in the ordinary share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strong Light”	Strong Light Investments Limited, a company incorporated in Hong Kong, together with KMW Investments, the controlling shareholders (as defined under the GEM Listing Rules) of the Company, a corporation jointly owned by Mr. Wong Kwan Mo and Ms. Lau Lan Ying in equal shares, both being the executive Directors

DEFINITIONS

“Subscription Price”	HK\$0.105 per Rights Share
“Subscription Proceeds”	the net proceeds of approximately HK\$91 million from the placing of existing Shares and subscription for new Shares under general mandate as disclosed in the announcement of the Company dated 6 May 2015
“Underwriters”	collectively, Kingston Securities and FP Sino-Rich
“Underwriting Agreement”	the underwriting agreement dated Friday, 26 June 2015 (as supplemented by the letter agreement dated 24 July 2015 and the supplemental underwriting agreement dated 13 August 2015) entered into between the Company and the Underwriters in relation to the underwriting and certain other arrangements in respect of the Rights Issue
“Underwritten Shares”	the number of Rights Shares to be underwritten by the Underwriters
“%”	per cent.

TERMINATION OF THE UNDERWRITING AGREEMENT

If, prior to the Latest Time for Termination (provided that if the date of the Latest Time for Termination shall be a business day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day, the date of the Latest Time for Termination shall be the next business day on which no tropical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day):

- (a) in the absolute opinion of the Underwriters, the success of the Rights Issue would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (b) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriters is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (c) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriters will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (d) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the absolute opinion of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (e) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (f) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of any of the Underwriters, a material omission in the context of the Rights Issue; or
- (g) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue; or
- (h) the Prospectus when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the GEM Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the absolute opinion of the Underwriters be material to the Group as a whole upon completion of the Rights Issue and is likely to affect materially and adversely the success of the Rights Issue,

the Underwriters shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

Upon the giving of such notice, all obligations of the Underwriters thereunder shall cease and determine and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriters such fees as may then be agreed by the parties thereto. If the Underwriters exercise such right, the Rights Issue will not proceed.

TERMINATION OF THE UNDERWRITING AGREEMENT

Without prejudice to the above, if prior to the Latest Time for Termination, Kingston Securities serves notice of termination to the Company, and FP Sino-Rich agrees to proceed the Underwriting Agreement and to underwrite and subscribe and pay for or procure subscription and payment for all the Underwritten Shares in full, the Underwriting Agreement shall continue to be in full force on the part of the Company and on the part of FP Sino-Rich whereas all the rights and obligations of Kingston Securities under the Underwriting Agreement shall terminate forthwith and neither Kingston Securities nor the Company shall have any claim against each other for costs, damages, compensation or otherwise save for any antecedent breaches.

In the event that FP Sino-Rich serves notice of termination to the Company prior to the Latest Time for Termination, all Underwriters' obligations shall cease and the Underwriting Agreement shall be deemed to have been terminated by the Underwriters serving notice of termination to the Company.

LETTER FROM THE BOARD

新煮意控股有限公司 FOOD IDEA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8179)

Executive Directors:

Mr. Wong Kwan Mo (*Chairman*)

Ms. Lau Lan Ying (*Chief executive officer*)

Mr. Yu Ka Ho

Independent non-executive Directors:

Mr. Kwan Wai Yin, William

Mr. Li Fu Yeung

Ms. Chiu Man Yee

Registered office:

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Principal place of business in Hong Kong:

Shop 46, Ground Floor

Ho Shun Tai Building

No. 10 Sai Ching Street

Yuen Long

New Territories

Hong Kong

18 August 2015

*To the Qualifying Shareholders, and
for information only, the Excluded Shareholders*

Dear Sir/Madam,

RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO SHARES HELD ON THE RECORD DATE

INTRODUCTION

On 26 June 2015, the Company proposed to conduct the Rights Issue to raise approximately HK\$201.6 million before expenses by issuing 1,920,000,000 Rights Shares to the Qualifying Shareholders at the Subscription Price of HK\$0.105 per Rights Share on the basis of one Rights Share for every two Shares held on the Record Date. The Rights Issue is not available to the Excluded Shareholders.

The purpose of this Prospectus is to provide you with, among other things, details of the Rights Issue, financial information and other general information of the Group.

LETTER FROM THE BOARD

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) Shares held on the Record Date
Subscription Price	:	HK\$0.105 per Rights Share
Number of Shares in issue at the Record Date	:	3,840,000,000 Shares
Number of Rights Shares	:	1,920,000,000 Rights Shares
Underwriters	:	Kingston Securities Limited and FP Sino-Rich Securities & Futures Limited
Enlarged issued share capital upon completion of the Rights Issue	:	5,760,000,000 Shares

Based on the existing issued share capital of the Company as at the Record Date, a total of 1,920,000,000 Rights Shares will be provisionally allotted under the Rights Issue, representing 50% of the existing issued share capital of the Company and approximately 33.33% of the issued share capital of the Company as enlarged by the issue of the Rights Shares.

As at the Latest Practicable Date, the Company did not have any share options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

Subscription Price

The Subscription Price is HK\$0.105 per Rights Share, payable in full upon acceptance under the PAL(s).

The Subscription Price represents:

- (i) a discount of approximately 46.43% to the closing price of HK\$0.196 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 44.44% to the average of the closing prices of approximately HK\$0.189 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;

LETTER FROM THE BOARD

- (iii) a discount of approximately 43.55% to the average of the closing prices of approximately HK\$0.186 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 36.75% to the theoretical ex-rights price of approximately HK\$0.166 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.196 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a premium of approximately 98.11% to the audited consolidated net assets value attributable to owners of the Company per Share of approximately HK\$0.053, based on the latest audited net asset value attributable to owners of the Company of approximately HK\$204,611,000 as at 31 December 2014 and the number of Shares in issue of 3,840,000,000 Shares as at the Latest Practicable Date; and
- (vi) a discount of approximately 6.25% to the closing price of HK\$0.112 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Underwriters with reference to, among others, (i) the market price of the Shares under the prevailing market conditions; and (ii) the fluctuation of the market prices of the Company in the past three months before the Last Trading Day with the closing prices of the Shares ranging from HK\$0.144 per Share to HK\$0.241 per Share.

In planning the Rights Issue, the Directors (i) have, at the outset, intended to set the Subscription Price at a discount level that would likely enhance the attractiveness of the Rights Issue, lower the investment cost of the Shareholders and increase the incentive of Qualifying Shareholders to take up their entitlements to participate in the potential growth of the Group; and (ii) considered the existing structure of the Rights Issue appropriate in meeting the current funding needs of the Group. As such, no alternative structures were considered by the Company for the Rights Issue. In determining the Subscription Price, the Directors have taken into account (i) the then prevailing market prices; and (ii) the discount of the subscription price to the closing price on the last trading day for various rights issues and open offers with the same basis of the Rights Issue (i.e. one rights share or offer share for every two existing shares held) conducted in the 3-month period preceding the date of the Announcement by companies listed on the Stock Exchange. The Directors consider that the references of the rights issues and open offers mentioned above are representative and meaningful to assess the fairness and reasonableness of the Subscription Price. Given that each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its existing shareholding in the Company, the Directors are of the view that the discount to the Subscription Price to recent closing prices as set out above would attract the Qualifying Shareholders to participate in the Rights Issue and is appropriate. In light of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Rights Issue and the Subscription Price are fair and reasonable and in the interest of the Company and the Shareholders as a whole. The net price per Rights Share will be approximately HK\$0.103.

LETTER FROM THE BOARD

Basis of provisional allotments

The Rights Shares will be allotted on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date. Acceptances of all or any part of a Qualifying Shareholder's provisional allotment can be made only by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar by the latest time for acceptance of the Rights Issue, i.e. by 4:00 p.m. on Tuesday, 1 September 2015.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully-paid, shall rank *pari passu* in all respects with the Shares then in issue, including as to the right to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares.

Fractional entitlements to the Rights Shares

The Company will not provisionally allot to and will not accept applications for any fractions of Rights Shares from Qualifying Shareholders. Fractional entitlements will be rounded down to the nearest whole number of Rights Shares. Such fractional entitlements will be aggregated and the fractions of nil-paid Rights Shares shall be provisionally allotted to a nominee of the Company. The Company shall procure its nominees, if possible, to sell all the fractions of the nil-paid Rights Shares in the market and the net proceeds of such sales, after deduction of expenses, will be aggregated and an equivalent amount will accrue for the benefit of the Company.

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of subscribing for the Rights Shares, or about purchasing, holding or disposal of, or dealings in or exercising any rights in relation to the Rights Shares in both their nil-paid and fully-paid forms and, or as regards the Excluded Shareholders (if any), their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, the Directors nor or any other parties involved in the Rights Issue accepts responsibility for any tax effects on or liabilities of holders of the Rights Shares resulting from the subscription, purchase, holding or disposal of, or dealing in or exercising any rights in relation to the Rights Shares in both their nil-paid and fully-paid forms.

