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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)**

**DISCLOSEABLE TRANSACTIONS**  
**DISPOSAL OF INDIRECT WHOLLY-OWNED SUBSIDIARIES**

On 12 February 2019 (after trading hours), the Vendor, a direct wholly-owned subsidiary of the Company, entered into the Provisional Agreement I and Provisional Agreement II with the Purchaser pursuant to which the Vendor has conditionally agreed to sell (i) the Sale Shares I and Sale Shares II, which shall be free from encumbrances and third party rights; and (ii) the Sale Loan I and Sale Loan II, as at the Completion Date, at an aggregate Consideration I and Consideration II of HK\$16,800,000 and HK\$11,200,000 respectively.

The Target Company I and Target Company II are property holding companies and their principal assets are the Property I and Property II, which are two commercial units situated in Wan Chai, Hong Kong.

Upon Completion, the Target Company I and Target Company II will cease to be subsidiaries of the Company.

**GEM LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal I and Disposal II exceeds 5% but all applicable percentage ratios are below 25%, the Disposal I and Disposal II constitute discloseable transactions for the Company and is therefore subject to the notification and announcement, but is exempt from shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner is an Independent Third Party.

On 12 February 2020 (after trading hours), the Vendor, a direct wholly-owned subsidiary of the Company, entered into the Provisional Agreement I and Provisional Agreement II with the Purchaser in respect of the Disposal I and Disposal II.

## **THE PROVISIONAL AGREEMENT I**

The principal terms of the Provisional Agreement I are set out as below:

### **Date**

12 February 2020 (after trading hours)

### **Parties**

Purchaser: The Purchaser

Vendor: Food Idea Group Limited, a direct wholly-owned subsidiary of the Company

To the best knowledge, information and belief of the Directors, after having made all reasonable enquiries, the Purchaser is an Independent Third Party.

### **Assets to be disposed of**

Pursuant to the Provisional Agreement I, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase (i) the Sale Shares I, representing the entire issued share capital of the Target Company I, which shall be free from encumbrances and third party rights; and (ii) the Sale Loan I, representing the entire amount due and owing by the Target Company I to the Vendor as at the Completion Date, at an aggregate cash consideration of HK\$16,800,000.

### **Consideration I**

The Consideration I of HK\$16,800,000 shall be paid by the Purchaser to the Vendor in cash in the following manner:

- (a) an initial deposit in the sum of HK\$840,000 has been paid to the Vendor upon signing of the Provisional Agreement I;

- (b) a further deposit in the sum of HK\$840,000 shall be paid to the Vendor after 14 days from signing of the Provisional Agreement I; and
- (c) the remaining balance of the Consideration I of HK\$15,120,000 shall be paid to the Vendor upon Completion.

The deposits in (a) and (b) of the above shall be paid to the Vendor's solicitors as stakeholder who shall not release the same to the Vendor until the Completion Date.

The Consideration I was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to (i) the financial position of the Target Company I; (ii) the prevailing market price of similar properties of similar size, character and location and (iii) preliminary valuation of Property I approximately HK\$16,800,000 valued by an independent valuer engaged by the Company.

### **Stamp Duty**

Pursuant to the terms of the Provisional Agreement I, the Purchaser agrees to bear all the stamp duty levied in connection with the Disposal I.

### **Conditions Precedent**

Completion shall be conditional upon the following Conditions:

- (1) the Purchaser having completed its due diligence investigation on the business, financial, legal and all other aspects of the Target Company I and reasonably satisfied with results thereof;
- (2) the Vendor, shall at the Vendor's own cost, procure the Target Company I to prove and give a good title to the Property I in accordance with sections 13 and 13A of the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong);
- (3) all the representations, undertakings and warranties given by the Vendor under the Provisional Agreement I is and shall remain true, accurate, correct and complete and not misleading in all respects up to the Completion; and

- (4) all compliance requirements as may be required under the GEM Listing Rules relating to the transactions contemplated under the Provisional Agreement I having been duly complied with by the Company.

The Purchaser may in its discretion waive any of the Conditions (1) to (3).

