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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)**

**PROPOSED REFRESHMENT OF THE GENERAL MANDATE  
TO ISSUE SHARES**

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As the Existing General Mandate has been utilised in full, in order to allow for flexibility to raise further capital to finance future investments and/or for future business development, the Board proposes to refresh the Existing General Mandate for the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of an ordinary resolution for approving such refreshment. Subject to the passing of such resolution at the EGM and based on the total number of 798,720,000 issued Shares as at the date of this announcement and assuming that the Company does not issue or repurchase any Shares prior to the EGM, the Refreshment of General Mandate will allow the Directors to issue and allot up to 159,744,000 new Shares, being 20% of the entire issued share capital of the Company as at the date of this announcement.

**GENERAL**

As the Refreshment of General Mandate is made before the next annual general meeting of the Company, pursuant to Rule 17.42A(1) and 17.47(4) of the GEM Listing Rules, the Refreshment of General Mandate will be subject to the approval of the Independent Shareholders by way of an ordinary resolution at the EGM at which any controlling shareholders of the Company and their associates or, where there is no controlling shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution approving the Refreshment of General Mandate.

A circular containing, among other things, (i) details of the Refreshment of General Mandate; (ii) details of the recommendations from the Independent Board Committee and the Independent Financial Adviser in relation to the Refreshment of General Mandate; and (iii) a notice convening the EGM, is expected to be despatched to the Shareholders on or before 27 October 2016.

## **PROPOSED REFRESHMENT OF THE GENERAL MANDATE TO ISSUE SHARES**

At the AGM, the Existing General Mandate was granted to the Directors which enables the Directors to allot, issue and deal with new Shares not exceeding 20% of the issued share capital of the Company as at the date of the AGM (i.e. a maximum of 130,560,000 new Shares after the share consolidation becoming effective on 28 June 2016).

On 29 July 2016, the Company announced the Placing through a placing agent. The Placing was completed on 11 August 2016 whereby 130,560,000 new Shares were issued under the Existing General Mandate. It was intended that the net proceeds from the Placing of about HK\$19.6 million would be used for the development of the Group's money lending business. As at the date of this announcement, the proceeds are fully utilised for the above purpose. The Existing General Mandate is fully utilised after the completion of the Placing. The Existing General Mandate has not been refreshed since it was granted at the AGM.

In order to allow for flexibility to raise further capital to finance future investments and/ or for future business development, the Board proposes to refresh the Existing General Mandate for the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of an ordinary resolution for approving such refreshment. Subject to the passing of such resolution at the EGM and based on the total number of 798,720,000 issued Shares as at the date of this announcement and assuming that the Company does not issue or repurchase any Shares prior to the EGM, the Refreshment of General Mandate will allow the Directors to issue and allot up to 159,744,000 new Shares, being 20% of the entire issued share capital of the Company as at the date of this announcement.

As disclosed in the Group's interim report for the six months ended 30 June 2016, the Group will focus on developing other businesses with higher growth potential, such as money lending business. As at 30 June 2016, the Group had cash and bank balances of approximately HK\$24.3 million, and recorded a net cash outflow of approximately HK\$44.1 million for the six months ended 30 June 2016. Currently, the Group operates a food processing factory in Tsuen Wan and over 60 concessionaire stores in Hong Kong.

Having considered the above working capital requirement and the purpose of other new business opportunities, in the event that any unexpected circumstances occur prior to the next annual general meeting being held, an increase in the working capital requirement of the Group may be required. However, based on the current financial position of the Group, the projected level of liquidity and the cash position of the Group may be insufficient to cover such circumstances. In addition, the Group fully utilised its previous raised funds in developing its money lending business. Therefore, the Directors consider that the Refreshment of General Mandate will be beneficial to the Group to enhance the financial flexibility to cope with any business challenges and to further expand its money leading business.

The Directors have considered other pre-emptive fund raising methods such as rights issue and open offer, if appropriate, so as to meet its financing requirements arising from any future development of the Group. Given the volatility of the equity market, New General Mandate has the advantage over such pre-emptive fund raising methods since such fund raising activities are more costly and time consuming, and it may not allow the Group to seize potential opportunities in a timely manner. In addition, rights issue and open offer are usually required to be conducted on a fully underwritten basis and it may not be possible for the Company to procure underwriters for such fund raising activities on acceptable terms under the prevailing market conditions and in a timely manner to capture the window of opportunity to carry out the fund raising activity. Although rights issue and open offer would be offered to the Shareholders on a pro rata entitlement basis, those qualifying Shareholders who choose not to take up their assured entitlements in full would have dilution to their shareholding interests in the Company.

