THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Food Idea Holdings Limited (the "Company"), you should at once hand this circular with the accompanying proxy form to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

新煮意控股有限公司
FOOD IDEA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8179)

(i) REFRESHMENT OF GENERAL MANDATE;
(ii) RE-ELECTION OF RETIRING DIRECTOR;
AND
(iii) NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders

Lego Corporate Finance Limited
力高企業融資有限公司

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular unless otherwise stated.

A letter from the Board is set out on pages 4 to 15 of this circular. A letter from Independent Board Committee is set out on page 16 of this circular. A letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 17 to 30.

A notice dated 15 November 2016 convening the EGM of Food Idea Holdings Limited to be held at Room 3, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Wednesday, 7 December 2016 at 10:30 a.m. is set out in this circular. A form of proxy for use at the EGM is enclosed in this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk).

Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting if you so wish.

This circular will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for seven (7) days from the date of its posting and on the Company's website at www.foodidea.com.hk.

15 November 2016

CONTENTS

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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

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
"Articles"	the articles of association adopted by the Company, and as amended from time to time by resolution of the Shareholders of the Company
"associates"	has the same meaning as ascribed to it under the GEM Listing Rules
"Board"	the board of Directors
"BVI"	the British Virgin Islands
"Company"	Food Idea Holdings Limited, 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 held at Room 3, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Wednesday, 7 December 2016 at 10:30 a.m. for the purpose of considering and if thought fit, approving the proposed Refreshment of General Mandate and the re-election of the retiring Director contained in the notice of the meeting which is set out on pages EGM-1 to EGM-4 of this circular, or any adjournment thereof
"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 Refreshment of 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
“Latest Practicable Date”	11 November 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“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
“Period”	the period between the Latest Practicable Date and the date of the EGM

"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 circular, 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$0.01 each in the Company
"Shareholder(s)"	holder(s) of issued Share(s)
"Share Options"	existing share options of 16,640,000 are granted to seven eligible persons to subscribe for Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent.

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 Hoi Yu *(Chairman)*
Ms. Lau Lan Ying *(Chief executive officer)*
Mr. Yu Ka Ho

Independent non-executive Directors:
Mr. Li Fu Yeung
Mr. Kwan Wai Yin, William
Mr. Tam Lok Hang

Registered office:
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Principal place of business in Hong Kong:
Room A, 6/F.
CNT Tower
338 Hennessy Road
Wan Chai
Hong Kong

15 November 2016

To the Shareholders

Dear Sir or Madam,

(i) REFRESHMENT OF GENERAL MANDATE;
(ii) RE-ELECTION OF RETIRING DIRECTOR;
AND
(iii) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with the information relating to (i) the details of the Refreshment of General Mandate; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders on the Refreshment of General Mandate; (iii) the recommendation from Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Refreshment of General Mandate; (iv) the re-election of the retiring Director; and (v) the notice of EGM, at which ordinary resolutions will be proposed to the Independent Shareholders to consider and, if thought fit, approve the Refreshment of General Mandate and the Shareholders to consider the re-election of the retiring Director.

EXISTING GENERAL MANDATE

At the AGM, the Existing General Mandate was granted to the Directors which enabled the Directors to allot and issue 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). Pursuant to the placing agreement dated 29 July 2016, 130,560,000 new Shares had been fully placed out and completion of which took place on 11 August 2016.

As at the Latest Practicable Date, all the Existing General Mandate had been fully utilised and the Company has not made any refreshment of the Existing General Mandate since the AGM. Save for the Share Options, there were no other outstanding options, warrants, convertible securities or other rights to subscribe for Shares as at the Latest Practicable Date.

PROPOSED REFRESHMENT OF THE GENERAL MANDATE TO ISSUE SHARES

The Company will convene the EGM at which ordinary resolution will be proposed to the Independent Shareholders that the Directors be granted the New General Mandate to allot and issue new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant ordinary resolution at the EGM.

As at the Latest Practicable Date, the Company had an aggregate of 798,720,000 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the Refreshment of General Mandate and assuming that no further Shares are issued and/or repurchased by the Company during the Period, the Company would be allowed to allot and issue up to 159,744,000 new Shares, being 20% of the total number of Shares in issue as at the Latest Practicable Date.

The New General Mandate will expire at the earliest of (a) the conclusion of the next annual general meeting of the Company; (b) the date by which the next annual general meeting of the Company is required to be held by law or by the Articles; or (c) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company prior to the next annual general meeting of the Company.

REASONS FOR THE REFRESHMENT OF GENERAL MANDATE

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.

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 Latest Practicable Date, the proceeds are fully utilised for the above purpose. The Existing General Mandate is fully utilised after the completion of the Placing and has not been refreshed since it was granted at the AGM.

In March 2016, the Company, as vendor, entered into a sale and purchase agreement to dispose of the Chinese restaurant operation with 8 restaurants through the disposal of the entire issued share capital of GR Holdings Limited, a direct wholly-owned subsidiary of the Company, (the "**Disposed Group**") and all its liabilities, obligations and indebtedness due by GR Holdings to the Group at the preliminary consideration of HK$49.0 million (subject to adjustment) payable in cash by Mr. Wong Kwan Mo (resigned as Chairman and executive Director on 16 August 2016) and Ms. Lau Lan Ying (executive Director and chief executive officer of the Company). For the three years ended 31 December 2015, the revenue of the Disposed Group was approximately HK$381.4 million, HK$401.8 million and HK$375.1 million and net profits after tax of approximately HK$25.1 million, HK$5.0 million and a loss of approximately HK$23.8 million, respectively. The disposal was completed on 1 August 2016. The Group received the first installment of HK$15.0 million and was used as its working capital and for money lending business.

