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新煮意控股有限公司
FOOD IDEA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8179)

**VOLUNTARY ANNOUNCEMENT
IN RESPECT OF THE ACQUISITION OF
LUCKY DESSERT LICENCE RIGHT IN SINGAPORE
AND
CHANGE IN USE OF PROCEEDS OF
TOP-UP PLACING AND RIGHTS ISSUE**

The Board is pleased to announce that on 9 December 2015 (after trading hours of the Stock Exchange), the Vendor and the Purchaser entered into the Formal Agreement pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell the Sale Shares for a total cash consideration of HK\$2,200,000.

(A) THE ACQUISITION OF LUCKY DESSERT LICENCE RIGHT IN SINGAPORE

This announcement is made by the Company on voluntarily basis.

Reference is made to the announcement of the Company dated 9 June 2015 in respect of the entering into of the MOU.

The Board is pleased to announce that on 9 December 2015 (after trading hours of the Stock Exchange), the Vendor and the Purchaser entered into the Formal Agreement pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell the Sale Shares for a total cash consideration of HK\$2,200,000.

The Formal Agreement

Date: 9 December 2015

Parties:

Vendor: Wealth Power Group Limited

Purchaser: Food Idea Group Limited, a wholly-owned subsidiary of the Company

To the best knowledge, information and belief of the Directors having made all the reasonable enquiries, save and except that the Vendor is the 49% owner of Lucky Dessert (China) Holdings Limited, an associated company indirectly owned as to 49% by the Company, the Vendor and its ultimate beneficial owners are Independent Third Parties.

Asset to be acquired

Pursuant to the Formal Agreement, the Purchaser agreed to purchase and the Vendor agreed to sell, the Sale Shares, being 51% of the entire issued share capital of the Target Company.

Consideration

The consideration for the sale and purchase of the Sale Shares is HK\$2,200,000, which is payable by the Purchaser to the Vendor in cash in the following manner:

- (a) HK\$100,000 shall be payable by the Purchaser to the Vendor or its nominee in cash no later than 5 business days from the date of completion of the Formal Agreement;
- (b) HK\$900,000 shall be payable by the Purchaser to the Vendor or its nominee in cash no later than 2 months from the date of completion of the Formal Agreement; and
- (c) HK\$1,200,000 shall be payable by the Purchaser to the Vendor or its nominee in cash no later than 4 months from the date of completion of the Formal Agreement.

The consideration was determined after arm's length negotiations between the parties to the Formal Agreement, after taking into account a number of factors including the preliminary valuation of the 51% market value of the Target Company of not less than HK\$2,200,000 as at 30 September 2015 pursuant to the business valuation carried out by an independent valuer appointed by the Company and the business growth, prospects and profitability of the Target Company. The Company would use part of the proceeds of the Rights Issue for the payment of the consideration under the Formal Agreement.

Conditions and completion of the Formal Agreement

The Formal Agreement is unconditional and the completion of which took place concurrently upon the signing of the Formal Agreement. Upon completion, the Target Company becomes an indirect non wholly-owned subsidiary of the Company and its financial information will be consolidated into the financial statement of the Group.

Information on the Target Company

The Target Company is a company incorporated in Singapore with limited liability on 29 October 2015 and the entire issued share capital of which was legally and beneficially owned by the Vendor before the completion of the Formal Agreement. The Target Company is principally engaged in investment holding and is a licence holder of the SG Franchise Right and the SG Trademark Right. Save for the entering into of the Licence Agreement on 9 December 2015, the Target Company has not commenced any business.

On 9 December 2015, the Target Company entered into the Licence Agreement with Wong Yat Cheung and Wong Yat Tung, being the legal owners of the Trademark in Singapore, pursuant to which Wong Yat Cheung and Wong Yat Tung granted the SG Franchise Right and SG Trademark Right to the Target Company for a term of 25 years with an option to renew for another 25 years. Thus, the Target Company is the sole authorised franchisee of the Trademark in Singapore.

It is intended that the Target Company will mainly focus to grant to other franchisees the right to set up and operate dessert catering restaurants under the Trademark in Singapore in exchange for franchising fees. The Directors do not have any current intention or planning to directly set up or operate dessert catering restaurants under the Trademark in Singapore solely or jointly by the Target Company, as higher setup cost (such as rental expenses, renovation and recruitment costs) under self or joint operation is expected, which requires longer time to recover the investment. In such circumstances, the Board considered that the grant of franchise right to receive franchising fees, in place of self or joint operation, would be in the interest of the Company and its Shareholders as a whole.

The Group is principally engaged in (i) catering services in Hong Kong and the PRC; (ii) production, sales and distribution of food products to supermarket chains in Hong Kong; (iii) investments in securities; and (iv) money lending business.

The Directors always strive to improve the Group's business operations and financial position by proactively seeking potential investment opportunities that would diversify the Group's existing business portfolio and broaden its source of income, and enhance value to the Shareholders.

The Group commenced its dessert catering business in Tianjin, the PRC in May 2015 and has established market presence in the PRC through the opening of the dessert catering restaurant. The Directors consider that the dessert catering business under the Trademark has great market potential given that the Trademark has high market recognition in Hong Kong as well as Singapore. Further, the Target Company will mainly focus in the grant of the franchise right but will not directly set up and operate its own dessert catering business in Singapore in the coming few years, this will minimise the business risk and capital commitment of the Group in the dessert catering business in Singapore.