LETTER FROM THE BOARD

Procedures for acceptance and payment or transfer

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown thereon. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Registrar at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, by not later than 4:00 p.m. on Tuesday, 1 September 2015. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to **"FOOD IDEA HOLDINGS LIMITED – PROVISIONAL ALLOTMENT ACCOUNT"** and crossed **"ACCOUNT PAYEE ONLY"**.

It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Tuesday, 1 September 2015, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions in the PAL. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the entire and original PAL must be surrendered and lodged for cancellation by not later than 4:00 p.m. on Monday, 24 August 2015 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

Qualifying Shareholders who wish to transfer their rights to subscribe for Rights Shares and the investors to whom the rights to subscribe for the Rights Shares are being transferred should note that Hong Kong stamp duty is payable in connection with the transfer of the rights to subscribe for the Rights Shares.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

LETTER FROM THE BOARD

All cheques or cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Any PAL in respect of which the cheque or banker's cashier order is dishonoured on first presentation is liable to be rejected, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. You must pay the exact amount payable upon application for the Rights Shares, underpaid application will be rejected. In the event of overpaid application, a refund cheque, without interest, will be made out to you if the overpaid amount is HK\$100 or above.

Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If the Underwriters exercise the right to terminate or rescind the Underwriting Agreement on or before the Latest Time for Termination, or if any of the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" below is not fulfilled, the monies received in respect of the relevant provisional allotments, without interest, will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Wednesday, 9 September 2015.

Save as described under the paragraph headed "Excluded Shareholders" below, no action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone receiving the Prospectus Documents outside Hong Kong wishing to make an application for Rights Shares to satisfy itself/himself/herself/themselves before subscribing for the allotted Rights Shares, as to the full observance of the laws and regulations of all relevant jurisdictions, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in any such jurisdiction in connection therewith.

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The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for the Rights Shares will be accepted from any person who is an Excluded Shareholder.

No receipt will be issued in respect of any application monies received.

Odd lots arrangement

To alleviate the difficulties in trading odd lots of the Shares arising from the change in board lot size of the Shares and the Rights Issue, the Company has appointed Kingston Securities as an agent to provide matching services to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Monday, 27 July 2015 to 4:00 p.m. on Friday, 18 September 2015 (both dates inclusive).

Holders of the Shares in odd lots represented by the existing share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full new board lot may directly or through their broker contact Ms. Rosita Kiu of Kingston Securities at Suite 2801, 28th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong (telephone: (852) 2298 6215 and facsimile: (852) 2295 0682) during such period.

Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be an Excluded Shareholder at the close of business on the Record Date. Overseas Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date whom the Company, based on legal opinions provided by legal advisers, considers necessary or expedient not to offer the Rights Shares on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place will not be regarded as Qualifying Shareholders.

Excluded Shareholders

The Company will send the Prospectus only (without PAL) to the Excluded Shareholders, if any, for their information.

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Based on the register of members of the Company at the close of business on the Record Date, there was one Overseas Shareholder with registered address in the BVI. Pursuant to Rule 17.41 of the GEM Listing Rules, the Company has made enquiry regarding the legality and feasibility of extending the offer of the Rights Issue to that Overseas Shareholder. Based on the legal opinions from the legal adviser of the Company as to the BVI laws, there is no restriction to extend the Rights Issue to that Overseas Shareholder and there were no Excluded Shareholders for the Rights Issue at the close of business on the Record Date. Accordingly, the Rights Issue will be extended to that Overseas Shareholder and the Prospectus Documents will be sent to that Overseas Shareholder. Save for the aforesaid Overseas Shareholder, all Shareholders on the Company's register of members at the close of business on the Record Date have registered addresses in Hong Kong.

No application for excess Rights Shares

Considering that the Rights Issue will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company and is negotiated on an arm's length basis with the Underwriters, if application for excess Rights Shares is arranged, the Company will be required to put in additional efforts and costs (estimated to be HK\$100,000 to HK\$200,000) to administer the excess application procedures. The Board considers that it is important for the Group to minimise all costs which may be incurred during the fund raising. Notwithstanding excess application arrangement will not be made available to the Qualifying Shareholders, the Board considers that a discount to the Subscription Price offered to the Qualifying Shareholders would encourage them to participate in the Rights Issue and to the potential growth of the Company. In light of the above, the Board considers that the Rights Issue in the absence of excess application arrangement is in the interests of the Shareholders. Accordingly, no excess Rights Shares will be offered to the Qualifying Shareholders and any Rights Shares not taken up by the Qualifying Shareholders will be underwritten by the Underwriters pursuant to the terms of the Underwriting Agreement.

Application for listing

The Company has made an application to the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirement of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC.

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Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be in the new board lots of 24,000 Shares. Dealings in the Rights Shares will be subject to the payment of the stamp duty and other applicable fees and charges in Hong Kong.

Certificates for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue as set out in the paragraph headed “Conditions of the Rights Issue” below, share certificates for all fully-paid Rights Shares are expected to be posted on or before Wednesday, 9 September 2015 to those who have accepted and paid for the Rights Shares, by ordinary post at their own risk.

Conditions of the Rights Issue

The Rights Issue is conditional upon the followings:

- (i) the delivery to the Stock Exchange for authorisation and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the GEM Listing Rules and the Companies (WUMP) Ordinance not later than the Posting Date;
- (ii) the posting of the Prospectus Documents to the Qualifying Shareholders on the Posting Date, and the posting of the Prospectus and a letter in the agreed form to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Posting Date;
- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the Rights Shares by no later than the first day of their dealings;
- (iv) the Shares remaining listed on the Stock Exchange at all times prior to the Latest Time for Termination and the listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than five (5) trading days at any time prior to the latest time for acceptance;
- (v) compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement;
- (vi) the obligations of the Underwriters becoming unconditional and that the Underwriting Agreement is not terminated in accordance with the terms of the Underwriting Agreement;

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- (vii) compliance with and performance of all undertaking and obligations by KMW Investments in favour of the Company and the Underwriters to, among others, subscribe for 451,036,000 Rights Shares to which KMW Investments is entitled to under the Rights Issue;
- (viii) compliance with and performance of all undertaking and obligations by Strong Light in favour of the Company and the Underwriters to, among others, subscribe for 125,000,000 Rights Shares to which Strong Light is entitled to under the Rights Issue; and
- (ix) compliance with the requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands.

The conditions set out above are incapable of being waived. If all of the above conditions are not satisfied by 4:00 p.m. (Hong Kong time) on Monday, 7 September 2015, the Latest Time for Termination, or such later date or dates as the Underwriters may agree with the Company in writing, the Underwriting Agreement shall terminate and no party will have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches, and the Rights Issue will not proceed.

As at the Latest Practicable Date, none of the above conditions had been satisfied. Conditions (i) and (ii) above are expected to have been fulfilled on the Posting Date.

UNDERWRITING ARRANGEMENT FOR THE RIGHTS ISSUE

Date of the Underwriting Agreement : Friday, 26 June 2015

Underwriters : Kingston Securities, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Kingston Securities and its associates is an Independent Third Party; and

FP Sino-Rich, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of FP Sino-Rich and its ultimate beneficial owners is an Independent Third Party

Number of Rights Shares : 1,920,000,000 Rights Shares

Number of Underwritten Shares : 1,343,964,000 Rights Shares

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Commissions : Kingston Securities is entitled to 0.5% of the aggregate Subscription Price of the actual number of Underwritten Shares taken up by it and FP Sino-Rich is entitled to 1.0% of the aggregate Subscription Price of 1,343,964,000 Underwritten Shares less those Underwritten Shares taken up by Kingston, if any

The commission rates were determined between the Company and the Underwriters with reference to the scale of the Rights Issue and the market rate. Pursuant to the Underwriting Agreement, Kingston Securities shall have the priority right (but not obligation) to underwrite the Underwritten Shares whereas FP Sino-Rich shall have the primary obligation to fully underwrite any Underwritten Shares not taken up by Kingston Securities. Kingston Securities will consider the market condition during the period of the Rights Issue and the responses of the potential investors approached by Kingston Securities when deciding whether or not to underwrite the Underwritten Shares.

By having two Underwriters for the Rights Issue, it can provide an opportunity for the Company to attract more potential investors to participate in the Rights Issue through the network of the two Underwriters and as a result to further broaden its Shareholder base. Given that the maximum commission rate of the Rights Issue of 1.0% is in line with the general market practice of the rights issue carried out by other listed companies on the Stock Exchange, the Directors (including the independent non-executive Directors) consider the terms of the Underwriting Agreement, including the commission rates and the arrangement of having two Underwriters, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Pursuant to the Underwriting Agreement, in the event of the Underwriters being called upon to subscribe for or procure subscribers for the Underwritten Shares, the Underwriters shall use their best endeavours to ensure that (i) each of the subscribers of the Underwritten Shares procured by it shall be an Independent Third Party; and (ii) the public float requirement under Rule 11.23(7) of the GEM Listing Rules be fulfilled by the Company upon completion of the Rights Issue. As at the Last Practicable Date, no sub-underwriting arrangements/agreements have been entered into by the Underwriters.

