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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)

BUSINESS UPDATE
AND
CHANGE IN USE OF PROCEEDS FROM THE RIGHTS ISSUE

BUSINESS UPDATE

The Board is pleased to announce that in January 2018, it has resolved to (i) acquire the commercial unit of approximately 940 square feet in Wanchai, which is next to the properties owned by the Group, at the purchase price of approximately HK\$12 million for office use; and (ii) invest HK\$15 million in the Target, which is a jointly controlled entity of the Group owned as to 75% by FIGL and 25% by the JV Partner, for the development and operation of a bar restaurant in Taiwan.

CHANGE IN USE OF PROCEEDS FROM THE RIGHTS ISSUE

Reference is made to the prospectus of the Company dated 27 April 2017 in relation to the Rights Issue.

As at the date of this announcement, HK\$35 million has been fully used for the acquisition of property while the acquisition of the securities investment company cannot be materialised. The Board has resolved that, out of the HK\$20 million proceeds from the Rights Issue that was originally planned to be used for the development of the Group's investment business, HK\$5 million and HK\$13 million will be reallocated and changed for the acquisition of a new commercial unit in Wanchai and the Investment respectively.

BUSINESS UPDATE

The Board is pleased to announce that in January 2018, it has resolved to (i) acquire the commercial unit of approximately 940 square feet in Wanchai, which is next to the properties owned by the Group, at the purchase price of approximately HK\$12 million for office use; and (ii) invest HK\$15 million in the Target, which is a jointly controlled entity of the Group owned as to 75% by FIGL and 25% by the JV Partner, for the development and operation of a bar restaurant in Taiwan. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, save for being a business partner, each of the JV Partner and its ultimate beneficial owners is an Independent Third Party.

In the first half of 2016, the Group, the JV Partner and other Independent Third Parties jointly invested in a company which operates a bar restaurant in Hong Kong. Of that bar restaurant investment, the Group and the JV Partner are interested in approximately 20% and 21.8%, respectively of the entire stake thereof. The JV Partner is the key person operating the bar restaurant in Hong Kong. Such investment is proven to be very successful and the Group received dividends from the bar investment in 2016, representing a return of approximately 20%. With respect of the business performance of the Hong Kong bar restaurant in 2017, up to the date of this announcement, it is expected that the Group shall receive similar amount of dividend when the Hong Kong bar restaurant finalises its annual results for the year ending 31 March 2018.

In view of the success of the bar restaurant in Hong Kong, FIGL and the JV Partner agreed to expand the bar restaurant investment to Taiwan and established the Target Group which operates a bar in Xinyi District, Taipei, an international and touristy area for pubs and bars. It is further agreed that the JV Partner and FIGL will invest HK\$5 million and HK\$15 million respectively in the Target according to their respective shareholding interest for the Target Group's setup cost, business development and initial working capital. Given that beer pong bar restaurant in which the JV Partner has the knowledge and expertise has gained popularity in Taiwan in recent years, and the Group needs to rely on the JV Partner's expertise in operating the bar restaurant so that the Investment will bring more investment return to the Group, the Directors considered that the Investment is fair and reasonable and in the interest of the Company and its Shareholders as a whole.

CHANGE IN USE OF PROCEEDS FROM THE RIGHTS ISSUE

Reference is made to the prospectus of the Company dated 27 April 2017 in relation to the Rights Issue (the "**Prospectus**").

In the Prospectus, it was disclosed that the Company intended to apply, among other matters, (i) as to approximately HK\$35 million for funding the acquisition of a commercial property as the office of the Company; and (ii) as to approximately HK\$20 million for the development of the Group's investment business, including but not limited to the acquisition of a securities investment company. As at the date of this announcement, the said HK\$35 million has been fully used for the acquisition of property while the acquisition of the securities investment company cannot be materialised. The Board has resolved that, out of the HK\$20 million proceeds that was originally planned to be used for the development of the Group's investment business, HK\$5 million and HK\$13 million will be reallocated and changed for the acquisition of a new commercial unit in Wanchai and the Investment respectively.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Food Idea Holdings Limited, a company incorporated in the Cayman Islands, the issued shares of which are listed on GEM (Stock code: 8179)
“Directors”	the directors of the Company
“FIGL”	Food Idea Group Limited, a wholly-owned subsidiary of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules

“Investment”	the investment of HK\$15 million in the Target to develop the bar restaurant business in Taiwan
“JV Partner”	the joint venture partner which owned 25% shareholding of the Target
“Rights Issue”	the issue of the rights shares on the basis of one (1) rights share for every one (1) share of the Company as disclosed in the Prospectus
“Target”	a company incorporated in the British Virgin Islands with limited liability and is owned as to 75% by the FIGL and 25% by the JV Partner
“Target Group”	the Target and its direct and indirect subsidiaries
“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, 26 January 2018

As at the date of this announcement, the Board comprises 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>.