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e p i c u r e a n | 惟膳
Epicurean and Company, Limited
惟膳有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8213)

**PROPOSED RIGHTS ISSUE
ON THE BASIS OF
ONE RIGHTS SHARE FOR EVERY TWO SHARES
HELD ON THE RECORD DATE**

Underwriter to the Rights Issue
WIN UNION INVESTMENT LIMITED
(Incorporated in the British Virgin Islands with limited liability)

PROPOSED RIGHTS ISSUE

The Company proposes to raise approximately HK\$100 million before expenses by way of allotting and issuing 1,388,725,000 Rights Shares at the Subscription Price of HK\$0.072 per Rights Shares on the basis of one (1) Rights Shares for every two (2) Shares held on the Record Date.

Assuming no further issue of new Shares or repurchases of Shares from the date of this announcement and up to Record Date, the 1,388,725,000 Rights Shares represents approximately 50.00% of the existing total number of Shares in issue as at the date of this announcement and approximately 33.33% of the Shares in issue as enlarged by the allotment and issue of the Rights Shares immediately upon completion of the Rights Issue.

The Rights Issue is only available to the Qualifying Shareholders and will not be available to the Excluded Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and not be an Excluded Shareholder. In order to be registered as a member of the Company on the Record Date, any transfer of the Shares must be lodged for registration with the Registrar, at Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by 4:30 p.m. on Friday, 12 May 2017.

The net proceeds of the Rights Issue are estimated to be approximately HK\$99 million, which is equivalent to the net price of approximately HK\$0.071 per Rights Share. The net proceeds are intended to be used as to (i) approximately HK\$29 million for the operation and expansion of the existing food and beverage business; (ii) approximately HK\$20 million for the Company's corporate expenses; (iii) approximately HK\$15 million for the repayment of bank loans; and (iv) approximately HK\$35 million for the potential investment opportunities currently available.

Win Union, being the Underwriter who is beneficially interested in 1,404,278,293 Shares (representing approximately 50.56% of the Shares in issue as at the date of this announcement), has irrevocably undertaken to the Company, among other things, that it shall remain as the beneficial owner of such Shares up to and including the Latest Time for Acceptance, and that it will subscribe for the Committed Shares to be offered to it by the Company pursuant to the Rights Issue.

The Rights Issue will be fully underwritten by Win Union on the terms and subject to the conditions set out in the Underwriting Agreement.

GENERAL

Win Union, being a controlling Shareholder, is a connected person of the Company and the Underwriting Agreement constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. As Win Union subscribes for the Rights Shares in its capacity as Underwriter and Rule 10.31 of the GEM Listing Rules has been complied with, the Rights Issue is exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules pursuant to Rule 20.90(2)(b) of the GEM Listing Rules.

Since the Rights Issue will not increase the issued share capital or the market capitalization of the Company by more than 50.00% within the 12-month period immediately preceding this announcement, it is not subject to the approval of the Shareholders pursuant to the GEM Listing Rules.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Thursday, 11 May 2017 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated. Please refer to the paragraph headed "Conditions of the Rights Issue" under the section headed "Underwriting Arrangement and Undertakings" in this announcement for further details. It should also be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate its obligations on the occurrence of certain events including force majeure. Please refer to the paragraph headed "Termination or rescission of the Underwriting Agreement" under the section headed "Underwriting Arrangement and Undertakings" in this announcement for further details. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed.

Any Shareholder or other person dealing in the Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Wednesday, 24 May 2017 to Thursday, 1 June 2017 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, Shareholders, and other persons contemplating dealing in securities of the Company and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

PROPOSED RIGHTS ISSUE

The Company proposes to raise approximately HK\$100 million, before expenses, by allotting and issuing approximately 1,388,725,000 Rights Shares to the Qualifying Shareholders at the Subscription Price of HK\$0.072 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares held by each Qualifying Shareholder on the Record Date. Details of the Rights Issue are set out below:

Issue statistics:

Basis of the Rights Issue:	one (1) Rights Share for every two (2) Shares held on the Record Date
Number of Shares in issue as at the date of this announcement:	2,777,450,000 Shares
Number of Rights Shares to be issued:	an aggregate of 1,388,725,000 Rights Shares
Subscription Price:	HK\$ 0.072 per Rights Share
Underwriter:	Win Union, who is a controlling Shareholder and directly holds 1,404,278,293 Shares, representing approximately 50.56% of the issued share capital of the Company as at the date of this announcement

The Company has issued the Convertible Bonds to Mr. Tang in respect of the outstanding principle amount of approximately HK\$40 million which are convertible into a total of 500,000,000 Shares upon full exercise of the conversion rights attaching thereto, representing approximately 18.00% of the Shares in issue as at the date of this announcement.

