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## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your stockbroker, a licensed dealer in securities or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your Shares, you should at once hand the Prospectus Documents to the purchaser(s) or transferee(s) or to the bank, or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). The Prospectus Documents should not, however, be distributed, forwarded or transmitted to, into or from any jurisdiction where to do so might constitute a violation of the relevant local securities laws or regulations.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your stockbroker, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. 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.

A copy of each of the Prospectus Documents, together with the other document(s) specified in the paragraph headed "16. Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility as to the contents of any of the Prospectus Documents or any other document(s) referred to above.

You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the section headed "Warning of the Risks of Dealing in the Shares and nil-paid Rights Shares" in the "Letter from the Board" of this Prospectus.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and HKSCC take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

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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)**

## RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE

**Financial Adviser to the Company**



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Unless the context requires otherwise, capitalised terms used on this cover have the same meanings as those defined in this Prospectus.

**The Rights Issue is on a non-underwritten basis.** Pursuant to the Company's constitutional document, Companies Law, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the GEM Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue. The Rights Issue is subject to fulfillment or (where applicable) waiver of the conditions of the Rights Issue as set out in the section headed "Conditions of the Rights Issue" in the "Letter from the Board" of this Prospectus at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 4:00 p.m. on Wednesday, 14 August 2019). The conditions include non-occurrence of force majeure events.

If the conditions of the Rights Issue are not fulfilled or (where applicable) waived on or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed.

Dealings in the Shares have been on an ex-rights basis from Wednesday, 10 July 2019. Dealings in the Rights Shares in their nil-paid form will take place from Tuesday, 23 July 2019 to Tuesday, 30 July 2019 (both dates inclusive).

**Any Shareholders or other persons contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form up to the latest time when the conditions of the Rights Issue are fulfilled or (where applicable) waived (which is expected to be 4:00 p.m. Wednesday, 14 August 2019) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.**

**Shareholders and potential investors should therefore exercise caution when dealing in the Shares and/or the nil-paid Rights Shares, and if they are in any doubt about their position, they are recommended to consult their professional advisers.**

The latest time for acceptance and payment for the Rights Shares is 4:00 p.m. on Friday, 2 August 2019.

The procedures for acceptance and transfer of the Rights Shares are set out in the section headed "Procedures for acceptance and payment or transfer" in the "Letter from the Board" of this Prospectus.

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## CHARACTERISTICS OF GEM

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GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on The Stock Exchange of Hong Kong Limited. 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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## DEFINITIONS

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*In this Prospectus, unless the context otherwise requires, the following terms shall have the following meanings:*

“Announcement”	the announcement of the Company dated 11 June 2019 in respect of the Rights Issue and Placing Arrangement;
“associates”	has the meaning ascribed to it under the GEM Listing Rules;
“Board”	the board of Directors;
“Bookrunner” or “Placing Agent”	Core Pacific – Yamaichi International (H.K.) Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the bookrunner appointed by the Company to place any Unsubscribed Rights Shares and NQS Unsold Rights Shares under the Compensatory Arrangements in Rule 10.31(1)(b) of the GEM Listing Rules;
“Branch Registrar”	the branch share registrar and transfer agent of the Company in Hong Kong, being Union Registrars Limited located at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong;
“Business Day”	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;
“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;
“Companies Law”	the Companies Law (2018 Revision) of the Cayman Islands, Cap. 22 (Law 3 of 1961), as amended from time to time;
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);

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## DEFINITIONS

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“Compensatory Arrangements”	placement of Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Bookrunner on a best effort basis pursuant to arrangements described in Rule 10.31(1)(b) of the GEM Listing Rules;
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Director(s)”	the director(s) of the Company;
“Final Acceptance Date”	Friday, 2 August 2019, being the last day for acceptance of and payment for the Rights Shares or such other time or date as the Company may determine;
“GEM”	GEM of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Intermediary”	in relation to a beneficial owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the beneficial owner’s broker, custodian, nominee or other relevant person who is a CCASS participant or who has deposited the beneficial owner’s shares with a CCASS participant;
“Irrevocable Undertaking”	a letter of irrevocable undertaking executed by Ms. Huang Wei in favour of the Company;
“Last Trading Day”	Monday, 10 June 2019, being the last full trading day before the release of the Announcement;
“Latest Practicable Date”	15 July 2019, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information contained in this Prospectus;

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## DEFINITIONS

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“Long Stop Date”	14 August 2019 or such later date as may be agreed between the Placing Agent and the Company in writing;
“Net Gain”	any premiums paid by the placees over the Subscription Price for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Bookrunner under the Compensatory Arrangements;
“No Action Shareholder(s)”	Qualifying Shareholders (excluding Ms. Huang Wei) who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s) or their renounees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed;
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) whom the Directors, after making enquiries regarding the legal restrictions under the laws of the relevant places or the requirements of the relevant overseas regulatory bodies or stock exchanges, consider it necessary or expedient to exclude them from the Rights Issue;
“NQS Unsold Rights Shares”	the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company;
“Overseas Shareholder(s)”	the Shareholder(s) (whose names appear on the register of members of the Company at the close of business on the Record Date) with registered address(es) outside Hong Kong;
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue in such form as the Company may approve;
“Placing Agreement”	conditional placing agreement dated 11 June 2019 (after trading hours) entered into between the Company and the Bookrunner in relation to the placing of Unsubscribed Rights Shares and the NQS Unsold Rights Shares;

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## DEFINITIONS

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“Placing Arrangement”	the placing arrangement for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares as described in the section headed “Placing Arrangement for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares” as mentioned in this Prospectus;
“Posting Date”	Friday, 19 July 2019 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders;
“PRC”	the People’s Republic of China, which for the purpose of this Prospectus, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“Prospectus”	this prospectus issued to the Shareholders containing, among other things, details of the Rights Issues;
“Prospectus Documents”	the Prospectus and the PAL;
“Qualifying Shareholders”	Shareholders, other than the Non-Qualifying Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date;
“Record Date”	Thursday, 18 July 2019, being the date by reference to which the Shareholders’ entitlements to the Rights Issue are to be determined;
“Rights Issue”	the issue by way of rights of one (1) Rights Share for every two (2) Shares in issue on the Record Date at the Subscription Price;
“Rights Share(s)”	up to 1,383,104,051 new Shares to be allotted and issued under the Rights Issue;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	the ordinary shares(s) of HK\$0.01 each in the issued share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);

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## DEFINITIONS

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“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the subscription price of HK\$0.0248 per Rights Share under the Rights Issue;
“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Takeovers Codes”	the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs;
“Unsubscribed Rights Shares”	the Rights Shares that are not subscribed by the Qualifying Shareholders, which do not include any Rights Shares to be provisionally allotted to Ms. Huang Wei for which subscription of Rights Shares will be subject to the Irrevocable Undertaking as set out in the paragraph headed “Irrevocable Undertaking” in this Prospectus; and
“%”	per cent.

*This Prospectus has been translated into Chinese. If there is any inconsistency or ambiguity between the English and Chinese versions then the English version shall prevail.*



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## EXPECTED TIMETABLE

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*Set out below is the expected timetable for the Rights Issue. Dates or deadlines specified below and in other parts of this Prospectus are indicative only and may be varied by the Company. In the event that any special circumstances arise, the Board may extend, or make adjustments to, the timetable if it considers appropriate. The Company will notify Shareholders by way of announcement(s) of a change to the expected timetable as and when appropriate.*

All times and dates in this Prospectus refer to Hong Kong local times and dates.

### **Rights Issue**

**2019**

First day of dealings in nil-paid Rights Shares . . . . .	Tuesday, 23 July
Latest time for splitting of nil-paid Rights Shares . . . . .	4:00 p.m., Thursday, 25 July
Last day of dealings in nil-paid Rights Shares . . . . .	Tuesday, 30 July
Latest time for lodging transfer documents of nil-paid Rights Shares . . . . .	4:00 p.m., Friday, 2 August
Latest time for acceptance of and payment for the Rights Shares . . . . .	4:00 p.m., Friday, 2 August
Announcement of the number of the Unsubscribed Rights Shares and NQS Unsold Rights Shares subject to the Compensatory Arrangements . . . . .	Thursday, 8 August
Commencement of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Bookrunner . . . . .	Friday, 9 August
Latest time of placing of the Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Bookrunner . . . . .	6:00 p.m., Tuesday, 13 August
Latest time for the Rights Issue and placing of the Unsubscribed Rights Shares and NQS Unsold Rights Shares to become unconditional . . . . .	Wednesday, 14 August
Announcement of the results of Rights Issue (including results of the placing of Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share and the NQS Unsold Rights Shares under the Compensatory Arrangements) to be posted on the Stock Exchange's website and the Company's website on or before . . . . .	Tuesday, 20 August

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## EXPECTED TIMETABLE

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**2019**

Refund cheques if the Rights Issue does not proceed . . . . .	Wednesday, 21 August
Despatch of certificates for fully-paid Rights Shares . . . . .	Wednesday, 21 August
First day of dealings in fully-paid Rights Shares . . . . .	9:00 a.m., Thursday, 22 August
Payment of the Net Gain to relevant No Action Shareholders (if any) or Non-Qualifying Shareholders (if any) . . . . .	Friday, 13 September

### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES**

The latest time for acceptance of and payment for the Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Friday, 2 August 2019. Instead the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Friday, 2 August 2019. Instead the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take place on or before 4:00 p.m. on Friday, 2 August 2019, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

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## SUMMARY OF THE RIGHTS ISSUE AND PLACING ARRANGEMENT

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*The following information is derived from, and should be read in conjunction with, the full text of this Prospectus:*

### RIGHTS ISSUE

#### Issue statistics

Basis of Rights Issue:	One (1) Rights Share for every two (2) Shares held on the Record Date
Number of Shares in issue as at Record Date:	2,766,208,103 Shares
Subscription Price:	HK\$0.0248 per Rights Share
Number of Rights Shares to be issued under the Rights Issue:	Up to 1,383,104,051 Rights Shares
Aggregate nominal value of the Rights Shares:	Up to HK\$13,831,040.51
Underwriting:	The Rights Issue is not underwritten
Enlarged issue share capital upon completion of the Rights Issue:	Up to 4,149,312,154 Shares (assuming no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Number of Rights Shares undertaken to be taken up:	Ms. Huang Wei has undertaken to take up to 212,784,000 Rights Shares (representing approximately 15.38% of the total Rights Shares proposed to be provisionally allotted by the Company)
Maximum funds raised before expenses:	Up to approximately HK\$34.3 million (assuming all the Rights Shares will be taken up)

As at the Latest Practicable Date, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares. The Company has no intention to issue or grant any Shares, convertible securities, warranties and/or options on or before the Record Date.

