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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)

SUPPLEMENTAL ANNOUNCEMENT – ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

Reference is made to the annual report (the “Annual Report”) of the Company dated 27 March 2017 in relation to the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2016. Capitalised terms used herein shall have the same meanings as those defined in the Annual Report unless the context requires otherwise.

The Company would like to supplement the Annual Report with the following information on the financial assets at fair value through profit or loss (“FVTPL”) as at 31 December 2016:

Name of the investments	Notes	% to the total assets of the Group as at 31 December 2015	% of interest of the respective investments as at 31 December 2015	Movement during the year ended 31 December 2016			Fair value as at 31 December 2016	% to the total assets of the Group as at 31 December 2016	% of interest of the respective investments as at 31 December 2016	Gain/(loss) on disposal/redemption for the year ended 31 December 2016
				Fair value as at 31 December 2015	Addition/(disposal/redemption), net	Change on fair value, net				
				HK\$'000	HK\$'000	HK\$'000	HK\$'000			HK\$'000
From continuing operations										
Equity securities listed in Hong Kong										
GreaterChina Professional Services Limited (8193) (“GC Pro”)	(a)	2.93%	0.68%	25,080	3,080	(3,520)	24,640	5.87%	0.79%	–
Season Pacific Holdings Limited (1709) (“SPH”)	(b)	N/A	N/A	–	8,530	4,930	13,460	3.21%	0.10%	–
L & A International Holdings Limited (8195) (“L&A”)	(c)	32.03%	2.62%	273,946	(238,888)	(24,618)	10,440	2.49%	3.71%	(261,636)
China 33 Media Group Limited (8087) (“China 33”)	(d)	0.58%	0.83%	4,992	–	432	5,424	1.29%	0.83%	–
Unity Investments Holdings Limited (913) (“UIH”)	(e)	N/A	N/A	–	6,985	(2,318)	4,667	1.11%	1.75%	–
Major Holdings Limited (1389) (“MHL”)	(f)	1.67%	0.39%	14,245	(7,299)	(2,559)	4,387	1.04%	0.15%	(565)
China Environmental Energy Investment Limited (986) (“CEE”)	(g)	1.07%	1.82%	9,180	–	(5,882)	3,298	0.79%	1.82%	–
Huatai Securities Co., Ltd. (6886)		0.00%	0.00%	7	–	(1)	6	0.00%	0.00%	–
China Properties Investment Holdings Limited (736) (“CPI”)	(h)	1.30%	2.10%	11,118	(11,118)	–	–	N/A	N/A	(4,840)
China Construction Bank Corporation (939) (“CCB”)	(i)	1.25%	0.00%	10,732	(10,732)	–	–	N/A	N/A	1,818
China Life Insurance Company Limited (2628) (“China Life”)	(j)	0.49%	0.00%	4,208	(4,208)	–	–	N/A	N/A	–
Hong Kong Exchanges and Clearing Limited (388) (“HKEC”)	(k)	0.41%	0.00%	3,539	(3,539)	–	–	N/A	N/A	–
China Jicheng Holdings Limited (1027) (“CJH”)	(l)	0.32%	0.01%	2,740	(2,740)	–	–	N/A	N/A	(890)
Luen Wong Group Holdings Limited (8217) (“LWG”)	(m)	N/A	N/A	–	–	–	–	N/A	N/A	10,332
Bank of China Limited (3988) (“BOC”)	(n)	N/A	N/A	–	–	–	–	N/A	N/A	108
China Resources Beer (Holdings) Company Limited (291) (“CRB”)	(o)	N/A	N/A	–	–	–	–	N/A	N/A	414
				359,787	(259,929)	(33,536)	66,322			(255,259)