Assuming no further issue of new Shares or repurchase of Shares from the date of this announcement and up to Record Date, based on 2,777,450,000 Shares in issue as at the date this announcement, the aggregate number of 1,388,725,000 Rights Shares to be issued and allotted pursuant to the Rights Issue represent: (i) approximately 50.00% of the existing issued share capital of the Company; and (ii) approximately 33.33% of the Shares in issue as enlarged by the issue of the Rights Shares. In addition, the aggregate nominal value of the Rights Shares is HK\$13,887,250.

Save for the Convertible Bonds, as at the date of this announcement, the Company does not have any convertible securities, options or warrants in issue or similar right which confer any right to subscribe for, convert or exchange into the Shares or other agreement or arrangement to issue Shares.

Mr. Tang, being the beneficial and legal owner of the Convertible Bonds, has undertaken that he will not exercise the conversion rights attached to the Convertible Bonds held by him, and will not transfer, assign or otherwise dispose of his title, rights or interests under the Convertible Bonds, from the date of Irrevocable Non-conversion Undertaking and up to the Record Date.

The Rights Issue is fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement.

Subscription Price

The Subscription Price of HK\$0.072 per Rights Share will be payable in full upon acceptance of the relevant provisional allotment of the Rights Shares or when a transferee of nil-paid Rights Shares subscribes for the Rights Shares. The Subscription Price represents:

- (i) a discount of approximately 52.00% to the closing price of HK\$0.150 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 52.32% to the average closing price of HK\$0.151 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 41.94% to the theoretical ex-entitlement price of HK\$0.124 per Share based on the closing price per Share of HK\$0.150 as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Underwriter with reference to, among other things, the prevailing market prices and trading liquidities of the Shares and the financial conditions of the Company. All Qualifying Shareholders are entitled to subscribe for the Rights Shares in the same proportion to his/her/its existing shareholding in the Company held on the Record Date and is also entitled to apply for excess Rights Shares so as to maintain their shareholdings in the Company and participate in the future growth of the Group.

The Directors consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders, and the Prospectus to the Excluded Shareholders on the Posting Date for information only.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and not be an Excluded Shareholder. In order to be registered as a member of the Company on the Record Date, any transfer of the Shares (together with the relevant share certificate(s) must be lodged for registration with the Registrar, at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by 4:30 p.m. on Friday, 12 May 2017.

Excluded Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdiction other than that in Hong Kong (to the extent required under the applicable law).

In compliance with the necessary requirements of the GEM Listing Rules, the Directors will make enquiries regarding the applicable securities legislation of the relevant overseas jurisdictions or the requirements of any relevant regulatory body or stock exchange in respect of the issue of the Rights Shares to Overseas Shareholders whose address on the register of members of the Company is in a place outside Hong Kong on the Record Date. If, after making such enquiries, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant jurisdiction or any requirement of the relevant regulatory body or stock exchange in that jurisdiction, not to offer the Rights Shares to such Overseas Shareholders, the Rights Issue will not be available to such Overseas Shareholders and no provisional allotment of nil-paid Rights Shares will be made to them. The results of the enquiries and the basis of exclusion of the Overseas Shareholders will be included in the Prospectus. The Company will send copies of the Prospectus to the Excluded Shareholders for their information only, but will not send any PAL and EAF to the Excluded Shareholders.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before dealings in the nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. Any net proceeds of sale thereof, after deduction of expenses, will be distributed by the Company to the Excluded Shareholders, at their own risk, pro rata to their respective entitlements provided that if any of such persons would be entitled to a sum not exceeding HK\$100, such sum will be retained by the Company for its own benefit. Any unsold nil-paid Rights Shares to which the Excluded Shareholders would otherwise have been entitled, together with any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise not subscribed for by transferees of nil-paid Rights Shares, will be available for excess application by the Qualifying Shareholders under the EAFs.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 17.75 of the GEM Listing Rules. The Company reserves the right to treat as invalid any acceptance of or application for the Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Closure of register of members

The register of members of the Company will be closed from Monday, 15 May 2017 to Friday, 19 May 2017 (both days inclusive), for the purpose of establishing entitlements to the Rights Issue. No transfers of Shares will be registered during this period.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Right Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Fractions of the Rights Shares

The Company will not provisionally allot fractions of Rights Shares in nil-paid form. All fractions of Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be 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 unsold fractions of Rights Shares will be made available for excess applications.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully-paid, will rank *pari passu* in all respects with all the Shares then in issue. 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 and issue of the Rights Shares. Dealings in the Rights Shares, which are registered in the branch register of members of the Company in Hong Kong, will be subject to payment of stamp duty and other applicable fees and charges in Hong Kong.