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## SUMMARY OF THE RIGHTS ISSUE AND PLACING ARRANGEMENT

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Assuming no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 1,383,104,051 Rights Shares proposed to be issued pursuant to the terms of the Rights Issue represent: (i) 50% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 33.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares (assuming full acceptance by the Qualifying Shareholders).

The Company has made the Placing Arrangement described in Rule 10.31(1)(b) of the GEM Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue.

### PLACING ARRANGEMENT

On 11 June 2019 (after trading hours), the Company and the Bookrunner entered into the Placing Agreement, pursuant to which the Bookrunner has conditionally agreed to procure independent placees, on a best effort basis, to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares. Details of the Placing Arrangement are as follows:

Date:	11 June 2019 (after trading hours)
Parties:	(i) the Company, as issuer; and  (ii) the Bookrunner, as bookrunner and placing agent
Bookrunner:	Core Pacific – Yamaichi International (H.K.) Limited, appointed as a bookrunner and placing agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best effort basis.

The Bookrunner confirmed that it is independent of and not connected with the Company and its connected person and not a connected person of the Company.

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## SUMMARY OF THE RIGHTS ISSUE AND PLACING ARRANGEMENT

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Fees and expenses:	HK\$150,000 will be reimbursed for the expenses in relation to the placing (including but not limited to marketing expenses and traveling expenses for placing the Unsubscribed Rights Shares and the NQS Unsold Rights Shares), which the Bookrunner is authorised to deduct from the payment to be made by the Bookrunner to the Company at completion.
Placing price of each of the Unsubscribed Rights Share and/or the NQS Unsold Rights Share (as the case maybe):	<p>The placing price of each of the Unsubscribed Rights Share and/or the NQS Unsold Rights Share (as the case maybe) shall be at least equal to the Subscription Price.</p> <p>The final price determination is depended on the demand and market conditions of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares during the process of placement.</p>
Placees:	The Unsubscribed Rights Shares and the NQS Unsold Rights Shares are expected to be placed to placees, who and whose ultimate beneficial owners, shall be independent of and not connected with the Company and its connected person and not a connected person of the Company.
Ranking of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares:	The Unsubscribed Rights Shares and the NQS Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank <i>pari passu</i> in all respects among themselves and with the existing Shares in issue as at the Latest Practicable Date.
Termination:	The Placing Arrangement shall end on Tuesday, 13 August 2019 or any other date by mutual written agreement between the Bookrunner and the Company.

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## SUMMARY OF THE RIGHTS ISSUE AND PLACING ARRANGEMENT

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The engagement of the Bookrunner may also be terminated by Bookrunner in case of force majeure events resulting in the Company and the Bookrunner being unable to fulfill its duties and responsibilities under the engagement. However, if during the course of the engagement it has come to the Bookrunner's knowledge that there is any material adverse change in the business and operational environment in the Company which, in the sole opinion of the Bookrunner, may make it inadvisable to continue the engagement, the Bookrunner shall have the right to terminate the engagement by written notice to the Company with immediate effect.

### Conditions Precedent:

The obligations of the Bookrunner and the Company under the Placing Agreement are conditional upon, among others, the following conditions (the "Conditions") being fulfilled (or being waived by the Bookrunner in writing, if applicable):

- (i) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Rights Shares;
- (ii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and

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## SUMMARY OF THE RIGHTS ISSUE AND PLACING ARRANGEMENT

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(iii) the Placing Agreement not having been terminated in accordance with the provisions thereof.

The Bookrunner may, in its absolute discretion, waive the fulfillment of all or any or any part of the Conditions (other than those set out in paragraph (i) above) by notice in writing to the Company.

Completion:

Completion is expected to take place within three (3) Business Days after publication of an announcement by the Company of the number of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares under the Compensatory Arrangements and upon fulfilment or waiver (as the case may be) of the Conditions to the Placing Agreement or such other date as the Company and the Bookrunner may agree in writing.

The Company shall use its best endeavours to procure the fulfilment of such Conditions by the Long Stop Date. If any of the Conditions have not been fulfilled by the Long Stop Date or become incapable of being fulfilled (subject to the Bookrunner not exercising its rights to waive or extend the time for fulfilment of such conditions), then the placing will lapse and all rights, obligations and liabilities of the Company and the Bookrunner in relation to the placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement or antecedent breach thereof.

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## SUMMARY OF THE RIGHTS ISSUE AND PLACING ARRANGEMENT

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### WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

The Rights Issue is subject to the fulfilment or (where applicable) waiver of the conditions set out in the section headed “Conditions of the Rights Issue” in the “Letter from the Board” of this Prospectus. The conditions include the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms.

Shareholders and investors should also note that the Rights Issue may not proceed upon the occurrence of certain events (as specifically set out in the section headed “Conditions of the Rights Issue” in the “Letter from the Board” of this Prospectus) at or prior to the latest time for the Rights Issue to become unconditional, which is currently expected to be 4:00 p.m. on Wednesday, 14 August 2019. These include force majeure events, and/or any change in the market conditions or combination of circumstances in Hong Kong which in the absolute opinion of the Bookrunner will in any material respect affect the success of the Rights Issue or will otherwise make it inadvisable or inappropriate for the Company to proceed with the Rights Issue.

If any of the conditions of the Rights Issue is not fulfilled or (where applicable) waived at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 4:00 p.m. on Wednesday, 14 August 2019), the Rights Issue will not proceed.

Any Shareholder or investor dealing in the Shares and/or the Rights Shares in their nil-paid form up to the latest time for the Rights Issue to become unconditional will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any Shareholder or investor contemplating any dealings in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult their professional advisers.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares and there is no minimum amount to be raised under the Rights Issue in order for the Rights Issue to proceed. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares or the Rights Shares.



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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Wong Hoi Yu (*Chairman*)

Mr. Yu Ka Ho (*Chief executive officer*)

*Independent non-executive Directors:*

Mr. Li Lap Keung

Mr. So Yat Chuen

Dr. Wu Wing Kuen, *B.B.S.*

*Registered Office:*

Cricket Square, Hutchins Drive,

PO Box 2681

Grand Cayman

KY1-1111

Cayman Islands

*Head Office and Principal Place  
of Business in Hong Kong:*

Unit 306-A201, 3/F, Harbour Centre

Tower 1, 1 Hok Cheung Street

Hunghom, Kowloon

Hong Kong

19 July 2019

*To the Qualifying Shareholders and for information purposes only,  
the Non-Qualifying Shareholders, if any*

Dear Sirs and Madams,

**RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE  
FOR EVERY TWO (2) SHARES  
HELD ON THE RECORD DATE**

**INTRODUCTION**

Reference is made to the Announcement and the clarification announcement of the Company dated 10 July 2019 whereby the Board announced that the Company proposed to conduct the Rights Issue to raise up to approximately HK\$34.3 million before expenses by way of a rights issue of 1,383,104,051 Rights Shares at the Subscription Price of HK\$0.0248 each and on the basis of one (1) Rights Share for every two (2) Shares held by the Qualifying Shareholders on the Record Date. The Rights Issue is not underwritten and will not be extended to the Non-Qualifying Shareholder(s) (if any).

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## LETTER FROM THE BOARD

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The purpose of this Prospectus is to provide you with, among other things, further details on the Rights Issue and Placing Arrangement and the relevant financial information and other general information in respect of the Group.

### RIGHTS ISSUE

The terms of the Rights Issue are set out as follows:

#### Issue statistics

Basis of Rights Issue:	One (1) Rights Share for every two (2) Shares held at the close of business on the Record Date
Subscription Price:	HK\$0.0248 per Rights Share
Number of Shares in issue as at Record Date:	2,766,208,103 Shares
Number of Rights Shares to be issued under the Rights Issue:	Up to 1,383,104,051 Rights Shares
Underwriting:	The Rights Issue is not underwritten
Enlarged issue share capital upon completion of the Rights Issue:	Up to 4,149,312,154 Shares (assuming no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Number of Rights Shares undertaken to be taken up:	Ms. Huang Wei has undertaken to take up to 212,784,000 Rights Shares (representing approximately 15.38% of the total Rights Shares proposed to be provisionally allotted by the Company)
Maximum funds raised before expenses:	Up to approximately HK\$34.3 million (assuming all the Rights Shares will be taken up)
Aggregate nominal value of the Rights Shares:	Up to HK\$13,831,040.51

As at the Latest Practicable Date, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares. The Company has no intention to issue or grant any Shares, convertible securities, warranties and/or options on or before the Record Date.

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## LETTER FROM THE BOARD

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Assuming no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 1,383,104,051 Rights Shares proposed to be issued pursuant to the terms of the Rights Issue represent: (i) 50% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 33.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares (assuming full acceptance by the Qualifying Shareholders).