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. Since the commencement of the money lending business in June 2015 and up to 30 September 2016, the Company has offered loans of approximately HK$342.0 million to a small number of customers, which are mainly secured by mortgages, listed securities or debentures of Hong Kong listed company. The growth of the money lending business has exceeded the Group's expectation. During the year ended 31 December 2015 and the six months ended 30 June 2016, the money lending segment generated (i) interest income of approximately HK$3.4 million and HK$4.4 million respectively; and (ii) a segment profit of approximately HK$2.9 million and HK$3.6 million respectively. Due to the capital constraint, the Group is currently running the money lending business in a limited 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 who seek substantial loan amounts whilst being able to offer securities for the relevant loans. To further develop the money lending business and expand the customer base, sufficient working capital is required. In view of the loan book of approximately HK$342.0 million built up as at 30 September 2016 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. Based on the Board's latest estimates of working capital for the next 12 months, assuming that the financials of the Group, the market interest rates, the market demand for loan from the Group and the quality of the borrowers remain stable, the Group will need approximately HK$30.0 million after considering (the proceeds generated and to be generated from the disposal of the Disposed Group) to expand its money lending business, based on the existing average capital requirement from the borrower and their respective terms with reference to the duration and amount of loan borrowed by each of the borrowers in the past. The Directors consider that the additional capital of HK$30.0 million shall be sufficient, subject to number of borrowers, the duration of the loan, the interest rate, the risks incurred by the Group and the then liquidity of the Group.

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.

Having considered the existing 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 its money lending business. Therefore, the Directors consider that the Refreshment of General Mandate will be beneficial to the Group in enhancing the financial flexibility of the Company to cope with any business challenges and to further expand its money lending 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 they may not allow the Company 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. Under the prevailing market conditions and based on the management experience, it is foreseeable that the negotiation with the underwriters would be lengthy and it is not easy for the Company to procure underwriters for such fund raising activities on favorable terms.

Pursuant to the rights issue conducted by the Company in June 2015, the Directors have approached few underwriters, but only two agreed to underwrite the rights issue. The first underwriter who agreed to be appointed as the underwriter of the rights issue requested for the priority (but not the obligation) to underwrite the underwritten shares on a best effort basis, as a result of which, the Company needed to negotiate with the second underwriter, (i) for giving the priority to underwrite the underwritten shares to the first underwriter, and (ii) for the primary obligation to underwrite the underwritten shares not taken up by the first underwriter. The underwriters, finally, agreed on such special arrangement where the second underwriter would be entitled to a higher commission rates for its commitments. Even the Company can leverage on the respective networks of the two underwriters to attract more investors to subscribe for the rights shares not taken up by the Shareholders, the Directors took much time and efforts in the negotiations with the two underwriters.

Further, during June 2015, after the Company made the announcement of the rights issue, the Hong Kong securities market has experienced a downturn. The share price of most of the listed companies in Hong Kong went down. At the material times, many underwriters terminated their underwriting agreements with the issuer companies which made an announcement to conduct rights issue, due to reasons including but not limited to their respective share prices being lower than the respective offer prices. During the relevant period, in addition to working on the required documents in compliance with the GEM Listing Rules, the Directors had to keep monitoring the share prices and liaising with the underwriters, in order to avoid the termination of the underwriting agreement and the rights issue.

Based on the difficulties encountered by the Company in conducting the rights issue in 2015, the Directors are of the view that it may not be possible for the Company to procure underwriters for rights issue and open offer, which are usually required to be conducted on a fully underwritten basis, 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.

Based on the management past experience on the rights issue completed on 8 September 2015 and other pre-emptive fund raising methods, more time would be consumed in the preparation of necessary documents and negotiation with the underwriters and higher expenses and time are incurred for other legal and professional parties in the rights issue. Given the volatility of the equity market, the New General Mandate has the advantage over such pre-emptive fund raising methods as it is comparatively less costly and less time consuming, and it may allow the Company to seize potential opportunities in a timely manner.

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 may have difficulties in obtaining debt financing on favourable terms. Prior to the placing in May 2015 and the rights issue in September 2015, the Group has approached few Hong Kong and PRC banks with branches in Hong Kong to seek for banking facilities to develop its money lending business. Given that the monies are mainly used for money lending business, the banks refused to grant any facilities. The Directors are of the view that it is remote to obtain any facilities from banks with the purpose of developing its money lending business.

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 including issue Shares under specific mandate, pre-emptive fund raising methods such as rights issue and open offer for its money lending business. In any event, the Company will balance the pros and cons of various fund raising methods and conduct such fund raising activity which is most appropriate under the circumstances.

The Directors consider that Refreshment of 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 operation (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 regarded 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 Latest Practicable Date, 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 the Letter from the Independent Board Committee) are of the view that the Refreshment of General Mandate are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES IN THE PAST EIGHTEEN MONTHS

The Company has conducted the following equity fund raising activities for the 18 months immediately before the date of this circular:

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds as at the date of this circular
6 May 2015 (completed on 19 May 2015)	Issue of 480,000,000 new Shares at HK$0.193 per Share under general mandate granted on 16 May 2014	Approximately HK$91.0 million	For money lending and general working capital of the Group	• Approximately HK$86.0 million was used for lending to less than 10 individuals for various terms of not more than 1 year with interest rate from 3% to 24% per annum; and • The balance of approximately HK$5.0 million was utilised for general working capital of the Group.
28 June 2015 (completed on 8 September 2015)	Rights issue of 1,920,000,000 Shares at HK$0.105 per rights share	Approximately HK$198.0 million	• Approximately HK$187.8 million for the provision of money lending business of the Group; • Approximately HK$2.2 million for funding the consideration of the proposed acquisition of the dessert catering business in Singapore; and • The balance of approximately HK$8.0 million for general working capital of the Group.	• Approximately HK$187.8 million was used for lending to not more than 20 individuals for various terms of not more than 3 years with interest rate from 3% to 24% per annum; • Approximately HK$2.2 million was used to pay for the consideration for the acquisition of the dessert catering business in Singapore; and • The balance of approximately HK$8.0 million was utilised for general working capital of the Group.

