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HONG KONG FOOD INVESTMENT HOLDINGS LIMITED

香港食品投資控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 60)

DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTY

On 29 May 2014, the Vendor entered into a binding provisional agreement for sale and purchase of property with PDIL, pursuant to which the Vendor will sell and PDIL will purchase the Property for a consideration of HK\$8,000,000.

As the ultimate owner of PDIL is the same as JML, the Disposal would need to be aggregated with the 2013 Disposal pursuant to Rule 14.22 of Listing Rules.

As one of the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Disposal, when aggregated with the 2013 Disposal, is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

On 29 May 2014, the Vendor, a wholly-owned subsidiary of the Company, entered into a binding provisional agreement for sale and purchase of property with PDIL, pursuant to which the Vendor will sell and PDIL will purchase the Property for a consideration of HK\$8,000,000. Detailed terms of the Agreement are as follows:

THE AGREEMENT

Date: 29 May 2014

Parties: (a) **Vendor:** William Food Company Limited, a wholly-owned subsidiary of the Company; and

(b) **Purchaser:** PDIL, an investment holding company. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, PDIL and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons.

Subject matter

Pursuant to the Agreement, the Vendor will sell and PDIL will purchase the Property upon the terms contained therein. The Vendor and PDIL will enter the Formal Agreement on or before 16 June 2014. The Formal Agreement, which will set out the terms of the sale and purchase of the Property in more details, will supersede the Agreement.

Property to be disposed

The Property is located at Units A & B, 9th Floor, Suen Yue Building, 48 Bonham Strand West, Sheung Wan, Hong Kong, comprising a total gross floor area of approximately 1,668 square feet. The Property is currently being used by the Group as a warehouse. The book value of the Property as at 30 April 2014 was HK\$2,627,000.

Consideration

The consideration was determined after arm's length negotiations between the parties with reference to the prevailing market price of properties at nearby locations.

Terms of Payment

- (a) An initial deposit of HK\$400,000 has been paid by PDIL to the Vendor upon the signing of the Agreement;
- (b) A further deposit of HK\$400,000 will be paid by PDIL to the Vendor upon the execution of the Formal Agreement, which is expected to be on or before 16 June 2014; and
- (c) The balance payment of the purchase price in the sum of HK\$7,200,000 will be paid by PDIL to the Vendor at completion, which is expected to be on or before 30 June 2014.

Subject to final audit, the Group is expected to realise a gain on disposal of approximately HK\$5,373,000, which is calculated on the basis of the carrying value of the Property as at 30 April 2014 and the consideration to be received in respect of the Disposal before the deduction of expenses. The Company intends to use the proceeds from the Disposal as general working capital of the Group.

Completion

Completion of the disposal of the Property is expected to take place on 30 June 2014.

Reason for the Disposal

The Directors consider that it is a good opportunity for the Group to dispose the Property so as to realise a profit from the Disposal and release funds which will be used as general working capital of the Group.

As the Disposal is being conducted after arm's length negotiations based on normal commercial terms, and the Group is expected to make a gain on the Disposal, the Directors, including the independent non-executive Directors, are of the view that the Disposal is fair and reasonable and is in the interest of the Company and its Shareholders as a whole.

Aggregation with the 2013 Disposal

The Vendor disposed of the property with a gross floor area of approximately 2,660 square feet located at 4th Floor, Suen Yue Building, 48 Bonham Strand West, Sheung Wan, Hong Kong, to JML pursuant to an agreement dated 11 November 2013 for HK\$11,200,000.

The 2013 Disposal did not constitute a notifiable transaction for the Company as each of the applicable percentage ratios for the transaction was below 5%. The transaction was completed on 31 December 2013.

As PDIL and JML share the same ultimate owner, the subject of the 2013 Disposal and the Property are both located in the Suen Yue Building and that the Disposal and the 2013 Disposal are similar in nature, the Disposal would need to be aggregated with the 2013 Disposal pursuant to Rule 14.22 of the Listing Rules.

GENERAL

The Group is principally engaged in the trading of frozen meats, seafood and vegetables, and retailing of consumer goods.

As one of the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Disposal, when aggregated with the 2013 Disposal, is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“2013 Disposal”	the sale by the Vendor of the property located at 4th Floor, Suen Yue Building, 48 Bonham Strand West, Sheung Wan, Hong Kong, to JML pursuant to an agreement dated 11 November 2013;
“Agreement”	the provisional agreement for sale and purchase of property dated 29 May 2014 entered into between the Vendor and PDIL;
“Board”	the board of Directors;
“Company”	Hong Kong Food Investment Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meanings ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;

“Disposal”	the disposal of the Property by the Vendor;
“Formal Agreement”	the formal sale and purchase agreement to be entered into between the Vendor and PDIL in relation to the sale and purchase of the Property;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“JML”	Joyful Max Limited, an independent third party, which share the same ultimate owner with PDIL;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PDIL”	Pearl Dragon Investments Limited, an independent third party, the purchaser of the Property;
“Property”	the property located at Units A & B, 9th Floor, Suen Yue Building, 48 Bonham Strand West, Sheung Wan, Hong Kong;
“Shareholders”	the shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Vendor”	William Food Company Limited, a wholly-owned subsidiary of the Company.

By Order of the Board
Hong Kong Food Investment Holdings Limited
Leung Tin Chi
Company Secretary

Hong Kong, 29 May 2014

As at the date of this announcement, the directors of the Company are Mr. TAI Tak Fung, Stephen, Mr. MAN Wing Cheung, Ellis, Mr. TAI Chun Kit, Mr. YIP Wai Keung, Mr. TSE Siu Wan and Mr. LAI Yuk Chuen as executive directors, Mr. CHAN Kay Cheung, Mr. LAN Yee Fong, Steve John and Mr. LUI Shing Ming, Brian as independent non-executive directors.