In the event that any of the Conditions is not fulfilled (or waived by the Purchaser, as the case may be) on or before the Completion Date, the Purchaser shall be entitled to cancel the transaction under the Provisional Agreement I whereupon the Vendor shall return all the paid deposit to the Purchaser forthwith.

### **Completion**

Subject to the fulfillment of all the above Conditions, Completion will take place on the Completion Date. Upon Completion, the Target Company I will cease to be a subsidiary of the Company and the financial results of the Target Company I will no longer be consolidated with the results of the Group.

## **THE PROVISIONAL AGREEMENT II**

The principal terms of the Provisional Agreement II are set out as below:

### **Date**

12 February 2020 (after trading hours)

### **Parties**

Purchaser: The Purchaser

Vendor: Food Idea Group Limited, a direct wholly-owned subsidiary of the Company

To the best knowledge, information and belief of the Directors, after having made all reasonable enquiries, the Purchaser is an Independent Third Party.

## **Assets to be disposed of**

Pursuant to the Provisional Agreement II, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase (i) the Sale Shares II, representing the entire issued share capital of the Target Company II, which shall be free from encumbrances and third party rights; and (ii) the Sale Loan II, representing the entire amount due and owing by the Target Company II to the Vendor as at the Completion Date, at an aggregate cash consideration of HK\$11,200,000.

## **Consideration II**

The Consideration II of HK\$11,200,000 shall be paid by the Purchaser to the Vendor in cash in the following manner:

- (a) an initial deposit in the sum of HK\$560,000 has been paid to the Vendor upon signing of the Provisional Agreement II;
- (b) a further deposit in the sum of HK\$560,000 shall be paid to the Vendor after 14 days from signing of the Provisional Agreement II; and
- (c) the remaining balance of the Consideration II of HK\$10,080,000 shall be paid to the Vendor upon Completion.

The deposits in (a) and (b) of the above shall be paid to the Vendor's solicitors as stakeholder who shall not release the same to the Vendor until the Completion Date.

The Consideration II was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to (i) the financial position of the Target Company II; (ii) the prevailing market price of similar properties of similar size, character and location and (iii) preliminary valuation of Property II approximately HK\$11,200,000 valued by an independent valuer engaged by the Company.

## **Formal Agreements**

The Formal Agreements in relation to the Disposal I and Disposal II shall be entered into on or before 26 February 2020. In the event that no Formal Agreements has been entered into, the Provisional Agreement I and Provisional Agreement II shall be treated as the Formal Agreements.

## **Stamp Duty**

Pursuant to the terms of the Provisional Agreement II, the Purchaser agrees to bear all the stamp duty levied in connection with the Disposal II.

## **Conditions Precedent**

Completion shall be conditional upon the following Conditions:

- (1) the Purchaser having completed its due diligence investigation on the business, financial, legal and all other aspects of the Target Company II and reasonably satisfied with results thereof;
- (2) the Vendor, shall at the Vendor's own cost, procure the Target Company II to prove and give a good title to the Property II in accordance with sections 13 and 13A of the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong);
- (3) all the representations, undertakings and warranties given by the Vendor under the Provisional Agreement II is and shall remain true, accurate, correct and complete and not misleading in all respects up to the Completion; and
- (4) all compliance requirements as may be required under the GEM Listing Rules relating to the transactions contemplated under the Provisional Agreement II having been duly complied with by the Company.

The Purchaser may in its discretion waive any of the Conditions (1) to (3).

In the event that any of the Conditions is not fulfilled (or waived by the Purchaser, as the case may be) on or before the Completion Date, the Purchaser shall be entitled to cancel the transaction under the Provisional Agreement II whereupon the Vendor shall return all the paid deposit to the Purchaser forthwith.

## **Completion**

Subject to the fulfillment of all the above Conditions, Completion will take place on the Completion Date. Upon Completion, the Target Company II will cease to be a subsidiary of the Company and the financial results of the Target Company II will no longer be consolidated with the results of the Group.