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds as at the date of this circular
18 December 2015 (completed on 28 December 2015)	Placing of existing Shares and subscription for new Shares under general mandate granted on 22 May 2015	HK$27.0 million	For the development of the Group's money lending business	Was used for lending to less than 5 individuals with loans amounting over HK$27.0 million for various terms of not more than 35 months with interest rate from 5% to 6% per annum
29 July 2016 (completed on 11 August 2016)	Placing of new Shares under the Existing General Mandate	HK$19.6 million	For the development of the Group's money lending business	Was used for lending to less than 5 individuals with loans amounting over HK$19.6 million for various terms of not more than 1 year with interest rate from 5% to 12% per annum

The Directors will consider different fund raising alternatives and will consider, among others, the potential dilution impact on the existing Shareholders, the cost of fund raising, the fund raising amount, and the then prevailing market sentiment. After considering the above, the Directors are of the view that despite there is a dilutive impact on the then existing Shareholders interests, the terms of the rights issue and the placing above are fair and reasonable.

SHAREHOLDING STRUCTURE

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date and, (ii) for illustrative purpose, immediately upon the allotment and issue of the new Shares by the Company pursuant to the New General Mandate, assuming that the New General Mandate is utilised in full and no further Shares are issued or repurchased by the Company during the Period:

Shareholder	As at the Latest Practicable Date		Immediately upon the allotment and issue of the new Shares by the Company pursuant to the New General Mandate (assuming that New General Mandate is utilised in full and no further Shares are issued or repurchased by the Company during the Period)	
	Number of Shares	*%*	*Number of Shares*	*%*
KMW *(Note)*	76,803,600	9.62	76,803,600	8.01
Strong Light *(Note)*	29,556,000	3.70	29,556,000	3.08
Other public Shareholders	692,360,400	86.68	692,360,400	72.24
Maximum number of new Shares to be issued under the New General Mandate	–	–	159,744,000	16.67
Total	798,720,000	100	958,464,000	100

Note:

KMW Investments Limited ("KMW") and Strong Light Investments Limited ("Strong Light") are companies incorporated in the BVI and Hong Kong respectively. The entire issued share capital of KMW and Strong Light are beneficially owned as to 50% by Mr. Wong Kwan Mo and 50% by Ms. Lau Lan Ying.

RE-ELECTION OF THE RETIRING DIRECTOR

Reference is made to the announcement of the Company dated 16 August 2016, whereby Mr. Wong Hoi Yu was appointed as an executive Director with effect from 16 August 2016.

In accordance with Article 83(3) of the Articles, any Director appointed by the Board to fill a casual vacancy shall retire at the next following general meeting and shall be eligible for re-election. Accordingly, Mr. Wong Hoi Yu will retire from office as a Director and, being eligible, offer himself for re-election at the EGM.

Details of Mr. Wong Hoi Yu are set out in the Appendix to this circular.

EGM

The EGM will be convened and held for the purpose of considering, and, if thought fit, approving the proposed Refreshment of General Mandate and the re-election of retiring Director.

The notice of the EGM is set out on pages EGM-1 to EGM-4 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company's share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in an event not less than 48 hours before the time scheduled for the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending or voting in person at the EGM or any adjourned meeting should you so wish.

Pursuant to Rules 17.42A(1) and 17.47(4) of the GEM Listing Rules, the Refreshment of General Mandate requires the approval of the Independent Shareholders at the EGM taken on a vote by way of poll, any controlling shareholders 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 relevant resolution to approve the Refreshment of General Mandate.

As at the Latest Practicable Date, there is no controlling shareholder. As Ms. Lau Lan Ying (executive Director and chief executive officer of the Company) held 106,359,600 Shares through KMW and Strong Light (both of which are equally held by both Mr. Wong Kwan Mo and Ms. Lau Lan Ying) as at the Latest Practicable Date, Ms. Lau Lan Ying, KMW and Strong Light are required to abstain from voting in favour of the ordinary resolution to approve the Refreshment of General Mandate at the EGM. If any of the Directors and/or their respective associates hold any Shares at the date of EGM, they are required to abstain from voting in favour of the ordinary resolution to approve the Refreshment of General Mandate at the EGM in accordance the GEM Listing Rules.

The Company will announce the results of the poll in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

RECOMMENDATIONS

Your attention is drawn to the letter from the Independent Financial Adviser set out on pages 17 to 30 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the Refreshment of General Mandate and the letter from the Independent Board Committee set out on page 16 of this circular which contains its recommendation to the Independent Shareholders in relation to the Refreshment of General Mandate.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole and is fair and reasonable so far as the Independent Shareholders are concerned and accordingly recommends the Independent Shareholders to vote in favour of the ordinary resolution which will be proposed at the EGM for approving the Refreshment of General Mandate.