### Subscription Price

The Subscription Price of HK\$0.0248 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 34.74% to the closing price of HK\$0.038 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 35.08% to the average of the closing prices of Shares for the five consecutive trading days ended on the Last Trading Day of approximately HK\$0.0382 per Share;
- (iii) a discount of approximately 36.25% to the average of the closing prices of Shares for the ten consecutive trading days ended on the Last Trading Day of approximately HK\$0.0389 per Share;
- (iv) a discount of approximately 26.19% to the theoretical ex-rights price of approximately HK\$0.0336 per Share based on the closing price per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a discount of approximately 80.25% to the audited consolidated net asset value per Share of approximately HK\$0.1256 (based on the latest published consolidated net asset value of the Group of approximately HK\$347,387,000 as at 31 December 2018 as disclosed in the annual report of the Company for the year ended 31 December 2018 and 2,766,208,103 Shares in issue as at the Latest Practicable Date); and
- (vi) a discount of approximately 8.15% to the closing price of HK\$0.027 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined with reference to, among other things, the recent market prices of the Shares, the current market conditions and the amount of funds the Company intends to raise under the Rights Issue.

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## LETTER FROM THE BOARD

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The Board has taken into account the average of the closing prices of Shares for the five consecutive trading days ended on the Last Trading Day of approximately HK\$0.0382 per Share and a discount of approximately 35% to such market price to determine the Subscription Price. In view of the current market conditions like recent closing prices as mentioned above and liquidity of Shares, a discount to the market price as the Subscription Price was considered necessary to attract Shareholders to subscribe the Rights Shares. Moreover, an overall consideration was given to raise the necessary amount of funds based on the current Subscription Price (including the discount as mentioned above) and the number of Rights Shares to be issued.

Given that (i) the Rights Shares are offered to all Qualifying Shareholders and each Qualifying Shareholders is entitled to subscribe for the Rights Shares at the same price in proportion to their respective shareholdings in the Company held on the Record Date; (ii) the Subscription Price is at a discount to the recent closing prices of the Shares with a view to encouraging the existing Shareholders to participate in the Rights Issue; (iii) the potential dilution impact for those Qualifying Shareholders do not take up their pro rata entitlements in full and the Compensatory Arrangements are made; and (iv) the proceeds from the Rights Issue will provide the Group with a substantial amount of funds required as set out under the section headed “Reasons for the Rights Issue and the use of proceeds” in this prospectus, the Directors (including the independent non-executive Directors) consider that the Subscription Price is fair and reasonable and in the best interest of the Company and the Shareholders as a whole taken into account of potential dilution impact.

The Directors (including the independent non-executive Directors) consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Basis of provisional allotment**

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) Shares held by a Qualifying Shareholder as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder’s provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for with the Branch Registrar by 4:00 p.m. on the Final Acceptance Date.

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## LETTER FROM THE BOARD

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### **Qualifying Shareholders**

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be a Non-Qualifying Shareholder on the Record Date.

Qualifying Shareholders who take up their pro rata entitlements in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements).

### **Rights of Overseas Shareholder(s)**

The Prospectus Documents have not been registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. According to the register of members of the Company as at the Latest Practicable Date, there is one Overseas Shareholder whose registered address was in the PRC, holding an aggregate of 2,400 Shares. The Company has, in compliance with Rule 17.41(1) of the GEM Listing Rules, made enquiries regarding the legal restrictions under the laws of the PRC and the requirements of the regulatory bodies or stock exchanges of the PRC with respect to extending the Rights Issue to the Overseas Shareholders. The Company has been advised by its legal advisers in the PRC that the Prospectus Documents would not be required to be registered with any regulatory authorities or the stock exchanges of the PRC. Based upon such advice, the Directors have decided to extend the Rights Issue to the Overseas Shareholders in the PRC, who are therefore Qualifying Shareholders. As at the Latest Practicable Date, there is no Non-Qualifying Shareholder.

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

It is the responsibility of any person (including but not limited to Shareholders and beneficial owners of the Shares, any agent, custodian, nominee or trustee) outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including obtaining any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith.

Any acceptance of the offer of the Rights Shares by any person by way of completion or return to the Branch Registrar of a PAL will be deemed to constitute a representation and warranty from such person to the Company that the applicable local laws and requirements have been fully complied with. Such persons should consult their professional advisers if in doubt.

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## LETTER FROM THE BOARD

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For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to the representations and warranties provisions above.

The Company reserves the right to refuse to accept any application for Rights Shares where it believes that doing so may violate applicable legal or regulatory requirements.

Notwithstanding any other provision in this Prospectus or the PAL, the Company reserves the right to permit any Shareholder to take up his/her/its rights if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question.

### **Distribution of the Prospectus Documents**

The Company will only send this Prospectus accompanied by the other Prospectus Documents to the Qualifying Shareholders on the Posting Date. However, to the extent reasonably practicable and legally permitted, the Company will send this Prospectus, for information purposes only, to the Non-Qualifying Shareholder(s) (if any). The Company will not send any PAL(s) to the Non-Qualifying Shareholder(s) (if any).

Distribution of this Prospectus and the other Prospectus Documents into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of the Prospectus Documents (including, without limitation, Shareholders and beneficial owners of the Shares, agents, custodians, nominees and trustees) should inform themselves of and observe any such restriction. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. Any Shareholder or beneficial owner of the Shares who is in any doubt as to his/her/its position should consult an appropriate professional adviser without delay.

Receipt of this Prospectus and/or a PAL or the crediting of nil-paid Rights Shares to a stock account in CCASS does not and will not constitute an offer in any jurisdiction in which it would be illegal to make an offer and, in those circumstances, this Prospectus and/or a PAL must be treated as sent for information only and should not be copied or redistributed. Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of this Prospectus and/or a PAL or whose stock account in CCASS is credited with nil-paid Rights Shares should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer the nil-paid Rights Shares to any person in, into or from, any such jurisdiction. If a PAL or a credit of nil-paid Rights Shares in CCASS is received by any person in any such territory, or by his/her/its agent or nominee, he/she/it should not seek to take up any rights referred to in the PAL or transfer (whether in whole or in part) the PAL or transfer the nil-paid Rights Shares in CCASS unless the Company determines that such action would not violate any applicable legal or regulatory requirements.

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## LETTER FROM THE BOARD

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Any person (including, without limitation, agents, custodians, nominees and trustees) who does forward this Prospectus or a PAL in, into or from any such jurisdiction (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

No part of the Prospectus Documents should be published, reproduced, distributed or otherwise made available in whole or in part to any other person without the written consent of the Company.

Beneficial owners of the Shares who reside outside Hong Kong should note that the Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

It is the responsibility of the relevant beneficial owners and/or their respective agents, custodians, nominees or trustees wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including obtaining any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith.

### **Status of the Rights Shares**

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares in issue at the time. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by the Company after the date of allotment and issue of the Rights Shares.

### **Fractional entitlements to the Rights Shares**

The Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares will be aggregated and sold in the market and, if a premium (net of expenses) can be achieved, the Company will keep the net proceeds for its own benefit. Any of these Rights Shares remain not sold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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## LETTER FROM THE BOARD

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### **Procedures for acceptance and payment or transfer**

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Branch Registrar at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, by not later than 4:00 p.m. on Friday, 2 August 2019 (or, under bad weather conditions, such later time and/or date as mentioned in the section headed "Effect of Bad Weather on the Latest Time for Acceptance of and Payment for the Rights Shares" in "Expected Timetable" in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "FOOD IDEA HOLDINGS LIMITED – RIGHTS ISSUE ACCOUNT" and crossed "ACCOUNT PAYEE ONLY". It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Branch Registrar by not later than 4:00 p.m. on Friday, 2 August 2019, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require the relevant person(s) to complete the incomplete PAL at a later stage. Qualifying Shareholder(s) must pay the exact amount payable upon application for Rights Shares, and any underpaid application will be rejected. In the event of an overpaid application, a refund cheque, without interest, will be made out to Qualifying Shareholder(s) only if the overpaid amount is HK\$100 or above. No receipt will be issued in respect of any PAL and/or relevant remittance received.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer part or all of their rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:00 p.m. on Thursday, 25 July 2019 to the Branch Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Branch Registrar at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, after 9:00 a.m. on the second Business Day following the surrender of the original PAL. This process is commonly referred to as "splitting" of nil-paid Rights Shares. It should be noted that stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares.



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## LETTER FROM THE BOARD

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The PAL contains the full information regarding the procedures to be followed for Qualifying Shareholders who wish to: (i) accept their provisional allotment in full; (ii) accept only part of their provisional allotment; or (iii) renounce/transfer all or part of their provisional allotment to other party/parties. Qualifying Shareholders are advised to study the procedures set out in the PAL carefully.

The Branch Registrar will determine the eligibility for the cash compensation as derived from the lapsed PALs after the completion of the re-registration for all re-registration request received by the Branch Registrar on or before the latest time for acceptance of and payment for Rights Shares and by all means before the announcement of the number of Unsubscribed Rights Shares and the NQS Unsold Rights Shares subject to the Compensatory Arrangements is posted on the Stock Exchange's website and the Company's website. The Branch Registrar should notify the transferee(s) of any unsuccessful re-registration as soon as possible.

If any of the conditions of the Rights Issue as set out in the section headed "Conditions of the Rights Issue" in this "Letter from the Board" of this Prospectus is not fulfilled at or before 4:00 p.m. on Wednesday, 14 August 2019 or such later date as may be considered by the Company, the Rights Issue will not proceed. Under such circumstances, the monies received in respect of application for the Rights Shares will be returned to the relevant applicants or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Branch Registrar on or before Wednesday, 21 August 2019.

### **Cheques and banker's cashier orders**

All cheques and banker's cashier orders will be presented for payment upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Completion and lodgement of a PAL together with a cheque or banker's cashier order in payment of the Rights Shares applied for will constitute a warranty that the cheque or banker's cashier order will be honoured upon first presentation. If any cheque or banker's cashier order is not honoured upon first presentation, the PAL is liable to be rejected and/or deemed invalid by the Company in its absolute discretion, and in the case of an acceptance of a Qualifying Shareholder's assured entitlement all such assured entitlement and all rights thereunder will be deemed to have been declined and will be cancelled.