## INFORMATION OF THE TARGET COMPANY I AND TARGET COMPANY II

The Target Company I is a company incorporated in Hong Kong on 2 May 2017 and is wholly-owned by the Vendor. The principal business of the Target Company I is property holding and its principal asset is the Property I.

The Target Company II is a company incorporated in Hong Kong on 2 May 2017 and is wholly-owned by the Vendor. The principal business of the Target Company II is property holding and its principal asset is the Property II.

The Target Company I and Target Company II are the sole legal and beneficial owners of the Property I and Property II. The Property I and Property II are commercial units situated in Wan Chai, Hong Kong. The Property I and Property II have been used by the Group for investment purpose.

Set out below is a summary of the key financial data of the Target Company I and Target Company II based on the audited financial statement of the Target Company I and Target Company II for the year ended 31 December 2018 and the unaudited management accounts of the Target Company I and Target Company II for the year ended 31 December 2019 respectively:

### Target Company I

	<b>For the year ended 31 December 2018 (audited) HK\$</b>	<b>For the year ended 31 December 2019 (unaudited) HK\$</b>
Net loss before taxation	161,285	185,146
Net loss after taxation	161,285	185,146

Based on the latest management accounts of the Target Company I, the unaudited net liabilities, including the amount due and owed by the Target Company I to the Group and bank borrowing of approximately HK\$10,488,000 and HK\$5,448,000 respectively, of the Target Company I as at 31 December 2019 was approximately HK\$554,000.

## Target Company II

	<b>For the year ended 31 December 2018 (audited) HK\$</b>	<b>For the year ended 31 December 2019 (unaudited) HK\$</b>
Net loss before taxation	106,754	133,958
Net loss after taxation	106,754	133,958

Based on the latest management accounts of the Target Company II, the unaudited net liabilities, including the amount due and owed by the Target Company II to the Group and bank borrowing of approximately HK\$6,910,000 and HK\$3,632,000 respectively, of the Target Company II as at 31 December 2019 was approximately HK\$445,000.

## REASONS FOR AND BENEFITS OF THE DISPOSAL I AND DISPOSAL II

The Company is an investment holding company. The Group's principal activities are (i) catering services; (ii) production, sales and distribution of food products to supermarket chains in Hong Kong; (iii) investment in securities; (iv) money lending business; and (v) wine trading. The Vendor is a direct wholly-owned subsidiary of the Company and its principal activity is investment holdings.

The Group has been holding the Property I and Property II for investment purpose. The Group has been taking into account of the recent prevailing market conditions in commercial properties in Hong Kong, the Board is of the opinion that the Disposal I and Disposal II provide a good opportunity for the Group to dispose of the Property I and Property II and the proceeds from the Disposal I and Disposal II will further enhance the financial position of the Group.



The Property I was acquired by the Target Company I in July 2017 at a consideration of HK\$15,000,000. It is expected that the Group will record a net book gain of approximately HK\$1,332,000 from the Disposal I, which is calculated with reference to the difference between (a) the Consideration I and (b) the aggregate of (i) the estimated unaudited net book value of the Target Company I as at 31 December 2019; (ii) the amount due and owed by the Target Company I to the Vendor as at 31 December 2019; (iii) bank borrowing of the Target Company I as at 31 December 2019; and (iv) the estimated expenses in connection with the Disposal I. The actual amount of gain or loss as a result of the Disposal I to be recorded by the Group will be subject to the actual payment of the estimated expenses and the review and final audit by the auditor of the Company. After the settlement of the bank borrowing of the Target Company I, it is expected that the net proceeds from the Disposal I will be used for general working capital of the Group and enable the Group to re-allocate more financial resources on its principal businesses.

The Property II was acquired by the Target Company II in July 2017 at a consideration of HK\$10,000,000. It is expected that the Group will record a net book gain of approximately HK\$1,017,000 from the Disposal II, which is calculated with reference to the difference between (a) the Consideration II and (b) the aggregate of (i) the estimated unaudited net book value of the Target Company II as at 31 December 2019; (ii) the amount due and owed by the Target Company II to the Vendor as at 31 December 2019; (iii) bank borrowing of the Target Company II as at 31 December 2019; and (iv) the estimated expenses in connection with the Disposal II. The actual amount of gain or loss as a result of the Disposal II to be recorded by the Group will be subject to the actual payment of the estimated expenses and the review and final audit by the auditor of the Company. After the settlement of the bank borrowing of the Target Company II, it is expected that the net proceeds from the Disposal II will be used for general working capital of the Group and enable the Group to re-allocate more financial resources on its principal businesses.