Share certificates or refund cheques for the Rights Shares

Subject to fulfillment of the conditions of the Rights Issue, share certificates for the Rights Shares are expected to be despatched by ordinary post on or before Wednesday, 14 June 2017 to those persons who have validly accepted and paid for the Rights Shares and those successful applicants for the excess Rights Shares to the registered address or, in case of joint applicants, to the registered address of the applicant whose name first appears in the register of members of the Company in Hong Kong or, as the case may be, the transfer form, at their own risk. If the Rights Issue is terminated, refund cheques will be despatched on or before Wednesday, 14 June 2017 by ordinary post to the addresses as aforesaid at the respective Shareholders' own risks.

Application for listing of the Rights Shares

The Company will apply to the GEM Listing Committee of the Stock Exchange 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 securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange. Subject to the grant of 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 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. All necessary arrangements will be made to enable the Rights Shares to be admitted into CCASS.

Qualifying Shareholders who do not take up the Rights Shares to which they are provisionally allotted should note that their shareholdings in the Company will be diluted.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms (both in board lots of 10,000 Shares) which are registered in the branch register of members of the Company in Hong Kong maintained by the Registrar, will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, or any other applicable fees and charges in Hong Kong.

Application for excess Rights Shares

Qualifying Shareholders will have the right to apply for any Rights Shares in excess of their own entitlement under the EAFs in relation to the Rights Issue but are not assured of being allocated any Rights Shares in excess of those in their own entitlement.

The Company will allocate the excess Rights Shares in excess of the entitlement at its discretion on a fair and equitable basis to the Qualifying Shareholders who have applied for excess Rights Shares. Shareholders who have been offered odd lots of the Rights Shares should note that there is no guarantee that such odd lots of the Rights Shares will be topped up to create whole board lots pursuant to applications for the excess Rights Shares. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (i) no preference will be given to applications for topping-up odd-lot holdings to whole-lot holdings as the giving of such preference may potentially be abused by certain investors by splitting their Shares and thereby receiving more Rights Shares than they would receive if such preference is not given, which is an unintended and undesirable result; and
- (ii) subject to availability of excess Rights Shares, the excess Rights Shares will be allocated to the Qualifying Shareholders who have applied for excess application on a pro rata basis based on the excess Rights Shares applied for by them.

Any remaining Rights Shares not applied for by the Qualifying Shareholders will be taken up by the Underwriter.

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in any doubt as to their status.

Investors whose Shares are held by their nominee(s) and who would like to have their names registered on the register of the members of the Company on the Record Date must lodge all necessary documents with the Registrar for completion of the relevant registration by 4:30 p.m. on Friday, 12 May 2017.

UNDERWRITING ARRANGEMENT AND UNDERTAKINGS

The Underwriting Agreement

Date:	26 April 2017 (after trading hours)
Underwriter:	Win Union, being a controlling Shareholder as at the date of this announcement
Number of Rights Shares underwritten:	686,585,854 Rights Shares, excluding the 702,139,146 Committed Shares
Commission:	Win Union will not charge any underwriting commission of the Underwritten Shares for which it has underwritten

The Directors consider the terms of the Underwriting Agreement are fair and reasonable so far as the Company and the Shareholders are concerned.

Having taken into account of the Rights Shares to be fully underwritten by the Underwriter (assuming no new Share being issued and no Share being repurchased by the Company on or before the Record Date), an aggregate of 1,388,725,000 Rights Shares shall be subscribed and 686,585,854 Rights Shares (other than the Committed Shares) shall be underwritten by the Underwriter if the Qualifying Shareholders shall not take up their Rights Shares under the Rights Issue.

The Underwriter

Win Union, being the Underwriter, is wholly-owned by Mr. Chan and is an investment holding company incorporated in the British Virgin Islands with limited liability. As at the date of this announcement, Win Union holds 1,404,278,293 Shares, representing approximately 50.56% of the Shares in issue as at the date of this announcement.