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## LETTER FROM THE BOARD

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### **Beneficial owners' instructions to their Intermediary**

For beneficial owners whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, if they wish to subscribe for the Rights Shares provisionally allotted to them, or sell their nil-paid Rights Shares or “split” their nil-paid Rights Shares by accepting part of their provisional allotment and selling/transferring the remaining part, they should contact their Intermediary and provide their Intermediary with instructions or make arrangements with their Intermediary in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for the Rights Shares which have been provisionally allotted to them in respect of the Shares in which they are beneficially interested. Such instructions and the relevant arrangements should be given or made in advance of the relevant dates stated in the “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of their Intermediary in order to allow their Intermediary sufficient time to ensure that their instructions are given effect. The procedures for acceptance, transfer and/or “splitting” in these cases shall be in accordance with the General Rules of CCASS, the CCASS Operational Procedures and any other applicable requirements of CCASS.

### **Procedures in respect of Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements**

The Company will make arrangements described in Rule 10.31(1)(b) of the GEM Listing Rule to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue.

The Company therefore appointed the Bookrunner to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares after the latest time for acceptance of the Rights Shares to be allotted and issued under the Rights Issue to independent placees on a best effort basis. Any premium over the Subscription Price for those Rights Shares that is realised will be paid to the No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis. The Bookrunner will on a best effort basis, procure, by not later than 6:00 p.m., on Tuesday, 13 August 2019, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares if a premium over the Subscription Price and the expenses of procuring such acquirers (including any related commissions and any other related expenses/fees) can be obtained. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares remain not placed after completion of the Placing Arrangement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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## LETTER FROM THE BOARD

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Net Gain (if any) will be paid (without interest) on pro-rata basis (on the basis of all Unsubscribed Rights Shares and NQS Unsold Rights Shares) to the No Action Shareholders (but rounded down to the nearest cent) as set out below:

- A. where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL (unless that person is covered by (C) below);
- B. where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS (unless that person is covered by (C) below);
- C. if the Rights Issue is extended to the Overseas Shareholders and where an entitlement to the Rights Shares was not taken up by such Overseas Shareholders, to that Overseas Shareholders.

It is proposed that Net Gain to any of the No Action Shareholder(s) mentioned in “A” to “C” of HK\$100 or more will be paid to them in Hong Kong dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit. Shareholders are reminded that Net Gain may or may not be realised, and accordingly the No Action Shareholders and the Non-Qualifying Shareholders may or may not receive any Net Gain.

### **Placing Arrangement for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares**

On 11 June 2019 (after trading hours), the Company and the Bookrunner entered into the Placing Agreement, pursuant to which the Bookrunner has conditionally agreed to procure independent placees, on a best effort basis, to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares. Details of the Placing Arrangement are as follows:

Date:	11 June 2019 (after trading hours)
Parties:	(i) the Company, as issuer; and  (ii) the Bookrunner, as bookrunner and placing agent
Bookrunner:	Core Pacific – Yamaichi International (H.K.) Limited, appointed as a bookrunner and placing agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best effort basis.

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## LETTER FROM THE BOARD

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The Bookrunner confirmed that it is independent of and not connected with the Company and its connected person and not a connected person of the Company.

Fees and expenses:

HK\$150,000 will be reimbursed for the expenses in relation to the placing (including but not limited to marketing expenses and traveling expenses for placing the Unsubscribed Rights Shares and the NQS Unsold Rights Shares), which the Bookrunner is authorised to deduct from the payment to be made by the Bookrunner to the Company at completion.

Placing price of each of the Unsubscribed Rights Share and/or the NQS Unsold Rights Share (as the case maybe):

The placing price of each of the Unsubscribed Rights Share and/or the NQS Unsold Rights Share (as the case maybe) shall be at least equal to the Subscription Price.

The final price determination depends on the demand and market conditions of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares during the process of placement.

Placees:

The Unsubscribed Rights Shares and the NQS Unsold Rights Shares are expected to be placed to placees, who and whose ultimate beneficial owners, shall be independent of and not connected with the Company and its connected person and not a connected person of the Company.

Ranking of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares:

The Unsubscribed Rights Shares and the NQS Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the Latest Practicable Date.

Termination:

The Placing Arrangement shall end on Tuesday, 13 August 2019 or any other date by mutual written agreement between the Bookrunner and the Company.

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## LETTER FROM THE BOARD

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The engagement of the Bookrunner may also be terminated by Bookrunner in case of force majeure events resulting in the Company and the Bookrunner being unable to fulfill its duties and responsibilities under the engagement. However, if during the course of the engagement it has come to the Bookrunner's knowledge that there is any material adverse change in the business and operational environment in the Company which, in the sole opinion of the Bookrunner, may make it inadvisable to continue the engagement, the Bookrunner shall have the right to terminate the engagement by written notice to the Company with immediate effect.

Conditions Precedent:

The obligations of the Bookrunner and the Company under the Placing Agreement are conditional upon, among others, the following conditions (the "Conditions") being fulfilled (or being waived by the Bookrunner in writing, if applicable):

- (i) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Rights Shares;
- (ii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and
- (iii) the Placing Agreement not having been terminated in accordance with the provisions thereof.

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## LETTER FROM THE BOARD

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The Bookrunner may, in its absolute discretion, waive the fulfillment of all or any or any part of the Conditions (other than those set out in paragraph (i) above) by notice in writing to the Company.

Completion:

Completion is expected to take place within three (3) Business Day after publication of an announcement by the Company of the number of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares under the Compensatory Arrangements and upon fulfilment or waiver (as the case may be) of the Conditions to the Placing Agreement or such other date as the Company and the Bookrunner may agree in writing.

The Company shall use its best endeavours to procure the fulfilment of such Conditions by the Long Stop Date. If any of the Conditions have not been fulfilled by the Long Stop Date or become incapable of being fulfilled (subject to the Bookrunner not exercising its rights to waive or extend the time for fulfilment of such conditions), then the placing will lapse and all rights, obligations and liabilities of the Company and the Bookrunner in relation to the placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement or antecedent breach thereof.

The engagement between the Company and the Bookrunner for the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares was determined after arm's length negotiations between the Bookrunner and the Company. The Directors consider the fee charged by the Bookrunner is no less favourable to the Company than the commission in recent placing transactions and therefore the terms of the Placing Arrangement for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares are on normal commercial terms. The Directors believe the expenses as typical and ordinary in the marketing of securities.

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## LETTER FROM THE BOARD

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Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to the Company; (ii) an additional channel of participation in the Rights Issue for independent Qualifying Shareholders and the Non-Qualifying Shareholders; and (iii) a compensatory mechanism for No Action Shareholders and the Non-Qualifying Shareholders, the Company considers that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority Shareholders.

### **Application for listing**

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

The board lot size of the nil-paid Rights Shares shall be the same as that of the fully-paid Rights Shares, i.e. 12,000 Shares in one board lot.

### **Rights Shares will be eligible for admission into CCASS**

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates 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 trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

### **Stamp duty and other applicable fees**

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty pursuant to the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

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## LETTER FROM THE BOARD

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### **Taxation**

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposals of, or dealings in or exercising any rights in relation to the Shares or the Rights Shares, and similarly, the Non-Qualifying Shareholders (if any) as regards their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue under the laws of jurisdictions in which they are liable to taxation. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

### **Share certificates**

Subject to the fulfilment of conditions set out in the section headed “Conditions of the Rights Issue” in the “Letter from the Board” of this Prospectus, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on or before Wednesday, 21 August 2019.

### **The Rights Issue is on a non-underwritten basis**

Subject to the fulfilment and/or waiver (where applicable) of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares and there is no minimum amount to be raised under the Rights Issue in order for the Rights Issue to proceed. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders, which do not include any Rights Shares to be provisionally allotted to Ms. Huang Wei for which subscription of Rights Shares will be subject to the Irrevocable Undertaking as set out in the section headed “Irrevocable Undertaking” in this Prospectus, will be placed to independent places under the Compensatory Arrangements. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

Subject to the Rights Shares expected to be taken up by Ms. Huang Wei pursuant to the section headed “Irrevocable Undertaking” in this Prospectus, there is no minimum amount to be raised under the Rights Issue in order for the Rights Issue to proceed.



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## LETTER FROM THE BOARD

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As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Codes. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Codes in accordance to the note to Rule 10.26(2) of the GEM Listing Rules.

For the avoidance of doubt, the above provision shall not apply to HKSCC Nominees Limited.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon the fulfilment, non-occurrence or waiver (as applicable) of each of the following conditions:

- (i) the delivery to the Stock Exchange and filing and registration with the Registrar of Companies in Hong Kong respectively of one copy of each of the Prospectus Documents each duly certified by the Directors (or by their agents duly authorised in writing) on or before Posting Date in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (and all other documents required to be attached thereto) and otherwise complying with the requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the GEM Listing Rules;
- (ii) the posting of the Prospectus Documents to the Qualifying Shareholders;
- (iii) the Listing Committee of the Stock Exchange agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms; and
- (iv) compliance with and performance of all undertakings and obligations of Ms. Huang Wei under the Irrevocable Undertaking in all material respects.

The Company shall use its reasonable endeavours to procure the fulfilment of the conditions above (to the extent it is within its power to do so), and shall do all the things required to be done by it pursuant to the Prospectus Documents or otherwise reasonably necessary to give effect to the Rights Issue. If any of the conditions referred to above are not fulfilled at or before 4:00 p.m. on Wednesday, 14 August 2019, the Rights Issue will not proceed.

**As the proposed Rights Issue is subject to the above conditions, it may or may not proceed.**

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## LETTER FROM THE BOARD

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### **Irrevocable Undertaking**

As at the Latest Practicable Date, Ms. Huang Wei, being a substantial shareholder, directly holds 425,568,000 Shares (representing approximately 15.38% of the issued share capital of the Company).