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Undertakings

Undertaking from KMW Investments

As at the Latest Practicable Date, KMW Investments was the legal and beneficial owner of 902,072,000 Shares, representing approximately 23.49% of the existing issued ordinary share capital of the Company. KMW Investments has given an irrevocable undertaking in favour of the Company and the Underwriters not to dispose of any of the 902,072,000 Shares registered in the name of KMW Investments and to remain as the legal and beneficial owner of those 902,072,000 Shares up to and including the Latest Lodging Date. KMW Investments has given an irrevocable undertaking in favour of the Company and the Underwriters to subscribe for 451,036,000 Rights Shares to which KMW Investments is entitled to under the Rights Issue.

Undertaking from Strong Light

As at the Latest Practicable Date, Strong Light was the legal and beneficial owner of 250,000,000 Shares, representing approximately 6.51% of the existing issued ordinary share capital of the Company. Strong Light has given an irrevocable undertaking in favour of the Company and the Underwriters not to dispose of any of the 250,000,000 Shares registered in the name of Strong Light and to remain as the legal and beneficial owner of those 250,000,000 Shares up to and including the Latest Lodging Date. Strong Light has given an irrevocable undertaking in favour of the Company and the Underwriters to subscribe for 125,000,000 Rights Shares to which Strong Light is entitled to under the Rights Issue.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination (provided that if the date of the Latest Time for Termination shall be a business day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day, the date of the Latest Time for Termination shall be the next business day on which no tropical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day):

- (a) in the absolute opinion of the Underwriters, the success of the Rights Issue would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or

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- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (b) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriters is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (c) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriters will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (d) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the absolute opinion of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (e) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (f) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of any of the Underwriters, a material omission in the context of the Rights Issue; or

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- (g) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue; or
- (h) the Prospectus when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the GEM Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the absolute opinion of the Underwriters be material to the Group as a whole upon completion of the Rights Issue and is likely to affect materially and adversely the success of the Rights Issue,

the Underwriters shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

Upon the giving of such notice, all obligations of the Underwriters thereunder shall cease and determine and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriters such fees as may then be agreed by the parties thereto. If the Underwriters exercise such right, the Rights Issue will not proceed.

Without prejudice to the above, if prior to the Latest Time for Termination, Kingston Securities serves notice of termination to the Company, and FP Sino-Rich agrees to proceed the Underwriting Agreement and to underwrite and subscribe and pay for or procure subscription and payment for all the Underwritten Shares in full, the Underwriting Agreement shall continue to be in full force on the part of the Company and on the part of FP Sino-Rich whereas all the rights and obligations of Kingston Securities under the Underwriting Agreement shall terminate forthwith and neither the Kingston Securities nor the Company shall have any claim against each other for costs, damages, compensation or otherwise save for any antecedent breaches.

In the event that FP Sino-Rich serves notice of termination to the Company prior to the Latest Time for Termination, all Underwriters' obligations shall cease and the Underwriting Agreement shall be deemed to have been terminated by the Underwriters serving notice of termination to the Company.

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CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

The shareholding structure of the Company as at the Latest Practicable Date and immediately upon completion of the Rights Issue based on the following scenarios are set out below, for illustrative purposes only:

	As at the Latest Practicable Date		Upon completion of the Rights Issue (assuming all Qualifying Shareholders take up their entitlement to the Rights Issue in full)		Upon completion of the Rights Issue (assuming none of the Qualifying Shareholders take up their entitlement to the Rights Issue, except those pursuant to the undertakings made by KMW Investments and Strong Light)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
KMW Investments (Note)	902,072,000	23.49	1,353,108,000	23.49	1,353,108,000	23.49
Strong Light (Note)	<u>250,000,000</u>	<u>6.51</u>	<u>375,000,000</u>	<u>6.51</u>	<u>375,000,000</u>	<u>6.51</u>
	<u>1,152,072,000</u>	<u>30.00</u>	<u>1,728,108,000</u>	<u>30.00</u>	<u>1,728,108,000</u>	<u>30.00</u>
The Underwriters	–	–	–	–	1,343,964,000	23.33
Public shareholders	<u>2,687,928,000</u>	<u>70.00</u>	<u>4,031,892,000</u>	<u>70.00</u>	<u>2,687,928,000</u>	<u>46.67</u>
Total	<u><u>3,840,000,000</u></u>	<u><u>100.00</u></u>	<u><u>5,760,000,000</u></u>	<u><u>100.00</u></u>	<u><u>5,760,000,000</u></u>	<u><u>100.00</u></u>

Note:

As at the Latest Practicable Date, 902,072,000 Shares and 250,000,000 Shares were owned by KMW Investments and Strong Light respectively. The entire issued share capital of KMW Investments and Strong Light are beneficially owned as to 50% by Mr. Wong Kwan Mo and 50% by Ms. Lau Lan Ying, both being the executive Directors.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in (i) the operation of a chain of Chinese restaurants in Hong Kong and dessert catering business in the PRC; (ii) production, sales and distribution of food products to supermarket chains in Hong Kong; (iii) investment in securities; and (iv) money lending business.

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Development of the dessert catering business

With the view to enhancing and enriching the Group's business scope and product line, and thus bringing an additional stream of income to the Group, the Group started its expansion into the dessert catering business and completed the acquisition of 100% equity interest in Brilliant Forever Limited ("**Brilliant Forever**"), which indirectly holds 49% interest in the trademark licence of a Hong Kong renowned dessert brand "Lucky Dessert 發記甜品" in the PRC, on 29 April 2015. The operation of the first dessert catering restaurant in Tianjin, the PRC, commenced in May 2015 and has started to generate revenue. The Group targets to start the operation of its second dessert catering restaurant in Tianjin, the PRC, in the second half of 2015, which is in line with the Group's business and expansion plan of "Lucky Dessert 發記甜品" in the PRC as disclosed in the circular of the Company dated 27 March 2015. The Group is also in the progress of negotiating with different potential franchisees for expanding its dessert catering business to other areas of the PRC.

As disclosed in the announcement of the Company dated 11 May 2015, the Company has entered into a non-legally binding Disposal MOU in relation to the proposed disposal of 10% equity interest in Lucky Dessert (China) Holdings Limited ("**Lucky Dessert BVI**"), an indirect 49%-owned associate of the Company, intending for cooperation and development of the trademark "Lucky Dessert 發記甜品" in the PRC with the proposed purchaser. Pursuant to the terms of the Disposal MOU, if the formal agreement was not signed after 60 days from the signing of the Disposal MOU by the parties thereto, the Disposal MOU shall lapse automatically. Given that no formal agreement has been entered into within the prescribed 60 days, the Disposal MOU has lapsed automatically. The Board considered that the lapse of the Disposal MOU would not have any material adverse impact on the existing business of the Group.

As disclosed above, the Group has successfully set up its first dessert catering restaurant in Tianjin, the PRC, which commenced operation in May 2015 and has started to generate revenue. In addition, the Group has been approached by potential franchisees of the trademark "Lucky Dessert 發記甜品" for running the dessert catering business in other cities such as Beijing, Shanghai and Guangzhou, the PRC. As the Group currently plans to further develop its dessert catering business, the Company intends to explore the opportunity of expanding the dessert catering business to other regions. The Group has therefore negotiated with Mr. Wong Yat Cheung and Mr. Wong Yat Tung, the founders of Lucky Dessert (發記甜品), to explore other business cooperation under the trademark "Lucky Dessert 發記甜品" in other countries in Southeast Asia. On 9 June 2015, Food Idea, a wholly-owned subsidiary of the Company, as purchaser, entered into the MOU with Mr. Wong Yat Cheung and Mr. Wong Yat Tung as vendors, for acquiring the entire issued share capital of a company to be incorporated in the BVI with limited liability, which will have the exclusive right to use the trademark "Lucky Dessert 發記甜品" in Singapore and will have the exclusive franchise right of setting up and operating certain dessert catering restaurants under the said trademark in Singapore. The Company has currently engaged relevant parties in Singapore to conduct a study on the market condition of the dessert catering business in Singapore and carry out valuation on the target of the acquisition. The Company is also in the process of seeking suitable personnel to develop the said business. In addition, pursuant to the non-legally binding MOU, which, if materialises, Food Idea shall be granted the first right of refusal to (i) the exclusive franchise right of setting up and operating

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certain dessert catering restaurants under the trademark of “Lucky Dessert 發記甜品” in Malaysia and Indonesia; and (ii) the exclusive right to use the trademark of “Lucky Dessert 發記甜品” in Malaysia and Indonesia.

Development of the money lending business

Since June 2015, the Group has commenced the money lending business through Happy Credit Limited, a direct wholly-owned subsidiary of the Company, which is licensed to conduct money lending business in Hong Kong in about September 2012. The Group targets customers who look for substantial loan amounts and who can offer security for the relevant loans.