Having considered the reasons set out herein, the Board is of the view that the Refreshment of General Mandate is fair and reasonable, and is in the interests of the Company and the Shareholders as a whole. The Board hereby recommends the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM to approve the Refreshment of General Mandate.

The Directors consider the proposed re-election of Director is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM.

RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

Yours faithfully
On behalf of the Board
Food Idea Holdings Limited
Wong Hoi Yu
Chairman and executive Director

新煮意控股有限公司
FOOD IDEA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8179)

15 November 2016

To the Independent Shareholders

Dear Sir or Madam,

REFRESHMENT OF GENERAL MANDATE

We refer to the circular of the Company dated 15 November 2016 (the "**Circular**") of which this letter forms part. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board to advise the Independent Shareholders as to whether the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole and whether the terms of the Refreshment of General Mandate are fair and reasonable so far as the Independent Shareholders are concerned. Lego Corporate Finance Limited is appointed as the independent financial adviser to advise us in this respect.

Having considered the principal factors and the advice of Lego Corporate Finance Limited as set out in its letter of advice to us on pages 17 to 30 of the Circular, we are of the opinion that the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole and the terms of which are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Refreshment of General Mandate.

Yours faithfully,
Independent Board Committee

Mr. Li Fu Yeung **Mr. Kwan Wai Yin, William** **Mr. Tam Lok Hang**

Independent Non-Executive Directors

The following is the text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate, and is prepared for inclusion in this circular.

Lego Corporate Finance Limited
力高企業融資有限公司

15 November 2016

The Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

REFRESHMENT OF GENERAL MANDATE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular issued by the Company to its Shareholders dated 15 November 2016 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

The Board proposed to seek the approval of the Independent Shareholders for the Refreshment of General Mandate for the Directors to allot, issue and deal with new Shares not exceeding 20% of the aggregate number of the Shares in issue as at the date of the EGM. Based on 798,720,000 Shares in issue as at the Latest Practicable Date and assuming that there are no changes in the issued share capital of the Company during the Period, subject to the passing of the relevant ordinary resolution to approve the Refreshment of General Mandate at the EGM, the Directors will be authorised to allot, issue and deal with up to 159,744,000 new Shares under the New General Mandate.

Pursuant to Rules 17.42A(1) and 17.47(4) of the GEM Listing Rules, the Refreshment of General Mandate requires the approval of the Independent Shareholders at the EGM taken on a vote by way of poll, any controlling shareholders 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 of the relevant resolution to approve the Refreshment of General Mandate.

As at the Latest Practicable Date, there is no controlling shareholder. As Ms. Lau Lan Ying (executive Director and chief executive officer of the Company) who held 106,359,600 Shares through KMW and Strong Light (both of which are equally held by both Mr. Wong Kwan Mo and Ms. Lau Lan Ying) as at the Latest Practicable Date, Ms. Lau Lan Ying, KMW and Strong Light are required to abstain from voting in favour of the ordinary resolution to approve the Refreshment of General Mandate at the EGM. If any of the Directors and/or their respective associates hold any Shares at the date of EGM, they are required to abstain from voting in favour of the ordinary resolution to approve the Refreshment of General Mandate at the EGM in accordance with the GEM Listing Rules.

Mr. Li Fu Yeung, Mr. Kwan Wai Yin, William and Mr. Tam Lok Hang, the independent non-executive Directors, have been appointed as members of the Independent Board Committee to consider and to advise the Independent Shareholders as to whether 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, and to advise the Independent Shareholders on how to vote. As the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in such regard.

As at the Latest Practical Date, we did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to our independence. With regard to our independence from the Company, it is noted that, apart from normal professional fees paid or payable to us in connection with the current appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the date of the Circular and all such statements of belief, opinions and intention of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and/or the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the Circular.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company or any of their respective subsidiaries or associates.

PRINCIPAL FACTORS CONSIDERED

In giving our recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate, we have taken into consideration the following factors and reasons:

1. Background of and reasons for the Refreshment of General Mandate

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.

As mentioned in the Letter from the Board, the Group will focus on developing other businesses with high growth potential, such as money lending business. Since the commencement of the money lending business in June 2015 and up to 30 September 2016, the Company has offered loans of approximately HK$342.0 million to a small number of customers, which are mainly secured by mortgages, listed securities or debentures of Hong Kong listed company. In Hong Kong, participants in the money lending industry primarily comprise authorised institutions and licensed money lenders. Authorised institutions include licensed banks, restricted licensed banks and deposit taking companies and they are subject to the supervision of Hong Kong Monetary Authority ("**HKMA**") and the regulations under the Banking Ordinance. On the other hand, licensed money lenders and regulation of money lending transactions of such lenders are governed by Money Lenders Ordinance and they enjoy greater flexibility in their business operations in terms of loan sizes, requirement of income proof and the range of collateral acceptable for securing loans. Based on the list of existing money lenders licensees as maintained by the Registrar of Companies in Hong Kong, there were roughly 1,804 licensed money lenders (including applications for renewal in progress) in Hong Kong as at 30 September 2016, representing an increase of approximately 28.9% as compared to the number of the licensed money lenders as at 31 August 2015.