On 11 June 2019, the Company received from Ms. Huang Wei the Irrevocable Undertaking, which provides (among other things) that (i) Ms. Huang Wei will take up all of the assured entitlements to the Rights Shares in respect of Shares beneficially owned by her as at the date of the Irrevocable Undertaking pursuant to the terms of the Rights Issue provided that the total number of Rights Shares to be subscribed by Ms. Huang Wei under the Rights Issue will be scaled down to the extent that Ms. Huang Wei and her associate(s) will not trigger a general offer obligation in accordance to the note to Rule 10.26(2) of the GEM Listing Rules, and (ii) Ms. Huang Wei will not dispose of or transfer any interests in the Company (including Shares) from the date of the Irrevocable Undertaking up to and including the date on which the Rights Issue has become unconditional or the date on which the Company announces that the Rights Issue will not proceed, whichever is earlier.

Save for the Irrevocable Undertaking, the Company has not received any information or irrevocable undertaking from any substantial shareholder (as defined in the GEM Listing Rules) of the Company of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue as at the Latest Practicable Date.

### **WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES**

The Rights Issue is subject to the fulfilment or (where applicable) waiver of the conditions set out in the section headed “Conditions of the Rights Issue” in the “Letter from the Board” of this Prospectus. The conditions include the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms.

Shareholders and investors should also note that the Rights Issue may not proceed upon the occurrence of certain events (as specifically set out in the section headed “Conditions of the Rights Issue” in the “Letter from the Board” of this Prospectus) at or prior to the latest time for the Rights Issue to become unconditional, which is currently expected to be 4:00 p.m. on Wednesday, 14 August 2019. These include force majeure events, and/or any change in the market conditions or combination of circumstances in Hong Kong which in the absolute opinion of the Bookrunner will in any material respect affect the success of the Rights Issue or will otherwise make it inadvisable or inappropriate for the Company to proceed with the Rights Issue.

If any of the conditions of the Rights Issue is not fulfilled or (where applicable) waived at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 4:00 p.m. on Wednesday, 14 August 2019), the Rights Issue will not proceed.

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## LETTER FROM THE BOARD

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The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares and there is no minimum amount to be raised under the Rights Issue in order for the Rights Issue to proceed. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares or the Rights Shares.

Any Shareholder or investor dealing in the Shares and/or the Rights Shares in their nil-paid form up to the latest time for the Rights Issue to become unconditional will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any Shareholder or investor contemplating any dealings in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult their professional advisers.

## LETTER FROM THE BOARD

### SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue assuming full acceptance by the Shareholders; (iii) immediately after completion of the Rights Issues (assuming none of the Shareholders (other than Ms. Huang Wei) has taken up any entitled Rights Shares and all Unsubscribed Rights Shares and NQS Unsold Rights Shares have been placed by the Bookrunner); and (iv) immediately after completion of the Rights Issue (assuming none of the Shareholders (other than Ms. Huang Wei) has taken up any entitled Rights Shares nor any of Unsubscribed Rights Shares and NQS Unsold Rights Shares have been placed by the Bookrunner).

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue (assuming all Shareholders have taken up all the entitled Rights Shares)		Immediately after completion of the Rights Issue (assuming none of the Shareholders (other than Huang Wei) has taken up any entitled Rights Shares and all Unsubscribed Rights Shares and NQS Unsold Rights Shares have been placed by the Bookrunner)		Immediately after completion of the Rights Issue (assuming none of the Shareholders (other than Huang Wei) has taken up any entitled Rights Shares and nor any of Unsubscribed Rights Shares and NQS Unsold Rights Shares have been placed by the Bookrunner)	
	Number of issued shares	%	Number of issued shares	%	Number of issued shares	%	Number of issued shares	%
<b>Director</b>								
Yu Ka Ho (Note 1)	256	0.00%	384	0.00%	256	0.00%	256	0.00%
<b>Substantial Shareholders</b>								
Huang Wei (Note 3)	425,568,000	15.38%	638,352,000	15.38%	638,352,000	15.38%	638,352,000	21.43%
<b>Public Shareholders</b>								
Independent places (Note 4)	-	0.00%	-	0.00%	1,170,320,051	28.21%	-	0.00%
Other public Shareholders	<u>2,340,639,847</u>	<u>84.62%</u>	<u>3,510,959,770</u>	<u>84.62%</u>	<u>2,340,639,847</u>	<u>56.41%</u>	<u>2,340,639,847</u>	<u>78.57%</u>
	<u>2,766,208,103</u>	<u>100.00%</u>	<u>4,149,312,154</u>	<u>100.00%</u>	<u>4,149,312,154</u>	<u>100.00%</u>	<u>2,978,992,103</u>	<u>100.00%</u>

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## LETTER FROM THE BOARD

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*Notes:*

1. Mr. Yu Ka Ho is an executive Director.
2. The term “substantial Shareholders” has its meaning as defined in GEM Listing Rules.
3. Huang Wei is a substantial Shareholder.
4. The independent placees are professional, institutional and other investors selected and procured by or on behalf of the Placing Agent as contemplated under the Placing Agreement.

### REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The expected gross proceeds (before deducting professional fees and other relevant expenses of approximately HK\$1.1 million), net proceeds and net price per Rights Share from the Rights Issue on the basis that all the Rights Shares will be taken up are set out below:

	<i>HK\$</i> <i>(approximately)</i>
Gross proceeds	34.3 million
Net proceeds	33.2 million
Net price per Rights Share	0.0240

### Reasons for the Rights Issue

The Board believes that the Rights Issue will enable the Company to strengthen its working capital base and to enhance its financial position, while at the same time allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

### The intended use of net proceeds

The Company intends to apply the net proceeds from the Rights Issue (the “Net Proceeds”) in the following manner:

- (a) approximately HK\$30.12 million, representing 90.72% of the Net Proceeds for repayment of promissory note(s) of the Company; and
- (b) approximately HK\$3.08 million, representing 9.28% of the Net Proceeds for the Group’s general working capital purpose, to strengthen its capital base and also to support the ongoing capital requirements of the Group (such as rental expenses, salaries and wages, payment of trade payables, etc.).

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## LETTER FROM THE BOARD

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For details of the promissory notes (including the outstanding amounts, maturity dates, options for extensions, etc.) and expected timeline for the repayment, please refer to section “Statement of Indebtedness” under Financial Information of the Group as shown in Appendix I of this Prospectus.

As at the Latest Practicable Date, the principal amount of promissory note of the Company, which will become immediately due within one year upon completion of the Rights Issue on 20 August 2019, represents approximately HK\$49.3 million (as shown in Appendix I – Financial Information of the Group in this Prospectus). As at the Latest Practicable Date, the Company intends to repay such principal amount of promissory note by means of internal resources (including but not limited to cash flow generated from operation), proceeds from disposal of assets and Net Proceeds raised from the Rights Issue. Since such promissory note is interest-bearing, the Company considers early repayment of the promissory note to save interest as appropriate.

As at the Latest Practicable Date, save for the Rights Issue, the Company does not have any proposed plan to conduct other fundraising activities in the next 12 months to raise fund for the repayment of the full amount of promissory notes since due dates of the promissory notes fall within one year or beyond one year.

If the Rights Issue is under-subscribed and the Net Proceeds is HK\$30 million or more, but less than HK\$33.2 million, a maximum amount of the Net Proceeds of HK\$30 million will be used for repayment of promissory note(s) of the Company; and the remaining amount of the Net Proceeds (i.e. a maximum amount of HK\$3.2 million) will be used for the Group’s general working capital purpose, to strengthen its capital base and also to support the ongoing capital requirements of the Group (such as rental expenses, salaries and wages, payment of trade payables, etc.)

If the Rights Issue is under-subscribed and the Net Proceeds is less than HK\$30 million, all of the Net Proceeds will be applied towards the repayment of promissory note(s) of the Company. In case that the Rights Shares is under-subscribed, i.e. assuming none of the Shareholders (other than Ms. Huang Wei) has taken up any entitled Rights Shares nor any of Unsubscribed Rights Shares and NQS Unsold Rights Shares have been placed by the Bookrunner (as illustrated under the section “Shareholding Structure” in the Letter from the Board), the amount of gross proceeds and net proceeds will be approximately HK\$5.3 million and approximately HK\$4.2 million respectively. In such circumstances, since the amount of Net Proceeds is less than HK\$30 million, all of the Net Proceeds will be applied towards the repayment of promissory note(s) of the Company.

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## LETTER FROM THE BOARD

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Based on the above, the Board considers that raising capital through the Rights Issue and the Placing Arrangement in the interests of the Company and the Shareholders as a whole. In addition, having considered the costs of the placing and bookrunner services, the proposed terms of the Rights Issue and the Subscription Price, the Board also considers that it is in the interests of the Company to proceed with the Rights Issue on a non-underwritten basis. **However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholder(s) (if any) should note that their shareholdings will be diluted.**

### OTHER FUNDRAISING ALTERNATIVES

The Board considers that the Rights Issue will enable the Company to strengthen its working capital base and to enhance its financial position while will also provide an equal opportunity to all Qualifying Shareholders to maintain their respective shareholdings in the Company and continue to participate in the future development of the Company should they wish to do so and it will improve the capital base of the Company. Should the Qualifying Shareholders decide not to take up their entitlements under the Rights Issue, they can choose to dispose of their Rights Shares provisional allotments in the market in nil-paid form for their own economic benefit.

Similar to a rights issue, an open offer also offers qualifying Shareholders to participate in the fund raising, but it does not provide for the trading of rights entitlements in the open market in which would be less favourable for non-participating qualifying Shareholders.

The Board has also considered other alternative fundraising methods such as debt financing and placing of new Shares. The Board considered that it would be difficult for the Group to obtain such bank loans or facilities with favourable terms. On the other hand, the Board considered that placing of new Shares will cause dilution effect to the Shareholders and deny the Shareholders to participate in the fund raising activities in order to maintain their proportionate shareholdings in the Company.

In addition, the Company considered that the terms of the Rights Issue and Placing Arrangement are fair and reasonable and in the best interest of the Company and Shareholders as a whole since (i) under the Rights Issue, all the Qualifying Shareholders will be offered the same opportunity to maintain their proportionate interests in the Company and to participate in the growth and development of the Group and the Qualifying Shareholders have the first right to decide whether to accept their entitlements of the Rights Shares; and (ii) the Shareholders who do not want to participate in the Rights Issue can dispose of the nil-paid Rights Shares in the secondary market for their own economic benefit.