Since the commencement of the money lending business in June 2015 and up to the Latest Practicable Date, the Company has offered loans of approximately HK\$57 million to a small number of customers, which included revolving and term loans, all being secured by mortgages. The growth of the money lending business has exceeded the Group’s expectation. During the past few months, several potential borrowers were turned down by the Group owing to the lack of working capital for such purpose. Due to the capital constraint, the Group is currently running the money lending business in small scale and focusing on a limited number of customers. The Board is looking for additional funding to expand the money lending business by increasing the scale and number of loans to customers and providing a more comprehensive range of loan products to customers who seek substantial loan amounts whilst being able to offer security for the relevant loans. To further develop the money lending business and expand the customer base, sufficient working capital is required. Given that the proceeds raised from the fund raising activities of the Company during the past 12 months immediately preceding the Latest Practicable Date were not intended for the expansion of the Group’s money lending business, the Group needs to raise funds for such purpose. In view of the loan book of approximately HK\$57 million built up during the past two months and the recent demand for loans from potential borrowers, the Company currently expects that it would require substantial working capital to capture potential business opportunities and support the growth of the Group’s money lending business.

Other possible investment opportunities

Apart from the MOU, the Group is also currently exploring investment opportunities of its catering business that may expand the source of income and enhance the prospect of the Group. Leveraging on the experience and business network obtained from the development of the trademark of “Lucky Dessert 發記甜品” in the PRC, the Group intends to further explore the opportunities in developing other trademarks with respect to the catering business in the PRC under the franchising model. The Group has been in preliminary negotiations with Independent Third Parties in relation to obtaining the rights to operate restaurants and/or sub-franchise under certain casual dining and restaurant brands in the United States, Korea and Malaysia serving different types of food including fast food, dessert and Southeast Asia cuisine in the PRC. As at the Latest Practicable Date, save for the MOU, no letter of intent or definitive agreement has been entered into by the Group.

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Use of proceeds

In view of the above, the Board proposes the Rights Issue to strengthen its capital base and provide sufficient surplus capital to support future business development of the Group.

The gross proceeds of the Rights Issue (before expenses) is approximately HK\$201.6 million. The net proceeds of the Rights Issue (after deducting the costs and expenses in relation to the Rights Issue and the underwriting commission fees) is expected to be approximately HK\$198 million. The Company intends to apply the net proceeds from the Rights Issue in the following manner:

- approximately HK\$90 million for funding the consideration of the proposed acquisition of the dessert catering business in Singapore, should the MOU materialise;
- approximately HK\$100 million for the provision of money lending business of the Group; and
- the balance of approximately HK\$8 million for general working capital of the Company.

The net proceeds of approximately HK\$90 million allocated to the proposed acquisition of the dessert catering business in Singapore represents the estimated total consideration payable under the proposed acquisition subject to further negotiation between Food Idea and the vendors to the MOU. The parties to the MOU shall negotiate in ensuring that a formal sale and purchase agreement be entered into as soon as possible and in any event, on or before the date falling three months from the date of the MOU (being 9 June 2015) or such later date as the parties to the MOU may agree in writing. Should the MOU materialise, further announcement will be made by the Company as and when applicable in accordance with the GEM Listing Rules. As at the Latest Practicable Date, the Company has not formulated any concrete business plan for the dessert catering business in Singapore as the study on the relevant market condition and formulation of an appropriate business model are still underway. The funding need for the business development of the dessert catering business in Singapore is subject to, among others, the results of the market research, the business model, and legal requirements in running franchise business in Singapore.

However, if the proposed acquisition under the MOU does not proceed, the Board intends to reallocate the proceeds of approximately HK\$90 million originally planned for the proposed acquisition for other possible investment opportunities as disclosed in the paragraph headed “Other possible investment opportunities” above. Should such opportunities materialise, further announcement will be made by the Company as and when applicable in accordance with the GEM Listing Rules.

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In the event that none of the above business opportunities materialises within six months after completion of the Rights Issue, the Directors intend to apply the proceeds of approximately HK\$190 million from the Rights Issue for funding the development of the Group's money lending business. As mentioned in the paragraph headed "Development of the money lending business" above, the Group requires additional capital to expand its money lending business. The Board considers that such application of the net proceeds to the money lending business will speed up its development.

Given that the Group have plans for use of the remaining Placing Proceeds and Subscription Proceeds, details of which are set out in the section headed "Fund raising activities in the past twelve months" below in this letter, and having taken into account (i) the funding needs for the proposed acquisition under the MOU; and (ii) the working capital required for expanding the money lending business of the Group, the Directors have decided to proceed with the Rights Issue which, in their opinion, would benefit the long-term growth of the Group.

Among different fund raising methods, the board considers that the Rights Issue would allow all Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective pro rata shareholdings in the Company by taking up only their respective rights entitlement, acquiring additional rights entitlement or disposing of their rights entitlements in the open market (subject to availability).

The Directors also consider that it is prudent to finance the Group's long term growth by way of the Rights Issue which will not only strengthen the Group's capital base and enhance its financial position, without having to incur interest expenses as compared to debt financing, but will also allow all Qualifying Shareholders the opportunity to participate in the growth of the Group through the Rights Issue at a deeper discount to the current market price of the Shares. Accordingly, the Board considers that the fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The following are fund raising activities of the Company during the past 12 months immediately preceding the Latest Practicable Date:

	Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
(a)	6 May 2015 and 19 May 2015	Issue of 480,000,000 new Shares under general mandate at HK\$0.193 per Share pursuant to a placing and subscription agreement dated 6 May 2015	Approximately HK\$91 million	For potential acquisition and general working capital of the Group	<ul style="list-style-type: none"> Approximately HK\$5 million was utilised for general working capital of the Group of which: <ul style="list-style-type: none"> approximately HK\$1.5 million was utilised as expenses incurred for exploring possible business opportunities; and approximately HK\$3.5 million was utilised for payment of staff cost. The remaining net proceeds of approximately HK\$86 million are currently intended to be utilised for possible expansion of the Group's dessert catering business to other Southeast Asian countries, such as Malaysia and Indonesia, with the experience gained from carrying out the dessert catering business in the PRC, which is in line with the use of proceeds as disclosed in the announcement of the Company dated 6 May 2015.
(b)	9 March 2015 and 26 March 2015	Placing of 160,000,000 new Shares at HK\$0.125 per Share under general mandate	Approximately HK\$19.5 million	Approximately HK\$15 million for providing a shareholder's loan contemplated under a loan agreement; and the remaining net proceeds will be used for general working capital of the Group	<ul style="list-style-type: none"> Approximately HK\$4.5 million was utilised for general working capital of the Group of which: <ul style="list-style-type: none"> approximately HK\$200,000 was utilised as expenses incurred for exploring possible business opportunities; approximately HK\$4.05 million was utilised for payment of Directors' fees and staff cost; and approximately HK\$250,000 was utilised for expenses of the Group's business in the PRC. The remaining net proceeds of approximately HK\$15 million has been earmarked for the advancement of loan to Lucky Dessert (BVI) pursuant to the loan agreement dated 29 April 2015 for the business development of the dessert catering business under the trademark "Lucky Dessert 發記甜品" in the PRC, which is in line with the use of proceeds as disclosed in the announcement of the Company dated 9 March 2015. As at the Latest Practicable Date, no loan has been drawn under the said loan agreement dated 29 April 2015.

Save as disclosed above, the Company has not conducted any other equity fund raising activities during the past 12 months immediately preceding the Latest Practicable Date.

LETTER FROM THE BOARD

As at the Latest Practicable Date, save for the Rights Issue, the Company has no intention or plan for fund raising in the next 12 months for its existing businesses. However, the actual funding need will depend on the development of the dessert catering business under the MOU or businesses contemplated under other potential acquisition opportunities as mentioned in the paragraph headed “Other possible investment opportunities” above should they materialise.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND NIL-PAID RIGHTS SHARES

The Shares has been dealt in on an ex-rights basis from Thursday, 16 July 2015. Dealings in the Rights Shares in the nil-paid form will take place from Thursday, 20 August 2015 to Thursday, 27 August 2015 (both dates inclusive). The Rights Issue is conditional upon the fulfillment of the conditions set out under the paragraph headed “Conditions of the Rights Issue” above. The Underwriters are entitled under the Underwriting Agreement to terminate the Underwriting Agreement on the occurrence of certain events, as described in the paragraph headed “Termination of the Underwriting Agreement” above.

