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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 –
PROVISION OF FINANCIAL ASSISTANCE TO
INDEPENDENT THIRD PARTIES**

PROVISION OF FINANCIAL ASSISTANCE

The Board announces that, on 5 August 2016, the Lender entered into the Loan Agreement with the Borrowers, pursuant to which the Lender agreed to grant to the Borrowers, the Independent Third Parties, a loan of HK\$25 million, bearing an interest rate of 5% per annum for a period from the date of the draw down of the Loan ending on the Maturity Date.

PREVIOUS LOAN TO BORROWER A

On 25 November 2015, the Lender entered into the Previous Loan Agreement with the Customers, including Borrower A, pursuant to which the Lender agreed to grant to the Customers the Previous Loan of HK\$5 million, bearing an interest rate of 8% per annum for a period of 12 months from the date of the draw down of the Previous Loan. Pursuant to the Previous Loan Agreement, the Customers executed a second legal mortgage in respect of the Property in favour of the Lender as security for the repayment of the Previous Loan.

GEM LISTING RULES IMPLICATION

The Previous Loan itself is fully exempt from notification and announcement requirements pursuant to Chapter 19 of the GEM Listing Rules as each of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the grant of the Previous Loan is less than 5%.

One of the applicable percentage ratios in respect of the grant of the Loan exceeds 5% but all the percentage ratios are less than 25%. Hence, the grant of the Loan constitutes a discloseable transaction and is subject to notification and announcement requirements pursuant to Chapter 19 of the GEM Listing Rules. When the amount under the Loan is aggregated with the Previous Loan, one of the applicable percentage ratios in respect of the grant of the Loan and the Previous Loan exceeds 5% but all the percentage ratios are less than 25%, the aggregation of the Loan and the Previous Loan also constitutes a discloseable transaction.

INTRODUCTION

On 25 November 2015, the Lender entered into the Previous Loan Agreement with the Customers, including Borrower A, pursuant to which the Lender agreed to grant to the Customers the Previous Loan of HK\$5 million, bearing an interest rate of 8% per annum for a period of 12 months from the date of the draw down of the Previous Loan. Pursuant to the Previous Loan Agreement, the Customers executed a second legal mortgage in respect of the Property in favour of the Lender as security for the repayment of the Previous Loan.

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The principal terms of the Loan Agreement are summarised as follows:

THE LOAN AGREEMENT

Date: 5 August 2016

Lender: Happy Credit Limited, a wholly-owned subsidiary of the Company and a licensed money lender in Hong Kong under the Money Lenders Ordinance

Borrowers:	Two individuals, namely Borrower A and Borrower B
	To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for Borrower A being an existing customer of the Lender, each of the Borrowers is an Independent Third Party. Save for the Previous Loan Agreement, the Group provided no previous financial assistance of any kind to any of them
Security:	(i) a third legal mortgage in respect of the Property; and (ii) the Account Charge
	Pursuant to the Account Charge, during the term of which the Loan is outstanding, the Chargor shall ensure that the value of the Account shall be not be less than HK\$30 million
Principal amount of the Loan:	HK\$25 million
Term:	From the date of the draw down of the Loan ending on the Maturity Date (the " Term ")
Interest:	5% per annum, interest shall be calculated on the actual number of days elapsed and on the basis of a 365-day year and payable in arrears on a monthly basis
Repayment:	Upon expiration of the Term, the Borrowers must fully repay to the Lender the outstanding Loan amount together with all interests accrued as therein provided unless and until a request of early demand for repayment has been made by the Lender

The Loan is funded by internal resources of the Group. The terms of the Loan Agreement (including the interest rate) were arrived at by the parties to the Loan Agreement after arm's length negotiations, with reference to the commercial practice and the amount of the Loan.

THE ACCOUNT CHARGE

Simultaneously upon the entering into of the Loan Agreement, the Account Charge was executed in favour of the Lender to charge the Account to the Lender as security for the payment obligations and liabilities of the Borrowers arising from or under the Loan Agreement. The Account Charge shall be released upon full settlement of all the payment obligations and liabilities arising from or under the Loan Agreement.

INFORMATION ON THE GROUP AND THE LENDER

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

The Lender is a wholly-owned subsidiary of the Company and is licensed to conduct money lending business in Hong Kong through the provision of loans to customers under the Money Lenders Ordinance. The Lender obtained its money lender business licence in 2012 and has commenced its money lending business since June 2015.