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## LETTER FROM THE BOARD

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Furthermore, Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to the Company; (ii) an additional channel of participation in the Rights Issue for independent Qualifying Shareholders and the Non-Qualifying Shareholders; and (iii) a compensatory mechanism for No Action Shareholders and the Non-Qualifying Shareholders.

### **FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS**

The Company had not conducted any equity fund raising activities in the 12 months immediately preceding the Latest Practicable Date.

The theoretical diluted price, the benchmarked price and the theoretical dilution effect (as those terms are defined under Rule 10.44A of the GEM Listing Rules) for the Rights Issue are HK\$0.0337 per Share, HK\$0.0382 per Share and 11.78%, respectively. During the 12 month period immediately preceding the date of the Announcement, the Company has not undertaken (whether by reference to the date of Announcement) any rights issue, open offer or specific mandate placing.

### **ADDITIONAL INFORMATION**

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

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



**1. FINANCIAL INFORMATION**

Financial information of the Group for the three years ended 31 December 2016, 31 December 2017, and 31 December 2018 are disclosed in the following documents which have been published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and of the Company (<http://www.foodidea.com.hk/en/>):

- From page 51 to 160 of the Company's annual report for the year ended 31 December 2018 published on 28 March 2019, which can be found at:

(<https://www1.hkexnews.hk/listedco/listconews/gem/2019/0328/gln20190328531.pdf>)

- From page 50 to 154 of the Company's annual report for the year ended 31 December 2017 published on 28 March 2018, which can be found at:

(<https://www1.hkexnews.hk/listedco/listconews/gem/2018/0328/gln20180328417.pdf>);  
and

- From page 50 to 150 of the Company's annual report for the year ended 31 December 2016 published on 30 March 2017, which can be found at:

(<https://www1.hkexnews.hk/listedco/listconews/gem/2017/0330/gln20170330405.pdf>)

**2. STATEMENT OF INDEBTEDNESS**

As at the close of business on 31 May 2019, being the latest practicable date for the purpose of this indebtedness statement, the Group has the following liabilities:

**(a) Borrowing**

As at the close of business on 31 May 2019 (being the latest practicable date for the purpose of this indebtedness statement), the Group had bank overdraft of approximately HK\$9.2 million and outstanding borrowings of approximately HK\$19.3 million, comprising secured bank installment loan of approximately HK\$9.3 million and unsecured other borrowings of approximately HK\$10 million. All the bank over draft and bank borrowings are guaranteed.

**(b) Promissory notes**

As at the close of business on 31 May 2019 (being the latest practicable date for the purpose of this indebtedness statement), the Group had outstanding promissory note with principal amount of approximately HK\$191.5 million. All promissory notes are unsecured, interest ranging from 2% to 5% and repayable in 2 to 3 years. Details of such promissory notes are mentioned as below.

<b>Issue date</b>	<b>Maturity date</b>	<b>Interest rate</b>	<b>Principal balance as at 31 May 2019 HK\$</b>
2-Aug-18	2-Aug-20	2% p.a.	49,294,059.80
2-Sep-18	2-Sep-20	2% p.a.	41,800,000.00
22-Jan-19	22-Jan-21	4% p.a.	20,250,592.00
28-Feb-19	28-Feb-21	5% p.a.	9,900,000.00
28-Feb-19	28-Feb-21	5% p.a.	9,900,000.00
18-Apr-19	18-Apr-22	5% p.a.	<u>60,320,000.00</u>
			<u><u>191,464,651.80</u></u>

There are no option for extension for the above-mentioned promissory notes.

Save as disclosed above or otherwise mentioned in this Prospectus, and apart from intra-group liabilities and normal trade payables in the ordinary course of business, the Group did not have any other outstanding indebtedness at the close of business on 31 May 2019 or any debt securities issued and outstanding, and authorised or otherwise created but unissued, bank overdrafts, or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges or hire purchase commitments, or other material contingent liabilities.

**3. WORKING CAPITAL**

The Directors are of the opinion that, after taking into account the existing cash and bank balances and other internal resources available and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its present requirements and for at least 12 months from the date of this Prospectus.

**4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2018, the date to which the latest published audited consolidated financial statements of the Company were made up.

**5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

As disclosed in the Company's annual report for the year ended 31 December 2018, the management of the Group strives to diversify the Group's existing business and broaden its source of income. In view of the positive results in wine trading segment for the year ended 31 December 2018 and the prospect of the wine industry in Hong Kong, the development of the wine trading represents a good opportunity for the Group to further develop its distribution and catering business and will help to diversify the businesses of the Group. As such, it is the intention of the Group to further strengthen its sales capability in wine trading with an aim to take advantage of the steady growth in the wine trading industry. Apart from continuing efforts in product portfolio expansion and marketing, the Group will seek for acquisition opportunities to enhance the operating scale and performance of the wine trading segment. The Group is in the view that it may benefit the development of the existing wine trading business by expanding the customer base, addition to wine supply channels and acquisition of staff with relevant skill sets and connections in the wine trading industry.

For the food products operation, the Group continues to search for suitable sites with high traffic flow for expansion and will continue to review the performance of its concessionaire stores and close the underperforming locations.

The Group is also proactively monitoring the rising food costs, labour costs and commission expenses to supermarket chains in order to raise the operational efficiencies of the food products operation. The Group will actively seek for opportunities to expand its money lending business.

The management will monitor the risk exposure regularly and adjust the investments portfolio when necessary, while selectively choose those with the most balanced risk and return potential.

The Group has also expanded into the dessert catering business in the PRC in 2015 through its associate, Lucky Dessert (China) Holdings Limited and its subsidiaries ("Lucky Dessert Group"). The Lucky Dessert Group is consistently approached by potential local entrepreneurs of the trademark "Lucky Dessert 發記甜品" for running the dessert catering business in the PRC. The Group will explore opportunities to further develop its dessert catering business.

The Group will closely monitor and review the performance of existing businesses and may dispose of and scale down the underperforming businesses in order to concentrate resources to develop outperforming business.

## 6. ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF PALINDA HOLDING GROUP LIMITED (“TARGET COMPANY”)

Reference is made to the announcements of the Company dated 22 October 2018, 30 November 2018 and 11 December 2018 and the circular of the Company dated 13 December 2018 (the “Circular”) in relation to the acquisition of the entire issued share capital of the Target Company (together with its subsidiary, the “Target Group”).

On 22 October 2018(after trading hours), Arrow Vision Limited, a direct wholly-owned subsidiary of the Company, as the purchaser(the “Purchaser”), and Ms. Huang Wei, as the vendor, entered into an agreement, pursuant to which, the Purchaser has conditionally agreed to acquire and Ms. Huang Wei has conditionally agreed to sell, 6,000 ordinary shares of the Target Company, representing 100% of the issued share capital of the Target Company, at the consideration of HK\$76,000,000 (the “Consideration”), to be satisfied:

- (i) as to HK\$55,749,408 by the issue and allotment of 425,568,000 new Shares at the issue price of HK\$0.131 by the Company to Ms. Huang Wei (the “Consideration Shares); and
- (ii) as to the remaining amount of HK\$20,250,592 by the issue of the promissory note by the Purchaser to Ms. Huang Wei upon completion (the “Promissory Note”).

The Target Company is an investment holding company and the Target Group is principally engaged in trading of wine products in Hong Kong. Financial Information for (i) the Target Company since its incorporation and (ii) its subsidiary in the last 3 financial years have been disclosed in Appendices IIA and IIB to the Circular, which can be found at:

(<https://www1.hkexnews.hk/listedco/listconews/gem/2018/1212/gln20181212029.pdf>.)

Completion of the Acquisition took place on 22 January 2019. On the same date, (i) the Consideration Shares were allotted and issued at the issue price of HK\$0.131 each by the Company to Ms. Huang Wei; and (ii) the Promissory Note in the principal amount of HK\$20,250,592 was issued by the Purchaser to Ms. Huang Wei to satisfy the Consideration. The Consideration Shares represents approximately 18.7% of the total number of issued Shares immediately before completion and represents approximately 15.8% of the total number of issued Shares as enlarged by the allotment and issue of the Consideration Shares.

Following the Completion, the Target Company has become an indirect wholly-owned subsidiary of the Company and accordingly, the financial information of the Target Company and its subsidiaries will be consolidated into the accounts of the Group.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET  
TANGIBLE ASSETS OF THE GROUP

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company which has been prepared to illustrate the effect of the Rights Issue on the consolidated net tangible assets of the Group attributable to owners of the Company as if the Rights Issue had been completed on 31 December 2018. As it is prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company upon completion of the Rights Issue.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018 is prepared based on the consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018 as extracted and derived from the Group's consolidated financial statements for the ended 31 December 2018 included in the published annual report of the Group and is adjusted for the effect of the Rights Issue.