We have tried to conduct researches on the money lending industry in Hong Kong however we found out that information and statistics with regards with this industry are generally not made available through official public sources and there are no official market research and information from relevant government department conducted on the licensed money lenders in Hong Kong. However, the statistics of loans and advances granted by authorised institutions as recorded by HKMA can act as an indicator of the credit market growth, as people usually look for borrowing from both licensed money lenders and authorised institutions to compare for better terms. Loans and advances for use in Hong Kong refer to the credit facilities made available or disbursed in Hong Kong to borrowers with a place of residence or a principal place of business in Hong Kong. In particular, the amount of loans and advances granted by authorised institutions for use in Hong Kong (include both Hong Kong and foreign dollar) has been growing over the past few years and reached a total of approximately HK$7,824.1 billion as at September 2016, representing an increase of 4.0% as compared to March 2016 of approximately HK$7,522.4 billion. Overall, the compound annual growth rate of loans and advances was approximately 9.2% from 2011 to 2016. Given the historical trend, we concur with the Directors' view that the demand for loans and advances will continue to increase.

The growth of the money lending business has exceeded the Group's expectation. As disclosed in the announcement of the Company dated 17 October 2016, for the nine months ended 30 September 2016, the Group is expected to record a loss of HK$217 million due to (i) significant decrease in unrealised gain on financial assets at fair value; and (ii) increase in realised loss on disposal of certain financial assets. In view of the above, the management of the Group is identifying profitable business opportunities. We have discussed with the management of the Group and understand from the Directors that there is a rising demand in money lending business in Hong Kong in recent years. The management of the Group wants to seize such business opportunities. We were also given to understand that the money lending business for the nine months ended 30 September 2016 will record a profit. As disclosed in the Letter from the Board, based on the Board's latest estimates of working capital for the next 12 months, assuming that the financials of the Group, the market interest rates, the market demand for loan from the Group and the quality of the borrowers remain stable, the Group will need approximately HK$30.0 million after considering the proceeds generated and to be generated from the disposal of the Disposed Group (as defined below) to expand its money lending business, based on the existing average capital requirement from the borrowers and their respective terms with reference to the duration and amount of loan borrowed by each of the borrowers in the past. The Directors consider that the additional capital of HK$30.0 million shall be sufficient, subject to number of borrowers, the duration of the loan, the interest rate, the risks incurred by the Group and the then liquidity of the Group. As such, the Directors are of the view that the continual investment in money lending business will be in the interest of the Company and the shareholders as a whole.

At the AGM, the Existing General Mandate was granted to the Directors which enabled 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 Latest Practicable Date, the proceeds are fully utilised for the above purpose. The Existing General Mandate is fully utilised after the completion of the Placing and has not been refreshed since it was granted at the AGM.

In March 2016, the Company, as vendor, entered into a sale and purchase agreement to dispose of the Chinese restaurant operation with 8 restaurants through the disposal of the entire issued share capital of GR Holdings Limited, a then direct wholly-owned subsidiary of the Company, (the "**Disposed Group**") and all its liabilities, obligations and indebtedness due by GR Holdings to the Group at the preliminary consideration of HK$49.0 million (subject to adjustment) payable in cash by Mr. Wong Kwan Mo (resigned as Chairman and executive Director on 16 August 2016) and Ms. Lau Lan Ying (executive Director and chief executive officer of the Company). For the three years ended 31 December 2015, the revenue of the Disposed Group was approximately HK$381.4 million, HK$401.8 million and HK$375.1 million and net profits after tax of approximately HK$25.1 million, HK$5.0 million and a loss of approximately HK$23.8 million, respectively. The disposal was completed on 1 August 2016. The Group received the first installment of HK$15.0 million and was used as its working capital and for money lending business.

As advised by the Company, the next annual general meeting of the Company is expected to be held until around May 2017 (the "**Next AGM**"), which is around seven months from the date of the Circular. In accordance with the GEM Listing Rules, should the Company wish to issue new Shares or any equity-linked securities before the Refreshment of General Mandate in the Next AGM, the Company is required to make an announcement, issue a circular and seek the Independent Shareholders' approval in an extraordinary general meeting, which the Directors consider to be a lengthy process and may therefore hinder the progress of any potential funding raising exercise or investment or acquisition plan. In order to provide the Group with more flexibility to issue new Shares before the Next AGM, the Board proposed to seek approval from the Independent Shareholders at the EGM in respect of the Refreshment of General Mandate. We concur with the Directors' view that in the absence of the New General Mandate, the Company lacks the flexibility to issue new Shares or other equity-linked securities in a timely manner.

Further, we understood that based on the unaudited interim financial statements of the Group for the six months ended 30 June 2016, the cash position of the Group as at 30 June 2016 was approximately HK$24.3 million. We were advised by the Company that as at the Latest Practicable Date, the Company is not considering or in negotiation of any fund raising activities, and it does not have any immediate plans for any new issue of Shares under the New General Mandate. However, if there shall arise any other potential investment opportunities or any change of the Group's current circumstances and existing or revised business plans, the Board does not rule out the possibility that the Company may conduct equity and/or fund raising exercises to support such future developments of the Group, which may utilise the New General Mandate. The Company would closely monitor the potential development of the Group and the market and may capture business opportunities should they arise. As at the Latest Practicable Date, the Group has not identified any potential investment opportunities other than the money lending business. We have discussed with the management of the Group, and noted that the working capital for its existing business (including the money lending business) is sufficient given that the earlier loss making business had been sold. We were also given to understand that the Directors will also consider other fund raising alternatives in any future business opportunities and in the event that the Directors consider to raise fund under the New General Mandate (subject to the market conditions), the Directors will consider the then funds available and believe it will be sufficient to meet the funding needs for its expansion in money lending business.