Name of the investments	Notes	% to the total assets of the Group as at 31 December 2015	% of interest of the respective investments as at 31 December 2015	Movement during the year ended 31 December 2016			Fair value as at 31 December 2016	% to the total assets of the Group as at 31 December 2016	% of interest of the respective investments as at 31 December 2016	Gain/(loss) on disposal/redemption for the year ended 31 December 2016
				Fair value as at 31 December 2015	Addition/(disposal/redemption), net	Change on fair value, net				
				HK\$'000	HK\$'000	HK\$'000				
Unlisted fund										
Fidelity Funds – Asian High Yield Fund (“Fidelity Fund”)	(p)	0.65%	0.03%	5,584	–	386	5,970	1.42%	0.02%	–
Franklin Templeton Investment Funds – Templeton Global Total Return Fund (“Franklin Fund”)	(q)	0.75%	0.00%	6,443	(6,443)	–	–	N/A	N/A	(396)
M&G Optimal Income Fund (“M&G Fund”)	(r)	0.68%	0.00%	5,773	–	290	6,063	1.44%	0.00%	–
Neuberger Berman High Yield Bond Fund (“Neuberger Fund”)	(s)	0.61%	0.01%	5,248	(2,806)	162	2,604	0.62%	0.01%	212
Pimco Income Fund (“Pimco Fund”)	(t)	0.67%	0.01%	5,712	–	173	5,885	1.40%	0.00%	–
UBS Global Income Equity Fund (“UBS Fund I”)	(u)	0.52%	0.08%	4,457	(4,457)	–	–	N/A	N/A	61
UBS (Lux) Key Selection SICAV – European Growth and Income Fund (“UBS Fund II”)	(v)	0.44%	0.02%	3,742	(3,742)	–	–	N/A	N/A	(201)
UBS Strategy Yield (USD) P-4%-mdist Fund (“UBS Fund III”)	(w)	N/A	N/A	–	6,139	(91)	6,048	1.44%	0.11%	–
				36,959	(11,309)	920	26,570			(324)
Total				396,746	(271,238)	(32,616)	92,892			(255,583)

Notes:

- (a) This investment represented 38,500,000 shares, which was approximately 0.79% of the total issued shares of GC Pro as at 31 December 2016. The business of GC Pro together with its subsidiaries (“GC Pro Group”) can be broadly categorised into four main sectors: (i) asset advisory services and asset appraisal, (ii) corporate services and consultancy, (iii) media advertising and (iv) financial services. For the year ended 31 December 2016 (the “Year”), the Group recorded an unrealised fair value loss of approximately HK\$3.52 million in the investment of the shares of GC Pro. According to GC Pro’s interim report for the six months ended 30 September 2016, GC Pro Group recorded revenue and net loss of approximately HK\$23.91 million and HK\$34.03 million respectively. Based on the latest annual report of GC Pro, GC Pro Group recorded revenue and net loss of approximately HK\$63.01 million and HK\$122.50 million respectively for the year ended 31 March 2017. As disclosed in its latest first quarterly report for the three months ended 30 June 2017, GC Pro Group remains cautiously optimistic about the steady demand for professional services in the PRC, Taiwan, Hong Kong and Macau. Furthermore, GC Pro Group completed an acquisition of 95% equity interest of a licence corporation under the SFO to carry out Type 1 (dealing in securities) regulated activities. With the expansion of its operations to the financial services businesses, GC Pro Group believes that its client base and income source would be further diversified and increased and the management of the Group (the “Management”) expected the acquisition would have a positive impact to the share price of GC Pro. In view of the trend of the share price of GC Pro and the continuous volatile market conditions, the Group finally disposed of its entire shareholding in GC Pro in 2017 and recorded a realised loss of approximately HK\$22.80 million.
- (b) This investment represented 1,000,000 shares, which was approximately 0.10% of the total issued shares of SPH as at 31 December 2016. SPH and its subsidiaries (“SPH Group”) are principally engaged in sales of apparel products with the provision of supply chain management total solutions to customers. For the Year, the Group recorded an unrealised fair value gain of approximately HK\$4.93 million in the investment of the shares of SPH and the Group was optimistic to the share price of SPH. According to SPH’s latest interim report for the six months ended 30 September 2016, SPH Group recorded revenue and net profit of approximately HK\$93.75 million and HK\$16.07 million respectively. Based on the latest annual report of SPH, SPH Group recorded revenue and net profit of approximately HK\$206.22 million and HK\$25.14 million respectively for the year ended 31 March 2017. As disclosed in its latest first quarterly report, SPH Group recorded an increase in revenue and net profit of approximately 82.4% and 4.2% respectively for the three months ended 30 June 2017 as compared with that for the three months ended 30 June 2016. And as disclosed in SPH’s announcements dated 13 June 2017 and 14 September 2017, SPH transferred the listing of its shares from GEM to main board (the “Main Board”) of the Stock Exchange. The Management expected that the Main Board trading platform will enhance trading liquidity of the shares of SPH and will ultimately contribute to increasing shareholders’ value.