The Directors consider that the terms of the Provisional Agreement I and Provisional Agreement II are on normal commercial terms, fair and reasonable and the Disposal I and Disposal II is in the interests of the Company and the Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal I and Disposal II exceeds 5% but all applicable percentage ratios are below 25%, the Disposal I and Disposal II constitute discloseable transactions for the Company and is therefore subject to the notification and announcement, but is exempt from shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner is an Independent Third Party.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“Board”	the board of Directors
“Company”	Food Idea Holdings Limited (新煮意控股有限公司), a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on GEM
“Completion”	the completion of the Disposal I and Disposal II pursuant to the Provisional Agreement I and Provisional Agreement II
“Completion Date”	22 April 2020
“Condition(s)”	the condition(s) precedent of the Provisional Agreement I and Provisional Agreement II
“Consideration I”	the consideration of HK\$16,800,000 payable by the Purchaser to the Vendor for the Disposal I pursuant to the terms and conditions of the Provisional Agreement I
“Consideration II”	the consideration of HK\$11,200,000 payable by the Purchaser to the Vendor for the Disposal II pursuant to the terms and conditions of the Provisional Agreement II
“Director(s)”	the director(s) of the Company
“Disposal I”	the disposal of the Sale Shares I and Sale Loan I by the Vendor to the Purchaser pursuant to the Provisional Agreement I
“Disposal II”	the disposal of the Sale Shares II and Sale Loan II by the Vendor to the Purchaser pursuant to the Provisional Agreement II
“Formal Agreements”	the formal sale and purchase agreements to be entered into between the Purchaser and the Vendor in respect of the Disposal I and Disposal II, which is scheduled to be signed between the parties on or before 26 February 2020

“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the rules governing the listing of securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region
“Independent Third Party(ies)”	third party(ies) who is/are independent of, and not connected with, the Company and its connected persons (as defined in the GEM Listing Rules)
“Property I”	a commercial unit situated in Wan Chai, Hong Kong
“Property II”	a commercial unit situated in Wan Chai, Hong Kong
“Provisional Agreement I”	the provisional sale and purchase agreement dated 12 February 2020 entered into between the Vendor and the Purchaser in relation to the Disposal I
“Provisional Agreement II”	the provisional sale and purchase agreement dated 12 February 2020 entered into between the Vendor and the Purchaser in relation to the Disposal II
“Purchaser”	an individual, who is an Independent Third Party
“Sale Loan I”	the entire amount due and owing by the Target Company I to the Vendor as at the Completion Date
“Sale Loan II”	the entire amount due and owing by the Target Company II to the Vendor as at the Completion Date
“Sale Shares I”	the entire issued share capital of the Target Company I
“Sale Shares II”	the entire issued share capital of the Target Company II
“Shareholder(s)”	holders of the Shares
“Share(s)”	ordinary shares of HK\$0.1 each in the share capital of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company I”	Eternity Rise Investment Limited, a company incorporated in Hong Kong with limited liability, which is a direct wholly-owned subsidiary of the Vendor
“Target Company II”	Eternity Rise Property Limited, a company incorporated in Hong Kong with limited liability, which is a direct wholly-owned subsidiary of the Vendor
“Vendor”	Food Idea Group Limited, incorporated in British Virgin Islands with limited liability, which is a direct wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board  
**Food Idea Holdings Limited**  
**Huang Wei**  
*Chairlady and executive Director*

Hong Kong, 12 February 2020

*As at the date of this announcement, the Board of the Company comprises Ms. Huang Wei and Mr. Dou Sheng as executive Directors, and Mr. Li Lap Keung, Mr. So Yat Chuen and Dr. Wu Wing Kuen, B.B.S., as independent non-executive Directors.*

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

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