The Refreshment of General Mandate would enhance the financial flexibility of the Group to raise additional capital for funding the existing businesses of the Group and decisions may have to be made within a limited period of time in order to respond to any opportunities promptly. In addition, if the Existing General Mandate is refreshed, the Group will also be in a better bargaining position in negotiation of any potential business or investments. We understand from the Directors that issue of Shares under the New General Mandate is only one of the means of financing of the Group. In the event that any opportunities arise and need prompt decision, the Group could consider and use different methods (including utilising the New General Mandate) to conduct fund raising. After considering the above, we concur with the Directors' view that the Refreshment of General Mandate will enable the Group to be in a better bargaining position.

The Board thus proposes to pass the resolution at the EGM to approve the grant of the New General Mandate so as to allow the Directors to issue new Shares not exceeding 20% of the aggregate number of the Shares of the Company in issue as at the date of the EGM.

In addition, as discussed with the Directors, although (i) the Existing General Mandate might be refreshed in the Next AGM around May 2017; and (ii) the Company does not have any current plans for fund raising activities, given the current volatile market conditions, we agree with the Company that it is important for the Group to maintain a fund raising capability not only to fulfil the Group's potential working capital requirements for the next twelve months, but also enable the Company to make prompt decisions and to solicit funding in a relatively short period of time as the interests of the Company and the Shareholders may be adversely impacted if (i) the Company does not have a readily-available flexibility to utilise the New General Mandate to allot, issue and deal with new Shares for possible investment opportunities where the Shares can be used as a form of payment, it has to accept other forms of financing with unfavourable terms as compared to issue new Shares under the New General Mandate ; and (ii) the Company may not be able to capture any prospective investment opportunities in a timely manner as the decision-making process of the management of the Company will be prolonged and thus terminate the negotiation. In the event that prospective investment opportunities come up which prompt decisions are required and no New General Mandate is available, the Group may need to give up such opportunities. Some of the borrowers from the money lending business approached the Company in the past two months, however due to lack of excess working capital, the Company could not take up such business opportunities.

Accordingly, we concur with the Director's view that the Refreshment of General Mandate is fair and reasonable, and in the interest of the Company and its Shareholders as a whole as it will (i) fulfill any possible funding needs for future business development and/or investment decisions which may arise at any time; (ii) strengthen the capital base of the Company; (iii) have an option to consider the 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; and (iv) serve as an important avenue of resources to the Group since it does not create any interest paying obligations on the Group.

2. Other financing alternatives

As mentioned in the Letter from the Board, the Directors have also considered other financing methods such as rights issue, open offer and debt financing, if appropriate, so as to meet its financing requirements arising from any future development of the Group. As it usually takes three months or more to raise funds by rights issue or open offer (including prepare investor proposals, roadshows, identify underwriters, negotiate terms of the underwriting agreement, issue circulars and convene shareholders' meeting), it may not allow the Company to seize potential opportunities in a timely manner. As discussed in the Letter from the Board, under the prevailing market conditions and based on the management experience, it is foreseeable that the negotiation with the underwriters would be lengthy and it is not easy for the Company to procure underwriters for such fund raising activities on favorable terms. 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.

Pursuant to the rights issue conducted by the Company in June 2015, the Directors have approached few underwriters, but only two agreed to underwrite the rights issue. The first underwriter who agreed to be appointed as the underwriter of the rights issue requested for the priority (but not the obligation) to underwrite the underwritten shares on a best effort basis, as a result of which, the Company needed to negotiate with the second underwriter, (i) for giving the priority to underwrite the underwritten shares to the first underwriter, and (ii) for the primary obligation to underwrite the underwritten shares not taken up by the first underwriter. The underwriters, finally, agreed on such special arrangement where the second underwriter would be entitled to a higher commission rates for its commitments. Even the Company can leverage on the respective networks of the two underwriters to attract more investors to subscribe for the rights shares not taken up by the Shareholders, the Directors took much time and efforts in the negotiations with the two underwriters.

Further, during June 2015, after the Company made the announcement of the rights issue, the Hong Kong securities market has experienced a downturn. The share price of most of the listed companies in Hong Kong went down. At the material times, many underwriters terminated their underwriting agreements with the issuer companies which made an announcement to conduct rights issue, due to reasons including but not limited to their respective share prices being lower than the respective offer prices. During the relevant period, in addition to working on the required documents in compliance with the GEM Listing Rules, the Directors had to keep monitoring the share prices and liaising with the underwriters, in order to avoid the termination of the underwriting agreement and the rights issue.

Based on the difficulties encountered by the Company in conducting the rights issue in 2015, the Directors are of the view that it may not be possible for the Company to procure underwriters for rights issue and open offer, which are usually required to be conducted on a fully underwritten basis, 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.

In addition, rights issue and open offer will incur higher underwriting commission and involve extra administrative work, additional parties' engagement (including underwriter documentation fees, underwriting commission, independent financial advisors' fee (if required)) and cost for the trading arrangements. Based on the past experience of the Directors from previous rights issue in June 2015, the total costs involved was approximately HK$3.6 million. 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. Under the prevailing market conditions and based on the management experience, it is foreseeable that the negotiation with the underwriters would be lengthy and it is not easy for the Company to procure underwriters for such fund raising activities on favorable terms. Furthermore, debt financing may 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 may have difficulties in obtaining debt financing on favourable terms. As discussed with the Directors, we understand that prior to the placing in May 2015 and the rights issue in September 2015, the Group has approached few Hong Kong and PRC banks with branches in Hong Kong to seek for banking facilities to develop its money lending business. Given that the monies are mainly used for money lending business, the banks refused to grant any facilities. The Directors are of the view that it is remote to obtain any facilities from banks with the purpose of developing its money lending business. We understand from the Directors that based on their past experience, the borrowers from the money lending business usually are in need for such money within a short period of time. If the Group needs to take the lengthy procedures under the banks approval or the pre-emptive financing means, the Group may not be able to capture the opportunity. Moreover, if the size of fund raising from rights issue and open offer is small, the costs and time involved are not in economic interests of the Group. With regard to the issue of Shares under New General Mandate, the process usually takes less than 1 month and minimal cost is involved. Based on the aforesaid reasons, we concur with the Directors' view that, the Group has difficulties in seeking for debt financing and conduct rights issue and open offer, and equity financing through the use of the New General Mandate is more cost-effective, efficient and less time consuming than alternative financing methods.