- (c) This investment represented 949,096,000 shares, which was approximately 3.71% of the total issued shares of L&A as at 31 December 2016. L&A and its subsidiaries (“**L&A Group**”) are principally engaged in manufacturing and selling pure cashmere apparel and other apparel products through OEM and retail. For the Year, the Group recorded realised loss on disposal of the shares of L&A of approximately HK\$261.64 million and unrealised fair value loss of approximately HK\$24.62 million in the investment of the L&A. According to L&A’s interim report for the six months ended 30 September 2016, L&A Group recorded revenue and net loss of approximately HK\$47.51 million and HK\$83.14 million respectively. Based on the latest annual report of L&A, L&A Group recorded revenue and net loss of approximately HK\$60.83 million and HK\$297.02 million respectively for the year ended 31 March 2017. As disclosed in its latest first quarterly report, L&A Group intends to change its operation model by placing orders with other OEM manufacturers which would substantially reduce the costs of operation and improve the profit margins of the OEM business. The Management would continue to monitor the business and share price of L&A and make appropriate decision on the investment in the shares of L&A. Details of the disposal and acquisition of the shares of L&A were disclosed in the Company’s announcements dated 6 July 2016, 8 July 2016, 25 August 2016 and 6 September 2016 respectively.
- (d) This investment represented 48,000,000 shares, which was approximately 0.83% of the total issued shares of China 33 as at 31 December 2016. China 33 and its subsidiaries (“**China 33 Group**”) are principally engaged in printed media advertising, outdoor advertising, film and entertainment investment as well as prepaid card business. For the Year, the Group recorded an unrealised fair value gain of approximately HK\$0.43 million in the investment of the shares of China 33 and the Management was optimistic to the share price of China 33. According to China 33’s third quarterly report for the nine months ended 30 September 2016, China 33 Group recorded revenue and net loss of approximately HK\$46.05 million and HK\$17.72 million respectively. Based on the latest annual report of China 33, China 33 Group recorded revenue and net loss of approximately RMB57.49 million and RMB60.68 million respectively for the year ended 31 December 2016. As disclosed in its latest interim report, China 33 Group will keep on select, evaluate and produce good film and TV projects and will also pursue the opportunity to co-invest in various film projects led by other studios. In view of the trend of the share price of China 33 and the continuous volatile market conditions, the Group disposed of 41,000,000 shares of China 33 in 2017 and recorded a realised loss of approximately HK\$2.99 million.
- (e) This investment represented 30,500,000 shares, which was approximately 1.75% of the total issued shares of UIH as at 31 December 2016. UIH and its subsidiaries (“**UIH Group**”) are principally engaged in the investments in listed and unlisted securities. For the Year, the Group recorded an unrealised fair value loss of approximately HK\$2.32 million in the investment of the shares of UIH. According to UIH’s interim report for the six months ended 30 June 2016, UIH Group recorded net loss of approximately HK\$60.53 million. Based on the latest annual report of UIH, UIH Group recorded net loss of approximately HK\$368.84 million for the year ended 31 December 2016. As disclosed in its latest interim report, UIH continues to be cautious in identifying any investment opportunities to achieve medium-term or long-term capital appreciation and will maintain a diversified investment portfolio to keep reasonable spread of the UIH Group’s investment. The Management would continue to monitor the business and share price of UIH and may cut loss on the investment in the shares of UIH if necessary. In view of the trend of the share price of UIH and the continuous volatile market conditions, the Group finally disposed of its entire shareholding in UIH in 2017 and recorded a realised loss of approximately HK\$3.49 million.