REASONS FOR AND BENEFITS OF THE PROVISION OF THE FINANCIAL ASSISTANCE

Borrower A is an existing customer of the Lender. The terms of the Loan Agreement, including the interest rate of 5% per annum, were negotiated on an arm's length basis between the Lender and the Borrowers. The Directors consider that the granting of the Loan is a financial assistance provided by the Group within the meaning of the GEM Listing Rules.

The Directors are of the view that the terms of the Loan Agreement were entered into on normal commercial terms based on the Group's credit policy and the grant of the Loan is in the ordinary and usual course of the Group's money lending business.

As at the date of this announcement, the Property was subject to (i) the first legal charge executed in favour of a bank, of which approximately HK\$3.8 million was still outstanding; and (ii) a second legal mortgage executed in favour of the Lender for the Previous Loan of HK\$5 million; and would be subject to the third legal mortgage to be executed in favour of the Lender for the Loan of HK\$25 million. Given that the Market Value of the Property as at 10 June 2016 together with the value of the Account subject to the Account Charge exceeds the Loan amount, the Directors considered that the collateral provided by the Borrowers for the Loan is sufficient. Further, the Lender had made background and bankruptcy searches on the Borrowers in accordance with the Group's credit policy. Having taken into account (i) the financial background of the Borrowers; and (ii) no bankruptcy petition against the Borrowers, the Directors consider the credit risk relating to the entering into of the Loan Agreement is relatively low.

Taking into account the cash inflow and revenue to be generated from the expected interest income in connection with the Loan, the Directors consider that the terms of the Loan Agreement are fair and reasonable and the entering into of the Loan Agreement is in the interests of the Company and its shareholders as a whole.

GEM LISTING RULES IMPLICATION

The Previous Loan itself is fully exempt from notification and announcement requirements pursuant to Chapter 19 of the GEM Listing Rules as each of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the grant of the Previous Loan is less than 5%.

One of the applicable percentage ratios in respect of the grant of the Loan exceed 5% but all the percentage ratios are less than 25%. Hence, the grant of the Loan constitutes a discloseable transaction and is subject to notification and announcement requirements pursuant to Chapter 19 of the GEM Listing Rules. When the amount under the Loan is aggregated with the Previous Loan, one of the applicable percentage ratios in respect of the grant of the Loan and the Previous Loan exceeds 5% but all the percentage ratios are less than 25%, the aggregation of the Loan and the Previous Loan also constitutes a discloseable transaction.

DEFINITIONS

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

“Account”	the securities account to be opened within 30 business days from the date of the Loan Agreement in the name of the Chargor
“Account Charge”	the charge over the Account executed on 5 August 2016 in favour of the Lender
“Board”	the board of Directors
“Borrowers”	collectively Borrower A and Borrower B
“Borrower A”	one of the borrowers under the Loan Agreement and the Previous Loan Agreement respectively, being an individual, the business partner with Borrower B, a family member of Customer A and Customer B, and an Independent Third Party
“Borrower B”	one of the borrowers under the Loan Agreement, being an individual, the business partner with Borrower A, and an Independent Third Party
“Chargor”	the legal and beneficial owner of the collateral subject to the Account Charge, an individual who is an Independent Third Party
“Company”	Food Idea Holdings Limited, a company incorporated in the Cayman Islands, the issued shares of which are listed on GEM (Stock code: 8179)

“Customers”	collectively, Borrower A, Customer A and Customer B
“Customer A”	one of the borrowers under the Previous Loan Agreement, being an individual, a family member of Borrower A and Customer B, and an Independent Third Party
“Customer B”	one of the borrowers under the Previous Loan Agreement, being an individual, a family member of Borrower A and Customer A, and an Independent Third Party
“Directors”	the directors of the Company
“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 People’s Republic of China
“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
“Lender”	Happy Credit Limited, a wholly-owned subsidiary of the Company, being the lender under the Loan Agreement and the Previous Loan Agreement
“Loan”	a loan of HK\$25 million granted by the Lender to the Borrowers pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 5 August 2016 entered into between the Lender and the Borrowers in respect of the Loan
“Market Value”	the valuation of the Property dated 10 June 2016 conducted by an independent property valuer with an amount of approximately HK\$26 million

“Maturity Date”	31 December 2016, being the maturity date of the Loan
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Previous Loan Agreement”	the loan agreement dated 25 November 2015 entered into between the Lender and the Customers in respect of the Previous Loan
“Previous Loan”	a loan of HK\$5 million granted by the Lender to the Customers pursuant to the Previous Loan Agreement for a term of 12 months commencing from the date of the draw down of the Previous Loan
“Property”	a residential property located in Fanling, the New Territories, Hong Kong, which is legally and beneficially owned by the Customers
“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, 5 August 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, 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>.