We consider that the Refreshment of General Mandate will provide the Company with an additional financing alternative and it is reasonable for the Company to maintain its flexibility in deciding the best financing method for its business development and/or future investments as and when such opportunities arise. We are of the view that the Refreshment of General Mandate can provide the Company with flexibility for the Group's future development and therefore is in the interests of the Company and the Shareholders as a whole.

3. Fund raising activities in the past eighteen months

The following are the equity fund raising activities of the Company in the past 18 months:

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds as at the date of the Circular
6 May 2015 (completed on 19 May 2015)	Issue of 480,000,000 new Shares at HK$0.193 per Share under general mandate granted on 16 May 2014	Approximately HK$91.0 million	For money lending and general working capital of the Group	• Approximately HK$86.0 million was used for lending to less than 10 individuals for various terms of not more than 1 year with interest rate from 3% to 24% per annum; and • The balance of approximately HK$5.0 million was utilised for general working capital of the Group.
28 June 2015 (completed on 8 September 2015)	Rights issue of 1,920,000,000 Shares at HK$0.105 per rights share	Approximately HK$198.0 million	• Approximately HK$187.8 million for the provision of money lending business of the Group;	• Approximately HK$187.8 million was used for lending to not more than 20 individuals for various terms of not more than 3 years with interest rate from 3% to 24% per annum;
			• Approximately HK$2.2 million for funding the consideration of the proposed acquisition of the dessert catering business in Singapore; and	• Approximately HK$2.2 million was used to pay for the consideration for the acquisition of the dessert catering business in Singapore; and
			• The balance of approximately HK$8.0 million for general working capital of the Group.	• The balance of approximately HK$8.0 million was utilised for general working capital of the Group;

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds as at the date of the Circular
18 December 2015 (completed on 28 December 2015)	Placing of existing Shares and subscription for new Shares under general mandate granted on 22 May 2015	HK$27.0 million	For the development of the Group's money lending business	Was used for lending to less than 5 individuals with loans amounting over HK$27.0 million for various terms of not more than 35 months with interest rate from 5% to 6% per annum
29 July 2016 (completed on 11 August 2016)	Placing of new Shares under the Existing General Mandate	HK$19.6 million	For the development of the Group's money lending business	Was used for lending to less than 5 individuals with loans amounting over HK$19.6 million for various terms of not more than 1 year with interest rate from 5% to 12%

Save as disclosed above, the Company has not conducted any other equity fund raising activities in the past 18 months immediately preceding the Latest Practicable Date. Based on discussion with the management of the Group, we understand that the actual use of net proceeds was in line with the proposed use of net proceeds. In addition, we understand from the Directors that the net proceeds from the abovementioned fund raising activities have mostly been used on money lending business. As disclosed in the interim report for the six months ended 30 June 2016, despite revenue generated from money lending business was approximately HK$4.5 million, the segment result was approximately HK$3.6 million and most of the Group's profit was derived from it. After discussion with the Directors, despite there is a dilution on the interests of the then existing Shareholders, the benefits brought about by the money lending business are beneficial to the Shareholders. Thus, we concur with the Directors' view that further investment in money lending business shall be in the interest of the Company and its shareholders as a whole.

4. Potential dilution on shareholdings

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date and (ii) upon full utilisation of the New General Mandate (assuming that there are no changes in the issued share capital of the Company during the Period), for illustrative and reference purpose:

Shareholder	As at the Latest Practicable Date		Immediately upon the allotment and issue of the new Shares by the Company pursuant to the New General Mandate (assuming that New General Mandate is utilised in full and no further Shares are issued or repurchased by the Company during the Period)	
	Number of Shares	*%*	*Number of Shares*	*%*
KMW *(Note)*	76,803,600	9.62	76,803,600	8.01
Strong Light *(Note)*	29,556,000	3.70	29,556,000	3.08
Other public Shareholders	692,360,400	86.68	692,360,400	72.24
Maximum number of new Shares to be issued under the New General Mandate	–	–	159,744,000	16.67
Total:	798,720,000	100	958,464,000	100

Note:

KMW and Strong Light are companies incorporated in the BVI and Hong Kong respectively. The entire issued share capital of KMW and Strong Light are beneficially owned as to 50% by Mr. Wong Kwan Mo and 50% by Ms. Lau Lan Ying.

Upon the full utilisation of the New General Mandate, 159,744,000 new Shares will be issued, representing 20% of the issued share capital of the Company as at the Latest Practicable Date and approximately 16.67% of the issued share capital of the Company as enlarged by the issue of new Shares under the New General Mandate. Assuming that there are no changes in the issued share capital of the Company during the Period, the aggregate shareholding of the public Shareholders will have a potential maximum dilution from approximately 86.68% to approximately 72.24% upon the full utilisation of the New General Mandate.