Based on the above reasons, the Directors are of the view that the terms of the Acquisition are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

GEM Listing Rules Implications

As none of percentage ratios for the Acquisition are more than 5%, the Acquisition is fully exempt from reporting, announcement and shareholders' approval requirements under the GEM Listing Rules.

(B) CHANGE IN USE OF PROCEEDS FROM TOP-UP PLACING AND RIGHTS ISSUE

References are made to the Top-Up Placing Announcement and the Rights Issue Prospectus.

In the Top-up Placing Announcement, it was stated that the Board intended to use the net proceeds of the Top-Up Placing of approximately HK\$91 million, for potential acquisition and general working capital of the Group.

In the Rights Issue Prospectus, it was stated that the Board intended to use the net proceeds of the Rights Issue of approximately HK\$198 million as to:

- 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.

Due to the fact that (i) the consideration payable under the Acquisition and the initial set up cost are significantly reduced as a result of the change of the Group's business plan in the dessert catering business in Singapore; and (ii) the growth of money lending business of the Group is promising, the Board decided to change the use of the proceeds from the Top-up Placing and the Rights Issue.

As at 30 November 2015, HK\$5 million of the net proceeds of the Top-Up Placing has been used for the general working capital of the Group and HK\$86 million of the net proceeds of the Top-Up Placing has been used for money lending business of the Group.

As at 30 November 2015, HK\$8 million of the net proceeds of the Rights Issue has been used for the general working capital of the Group, HK\$2.2 million of the net proceeds of the Rights Issue will be used for the Acquisition, HK\$147.1 million of the net proceeds of the Rights Issue has been used for money lending business of the Group and the remaining net proceeds of the Rights Issue of approximately HK\$40.7 million has not yet been used. The Board intends to allocate all the unused proceeds of the Rights Issue for money lending business of the Group.

DEFINITIONS

Unless the context requires otherwise, capitalised terms in this announcement shall have the following meanings:

“Acquisition”	the acquisition of the Sale Shares by the Purchaser pursuant to the Formal Agreement
“Board”	the board of Directors
“Company”	Food Idea Holdings Limited, a company incorporated in the Cayman Islands, whose Shares are listed on GEM (Stock code: 8179)
“Directors”	the directors of the Company
“Formal Agreement”	the sale and purchase agreement dated 9 December 2015 and entered into between the Purchaser and the Vendor in relation to the Acquisition
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Licence Agreement”	the licensing agreement dated 9 December 2015 entered into between the Target Company as the licensee and Wong Yat Cheung and Wong Yat Tung as the licensors, pursuant to which Wong Yat Cheung and Wong Yat, being the legal owners of the Trademark in Singapore, granted the Target Company the exclusive SG Franchise Right and the exclusive SG Trademark Right for a term of 25 years with an option to renew for another 25 years
“MOU”	the non-legally binding memorandum of understanding dated 9 June 2015 and entered into between the Purchaser and Wong Yat Cheung and Wong Yat Tung in relation to the Acquisition
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Purchaser”	Food Idea Group Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Rights Issue”	the issue of 1,920,000,000 new Shares by way of rights to the qualifying Shareholders for subscription on the basis of one (1) new Share for every two (2) Shares held on the record date
“Rights Issue Prospectus”	the prospectus of the Company dated 18 August 2015 in relation to the Rights Issue
“Sale Shares”	51 shares, representing 51% of the entire issued share capital, in the Target Company

“SG Franchise Right”	the exclusive franchise right of setting up and operating certain dessert catering restaurants under the Trademark in Singapore
“SG Trademark Right”	the exclusive right to use the Trademark in Singapore
“Share(s)”	share(s) of HK\$0.001 each in the capital of the Company
“Shareholders”	the holders of the issued Shares
“Singapore”	The Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Lucky Dessert Singapore Pte. Ltd., a company incorporated in Singapore with limited liability
“Top-Up Placing”	the placing of 480,000,000 existing Shares at the placing price of HK\$0.193 per Share and subscription for 480,000,000 of new Shares at the issue price of HK\$0.193 per new Share
“Top-Up Placing Announcement”	the announcement of the Company dated 6 May 2015 in relation to the Top-Up Placing
“Trademark”	the trademark of “發記甜品 Lucky Dessert” duly registered under the Trade Marks Act (Chapter 332, the Laws of Singapore)
“Vendor”	Wealth Power Group Limited, a company incorporated in the British Virgin Islands and the entire issued share capital is owned as to 50% by Wong Yat Cheung and 50% by Wong Yat Tung
“%”	per cent.

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

Hong Kong, 9 December 2015

As at the date of this announcement, the Board comprises Mr. Wong Kwan Mo, Ms. Lau Lan Ying and Mr. Yu Ka Ho as executive Directors, and Mr. Li Fu Yeung, Ms. Chiu Man Yee and Mr. Kwan Wai Yin, William as independent non-executive Directors.

This announcement, 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 Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the website of the Company at <http://www.gayety.com.hk>.