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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 SHARE CONSOLIDATION

Financial Adviser to the Company



PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Shares of par value of HK\$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of par value of HK\$0.10 each.

GENERAL

The EGM will be convened and held for the Shareholders to consider, if thought fit, approve, among other things, the Share Consolidation. No Shareholders are required to abstain from voting on the ordinary resolution in relation to the Share Consolidation to be proposed at the EGM.

The Circular containing, among other things, further details of the Share Consolidation together with a notice of the EGM will be despatched to the Shareholders on or before Friday, 9 August 2019.

Reference is made to the announcement of Food Idea Holdings Limited (the “**Company**”) dated 11 June 2019 and 10 July 2019 (the “**Announcements**”) in relation to, amongst others, the Rights Issue. Capitalised terms used in this announcement shall have the same meanings as defined in the Announcements unless otherwise stated.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Shares of par value of HK\$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of par value of HK\$0.10 each.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Shares of HK\$0.01 each, of which 2,766,208,103 Shares have been allotted and issued as fully paid or credited as fully paid. Upon completion of the Rights Issue on the basis of one (1) Rights Share for every two (2) Shares held by the Qualifying Shareholders on the Record Date (assuming no change in the number of Shares in issue on or before the Record Date and Rights Shares are fully subscribed), as announced by the Company on 11 June 2019, the maximum number of issued shares of the Company will be 4,149,312,154 Shares.

Upon the Share Consolidation becoming effective and Rights Share are fully subscribed, on the basis that the Company does not allot, issue or repurchase any Shares prior thereto, the authorised share capital of the Company shall become HK\$100,000,000 divided into 1,000,000,000 Consolidated Shares of HK\$0.10 each, of which 414,931,215 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other. Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares will not be allocated to the Shareholders who may otherwise be entitled.

Conditions Precedent to the Share Consolidation

The Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM;
- (ii) the Listing Committee granting the approval for listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the GEM Listing Rules to effect the Share Consolidation.

The Share Consolidation will become effective on one clear Business Day immediately following the fulfillment of the above conditions i.e. Monday, 2 September 2019.

Listing Application

An application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

No part of the equity or debt securities of the Company is listed or dealt in on any other stock exchanges other than the Stock Exchange and no such listing or permission to deal in is being or is currently proposed to be sought.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of existing share certificates held by such holder.

Odd lots arrangement and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the Circular. Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

Free exchange of Consolidated Shares' certificates and trading arrangement

Subject to the Share Consolidation becoming effective, Shareholders may, on or after Monday, 2 September 2019 until Thursday, 10 October 2019 (both days inclusive) between 9:00 a.m. and 4:00 p.m. on any Business Day, submit the existing share certificates for the Shares to 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 to exchange, at the expense of the Company, for new share certificates of the Consolidated Shares (on the basis of ten (10) Shares of HK\$0.01 each for one (1) Consolidated Share of HK\$0.1 each).

Thereafter, existing share certificates of Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each existing share certificate for the Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of certificates cancelled/issued is higher. The existing share certificates for the Shares are in blue colour and the new share certificates for the Consolidated Shares will be in red colour.

After 4:00 p.m. on Tuesday, 8 October 2019, existing share certificates for the Shares will only remain effective as documents of title and may be exchanged for certificates for Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

REASONS FOR THE SHARE CONSOLIDATION

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. The "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 28 June 2019 (the "**Guide**") has further stated that (i) market price of the shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

Based on the Company's latest closing price of HK\$0.026 per share as at the date of this announcement, the theoretical market value of each board lot of the shares of the Company would only be HK\$312 as if the Rights Issue would have been completed as at the date of this announcement which would be less than the expected minimum board lot value of HK\$2,000 as stated in the Guide.

In view of the recent trading price of the Shares at a level less than HK\$0.1 and the value per board lot being less than HK\$2,000 (“**Circumstances**”), the proposed Share Consolidation will increase the nominal value of the Shares and would bring about a corresponding upward adjustment in the trading price per board lot of the Consolidated Shares on the Stock Exchange. As such, it would (i) enable the Company to comply with the trading requirements under the GEM Listing Rules; and (ii) reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities trade.

Assuming the Share Consolidation had become effective, based on the closing price of HK\$0.026 per Share (equivalent to the theoretical closing price of HK\$0.26 per Consolidated Share) as at the date of this announcement, the theoretical value of each board lot of 12,000 Consolidated Shares would be HK\$3,120.