	Consolidated net tangible assets of the Group attributable to equity holders of the Company as at 31 December 2018 <i>(Note 1)</i> HK\$'000	Estimated net proceeds from Rights Issue <i>(Note 2)</i> HK\$'000	Unaudited pro forma adjusted consolidated tangible assets of the Group attributable to equity holders of the Company <i>(Note 3)</i> HK\$'000	Consolidated tangible assets per Share attributable to equity holders of the Company as at 31 December 2018 <i>(Note 3)</i> HK\$'000	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to equity holders of the Company <i>(Note 4)</i> HK\$'000
Rights Issue of 1,383,104,051 Rights Shares to be issued at the Subscription Price of HK\$0.0248 per share	309,806	33,200	343,006	0.15	0.10

*Notes:*

- 1) The amount is determined based on the consolidated net tangible assets of approximately HK\$309,806,000 after deducting investment in an associate of approximately HK\$39,189,000 and non-controlling interests of approximately HK\$1,608,000 as at 31 December 2018, which is extracted from the consolidated statement of financial position of the Group as at 31 December 2018 in the published annual report of the Company.
- 2) The estimated net proceeds from the Rights Issue are based on the number of 1,383,104,051 Rights Shares to be issued at the Subscription Price of HK\$0.0248 per Rights Share, after deduction of the estimated related expenses, including among others, transaction fees, which are directly attributable to the Rights Issue, of approximately HK\$1,100,000.
- 3) The calculation of the consolidated net tangible assets per Share attributable to equity holders of the Company as at 31 December 2018 is determined based on the consolidated net tangible assets of the Group attributable to equity holders of the Company of approximately HK\$309,806,000 divided by the number of Shares of 2,127,854,643 as at 31 December 2018.
- 4) The unaudited pro forma adjusted consolidated net tangible assets of the Group after the completion of the Rights Issue per share is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2018 for the Rights Issue of approximately HK\$343,006,000 divided by 3,510,958,694 shares which comprise 2,127,854,643 shares in issue as at 31 December 2018 and 1,383,104,051 Rights Shares to be issued after the completion of the Rights Issue.
- 5) No adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF PRO FORMA FINANCIAL INFORMATION**

*The following is the text of a letter from the reporting accountants of the Company, Elite Partners CPA Limited, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this Prospectus, in respect of the unaudited pro forma financial information of the Group.*

10/F.,  
8 Observatory Road,  
Tsim Sha Tsui,  
Kowloon, Hong Kong

To the Directors of The Food Idea Holdings Limited

We have completed our assurance engagement to report on the compilation of pro forma financial information of The Food Idea Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The pro forma financial information consists of the pro forma consolidated net tangible assets as at 31 December 2018, and related notes (the "Pro Forma Financial Information") as set out on pages II-1 to II-2 of the prospectus dated 19 July 2019 issued by the Company (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in the Prospectus.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue of 1,383,104,051 rights shares of HK\$0.01 each at HK\$0.0248 per rights share on the basis of one rights share for every two shares of the Company held on the record date (the "Rights Issue") on the Group's financial position as at 31 December 2018 as if the Rights Issue had taken place as at 31 December 2018. As part of this process, information about the Group's net tangible assets has been extracted by the directors from from the Group's consolidated statement of financial position as at 31 December 2018, on which an annual report has been published.

**Directors' responsibility for the Pro Forma Financial Information**

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and with reference to Accounting Guideline ("AG") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

**Our independence and quality control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting accountants' responsibilities**

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the Rights Issue on unadjusted financial information of the Group as if the Rights Issue had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue would have been as presented.



A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Rights Issue, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the Rights Issue in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Pro Forma Financial Information as disclosed pursuant to paragraph 7.31 (1) of the GEM Listing Rules.

Yours faithfully,

**Elite Partners CPA Limited**

*Certified Public Accountants*

Hong Kong

**Siu Jimmy**

Practising Certificate Number: P05898

**1. RESPONSIBILITY STATEMENT**

This Prospectus, 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 Prospectus 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 Prospectus misleading.

**2. SHARE CAPITAL**

(a) As at the Latest Practicable Date:

	Nominal value per Share (HK\$)	Number of Shares	Nominal Amount (HK\$)
Authorised:	0.01	<u>10,000,000,000</u>	<u>100,000,000.00</u>
Issued and fully paid:	0.01	<u>2,766,208,103</u>	<u>27,662,081.03</u>

(b) Immediately after completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to completion of the Rights Issue and full acceptance by the Qualifying Shareholders):

	Nominal value per Share (HK\$)	Number of Shares	Nominal Amount (HK\$)
Authorised:	0.01	<u>10,000,000,000</u>	<u>100,000,000.00</u>
Issued and fully paid:			
– As at the Latest Practicable Date	0.01	2,766,208,103	27,662,081.03
– Rights Shares to be issued pursuant to the Rights Issue	0.01	<u>1,383,104,051</u>	<u>13,831,040.51</u>
Shares upon completion of the Rights Issue	0.01	<u>4,149,312,154</u>	<u>41,493,121.54</u>

- (c) Immediately after completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to completion of the Rights Issue and nil acceptance by the Qualifying Shareholders nor any of the Unsubscribed Rights Shares and NQS Unsold Rights Shares have been placed by the Bookrunner, except for Irrevocable Undertaking):

	Nominal value per Share (HK\$)	Number of Shares	Nominal Amount (HK\$)
Authorised:	0.01	<u>10,000,000,000</u>	<u>100,000,000.00</u>
Issued and fully paid:			
– As at the Latest Practicable Date	0.01	2,766,208,103	27,662,081.03
– Rights Shares to be issued pursuant to Irrevocable Undertaking	0.01	212,784,000	2,127,840.00
– Rights Shares to be issued pursuant to the Rights Issue	0.01	<u>–</u>	<u>–</u>
Shares upon completion of the Rights Issue	0.01	<u>2,978,992,103</u>	<u>29,789,921.03</u>

All the Shares in issue are fully-paid and rank *pari passu* in all respects including as regards to dividends, voting rights and return of capital. All Rights Shares to be issued will rank *pari passu* with the then existing Shares in issue in all respects. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares.

The Company has applied to the Listing Committee for the listing of and permission to deal in the Rights Shares (in both their nil-paid and fully-paid forms). No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there was no outstanding debt securities, derivatives, options, warrants, conversion securities or other similar securities which are convertible or exchangeable into Shares, and there was no arrangement under which future dividends are/will be waived or agreed to be waived.

### 3. DISCLOSURE OF INTERESTS

#### (a) Directors' and chief executive's interest and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executives of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required, pursuant to Rules 5.46 to Rule 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange were as follows:

#### *Long Positions in the Company*

Name of Director	Capacity/nature of interest	Total number of ordinary shares held	Approximate percentage of interest
Mr. Yu Ka Ho	Beneficial owner	256	0.00%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had, or deemed to have, any interests or short positions in any shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 to Rule 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

**(b) Interest of the substantial Shareholders**

So far as is known to the Directors, as at Latest Practicable Date, persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required pursuant to Section 336 of the SFO, to be entered into the register referred to therein, or, who is directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group were as follows:

***Long positions in the Shares and underlying Shares***

Name of shareholders	Capacity/Nature of interests	Number of shares held	Percentage of shareholding
Huang Wei	Beneficial owner	425,568,000	15.38%
Wong Ryan Tai Cheong ("Wong TC") (Note 1)	Interest in controlled corporations	254,863,200	9.21%
KMW Investments Limited ("KMW") (Note 1)	Beneficial owner	254,863,200	9.21%
Li Siu Ying	Beneficial owner	225,576,000	8.15%
Yuen Wai Ching Loretta	Beneficial owner	206,892,000	7.48%
Ngai Ka Ling	Beneficial owner	176,988,000	6.40%

*Notes:*

1. KMW is a company incorporated in the British Virgin Islands and the entire share capital of KMW is owned by Wong TC.

Save as disclosed above, the Directors are not aware that there is any party who, as at Latest Practicable Date, persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required pursuant to Section 336 of the SFO, to be entered into the register referred to therein, or, who is directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

**4. LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries were engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

**5. MATERIAL CONTRACTS**

As at the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries) had been entered into by the Company or any of its subsidiaries within two years preceding the issue date of this Prospectus and ending on the Latest Practicable Date, which are or may be material in relation to the business of the Group as a whole:

- (i) the joint venture agreement dated 24 November 2017 entered into between Elegant Empire Investment Limited (“Elegant Empire”) and Avis Glory Limited, a direct wholly-owned subsidiary of the Company, in relation to the formation of a joint venture company. Elegant Empire is a direct wholly-owned subsidiary of Future Development Holdings Limited (formerly known as “China Child Care Corporation Limited”) the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1259);
- (ii) the sale and purchase agreement dated 22 October 2018 entered into among (i) Arrow Vision Limited, a direct wholly-owned subsidiary of the Company (“Arrow Vision”); (ii) the Company and (iii) Ms. Huang Wei in relation to Arrow Vision’s acquisition from Ms. Huang Wei of the entire issued share capital of Palinda Holding Group Limited, a company incorporated in the British Virgin Islands; and
- (iii) the placing agreement dated 11 June 2019 entered between the Company and the Bookrunner in relation to the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares, details of which are set out in the paragraph headed “Placing Arrangement for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares” in the Letter from the Board of this Prospectus.

**6. COMPETING INTEREST**

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or their respective associates had any interest in a business which competes or may compete, either directly or indirectly, with the business of the Group, or have or may have any other conflicts of interest with the Group.

**7. DIRECTOR'S INTEREST IN CONTRACTS AND ASSETS**

- (i) None of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2018 (being the date to which the latest published annual report for the audited consolidated financial statements of the Company were made up), acquired, disposed of by, or leased to, or were proposed to be acquired, disposed of by, or leased to any member of the Group; and
- (ii) None of the Directors was materially interested in any contract or arrangement subsisting as at the date of this Prospectus which is significant in relation to the business of the Group.

**8. QUALIFICATION AND CONSENT OF THE EXPERT**

The following is the qualification of the professional adviser who has given opinion or advice contained in this Prospectus:

<b>Name</b>	<b>Qualification</b>
Elite Partners CPA Limited	Certified Public Accountants

Elite Partners CPA Limited has given and has not withdrawn its written consent dated 19 July 2019 to the issue of this Prospectus with the inclusion of its report and/or references to its name in the form and context in which they respectively appear in this Prospectus.

Elite Partners CPA Limited does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Elite Partners CPA Limited does not and did not have any direct or indirect interest in any assets acquired or disposed of by or leased to or proposed to be acquired or disposed of by or leased to any member of the Group since the date to which the latest published audited accounts of the Group were made up.