Mr. Chan, being the sole director of Win Union, is an entrepreneur who has engaged in garment manufacturing industry for 27 year, his business is mainly located in Jiangxi province, the PRC. Mr. Chan is an executive Director, chairman of the Company and controlling Shareholder.

Pursuant to the Underwriting Agreement, the Underwriter has irrevocably undertaken to the Company, among other things, that it shall remain as the beneficial owner of such Shares up to and including the Latest Time for Acceptance, and that it will subscribe for the Committed Shares to be offered to it by the Company pursuant to the Rights Issue.

The Underwriter has also undertaken and/or confirmed to the Company, among others, that:

- (i) Any transaction carried out by the Underwriter pursuant to the Underwriting Agreement (other than the obligation to subscribe or procure subscription for any Underwritten Shares and the obligations contained in the Underwriting Agreement) shall constitute a transaction carried out at the request of the Company and as its agent and not in respect of the Underwriter's own account. The Underwriter shall not be responsible for any loss or damage to any persons arising from any such transaction, except where such loss or damage arises from the breach by the Underwriter of its obligations under the Underwriting Agreement or the gross negligence or willful default or omission of the Underwriter or any agent appointed by them for such purpose.
- (ii) In acting as agent of the Company thereunder, the Underwriter shall comply with all applicable laws and shall not do or omit anything, the doing or omission of which shall or may cause the Company or any Directors to be in breach of any applicable laws, and in particular, but without prejudice to the generality of the foregoing, shall ensure that all offers made by it of the Rights Shares are made only in compliance with all applicable law and regulation and do not require the registration of the Prospectus Documents or any of them or any other document as a prospectus or otherwise in any jurisdiction other than Hong Kong and the Underwriter shall not make or purport to make on behalf of the Company any representation or warranty not contained in the Prospectus Documents.
- (iii) If the Underwriter shall default in complying with its obligations under the Underwriting Agreement, the Company is thereby irrevocably authorised to treat the Underwriting Agreement as an application by the Underwriter, on and subject to the terms and conditions and on the basis of the information contained in the Prospectus Documents (other than as to the time of application and payment which shall be dealt with in accordance with Underwriting Agreement), for such Underwritten Shares which have not been taken up and to allot and issue the same to the Underwriter upon such terms and conditions. In such event, the Underwriter shall pay to the Company the aggregate Subscription Price in respect of the Underwritten Shares for which it is obliged to subscribe or procure subscription in accordance with the Underwriting Agreement less any amounts payable to the Underwriter pursuant to Underwriting Agreement against delivery by the Company to the Underwriter (or as it may direct) of such documentary evidence of entitlement to the relevant Underwritten Shares as is reasonably satisfactory to the Underwriter.

Irrevocable Non-conversion Undertaking

Mr. Tang, being the beneficial and legal owner of the Convertible Bonds, has undertaken that he will not exercise the conversion rights attached to the Convertible Bonds held by him, and will not transfer, assign or otherwise dispose of his title, rights or interests under the Convertible Bonds, from the date of Irrevocable Non-conversion Undertaking and up to the Record Date.

Irrevocable Subscription Undertaking

The Underwriter, being interested in approximately 50.56% of the Shares in issue as at the date of this announcement, has undertaken to the Company that it (i) will not and will procure its associate(s) (as defined in the GEM Listing Rules) not to dispose of, or agree to dispose of the Shares held by it from the date thereof to the close of business on the Record Date; (ii) will and will procure its associate(s) to subscribe for the Rights Shares which will be offered to it in respect of the Shares held by it pursuant to the terms of the Rights Issue; and (iii) will and will procure its associate(s) to lodge acceptances in respect of the aforesaid Rights Shares with the Registrar or the Company, with payment in full therefor in cash (whether by cheque, bank cashier's order or such other form as the Company may approve), by no later than 4:00 p.m. on the Latest Time for Acceptance of the Rights Shares as specified by the Company or such later date as the Company may agree.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (i) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by a resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the GEM Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) not later than the Posting Date;
- (ii) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Posting Date;
- (iii) the Listing Division of Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in the Rights Shares in nil-paid and fully-paid forms by no later than the first day of their dealings;
- (iv) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms;
- (v) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement;
- (vi) the compliance with and performance of all undertakings and obligations of Mr. Tang under the Irrevocable Non-conversion Undertaking; and
- (vii) the compliance with and performance of all undertakings and obligations of the Underwriter under the Irrevocable Subscription Undertaking.