- (f) This investment represented 3,656,000 shares, which was approximately 0.15% of the total issued shares of MHL as at 31 December 2016. MHL and its subsidiaries (“**MHL Group**”) are principally engaged in sale and distribution of premium wine and spirit products and wine accessory products in Hong Kong. For the Year, the Group recorded realised loss of approximately HK\$0.57 million from the disposal of and an unrealised fair value loss of approximately HK\$2.56 million in the investment of the shares of MHL. According to MHL’s interim report for the six months ended 30 September 2016, MHL Group recorded revenue and net profit of approximately HK\$97.67 million and HK\$2.41 million respectively. Based on the latest annual report of MHL, MHL Group recorded revenue and net loss of approximately HK\$203.90 million and HK\$2.53 million respectively for the year ended 31 March 2017 and the loss was mainly due to an impairment loss on trade deposits paid for approximately HK\$11.58 million. The Management would continue to monitor the business and share price of MHL and may cut loss on the investment in the shares of MHL if necessary. In view of the trend of the share price of MHL and the continuous volatile market conditions, the Group disposed of its entire shareholding in MHL in 2017 and recorded a realised loss of approximately HK\$3.82 million.
- (g) This investment represented 6,800,000 shares, which was approximately 1.82% of the total issued shares of CEE as at 31 December 2016. CEE and its subsidiaries (“**CEE Group**”) are principally engaged in the businesses of internet services, trading of gold and diamond, money lending and financial advisory and intermediary services. For the Year, the Group recorded an unrealised fair value loss of approximately HK\$5.88 million in the investment of the shares of CEE. According to CEE’s interim report for the six months ended 30 September 2016, CEE Group recorded revenue and net profit of approximately HK\$43.14 million and HK\$129.33 million respectively from its continuing operations. Based on the latest annual report of CEE, CEE Group recorded revenue and net loss of approximately HK\$67.67 million and HK\$30.46 million respectively from its continuing operations for the year ended 31 March 2017. As disclosed in its latest annual report, CEE Group believes the outlook of the newly acquired financial services business and the investment in exploration and exploitation of natural resources are positive. The Management expected that these new businesses of CEE will enhance trading liquidity of its shares and will ultimately contribute to increasing shareholders’ value. The Management would also continue to monitor the business and share price of CEE and may cut loss on the investment in the shares of CEE if necessary.
- (h) CPI and its subsidiaries are principally engaged in properties investment, money lending and financial services and provision of educational support services. During the Year, the Group received 81,600,000 nil-paid rights shares from the rights issue of CPI. In view of the trend of the share price and future prospect of CPI, the Group disposed of all its 20,400,000 shares and 81,600,000 nil-paid rights shares in CPI and recorded a net realised loss of approximately HK\$4.84 million from the disposal.
- (i) CCB and its subsidiaries are principally engaged in the provision of banking services. During the Year, the Group disposed of all its 3,021,000 shares of CCB and recorded a realised gain of approximately HK\$1.82 million from the disposal. Details of the acquisition and disposal of the shares of CCB are disclosed in the Company’s announcements dated 18 January 2016 and 24 August 2016 respectively.
- (j) China Life is a leading life insurance company in the PRC. During the Year, through the disposal of the Group’s Chinese restaurant business, the Group disposed of all its 168,000 shares of China Life at its fair value at the date of disposal. Accordingly, an unrealised loss of approximately HK\$1.24 million in the investment of the shares of China Life was recorded in the Group’s discontinued operation during the Year. Details of the Group’s discontinued operation are disclosed in Note 12 of the Annual Report.

- (k) During the Year, through the disposal of the Group's Chinese restaurant business, the Group disposed of all its 27,000 shares of HKEC at its fair value at the date of disposal. Accordingly, an unrealised loss of approximately HK\$0.10 million in the investment of the shares of HKEC was recorded in the Group's discontinued operation during the Year. Details of the Group's discontinued operation are disclosed in Note 12 of the Annual Report.
- (l) CJH and its subsidiaries are principally engaged in manufacturing and sales of umbrella. In view of the trend of the share price and future prospect of CJH, the Group disposed of all its 10,000,000 shares of CJH and recorded a realised loss of approximately HK\$0.89 million from the disposal during the Year.
- (m) LWG and its subsidiaries are principally engaged in the provision of civil engineering works and investment holding. During the Year, the Group acquired and disposed of 960,000 shares of LWG and recorded a realised gain of approximately HK\$10.33 million from the disposal. Details of the disposal was disclosed in the Company's announcement dated 4 November 2016.
- (n) BOC and its subsidiaries are principally engaged in the provision of banking services. During the Year, the Group acquired and disposed of 600,000 shares of BOC and recorded a realised gain of approximately HK\$0.11 million from the disposal.
- (o) CRB and its subsidiaries are principally engaged in the manufacturing, sales and distribution of beer products. During the Year, the Group acquired and disposed of 200,000 shares of CRB and recorded a realised gain of approximately HK\$0.41 million from the disposal.
- (p) This represented the Group's investment in Fidelity Fund, which is a public fund. The Group acquired 91,783 units, which was less than 1% of the total units of Fidelity Fund, at US\$8.31 per unit in 2015. The Fidelity Fund, run by the fund manager, invests primarily in Asian high yield bonds. During the Year, the net assets value ("NAV") per unit of Fidelity Fund rose from US\$7.85 to US\$8.39 and the Group recorded an unrealised gain of approximately HK\$0.39 million. The Management was optimistic to the performance of the Fidelity Fund and would realised a gain from the disposal. All the Group's investment in Fidelity Fund was subsequently disposed of in 2017 and recorded a realised gain of approximately HK\$0.09 million.
- (q) This represented the Group's investment in Franklin Fund, which is a public fund. The Group acquired 52,086 units, which was less than 1% of the total units of Franklin Fund, at US\$17.58 per unit in 2015. The Franklin Fund, run by the fund manager, invests principally in a portfolio of fixed and/or floating rate debt securities and debt obligation issued by government and government-related issuers or corporate entities worldwide. During the Year, all the Group's investment in Franklin Fund was disposed of and recorded a realised loss of approximately HK\$0.40 million.
- (r) This represented the Group's investment in M&G Fund, which is a public fund. The Group acquired 76,848 units, which was less than 1% of the total units of M&G Fund, at US\$9.93 per unit in 2015. The M&G Fund, run by the fund manager, invests primarily in government bonds or investment grade corporate bonds, mainly in the United States ("U.S."), Germany and United Kingdom. During the Year, the NAV per unit of M&G Fund rose from US\$9.69 to US\$10.18 and the Group recorded an unrealised gain of approximately HK\$0.29 million. The Management was optimistic to the performance of the M&G Fund and would realised a gain from the disposal. All the Group's investment in M&G Fund was subsequently disposed of and recorded a realised gain of approximately HK\$0.01 million in 2017.