**9. CORPORATE INFORMATION AND THE PARTIES INVOLVED IN THE RIGHTS ISSUE**

Registered Office	Cricket Square Hutchins Drive PO Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head Office and Principal Place of Business	Unit 306-A201, 3/F, Harbour Centre, Tower 1 1 Hok Cheung Street Hungghom, Kowloon Hong Kong
Authorised Representative	Mr. Yu Ka Ho Unit 306-A201, 3/F, Harbour Centre, Tower 1 1 Hok Cheung Street Hungghom, Kowloon Hong Kong  Mr. Chung Man Wai, Stephen <i>CPA</i> Unit 306-A201, 3/F, Harbour Centre, Tower 1 1 Hok Cheung Street Hungghom, Kowloon Hong Kong
Company Secretary	Mr. Chung Man Wai, Stephen <i>CPA</i>
Compliance Officer	Mr. Yu Ka Ho



Audit Committee	Mr. Li Lap Keung ( <i>Chairman</i> ) Mr. So Yat Chuen Dr. Wu Wing Kuen, <i>B.B.S.</i>
Bookrunner and Placing agent to the Company	Core Pacific – Yamaichi International (H.K.) Limited 11/F China Resources Building 26 Harbour Road Wanchai Hong Kong
Financial Adviser to the Company	Core Pacific – Yamaichi Capital Limited 11/F China Resources Building 26 Harbour Road Wanchai Hong Kong
Legal Adviser to the Company as to the Rights Issue	Watson Farley & Williams LLP Suites 4610-4619 Jardine House 1 Connaught Place Hong Kong
Auditor	Elite Partners CPA Limited <i>CPA</i> 10/F 8 Observatory Road Tsim Sha Tsui Hong Kong

Principal Bankers

The Hongkong and Shanghai Banking  
Corporation Limited  
HSBC Main Building  
1 Queen's Road Central  
Hong Kong

Industrial and Commercial Bank of China  
(Asia) Limited  
33/F  
ICBC Tower  
3 Garden Road  
Central  
Hong Kong

Hong Kong Branch Share Registrar and  
Transfer Office

Union Registrars Limited  
Suites 3301-04, 33/F.  
Two Chinachem Exchange Square  
338 King's Road  
North Point  
Hong Kong

## 10. PARTICULARS OF DIRECTORS

## a. Name and address of Directors

<b>Name</b>	<b>Business Address</b>
<i>Executive Directors</i>	
Mr. Wong Hoi Yu	Unit 306-A201, 3/F, Harbour Centre, Tower 1 1 Hok Cheung Street Hung Hom, Kowloon Hong Kong
Mr. Yu Ka Ho	Unit 306-A201, 3/F, Harbour Centre, Tower 1 1 Hok Cheung Street Hung Hom, Kowloon Hong Kong
<i>Independent non-executive Directors</i>	
Mr. Li Lap Keung	Unit 306-A201, 3/F, Harbour Centre, Tower 1 1 Hok Cheung Street Hung Hom, Kowloon Hong Kong
Mr. So Yat Chuen	Unit 306-A201, 3/F, Harbour Centre, Tower 1 1 Hok Cheung Street Hung Hom, Kowloon Hong Kong
Dr. Wu Wing Kuen, <i>B.B.S.</i>	Unit 306-A201, 3/F, Harbour Centre, Tower 1 1 Hok Cheung Street Hung Hom, Kowloon Hong Kong

**b. Profiles of the Directors*****Executive Directors***

Mr. Wong Hoi Yu (黃愷宇先生), aged 35, is the chairman of the Board and 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 8 years' solid marketing and management experience, including restaurant operations, recruitment, managing food and service quality, etc., from his previous employments in the catering industry in Hong Kong. Mr. Wong is also a director of certain subsidiaries and a joint venture of the Group and is responsible for the overall management, business development and strategic planning of the Group.

Mr. Yu Ka Ho (余嘉豪先生), aged 36, was appointed as an executive Director on 22 June 2015 and as a CEO, authorised representative and compliance officer of the Company on 22 November 2016. Mr. Yu was an independent non-executive Director, chairman of the audit committee ("Audit Committee"), and a member of the remuneration committee ("Remuneration Committee") and nomination committee ("Nomination Committee") of the Company when the shares of the Company were listed on GEM in July 2011. He retired at the annual general meeting ("AGM") of the Company in May 2012 and was then appointed as vice president of the business development department of Food Idea Group Limited, a wholly-owned subsidiary of the Company, on 1 June 2012. He is also a director of certain subsidiaries, joint ventures and associates of the Group and is responsible for business development, finance, accounting, human resources and marketing of the Group.

*Independent Non-Executive Directors*

Mr. Li Lap Keung (李立强先生), aged 36, was appointed an independent non-executive Director on 22 February 2019. He is also the chairman of the Audit Committee and member of the Nomination Committee and Remuneration Committee. Mr. Li has over 6 years' experience of external and internal audit in international accountancy firms and 2 years as a senior manager and head of auditing at Jimei International Entertainment Group Limited (now known as Starlight Culture Entertainment Group Limited), the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1159). Mr. Li has experience in financial and internal audit together with compliance aspects for private and listed companies for various industries. He is currently the company secretary of Hovel Services Group Company Limited since February 2019. He obtained his bachelor degree in Business Administration (Honours) in Accountancy from the City University of Hong Kong in 2008. He is a member of the Hong Kong Institute of Certified Public Accountants.

Mr. So Yat Chuen (蘇溢泉先生), aged 50, was appointed an independent non-executive Director on 22 February 2019. He is also the chairman of the Nomination Committee and Remuneration Committee and a member of the Audit Committee. Mr. So is a solicitor of the High Court of the Hong Kong Special Administrative Region and has over 22 years of experience in legal sector. Mr. So is currently one of the chairmen of the Appeal Tribunal Panel (Buildings) (section 45 of the Building Ordinance (Cap. 123 of the Laws of Hong Kong)) and his appointment is for the period from 1 December 2018 to 30 November 2021. He is also a member of the Wanchai West Area Committee under the Home Affairs Department, The Government of the Hong Kong Special Administrative Region from 2014 to 2020. Mr. So obtained a Bachelor of Laws degree from Peking University, a Post-graduate Diploma in English and Hong Kong Law from Manchester Metropolitan University in 2001 and a Master of Laws degree from the University of Greenwich in 2016.

Dr. Wu Wing Kuen, *B.B.S.* (胡永權博士, *B.B.S.*), aged 62, was appointed an independent non-executive Director on 16 January 2019. He is also a member of the Nomination Committee, Audit Committee and Remuneration Committee. Dr. Wu has over 25 years of experience in real estate investment. He has been serving as director of Jet View Investment Limited since December 1991 and as director of Jade Mind Investment Limited since October 2004. Both companies are principally engaged in real estate investments. Dr. Wu has also been serving as independent non-executive director of Nanfang Communication Holdings Limited (stock code: 1617) and Million Cities Holdings Limited (stock code: 2892), the shares of which are listed on the Main Board of the Stock Exchange, since November 2016 and June 2018. Dr. Wu has also served as independent non-executive director of the HongGuang Lighting Holdings Company Limited (stock code: 8343), a company listed on the GEM of the Stock Exchange, since December 2016. Dr. Wu obtained his doctoral degree in business administration from the Clayton University in the United States in June 1989.

**c. About the Company's Audit Committee**

The Company's Audit Committee, comprising all of our independent non-executive Directors, is responsible for making recommendations to the Board on the appointment and removal of external auditor, evaluating the overall effectiveness of the internal control and risk management frameworks, reviewing the accounting principles and practices adopted by the Group and other financial reporting matters and ensuring the completeness, accuracy and fairness of the financial statements, monitoring compliance with statutory and listing requirements and overseeing the relationship with the external auditors.

**d. Profiles of the Senior Management**

Mr. Chung Man Wai, Stephen (鍾文偉先生), aged 40, was appointed as authorised representative and company secretary ("Company Secretary") of the Company on 7 December 2018. Mr. Chung holds a Bachelor's degree of Science in Applied Accountancy from Oxford Brookes University. He is a member of Hong Kong Institute of Certified Public Accountants and has extensive experience in the professional field of accounting and audit.

**11. DIRECTOR'S SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group which were not expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

**12. EXPENSES**

The expenses in connection with the Rights Issue, including the fees of legal advisers and auditors, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$1.1 million, which were paid or are payable by the Company.

**13. MISCELLANEOUS**

- (i) As at the Latest Practicable Date, there was no contracts for the hire or hire purchase of plant to or by any member of the Group for a period of over one year which were substantial in relation to the Group's business.
- (ii) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside of Hong Kong.
- (iii) As at the Latest Practicable Date, the Company has no significant exposure to foreign exchange liabilities.
- (iv) The English language text of this Prospectus and the other Prospectus Documents shall prevail over its Chinese language text, in case of any inconsistency.

**14. LEGAL EFFECT**

This Prospectus, the PAL and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong.

**15. BINDING EFFECT**

This Prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

**16. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES**

A copy of this Prospectus, together with copies of the PAL and the written consent referred to in the paragraph headed “8. Qualification and Consent of the Expert” in this Appendix III, have been registered with the Registrar of Companies in Hong Kong for registration pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

**17. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following will be available for inspection during normal business hours (other than Saturdays, Sundays and public holidays) at Unit 306-A201, 3/F, Harbour Centre, Tower 1, 1 Hok Cheung Street, Hung Hom, Kowloon, Hong Kong, from the date of this Prospectus up to and including 2 August 2019:

- (i) the memorandum of association and the articles of association of the Company;
- (ii) The Company’s annual report for the year ended 31 December 2018, Company’s annual report for the year ended 31 December 2017, and the Company’s annual report for the year ended 31 December 2016;
- (iii) The Company’s environmental, social and governance report 2018, 2017 and 2016;
- (iv) the accountants’ report on the unaudited pro forma financial information of the Group from Elite Partners CPA Limited set out in Appendix II to this Prospectus;
- (v) the written consent referred to in the paragraph headed “8. Qualification and Consent of the Expert” in this Appendix III;
- (vi) the material contracts as referred to in the paragraph headed “5. Material Contracts” in this Appendix III; and
- (vii) the Prospectus Documents.