The Company shall use all reasonable endeavours to procure the fulfillment of all the conditions precedent under the Underwriting Agreement by the Latest Time for Termination (or such other time and date as stipulated under the Underwriting Agreement) or such other date as the Company and the Underwriter may agree and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be necessary in connection with the listing of the Rights Shares or to give effect to the Rights Issue and the arrangements contemplated in the Underwriting Agreement.

Termination or rescission of the Underwriting Agreement

The Underwriter shall be entitled by notice to the Company prior to the Latest Time for Termination to terminate the Underwriting Agreement if:

- (i) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - a. the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - b. the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or

- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (vi) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of any of the Underwriter, a material omission in the context of the Rights Issue; or
- (vii) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten (10) consecutive business days, excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement. The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (i) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (ii) any specified event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

If prior to the Latest Time for Termination any such notice as is referred to above is given by the Underwriter, the obligations of all parties under the Underwriting Agreement (save and except the clauses set out in the Underwriting Agreement which shall remain in full force and effect and save further that the Company shall pay the fees and expenses specified in the Underwriting Agreement) shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches. For the avoidance of doubt, the Underwriter shall not be entitled to give a notice pursuant to the Underwriting Agreement at any time after its obligations have terminated pursuant to the Underwriting Agreement.

If the Underwriting Agreement is terminated by the Underwriter at such time before the Latest Time for Termination but after the Underwriter has in accordance with the Underwriting Agreement paid or procured payment to the Company of the aggregate Subscription Price in respect of the Underwritten Shares for which the Underwriter is obliged to subscribe or procure subscription under the provisions under the Underwriting Agreement, the Company shall, not later than the end of the second business day after (but not including) the date of receipt of the notice of termination issued by the Underwriter pursuant to the Underwriting Agreement, remit to the Underwriter such amount of aggregate Subscription Price which it has received from the Underwriter.

Rescission or termination of the Underwriting Agreement shall be without prejudice to any rights of any party in respect of any breach by the other prior to such rescission or termination.

Any such notice may be served by the Underwriter to the Company prior to the Latest Time for Termination. Upon termination or rescission of the Underwriting Agreement, the Rights Issue will not proceed.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Thursday, 11 May 2017 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated. Please refer to the paragraph headed “Conditions of the Rights Issue” under the section headed “Underwriting Arrangement and Undertakings” in this announcement for further details. It should also be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate its obligations on the occurrence of certain events including force majeure. Please refer to the paragraph headed “Termination or rescission of the Underwriting Agreement” under the section headed “Underwriting Arrangement and Undertakings” in this announcement for further details. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed.

Any Shareholder or other person dealing in the Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Wednesday, 24 May 2017 to Thursday, 1 June 2017 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, Shareholders, and other persons contemplating dealing in securities of the Company and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not undertaken any fund raising activity in the past twelve months immediately preceding the date of this announcement.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE NEXT TWELVE MONTHS

As at the date of this announcement, the Company has no plan for any fund raising activities for the Group’s general working capital in the next 12 months.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is mainly engaged in the food and beverage industry which are retail operations of restaurants, café and cake shops.

The Rights Issue will strengthen the Company’s capital base and enhance its financial position. The Board considers that the Rights Issue, as a means of equity financing, is an appropriate means on fair basis to provide all the Shareholders an equal opportunity to maintain their proportionate interest in the Company and participate in the future growth and development of the Company, if they so wish. In this regard, the Directors are of the view that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

Apart from the Rights Issue, the Directors have considered other alternative means for fund raising such as debt financing, or bank borrowings, or equity financing such as placing or subscription of new shares, or open offer.

Given that the Group had recorded losses and net liabilities consecutively in recent years, debt financing or bank borrowings (i) may involve lengthy due diligence and negotiations with banks and/or financial institutions and it is uncertain that if the Company can obtain favourable terms from the banks; and (ii) would increase the gearing ratio and financial burden of the Group.

Placing or subscription of new Shares would dilute the shareholding of the existing Shareholders without giving the chance to the existing Shareholders to participate and the funds to be raised by placing of new Shares under a general mandate would likely be less than that of the Rights Issue. Given the unsatisfactory financial performance of the Group and thin trading volume of the Shares in the recent years, the Directors also believe that it is difficult to identify an individual subscriber to subscribe for the Shares unless the subscription price comes with a steep discount and the subscription itself also imposes dilution effect to the existing Shareholders.

