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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)

**DISCLOSEABLE TRANSACTION –
DISPOSAL OF LISTED SHARES**

DISPOSAL OF LISTED SHARES

On 6 July 2016, the Company, through its indirect wholly-owned subsidiary, executed orders with its broker to dispose of on-market a total of 524,800,000 Listed Shares, representing approximately 2.48% of the entire issued share capital of the GEM Listco (based on 21,130,113,615 Listed Shares in issue as at 30 June 2016, according to the publicly available information), at the average disposal price of HK\$0.0234 per Listed Share, for the gross sale proceeds of approximately HK\$12.3 million (excluding transaction costs). As a result of the Disposal, the Group is expected to recognise a substantial loss in disposal when compared with the fair value of those Listed Shares held by the Group as at 31 March 2016. Nonetheless, the Group is expected to recognise a gain of approximately HK\$6.0 million which is calculated on the basis of the difference between the acquisition cost and the gross sale proceeds (excluding transaction costs).

IMPLICATIONS UNDER THE GEM LISTING RULES

The relevant applicable percentage ratios (as defined under the GEM Listing Rules) for the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under the GEM Listing Rules.

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As the Disposal was made in the open market through its broker, the Company is not aware of the identity(ies) of the buyer(s) of the disposed Listed Shares and accordingly, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the broker and the buyer(s) of the disposed Listed Shares and its/their respective ultimate beneficial owner(s) is/are Independent Third Party(ies).

ASSETS DISPOSED OF

The Group disposed of a total of 524,800,000 Listed Shares, which represents approximately 2.48% of the entire issued share capital of the GEM Listco (based on 21,130,113,615 Listed Shares in issue as at 30 June 2016, according to the publicly available information).

CONSIDERATION

The aggregate consideration of the Disposal is approximately HK\$12.3 million (excluding transaction costs), which is receivable in cash on settlement. The consideration of the Disposal represented the market price of the Listed Shares at the time of the Disposal.

INFORMATION ON GEM LISTCO

The GEM Listco is a company incorporated in the Cayman Islands with limited liability whose shares are listed on GEM. The GEM Listco is principally engaged in the manufacturing and selling of pure cashmere apparel and other apparel products.

The following information is extracted from the annual report of the GEM Listco for the financial year ended 31 March 2016:

	Year ended 31 March	
	2015	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Revenue	350,386	210,354
Loss before taxation	(16,435)	(26,107)
Loss after taxation	(18,391)	(29,302)

The audited net assets of the GEM Listco as at 31 March 2016 was approximately HK\$93.76 million.

REASONS FOR AND BENEFITS OF THE DISPOSAL

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 Company was aware of the trading price of the Listed Shares being extremely volatile during the trading hours as of the date of this announcement and for the past two trading days. Having regard to the market conditions and the trading price of Listed Shares, the Board believes that the Listed Shares may continue to be volatile, therefore sold the on-hand Listed Shares which are more vulnerable to the market to maintain a healthy and balanced securities investment portfolio of the Group. Despite the fact that there is a substantial loss in disposal when compared with the fair value of those Listed Shares held by the Group as at 31 March 2016, the Board considers that the Disposal will allow the Group to recognise a gain of approximately HK\$6.0 million which is calculated on the basis of the difference between the acquisition cost and the gross sale proceeds (excluding transaction costs). Having considered the unrealised gain recognised for the two financial years ended 31 December 2014 and 2015, the Group is expected to encounter a substantial realised loss for the financial year ending 31 December 2016 due to the Disposal. The proceeds of the Disposal will be used by the Company for general working capital.

The Disposal was made at market price and the Board is of the view that the Disposal is on normal commercial terms, and that the terms are fair, reasonable and in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

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DEFINITIONS

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

“Board”	the board of Directors
“Company”	Food Idea Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose issued shares are listed on GEM (stock code: 8179)
“Director(s)”	director(s) of the Company
“Disposal”	the disposal by the Group of a total of 524,800,000 Listed Shares on the market on 6 July 2016 for the gross sale proceeds of approximately HK\$12.3 million (excluding transaction costs)
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listco”	a company incorporated in the Cayman Islands as an exempted company with limited liability whose shares are listed on GEM
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) 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
“Listed Shares”	ordinary share(s) with a nominal value of HK\$0.002 each in the share capital of the GEM Listco

“PRC”	the People’s Republic of China, which for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 6 July 2016

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, Mr. Kwan Wai Yin, William and Mr. Tam Lok Hang 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.foodidea.com.hk>.