The Board considers that the Share Consolidation would maintain the trading amount for each board lot at a reasonable level in order to attract more investors. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders.

In view of the above, the Directors are of the view that the Share Consolidation is reasonable and sufficient and in the interests of the Company and the Shareholders as a whole. As at the date of this announcement, the Company has no intention and plan to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation (e.g. share consolidation, share subdivision and change in board lot size), and the Company does not have any concrete plan to conduct any fund raising activities in the next 12 months, save for the Rights Issue.

EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Share Consolidation:

2019

Expected date of despatch of the Circular and the notice of the EGM. Friday, 9 August

Latest date and time for lodging transfers documents in
order to qualify for attendance and voting at the EGM 4:00 p.m.,
Friday, 23 August

Closure of register of members of the Company for the
purpose of determining members who are entitled to
attend and vote at the EGM. Monday, 26 August to
Thursday, 29 August
(both days inclusive)

Latest time for lodging forms of proxy for the EGM. 11:00 a.m.,
Tuesday, 27 August

Record date for attendance and voting at the EGM. Thursday, 29 August

Expected date and time of the EGM 11:00 a.m.,
Thursday, 29 August

Announcement of voting results of the EGM Thursday, 29 August

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation.

Effective date of the Share Consolidation Monday, 2 September

First day for the free exchange of existing certificates of
the Shares into new share certificates of the
Consolidated Shares Monday, 2 September

Commencement of dealings in the Consolidated Shares 9:00 a.m.,
Monday, 2 September

Original counter for trading in existing Shares in board lots of 12,000 Shares (in the form of existing share certificates) temporarily closes	9:00 a.m., Monday, 2 September
Temporary counter for trading in the Consolidated Shares in board lots of 1,200 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m., Monday, 2 September
Original counter for trading in the Consolidated Shares in board lots of 12,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m., Monday, 16 September
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) commences	9:00 a.m., Monday, 16 September
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m., Monday, 16 September
Temporary counter for trading in the Consolidated Shares in board lots of 1,200 Consolidated Shares (in the form of existing share certificates) closes	4:00 p.m., Tuesday, 8 October
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) ends	4:00 p.m., Tuesday, 8 October
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares	4:00 p.m., Tuesday, 8 October

Last day for free exchange of existing share certificates
for new share certificates for the Consolidated Shares Thursday, 10 October

Note:

All times and dates in this announcement refer to Hong Kong local times and dates. Shareholders should note that the dates and deadlines specified herein is subject to the satisfaction of all the conditions of the Share Consolidation, including without limitation, the approval of the Share Consolidation by the Shareholders at the EGM, and are therefore for indicative purpose only.

In the event that any special circumstances arise, such dates and deadlines may be adjusted by the Board if it considers appropriate. Any changes to the expected timetable will be published or notified to the Shareholders by way of announcement(s) on the GEM website of the Stock Exchange and on the website of the Company as and when appropriate.

GENERAL

The EGM will be convened and held for the Shareholders to consider, if thought fit, approve, among other things, the Share Consolidation. No Shareholders are required to abstain from voting on the ordinary resolution in relation to the Share Consolidation to be proposed at the EGM.

The Circular containing, among other things, further details of the Share Consolidation together with a notice of the EGM will be despatched to the Shareholders on or before Friday, 9 August 2019.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“Board”	the Board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday and public holiday) on which banks are open for general banking business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company to be despatched to the Shareholders to provide, among other things, further details regarding the Share Consolidation

“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 shares of which are listed on GEM
“Consolidated Share(s)”	ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company upon the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Share Consolidation
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	The Listing Committee of the Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company before the Share Consolidation becoming effective
“Share Consolidation”	the consolidation of every ten (10) issued and unissued Shares of par value of HK\$0.01 each into one (1) Consolidated Share of par value of HK\$0.10 each
“Shareholder(s)”	the holder(s) of the issued Share(s) and/or the Consolidated Share(s), as the case may be

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent.

By order of the Board
Food Idea Holdings Limited
Wong Hoi Yu
Chairman and executive Director

Hong Kong, 18 July 2019

As at the date of this announcement, the Board of the Company comprises Mr. Wong Hoi Yu and Mr. Yu Ka Ho as executive Directors, and Mr. Li Lap Keung, Mr. So Yat Chuen and Dr. Wu Wing Kuen, B.B.S., 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 seven days from the date of its posting and on the Company’s website at <http://www.foodidea.com.hk>.