- (s) This represented the Group's investment in Neuberger Fund, which is a public fund. The Group acquired 78,568 units, which was less than 1% of the total units in Neuberger Fund, at US\$9.71 per unit in 2015. The Neuberger Fund, run by the fund manager, invests principally in high yield bonds, mainly in the U.S.. During the Year, 42,000 units of the Neuberger Fund were disposed of and a realised gain of approximately HK\$0.21 million was recorded. The NAV per unit of Neuberger Fund rose from US\$8.62 to US\$9.19 during the Year and an unrealised gain of approximately HK\$0.16 million was recorded by the Group. The Management was optimistic to the performance of the Neuberger Fund and would realised a gain from the disposal. All the Group's remaining investment in Neuberger Fund was subsequently disposed of and recorded a realised gain of approximately HK\$0.03 million in 2017.
- (t) This represented the Group's investment in Pimco Fund, which is a public fund. The Group acquired 69,862 units, which was less than 1% of the total units in Pimco Fund, at US\$10.92 per unit in 2015. The Pimco Fund, run by the fund manager, invests primarily in fixed income instruments with varying maturities, mainly in U.S.. During the Year, the NAV per unit of Pimco Fund rose from US\$10.55 to US\$10.87 and an unrealised gain of approximately HK\$0.17 million was recorded by the Group. The Management was optimistic to the performance of the Pimco Fund and would realised a gain from the disposal. All the Group's investment in Pimco Fund was disposed of and recorded a realised gain of approximately HK\$0.02 million in 2017.
- (u) This represented the Group's investment in UBS Fund I, which is a public fund. The Group acquired 6,490 units, which was less than 1% of the total units in UBS Fund I, at US\$94.01 per unit in 2015. The UBS Fund I, run by the fund manager, invests principally in companies that offer a high yield dividend, mainly in the U.S.. During the Year, all the Group's investment in UBS Fund I was disposed of and recorded a realised gain of approximately HK\$0.06 million.
- (v) This represented the Group's investment in UBS Fund II, which is a public fund. The Group acquired 5,038 units, which was less than 1% of the total units in UBS Fund II, at US\$100.82 per unit in 2015. The UBS Fund II, run by the fund manager, invests primarily in European shares, bonds and convertible bonds. During the Year, all the Group's investment in UBS Fund II was disposed of and recorded a realised loss of approximately HK\$0.20 million.
- (w) This represented the Group's investment in UBS Fund III, which is a public fund. The Group acquired 774 units, which was less than 1% of the total units in UBS Fund III, at US\$1,023.53 per unit during the Year. The UBS Fund III, run by the fund manager, invests globally in a diversified range of bonds, mainly high-quality bonds, money market instruments and equities. During the Year, the NAV per unit of UBS Fund III dropped slightly from US\$1,023.53 to US\$1,008.35 and the Group recorded an unrealised loss of approximately HK\$0.09 million. The Management was optimistic to the performance of the UBS Fund III and would realised a gain from the disposal. All the Group's investment in UBS Fund III was disposed of and recorded a realised gain of approximately HK\$0.12 million in 2017.

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

Hong Kong, 11 October 2017

As at the date of this announcement, the Board comprises Mr. Wong Hoi Yu and Mr. Yu Ka Ho as executive Directors, and Mr. Li Fu Yeung, Mr. Kwan Wai Yin, William and Mr. Tam Lok Hang as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the website of the Company at <http://www.foodidea.com.hk>.