Having considered the abovementioned, the Directors are of the view that the Rights Issue which has nil-paid rights as compared to open offer, is the most variable method for fund raising under current circumstances of the Company.

The gross proceeds and net proceeds of the Rights Issue are estimated to be approximately HK\$100 million and HK\$99 million respectively, and it is equivalent to the net price of approximately HK\$0.071 per Rights Share. The net proceeds are intended to be used as to (i) approximately HK\$29 million for the operation and expansion of the existing food and beverage business; (ii) approximately HK\$20 million for the Company's corporate expenses; (iii) approximately HK\$15 million for the repayment of bank loans; and (iv) approximately HK\$35 million for the potential investment opportunities currently available.

CHANGES IN THE SHAREHOLDING STRUCTURE

The table below sets out the shareholding structures of the Company as at the date of this announcement and, for illustrative purpose, under various scenarios immediately after the Rights Issue:

Shareholders	As at the date of this announcement		Immediately after completion of the Rights Issue and assuming that all Rights Shares are taken up by Qualifying Shareholders		Immediately after completion of the Rights Issue (assuming no Qualifying Shareholders have taken up any Rights Shares other than the Underwriter)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Win Union (Note)	1,404,278,293	50.56	2,106,417,439	50.56	2,793,003,293	67.04
Public Shareholders	1,373,171,707	49.44	2,059,757,561	49.44	1,373,171,707	32.96
	<u>2,777,450,000</u>	<u>100.00</u>	<u>4,166,175,000</u>	<u>100.00</u>	<u>4,166,175,000</u>	<u>100.00</u>

Note:

Win Union Investment Limited, is beneficially and wholly owned by Mr. Chan. Accordingly, Mr. Chan beneficially owns 1,404,278,293 Shares as at the date of this announcement.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue set out below is indicative only and it has been prepared on the assumption that all the conditions as set out under the section headed “Conditions of the Rights Issue” in this announcement will be fulfilled. The expected timetable for the Rights Issue is set out below:

Publication of this announcement on the website of the Stock Exchange	Wednesday, 26 April 2017
Last day of dealings in the Shares on cum-entitlement basis	Wednesday, 10 May 2017
First day of dealings in the Shares on ex-entitlement basis	Thursday, 11 May 2017
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue	4:30 p.m. on Friday, 12 May 2017
Closure of register of members of the Company for determining the eligibility of the Rights Issue (both dates inclusive)	Monday, 15 May 2017 to Friday, 19 May 2017
Record Date for the Rights Issue	Friday, 19 May 2017
Despatch of the Prospectus Documents	Monday, 22 May 2017
First day dealings in nil-paid Rights Shares	Wednesday, 24 May 2017
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Friday, 26 May 2017
Last day of dealings in nil-paid Rights Shares	Thursday, 1 June 2017
Latest Time for Acceptance and payment of the Rights Shares and application for excess Rights Shares	4:00 p.m. on Tuesday, 6 June 2017
Latest Time for Termination of the Underwriting Agreement	4:00 p.m. on Wednesday, 7 June 2017
Announcement of results of acceptance of the Rights Shares and excess application	Tuesday, 13 June 2017

Despatch of share certificates
for the Rights Shares Wednesday, 14 June 2017

Despatch of refund cheques in respect of
wholly or partially unsuccessful applications
for excess Rights Shares or if the Rights Issue is terminated. Wednesday, 14 June 2017

Commencement of dealings in the Rights Shares9:00 a.m. on Thursday,
15 June 2017

Note:

All times and dates in this announcement refer to Hong Kong local time and dates. Shareholders should note that the times and dates specified in this announcement for events in the timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be extended or varied by agreement between the Company and the Underwriter.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR APPLICATION OF AND PAYMENT FOR RIGHTS SHARES

All times in this announcement refer to Hong Kong time. If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong at 4:00 p.m. on Tuesday, 6 June 2017, being the date of the Latest Time of Acceptance:

- (i) at any time before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be postponed to 5:00 p.m. on the same Business Day; or
- (ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the next 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..

ADJUSTMENTS IN RELATION TO THE OUTSTANDING CONVERTIBLE BONDS

As at the date of this announcement, there are the Convertible Bonds in the aggregate outstanding principal amount of HK\$40,000,000 which is convertible to a total of 500,000,000 Shares upon full conversion at the conversion price of HK\$0.080 per conversion share.