Any Shareholders or other persons contemplating transferring, selling or purchasing Shares and/or Rights Shares in their nil-paid form who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriters’ right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from Thursday, 20 August 2015 to Thursday, 27 August 2015 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholder; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby any one of them has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its Shares to a third party, either generally or on a case-by-case basis.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

By Order of the Board
Food Idea Holdings Limited
Wong Kwan Mo
Chairman and executive Director

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for the three years ended 31 December 2012, 2013 and 2014, the three months ended 31 March 2015 and the six months ended 30 June 2015 are disclosed on pages 35-88 of the 2012 annual report published on 28 March 2013, pages 39-94 of the 2013 annual report published on 25 March 2014, pages 37-114 of the 2014 annual report published on 30 March 2015, pages 4-14 of the 2015 first quarterly report published on 15 May 2015 and pages 4-34 of the 2015 interim report published on 14 August 2015 respectively, which are published on both the website of the Stock Exchange (<http://www.hkex.com.hk>) and the website of the Company (<http://www.gayety.com.hk>). Please refer to the hyperlinks as stated below:

2012 annual report:

<http://www.hkexnews.hk/listedco/listconews/GEM/2013/0328/GLN20130328131.pdf>

2013 annual report:

<http://www.hkexnews.hk/listedco/listconews/GEM/2014/0330/GLN20140330003.pdf>

2014 annual report:

<http://www.hkexnews.hk/listedco/listconews/GEM/2015/0330/GLN20150330337.pdf>

2015 first quarterly report:

<http://www.hkexnews.hk/listedco/listconews/GEM/2015/0515/GLN20150515077.pdf>

2015 interim report:

<http://www.hkexnews.hk/listedco/listconews/GEM/2015/0814/GLN20150814251.pdf>

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 June 2015, being the latest practicable date for the purpose of this statement of indebtedness prior to printing of this Prospectus, the indebtedness of the Group was as follows:

(i) Secured bank borrowings

The Group had outstanding bank loans of approximately HK\$12,537,000, which were secured by the Group's pledged bank deposits, property, plant and equipment, limited guarantees by Hong Kong Mortgage Corporation Limited, the government of Hong Kong Special Administrative Region and unlimited guarantee by non-controlling shareholders and directors of a subsidiary of the Group.

(ii) Other indebtedness

The Group had outstanding consideration payable of approximately HK\$96,000,000 to Mr. Wong Tai Chun.

With reference to the circular dated 27 March 2015, the Group has acquired the entire equity interest in Brilliant Forever from Mr. Wong Tai Chun at a maximum consideration of HK\$100,000,000. The consideration was satisfied by HK\$4,000,000 in cash and the remaining part of the consideration was capped at HK\$96,000,000 and is subject to downward adjustment in proportion to a valuation of Brilliant Forever (including the 49% equity interest of the Lucky Dessert BVI and its subsidiaries, collectively referred to as the “**Target Group**”) as of 31 December 2015 (“**2015 Valuation**”) compared to the valuation of the Target Group as at 31 October 2014 (“**2014 Valuation**”) and shall be payable by the issuance of promissory note of the Company. Based on the estimation made by the Directors and in view of the current market development of dessert catering industry in the PRC, management considered that it is highly probable that the 2015 Valuation will be no less than the 2014 Valuation. Thus, HK\$96,000,000 is recognised as the consideration payable.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptance or acceptance credits, debentures, mortgages, charges, hire purchase or finance lease commitments, guarantees or contingent liabilities.

The Directors confirmed that there has been no material adverse change in the indebtedness and contingent liabilities of the Group since 30 June 2015, being the latest practicable date for determining the Group’s indebtedness up to the date of this Prospectus.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that the Group will, taking into account the net proceeds from the Rights Issue and the financial resources available to the Group, have sufficient working capital for its present operating requirements and for at least the next twelve months from the date of this Prospectus, in the absence of unforeseeable circumstances.

4. MATERIAL ADVERSE CHANGE

On 15 July 2015, the Company made a positive profit alert announcement stating that based on the preliminary assessment by the Board of the information currently available to the Company and the unaudited financial information of the Group for the six months ended 30 June 2015, it is expected that the Group will record a significant increase in the consolidated profit for the six months ended 30 June 2015, as compared to the corresponding period in 2014. The significant increase in profit for the Group was mainly due to the substantial increase in unrealised gain from financial assets at fair value through profit or loss, contributing no less than approximately HK\$110 million to the Group's results for the six months ended 30 June 2015. Despite the above satisfactory performance in the securities investment business, the restaurant operation of the Group remains challenging in 2015 due to increase in costs of food, labour and rental, and so the restaurant operation would be unable to achieve business performance as expected.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial position or trading position of the Group since 31 December 2014 being the date to which the latest published audited financial statements of the Group was made up.

5. BUSINESS REVIEW AND FINANCIAL AND TRADING PROSPECTS**Business Review*****Catering******Chinese restaurant operations***

The Group follows a business philosophy of offering high quality cuisine at highly affordable prices. It is committed to providing memorable dining experiences to its customers by delivering deliciously prepared food, outstanding menu choices and a tastefully designed dining environment. As mentioned in the annual report for the year ended 31 December 2014 and the interim report for the six months ended 30 June 2015, the Group was operating nine restaurants under three brands and their performances are outlined below.

Red Seasons Aroma Restaurants ("Red Seasons")

Red Seasons targets customers desiring quality food and special Chinese cuisine at competitive prices. Many customers have found the allure of Red Seasons irresistible, thanks in large measure to the signature dish, roast suckling pig stuffed with glutinous rice and dried prawn. During the year ended 31 December 2014, the revenue from the Red Seasons restaurants increased by around 14% to approximately HK\$236,898,000 as compared to the previous year. This is mainly attributable to Sai Wan Red Seasons, which operated a full year in 2014 instead of three months in 2013. Excluding the effect of Sai Wan Red Seasons,

the revenue increased by 5% approximately. During the six months ended 30 June 2015, the Red Seasons restaurants recorded revenue of approximately HK\$116,402,000, a slight decrease of 4% as compared to the last corresponding period.

Plentiful Delight Banquet Restaurant (“Plentiful Delight Banquet”)

The second brand established by the Group, Plentiful Delight Banquet, serves Cantonese dim sum and fresh seafood delicacies that are not commonly found in other restaurants. Offering banquet facilities with a seating capacity of 100 banquet tables, Plentiful Delight Banquet is ideal for large-scale events up to 1,200 guests on a single occasion. During the year ended 31 December 2014, Plentiful Delight Banquet recorded revenue of approximately HK\$89,856,000, which was similar to last year (2013: HK\$89,147,000). During the six months ended 30 June 2015, Plentiful Delight Banquet recorded revenue of approximately HK\$41,827,000, a slight decrease of 4% as compared to the last corresponding period.

Red Royalty Banquet Restaurant (“Red Royalty”)

Red Royalty provides premium and deluxe Chinese banquet and dining services in a formal, grand environment decorated with contemporary, stylish and elegant items. Red Royalty’s scale of operations is the largest within the Group’s existing restaurants with a seating capacity of 120 banquet tables and can serve up to 1,400 guests on a single occasion. During the year ended 31 December 2014, Red Royalty generated revenue of approximately HK\$66,691,000. Revenue from banquet and dining services generated by Plentiful Delight Banquet and Red Royalty decreased slightly by approximately 5% as compared to last year. During the six months ended 30 June 2015, Red Royalty generated revenue of approximately HK\$37,206,000. Revenue from banquet and dining services generated by Plentiful Delight Banquet and Red Royalty amounted to approximately HK\$79,033,000 which was up by around 2% as compared to the last corresponding period.

Home-made Cuisine

During the year ended 31 December 2014, Home-made Cuisine generated revenue of approximately HK\$11,770,000.

Encouraged by the huge success of the roast suckling pig and the irresistible Siu Mei dishes, Red Seasons becomes the flagship brand. The management decided to focus on developing the Red Seasons brand. Accordingly, the Olympian City store was revamped into Red Seasons and a one-time written down of property, plant and equipment of approximately HK\$1,705,000 was recognised. During the year ended 31 December 2014, the Group also ceased the ownership of Wan Chai Home-made Cuisine.

The Group will consider opening new Home-made Cuisine restaurant in suitable locations with continuous and steady flow of potential customers and good business potential.

Lucky Dessert

During the year ended 31 December 2014, the management had strived to diversify the Company's existing business portfolio and broaden its source of income, especially in the PRC. The Company entered into a sale and purchase agreement dated 19 December 2014 to acquire 100% equity interest in Brilliant Forever which holds 49% equity interest in an associate principally engaging in dessert catering business under the trademark of "Lucky Dessert 發記甜品" in the PRC. The completion of the acquisition took place on 29 April 2015. The operation of the Group's first dessert catering restaurant in Tianjin, the PRC commenced in May 2015 and has generated revenue of approximately RMB619,000 since establishment.

Food products operation

The food products operation represents the production, sales and distribution of food products, such as barbecued food and Taiwanese Lou Mei, to over 60 concessionaire stores in major supermarket chains in Hong Kong. These food products are mainly prepared in its food processing factory located at Tsuen Wan.

During the year ended 31 December 2014 and the six months ended 30 June 2015, the food products operation generated revenue of approximately HK\$59,709,000 and HK\$42,790,000 respectively.