Debt financing will usually incur interest burden on the Group and may be subject to, including but not limited to, lengthy due diligence and negotiations with the banks which involve providing documents for credit evaluation procedures by the banks before entering into any debt financing agreement. Given that (i) the Group has limited fixed assets; and (ii) the gearing ratio of the Group was approximately 16% as at 30 June 2016, the Group is difficult to obtain debt financing on favourable terms.

Therefore, the Directors consider that it is in the interests of the Company and the Shareholders as a whole to grant the New General Mandate in order to maintain the financial flexibility necessary for the Company to raise funds through the issue of new securities for its general working capital and/or business development as and when the Directors consider appropriate in the future. The Directors will in any event exercise due and careful consideration when choosing the best method of financing for the Group. In any event, the Company will balance the pros and cons of various fund raising methods and conduct such fund raising which is most appropriate under the circumstances.

The Directors consider that grant of New General Mandate would provide the Group with the necessary flexibility to (i) in the event that any unexpected circumstances occur in the future prior to the next annual general meeting, the Company could raise funds to meet its financial needs; (ii) fulfill any possible funding needs for future business development and/or investment decisions which may arise at any time; (iii) strengthen the capital base of the Company to have additional working capital for its existing business operations (in particular its money lending business) and for coping with any business challenges; and (iv) have an option to consider issue of consideration shares as one of the settlement means in an acquisition as and when the Directors consider to be appropriate should suitable opportunities arise in the future. In addition, the Directors regard equity financing as an important avenue of resources to the Group since it does not create any interest paying obligations on the Group.

As at the date of this announcement, the Company does not have any plan, arrangement, understanding, intention, negotiation (either concluded or in process) on any potential transaction which will involve issue of equity securities of the Company.

The Directors (excluding the independent non-executive Directors whose views will be set out in a circular to be dispatched to the Shareholders) are of the view that the terms of the Refreshment of General Mandate are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **GENERAL**

As the Refreshment of General Mandate is made before the next annual general meeting of the Company, pursuant to Rule 17.42A(1) and 17.47(4) of the GEM Listing Rules, the Refreshment of General Mandate will be subject to the approval of the Independent Shareholders by way of an ordinary resolution at the EGM at which any controlling shareholders of the Company and their associates or, where there is no controlling shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution approving the Refreshment of General Mandate.

The Board has established the Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Li Fu Yeung, Mr. Kwan Wai Yin, William and Mr. Tam Lok Hang to consider and, if appropriate, make a recommendation to the Independent Shareholders (i) as to whether the Refreshment of General Mandate is fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) to advise the Independent Shareholders on how to vote, taking into account the recommendations of the Independent Financial Adviser. The Company has appointed Lego Corporate Finance Limited as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Refreshment of General Mandate.

A circular containing, among other things, (i) details of the Refreshment of General Mandate; (ii) details of the recommendations from the Independent Board Committee and the Independent Financial Adviser in relation to the Refreshment of General Mandate; and (iii) a notice convening the EGM, is expected to be despatched to the Shareholders on or before 27 October 2016.

## DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 20 May 2016 in which the Shareholders had approved, among other matters, the Existing General Mandate
“associates”	has the same meaning as ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Company”	Food Idea Holdings Limited 新煮意控股有限公司, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the GEM
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and to vote the Refreshment of General Mandate
“Existing General Mandate”	the general mandate granted to the Directors to allot and issue up to 20% of the total number of Shares of the Company in issue on 20 May 2016, by a resolution of the Shareholders passed at the AGM
“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 Board Committee”	an independent committee of the Board, comprising all independent non-executive Directors, to advise the Independent Shareholders in relation to the Refreshment of General Mandate
“Independent Financial Adviser”	Lego Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, who has been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the grant of New General Mandate
“Independent Shareholder(s)”	Shareholder(s) other than the controlling shareholders and their associates or, if there is no controlling shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“New General Mandate”	the new general mandate proposed to be granted to the Directors at the EGM to allot, issue and deal with new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant resolution for approving the new general mandate
“Placing”	the placing of up to 130,560,000 new Shares (after the share consolidation becoming effective on 28 June 2016) pursuant to the terms of the placing agreement dated 29 July 2016
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Refreshment of General Mandate”	the proposed refreshment of the Existing General Mandate by way of granting the New General Mandate
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong as amended from time to time
“Share(s)”	ordinary share(s) of HK\$0.010 each in the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“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 Hoi Yu**  
*Chairman and executive Director*

Hong Kong, 6 October 2016

*As at the date of this announcement, the Board comprises Ms. Lau Lan Ying, Mr. Wong Hoi Yu 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>.*