We are aware of the potential cumulative dilution effect as a result of the utilisation of the New General Mandate and those arising from the equity fund raising activities in the past 18 months immediately preceding the Latest Practicable Date. However, we consider that the foregoing should be balanced, among others, the Refreshment of General Mandate (i) would allow the Company to raise capital by allotment and issuance of new Shares before the Next AGM which is expected to be held in around seven months from the date of the Circular; (ii) would provide more flexibility to the Group for its current and future business development as well as for other potential future investments and/or acquisitions as and when such opportunities arise which requires prompt decision; and (iii) the above flexibility outweigh the dilution effect of the existing Shareholders as the Company is able to respond in a timely and effective manner and takes advantages of any material investment opportunities for the benefit of the Company and its Shareholders as a whole, we are of the opinion that such potential dilution to the shareholdings of the existing Shareholders as aforementioned is acceptable.

RECOMMENDATION

Having considered that (i) the Directors will consider different means of financing before exercise of New General Mandate; (ii) the financials of the Group; (iii) the possible capital needs for the development of the money lending business; (iv) the economic benefits and cost involved to raise funds from New General Mandate as compared to other financings; and (v) provide more flexibility to the Group, we are of the opinion that the Refreshment of General Mandate is fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Refreshment of General Mandate.

Yours faithfully,
For and on behalf of
Lego Corporate Finance Limited
Gary Mui
Chief Executive Officer

Mr. Gary Mui is a licensed person registered with the Securities and Futures Commission and a responsible officer of Lego Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). He has over 18 years of experience in the finance and investment banking industry.

*The following is the particulars of Mr. Wong Hoi Yu ("**Mr. Wong**"), the executive Director proposed to be re-elected at the EGM:*

MR. WONG HOI YU

Mr. Wong, aged 33, is an executive Director. Mr. Wong was appointed as an executive Director on 16 August 2016. Mr. Wong obtained his bachelor's degree of science in Computer Science from Chu Hai College of Higher Education in Hong Kong in 2008. He has more than 7 years' solid marketing and management experience, including operations, recruitment, managing food and service quality, etc., from his previous employments in the catering industry in Hong Kong.

The Company has entered into a service agreement with Mr. Wong, for an initial fixed term of one year and the term of service shall be renewed and extended automatically by one year on the expiry of such initial term and on the expiry of every successive period of one year thereafter, unless either party has given at least one month's written notice of non-renewal before the expiry of the then existing term. Mr. Wong is entitled to a monthly salary of HK$20,000 on a 13-month basis which is determined after arm's length negotiation between Mr. Wong and the Company with reference to his duties, responsibilities and the prevailing market conditions. The emolument has been approved by the Board and the remuneration committee of the Company (the "**Remuneration Committee**") and will be reviewed by the Board and the Remuneration Committee on an annual basis. Mr. Wong's appointment is subject to retirement by rotation and/or re-election at general meeting in accordance with the Articles.

Save as disclosed above, Mr. Wong (i) did not have any relationships with any Directors, senior management, substantial shareholders or controlling shareholders (within the meaning of the GEM Listing Rules) of the Company; (ii) did not have any other interest in the shares, underlying shares and debentures of the Company within the meaning of Part XV of the SFO; and (iii) did not hold any directorship in any listed public companies in the last three years or any other positions with the Company and other members of the Group or other major appointments and professional qualifications.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders regarding his appointment and there is no other information that needed to be disclosed pursuant to any of the requirements of Rules 17.50(2)(h) to (v) of the GEM Listing Rules relating to the appointment of Mr. Wong.

新煮意控股有限公司
FOOD IDEA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8179)

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the "**EGM**") of Food Idea Holdings Limited (the "**Company**") will be held at 10:30 a.m. on Wednesday, 7 December 2016 at Room 3, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

1. "**THAT**

(a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, the exercise by the directors of the Company (the "**Directors**") during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with additional shares of HK$0.01 each in the share capital of the Company and to make or grant offers, agreements and options (including bonds, warrants, debentures and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants, debentures and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under the share option schemes of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:

(i) 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and

(ii) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the AGM), pursuant to the resolution passed at the AGM;

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

"**Relevant Period**" means the period from the date of the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or the applicable laws of Cayman Islands to be held; or

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting;

"**Rights Issue**" means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong)."

2. "**THAT** Mr. Wong Hoi Yu be re-elected as an executive Director and the board of Directors be authorised to fix his remuneration."

Yours faithfully
On behalf of the Board
Food Idea Holdings Limited
Wong Hoi Yu
Chairman and executive Director

Hong Kong, 15 November 2016

Registered office:
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Principal place of business in Hong Kong:
Room A, 6/F.
CNT Tower
338 Hennessy Road
Wan Chai
Hong Kong

Notes:

1. Any shareholder entitled to attend and vote at the extraordinary general meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf. A proxy need not to be a shareholder of the Company.

2. In order to be valid, the form of proxy and the power of attorney (if any), under which it is signed or a notarially certified copy thereof, must be lodged, at the office of the Company's share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.

3. Completion and return of a form of proxy shall not preclude a shareholder from attending and voting in person at the extraordinary general meeting and in such event, the instrument appoint a proxy shall be deemed to be revoked.

4. Where there are joint holders of any shares, any one of such joint holder may vote, either in person or by proxy in respect of such shares as if he/she were solely entitled hereto; but if more than one of such joint holders be present at the extraordinary general meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company.

5. A form of proxy for use at the extraordinary general meeting is attached herewith.

6. Any voting at the extraordinary general meeting shall be taken by poll.

7. The form of proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

8. As at the date of this circular, the Board comprises Mr. Wong Hoi Yu, 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.