Securities investment business

During the year ended 31 December 2014, the Group recorded a realised gain of approximately HK\$1,193,000 and an unrealised gain of approximately HK\$93,351,000 in its investment in the shares of a listed company. The listed securities held by the Group as at 31 December 2014 were valued at approximately HK\$99,712,000.

During the six months ended 30 June 2015, the Group recorded a realised gain of approximately HK\$20,000 and an unrealized gain of approximately HK\$142,177,000 in its financial assets at fair value through profit or loss. The financial assets at fair value through profit or loss held by the Group as at 30 June 2015 were valued at approximately HK\$308,634,000.

Money lending business

Happy Credit Limited, a direct wholly-owned subsidiary of the Company, obtained its money lenders licence in about November 2012. It is licensed to conduct money lending business in Hong Kong through the provision of unsecured and secured loans to customers under the Money Lenders Ordinance.

Since June 2015, the Group commenced the provision of money lending business. Further details are disclosed under the section “Development of the money lending business” in the “Letter from the Board”.

Financial review

During the year ended 31 December 2014, the Group’s revenue amounted to approximately HK\$464,924,000, representing an increase of approximately 20% as compared to last year. This was mainly attributable to the growth in comparable restaurant sales in certain shops, the contribution from the Sai Wan Red Seasons and the newly acquired food products operation. During the six months ended 30 June 2015, the Group’s revenue amounted to approximately HK\$238,482,000, representing an increase of approximately 8% as compared to the last corresponding period. This was mainly attributable to (i) the food products operation, with its revenue fully accounted for the six months ended 30 June 2015 while it only accounted for two months in the last corresponding period after its acquisition on 1 May 2014; and (ii) the interest income of approximately HK\$152,000 generated from the money lending business segment.

Profit attributable to the owners of the Company rose to HK\$81,626,000 during the year ended 31 December 2014, a significant increase of 244% as compared to last year. Such increases were mainly attributable to the realised and unrealised gain from financial assets at fair value through profit or loss, amounting to HK\$94,544,000.

After eliminating the effect of abovementioned gain from financial assets at fair value through profit or loss, the profit attributable to owners of the Company decreased by HK\$21,076,000 to approximately HK\$2,682,000 during the year ended 31 December 2014. Such decreases were mainly due to (i) the deteriorated restaurant operation results due to the increase in food, rental and staff costs; (ii) the negative effect of the Occupy Central movement, especially to the Group’s Hong Kong Island Red Seasons; (iii) impairment loss on property, plant and equipment from the loss-making Hong Kong Island Red Seasons; and (iv) one-time written-down arising from renovation of the Olympian City restaurant.

Profit attributable to owners of the Group rose to HK\$125,588,000 during the six months ended 30 June 2015, a significant increase of 1,472% as compared to the last corresponding period. Such increase was mainly due to (i) the unrealised fair value gain

from financial assets at fair value through profit or loss, amounting to HK\$118,718,000 (net of tax); and (ii) the share of profit of an associate of approximately HK\$13,895,000 during the six months ended 30 June 2015.

After eliminating the effect of abovementioned gain from financial assets at fair value through profit or loss and the share of profit from an associate, loss attributable to owners of the Company was amounted to approximately HK\$7,025,000 during the six months ended 30 June 2015. Such decreases were mainly from (i) the deteriorated Chinese restaurant results due to the increase in food, rental and staff costs; (ii) the underperformance of the Hong Kong Island Red Seasons; (iii) impairment losses on property, plant and equipment from the loss-making Hong Kong Island Red Seasons of approximately HK\$4,663,000; and (iv) the fair value change of the contingent consideration payable of approximately HK\$836,000.

The cost of inventories consumed for the year ended 31 December 2014 and the six months ended 30 June 2015 amounted to approximately HK\$151,504,000 and HK\$75,226,000 respectively. The cost of inventories consumed was approximately 32% of the Group's revenue during both periods. The Group will increase bulk purchases of food raw materials from suppliers in order to enjoy a larger discount and achieved optimum food mixing.

Employee benefits expenses were approximately HK\$151,652,000 (2013: HK\$118,719,000) during the year ended 31 December 2014. The increase was mainly due to the full year operating Sai Wan Red Seasons, the newly acquired food products operation and the wage adjustments to retain experienced staff under the inflationary environment during the year ended 31 December 2014. Employee benefits expenses were approximately HK\$82,871,000 (2014: HK\$73,599,000) during the six months ended 30 June 2015. The increase was mainly due to the newly acquired food products operation and the wage adjustments to retain experienced staff under the inflationary environment during the six months ended 30 June 2015. The Group regularly reviews the work allocation of the staff to improve and maintain a high standard of service.

The operating lease rental and related expenses for the year ended 31 December 2014 and six months ended 30 June 2015 amounted to approximately HK\$46,105,000 and HK\$24,257,000 respectively, representing an increase of around 6% as compared to last corresponding periods respectively. The increase was mainly due to (i) the full year operating Sai Wan Red Seasons and the newly acquired food products operation for the year ended 31 December 2014; and (ii) the increase in rental charge in Shatin Red Seasons after renewal of tenancy and the increase in building management fee of certain restaurant properties of the Group during the six months ended 30 June 2015. To better manage the lease and related expenses, the Group has entered into long-term lease agreements to maintain the rentals at a reasonable level.

Outlook and prospects

On 15 July 2015, the Company made a positive profit alert announcement stating that based on the preliminary assessment by the Board of the information currently available to the Company and the unaudited financial information of the Group for the six months ended 30 June 2015, it is expected that the Group will record a significant increase in the consolidated profit for the six months ended 30 June 2015, as compared to the corresponding period in 2014. The significant increase in profit for the Group was mainly due to the substantial increase in unrealised gain from financial assets at fair value through profit or loss, contributing no less than approximately HK\$110 million to the Group's results for the six months ended 30 June 2015. Despite the above satisfactory performance in the securities investment business, the restaurant operation of the Group remains challenging in 2015 due to increase in costs of food, labour and rental, and so the restaurant operation would be unable to achieve business performance as expected.

Looking ahead, the management takes a cautious view for 2015. Given the uncertainties in the global economy, the weakening consumer sentiment and deteriorating political polarisation in Hong Kong, the management anticipates the retail environment will be very challenging.

The management is committed to bolster the customer base. As traditional Chinese restaurants require intensive initial capital expenditure and relatively large space for operation, the management adjusts its restaurant expansion strategy. The Group will focus on the establishment of smaller Chinese restaurants. The Group continues to search for suitable sites with high traffic flow and reasonable rentals for expansion. Meanwhile, the Group is also continuously developing appetising specialty dishes as well as providing better quality services to customers so as to solidify the Group's market position.

The Group is proactively monitoring the rising food costs, labour costs and rental expenses in order to raise the operational efficiencies.

With the view to expand the source of income and prospects of the Group, the Group will explore the opportunities to further develop its dessert catering business in the Asia-Pacific area. The Group will also seek for possible opportunities to expand its money lending business by providing different types of financing services such as offering mortgage loan.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following is an unaudited pro forma statement of adjusted consolidated net tangible assets which has been prepared to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as if the Rights Issue has been completed on 30 June 2015. As it is prepared for illustrative purpose only, and because of its nature, it may not give a true picture of the financial position of the Group upon completion of the Rights Issue. The unaudited pro forma statement of adjusted consolidated net tangible assets is prepared based on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2015 as extracted and derived from the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2015 included in the published interim results announcement of the Group and is adjusted for the effect of the Rights Issue.

Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2015 <i>HK\$'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as adjusted for the Rights Issue <i>HK\$'000</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as adjusted for the Rights Issue per share <i>HK\$</i> <i>(Note 3)</i>
<u>434,987</u>	<u>198,000</u>	<u>632,987</u>	<u>0.110</u>

Notes

- The amount of unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2015 is based on the unaudited consolidated net assets of the Group attributable to owners of the Company of approximately HK\$441,173,000 adjusted for the goodwill of approximately HK\$6,186,000 as extracted from the published interim results announcement of the Group for the six months ended 30 June 2015.
- The estimated net proceeds from the Rights Issue are based on the issuance of 1,920,000,000 ordinary shares at HK\$0.105 per each (the "Rights Share"), after deducting the estimated underwriting commission and other related expenses of approximately HK\$3,600,000 to be incurred by the Company.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

3. The number of shares used in the calculation of unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as adjusted for the Rights Issue per share is as follow:

	Number of shares
Issued and fully paid as at 30 June 2015 (extracted from the published interim results announcement of the Group for the six months ended 30 June 2015)	3,840,000,000
Rights Shares to be issued on the basis of one Rights Share for every two ordinary shares on the record date	<u>1,920,000,000</u>
	<u><u>5,760,000,000</u></u>

4. No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2015.

The following is the text of an accountant's report, prepared for the sole purpose of inclusion in this Prospectus, received from the independent reporting accountant, SHINEWING (HK) CPA Limited, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma financial information of the Group.

B. ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

18 August 2015

The Board of Directors
Food Idea Holdings Limited
(formerly known as Gayety Holdings Limited)
Shop 46, G/F
Ho Shun Tai Building
10 Sai Ching Street
Yuen Long, New Territories

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Food Idea Holdings Limited (formerly known as Gayety Holdings Limited) (the "Company") and its subsidiaries (collectively referred to as the "Group") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2015 and related notes as set out on pages II-1 to II-2 of Appendix II to the prospectus issued by the Company dated 18 August 2015 (the "Prospectus"). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described in pages II-1 to II-2 of the Prospectus.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the rights issue on the basis of one rights share for every two shares held on the record date (the "Rights Issue") on the Group's financial position as at 30 June 2015 as if the Rights Issue had taken place at 30 June 2015. As part of this process, information about the Group's financial position has been extracted by the directors of the Company from the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2015, on which an interim results announcement has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 31(7) of Chapter 7 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 31(7) of Chapter 7 of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 31(7) of Chapter 7 of the GEM Listing Rules and with reference to AG7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in the Prospectus is solely to illustrate the impact of the Rights Issue on unadjusted financial information of the Group as if the Rights Issue had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 30 June 2015 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors of the Company in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Listing Rules.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Tang Kwan Lai

Practising Certificate Number: P05299

Hong Kong

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus is accurate and complete in all material respects and is not misleading or deceptive; and there are no other matters the omission of which would make any statement in this Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date and (ii) immediately after completion of the Rights Issue (assuming the Rights Issue becoming unconditional) was/will be as follows:

(i) As at the Latest Practicable Date

Authorised: HK\$

<u>100,000,000,000</u> Shares	<u>100,000,000</u>
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Issued and fully-paid: HK\$

<u>3,840,000,000</u> Shares as at the Latest Practicable Date	<u>3,840,000</u>
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(ii) Immediately after completion of the Rights Issue

Authorised: HK\$

<u>100,000,000,000</u> Shares	<u>100,000,000</u>
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Issued and fully-paid: HK\$

3,840,000,000 Shares	3,840,000
<u>1,920,000,000</u> Rights Shares to be issued	<u>1,920,000</u>

<u>5,760,000,000</u> Shares upon completion of the Rights Issue	<u>5,760,000</u>
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All of the Rights Shares to be issued will rank *pari passu* in all respect with each other, including, in particular, as to dividends, voting rights and capital, and with all the Shares in issue as at the date of allotment and issue of the Rights Shares. The Rights Shares to be issued will be listed on GEM.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

Save as disclosed above, the Company has no other outstanding warrants, options or convertible or exchangeable securities. As at the Latest Practicable Date, there was no arrangement under which future dividends are/will be waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS BY DIRECTORS AND CHIEF EXECUTIVE IN THE COMPANY

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company and their associates in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required to be entered in the register referred to therein pursuant to section 352 of the SFO; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Name of Director	Capacity/ Nature of interest	Number of Shares	Approximate percentage of the total issued share capital of the Company
Mr. Wong Kwan Mo (Note)	Interest in controlled corporation	1,152,072,000 (L)	30%
Ms. Lau Lan Ying (Note)	Interest in controlled corporation	1,152,072,000 (L)	30%

(L) denotes long position

Note:

902,072,000 and 250,000,000 Shares are owned by KMW Investments and Strong Light respectively. The entire issued share capital of KMW Investments and Strong Light are beneficially owned as to 50% by Mr. Wong Kwan Mo and 50% by Ms. Lau Lan Ying, both being the executive Directors.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required to be entered in the register referred to therein pursuant to section 352 of the SFO; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

4. DISCLOSURE OF INTERESTS BY SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as any Directors are aware, the interests or short positions owned by the following parties (other than the Directors or chief executive of the Company) in the Shares or underlying shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO were as follows:

Name of Shareholder	Capacity/ Nature of interest	Number of Shares	Approximate percentage of the total issued share capital of the Company
KMW Investments (<i>Note</i>)	Beneficial owner	902,072,000 (L)	23.49%
Strong Light (<i>Note</i>)	Beneficial owner	250,000,000 (L)	6.51%

(L) denotes long position

Note:

902,072,000 and 250,000,000 Shares are owned by KMW Investments and Strong Light respectively. The entire issued share capital of KMW Investments and Strong Light are beneficially owned as to 50% by Mr. Wong Kwan Mo and 50% by Ms. Lau Lan Ying, both being the executive Directors.

Save as disclosed above and as at the Latest Practicable Date, the Directors were not aware of any interests or short positions owned by any persons (other than the Directors or chief executive of the Company) in the Shares or underlying shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of any compensation (other than statutory compensation)).

6. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinions or advice, which is contained in this Prospectus:

Name	Qualifications
SHINEWING (HK) CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, the above expert had given and had not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letters or its name in the form and context in which they appear.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interest, either directly or indirectly, in any assets which had been since 31 December 2014 (being the date to which the latest published audited financial statements of the Company were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by the Company or any of its subsidiaries within the two years immediately preceding the date of this Prospectus and are or may be material:

- (a) the conditional sale and purchase agreement dated 15 April 2014 entered into between Lucky Great Investment Limited, an indirect non-wholly owned subsidiary of the Company as purchaser, and Mr. Ho Yat Ming, an Independent Third Party, as vendor, in relation to the sale and purchase of 58% of the entire issued share capital of Nicecity Limited and 58% of the entire issued share capital of Excellent Catering Management Limited for a total cash consideration of HK\$3,750,000;
- (b) the conditional sale and purchase agreement dated 19 December 2014 (as amended and supplemented by two supplemental agreements dated 13 February 2015 and 24 March 2015 respectively) and entered into between Mr. Wong Tai Chun, son of Mr. Wong Kwan Mo and Ms. Lau Lan Ying, who are the executive Directors, as vendor, and Food Idea as purchaser, in relation to the sale and purchase of entire issued share capital of Brilliant Forever and all obligations, liabilities and debts owed by Brilliant Forever to Mr. Wong Tai Chun which amounted to approximately HK\$90,000,000;
- (c) the placing agreement dated 9 March 2015 entered into between the Company and Orient Securities Limited, an Independent Third Party, as placing agent for the placing, on a best efforts basis, up to 160,000,000 placing shares to not less than six placees at the placing price of HK\$0.125 per placing share;
- (d) the loan agreement dated 29 April 2015 entered into between Food Idea, as lender, and Lucky Dessert (BVI), a 49%-owned associate of the Company, as borrower, for a loan facility of up to HK\$15,000,000 at the interest of the best lending rate of the Hong Kong and Shanghai Banking Corporation as at the date of draw down plus 1% for a period of 2 years from the date of the loan agreement;
- (e) the placing and subscription agreement dated 6 May 2015 entered into among the Company, FP Sino-Rich, an Independent Third Party, as placing agent and KMW Investments, a controlling shareholder of the Company and jointly-owned by Mr. Wong Kwan Mo and Ms. Lau Lan Ying, executive Directors, in equal shares, for (i) the placing, on a best efforts basis, up to 480,000,000 placing shares to not less than six placees at the placing price of HK\$0.193 per placing share and (ii) the subscription for up to 480,000,000 subscription shares by KMW Investments at the subscription price of HK\$0.193 per subscription share;

- (f) the loan agreement dated 19 June 2015 entered into between Happy Credit Limited, a direct wholly-owned subsidiary of the Company, as lender and three customers, who are family members and Independent Third Parties, as borrowers, for a loan facility of up of HK\$32,000,000 at the interest of 8% per annum for a period of 12 months from the date of the loan agreement; and
- (g) the Underwriting Agreement.

9. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors, controlling shareholders or their respective associates had any interests in businesses which competed or might compete with the businesses of the Group or had any other conflict of interests with the Group.

10. DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been since 31 December 2014 (being the date to which the latest published audited financial statements of the Group were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

11. EXPENSES

The expenses in connection with the Rights Issue, including underwriting commission, financial advisory fees, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$3.6 million, which are payable by the Company.

12. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

**Head office and principal place of
business in Hong Kong**

Shop 46, Ground Floor
Ho Shun Tai Building
No. 10 Sai Ching Street
Yuen Long
New Territories
Hong Kong

Executive Directors

Ms. Lau Lan Ying (劉蘭英)
Flat 2, 11/F, Block B
Spring Seaview Terrace
33 Castle Peak Road
Tuen Mun
New Territories
Hong Kong

Mr. Wong Kwan Mo (黃君武)
Flat 2, 11/F, Block B
Spring Seaview Terrace
33 Castle Peak Road
Tuen Mun
New Territories
Hong Kong

Mr. Yu Ka Ho (余嘉豪)
Room G, 27/F
Block 3, Phase 2
Belvedere Garden
Tsuen Wan
New Territories
Hong Kong

Independent non-executive Directors

Mr. Li Fu Yeung (李富揚)
Flat G, 4/F
Kimberley Mansion
15 Austin Avenue
Tsim Sha Tsui
Kowloon
Hong Kong

	<p>Ms. Chiu Man Yee (趙曼而) Flat D, 24/F, Tower 4 Pierhead Garden 168-236 Wu Chui Road Tuen Mun New Territories Hong Kong</p>
	<p>Mr. Kwan Wai Yin, William (關偉賢) Rm 1301 Lai Choi House Lai Yan Court Lai Chi Kok Kowloon Hong Kong</p>
Company secretary	<p>Mr. Wong Tin King, Richard (黃天競) Shop 46, Ground Floor Ho Shun Tai Building No. 10 Sai Ching Street Yuen Long New Territories Hong Kong</p>
Compliance officer	<p>Ms. Lau Lan Ying (劉蘭英) Flat 2, 11/F, Block B Spring Seaview Terrace 33 Castle Peak Road Tuen Mun New Territories Hong Kong</p>
Authorised representatives	<p>Ms. Lau Lan Ying (劉蘭英) Flat 2, 11/F, Block B Spring Seaview Terrace 33 Castle Peak Road Tuen Mun New Territories Hong Kong</p>

	Mr. Wong Tin King, Richard (黃天競) Shop 46, Ground Floor Ho Shun Tai Building No. 10 Sai Ching Street Yuen Long New Territories Hong Kong
Auditors	SHINEWING (HK) CPA Limited 43/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Hong Kong share registrar and transfer office	Union Registrars Limited A18/F Asia Orient Tower Town Place 33 Lockhart Road Wanchai Hong Kong
Principal bankers	The Hongkong and Shanghai Banking Corporation Limited HSBC Main Building 1 Queen's Road Central Hong Kong
Underwriters	Kingston Securities Limited Suite 2801, 28th Floor One International Finance Centre 1 Harbour View Street Central Hong Kong
	FP Sino-Rich Securities & Futures Limited Unit 2B, 37/F Far East Finance Centre 16 Harcourt Road Admiralty Hong Kong

Financial Adviser

Kingston Corporate Finance Limited
Suite 2801, 28th Floor
One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Legal advisers to the Company

as to Hong Kong laws
Michael Li & Co
19/F., Prosperity Tower
No. 39 Queen's Road Central
Central, Hong Kong

as to BVI laws
Conyers Dill & Pearman
2901, One Exchange Square
8 Connaught Place
Central, Hong Kong

13. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Wong Kwan Mo (黃君武先生) (“**Mr. Wong**”), aged 58, the founder of the Group, is the chairman of the Board and an executive Director. He was appointed an executive Director on 10 February 2011. Mr. Wong is an accomplished restaurateur who has over 30 years of operating experience in the food industry. Mr. Wong has been responsible for the overall management, business development and strategic planning of the Group since its establishment in 2006. Mr. Wong is the husband of Ms. Lau Lan Ying, an executive Director and a controlling Shareholder of the Company.

Ms. Lau Lan Ying (劉蘭英女士) (“**Ms. Lau**”), aged 52, is the chief executive officer of the Board and an executive Director. She was appointed an executive Director on 10 February 2011. She is also the compliance officer of the Company. Ms. Lau has over 15 years of operating experience in the food industry, including her involvement in the financial management of the fresh meat supply companies operated by Mr. Wong, the spouse of Ms. Lau and an executive Director. Ms. Lau has been responsible for the overall strategic management in finance, accounting, human resources and marketing of the Group since 2006. Ms. Lau is a controlling Shareholder of the Company.

Mr. Yu Ka Ho (余嘉豪先生) (“**Mr. Yu**”), aged 33, is an executive Director. He was appointed as an executive Director on 22 June 2015. Mr. Yu was an independent non-executive Director, chairman of the audit committee, and a member of the remuneration committee and nomination committee of the Company when the shares of the Company were listed on GEM in July 2011. He retired at the annual general meeting of the Company in May 2012 and was then appointed as vice president, business development department of Food Idea, a wholly-owned subsidiary of the Company on 1 June 2012, and is currently a director of certain subsidiaries of the Group. He is responsible for business development and operation management of Food Idea, as well as the strategic business planning and development of the Group’s new catering business.

Independent non-executive Directors

Mr. Li Fu Yeung (李富揚先生) (“**Mr. Li**”), aged 36, was appointed as an independent non-executive Director on 25 June 2011. He is also the chairman of the nomination committee and audit committee of the Company and a member of the remuneration committee of the Company. Mr. Li has over 10 years of experience in the financial industry. Since 2004, Mr. Li has worked in Manulife (International) Limited and his current position is Unit Manager and is responsible for the sales and marketing of insurance related product. Mr. Li obtained a diploma in computer science from the Sydney Institute of Business and Technology in 2001.

Ms. Chiu Man Yee (趙曼而女士) (“**Ms. Chiu**”), aged 35, was appointed as an independent non-executive Director on 25 June 2011. She is also the chairman of the remuneration committee of the Company and a member of the audit committee and nomination committee of the Company. Ms. Chiu has over 11 years of accounting and financial experience accumulated from working for various professional accounting firms. She is currently working in Prudential Hong Kong Limited and Prudential General Insurance Hong Kong Limited as business manager. Ms. Chiu obtained a bachelor’s degree in finance and marketing from The Hong Kong University of Science and Technology in 2002. She is currently a member of Hong Kong Institute of Certified Public Accountants.

Mr. Kwan Wai Yin, William (關偉賢先生) (“**Mr. Kwan**”), aged 39, was appointed as an independent non-executive Director on 2 September 2013. He is also a member of the audit committee, nomination committee and remuneration committee of the Company. Mr. Kwan possesses extensive experience in marketing and sales. He was the Vice President of the corporate sales department of Sun Hung Kai Financial Group from August 2006 to November 2008. From February 2009 to August 2012, he was a sales manager of a private trading company. After which, Mr. Kwan has been operating a tailor business since August 2012. Mr. Kwan obtained his Bachelor of Arts Degree in Economics from York University, Ontario, Canada.

Senior management

Mr. Wong Tin King, Richard (黃天競) (“Mr. T.K. Wong”), CPA, ACA aged 37, has been appointed as the chief financial officer and the company secretary of the Company since 24 June 2011. He graduated from The Hong Kong Polytechnic University with a bachelor’s degree in accountancy in 2000. Mr. T.K. Wong has over 10 years of accounting experience accumulated from working for various professional accounting firms from 2000 to 2010. Mr. T.K. Wong is responsible for the accounting and financial functions of the Company, including developing financial strategy to support the Company’s growth plan.

Mr. T.K. Wong is currently a fellow member of The Institute of Chartered Accountants in England and Wales and a member of Hong Kong Institute of Certified Public Accountants.

Audit committee

The Company has established an audit committee with written terms of reference based on the guidelines recommended by the Hong Kong Institute of Certified Public Accountants and the mandatory provisions in the Corporate Governance Code of the GEM Listing Rules. The primary duties of the audit committee are to review the Company’s annual reports and financial statements, interim reports and quarterly reports and to provide advices and comments thereon to the Board. The audit committee is also responsible for reviewing the accounting principles and practices adopted by the Group and also the auditing, internal control and financial reporting matters.

The audit committee of the Company comprises three independent non-executive Directors, namely Mr. Li Fu Yeung, Ms. Chiu Man Yee and Mr. Kwan Wai Yin, William.

14. LEGAL EFFECT

The Prospectus Documents and all acceptance of any offer or application contained therein and governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of sections 44A and 44B of the Companies (WUMP) Ordinance so far as applicable.

15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents, having attached thereto the written consent referred to in the paragraph headed “Expert and consent” in this appendix, have been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (WUMP) Ordinance.

16. MISCELLANEOUS

This Prospectus has been prepared in both English and Chinese. In the case of any discrepancies, the English text shall prevail over their respective Chinese text.

As at the Latest Practicable Date, there was no restriction affecting the remittance of profits or repatriation of capital of the Company into Hong Kong from outside of Hong Kong and the Group has no exposure to foreign exchange liabilities.

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection during normal business hours at the head office and principal place of business in Hong Kong of the Company at Shop 46, Ground Floor, Ho Shun Tai Building, No. 10 Sai Ching Street, Yuen Long, New Territories, Hong Kong from the date of this Prospectus up to and including Tuesday, 1 September 2015:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 31 December 2013 and 2014;
- (c) the first quarterly report of the Company for the three months ended 31 March 2015;
- (d) the interim report of the Company for the six months ended 30 June 2015;
- (e) the letter on the unaudited pro forma financial information of the Group issued by SHINEWING (HK) CPA Limited, the text of which is set out in Appendix II to this Prospectus;
- (f) the letter of consent referred to in the paragraph under the heading “Expert and consent” in this appendix;
- (g) copy of each of the material contracts referred in the paragraph under the heading “Material contracts” in this appendix; and
- (h) this Prospectus and the PAL.