The Rights Issue may cause adjustments to the conversion price and/or the number of Shares to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds. The Company will make further announcement in respect of such adjustments as and when appropriate.

GENERAL

Win Union, being a controlling Shareholder, is a connected person of the Company and the Underwriting Agreement constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. As Win Union subscribes for the Rights Shares in its capacity as Underwriter and Rule 10.31 of the GEM Listing Rules has been complied with, the Rights Issue is exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules pursuant to Rule 20.90(2)(b) of the GEM Listing Rules.

Since the Rights Issue will not increase the issued share capital or the market capitalization of the Company by more than 50.00% within the 12-month period immediately preceding this announcement, and thus the Rights Issue is not subject to the approval of the Shareholders pursuant to the GEM Listing Rules.

The Prospectus Documents containing, among others, the details of the Rights Issue and the Underwriting Agreement will be despatched to the Qualifying Shareholders on the Posting Date in accordance with the requirements of the GEM Listing Rules and the Prospectus will be despatched to the Excluded Shareholders for information only.

DEFINITIONS

In this announcement, the following terms have the following meanings unless the context requires otherwise:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday or days on which a typhoon signal no. 8 or above or “black” rainstorm signal is hoisted in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which banks are generally open for business more than five hours in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Epicurean and Company, Limited (惟膳有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the GEM under stock code: 8213
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Convertible Bonds”	convertible bonds issued by the Company and held by Mr. Tang in the aggregate outstanding principal amount of HK\$40,000,000 which is convertible to a total of 500,000,000 Shares upon full conversion at the conversion price of HK\$0.080 per conversion share

“Committed Shares”	an aggregate of 702,139,146 Rights Shares to be offered to Win Union by the Company pursuant to the Rights Issue
“Director(s)”	director(s) of the Company
“Excluded Shareholder(s)”	Shareholder(s) whose names appear on the register of members of the Company at the close of business on the Record Date and whose addresses as shown on such register are outside Hong Kong and are in a place where the Directors, based on legal opinions provided by the legal advisers of the relevant jurisdictions, consider it necessary or expedient not to offer the Rights Issue to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders who wish to apply for excess Rights Shares
“Group”	the Company and its subsidiaries
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Irrevocable Non-conversion Undertaking”	the letter of irrevocable non-conversion undertaking dated 26 April 2017 given by Mr. Tang to the Company in relation to his irrevocable non-conversion undertaking of the Convertible Bonds
“Irrevocable Subscription Undertaking”	the letter of irrevocable subscription undertaking dated 26 April 2017 given by the Underwriter to the Company in relation to its irrevocable subscription undertaking of the Shares held by it
“Last Trading Day”	26 April 2017, being the last trading day of the Shares on the Stock Exchange prior to the issue of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Tuesday, 6 June 2017 (or such other time or date as the Company and the Underwriter may agree in writing), being the last day for application of, and payment for, the Rights Shares
“Latest Time for Termination”	4:00 p.m. on the Business Day immediately after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriter, being the latest time to terminate the Underwriting Agreement (or such other time or date as the Underwriter and the Company may agree in writing)

“Mr. Chan”	Mr. Chan Kin Chun Victor, the executive Director, chairman of the Company and controlling Shareholder
“Mr. Tang”	Mr. Tang Sing Ming Sherman, the holder of the Convertible Bonds
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) on that date is/are in (a) place(s) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in respect of their entitlements under the Rights Issue
“Posting Date”	Monday, 22 May 2017 (or such other date as the Company and the Underwriter may agree in writing), being the date of despatch of the Prospectus Documents
“Prospectus”	the Rights Issue prospectus to be despatched by the Company to the Shareholders on the Posting Date containing details of the Rights Issue (excluding the PALs and the EAFs)
“Prospectus Documents”	the Prospectus and the PALs and the EAFs
“PRC”	the People’s Republic of China
“Qualifying Shareholder(s)”	Shareholder(s), other than the Excluded Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Friday, 19 May 2017 (or such other date as the Company and the Underwriter may agree in writing), being the date by reference to which entitlements to the Rights Issue are to be determined
“Registrar”	Computershare Hong Kong Investor Services Limited, the registrar of the Company
“Rights Issue”	the proposed offer for subscription of Shares by way of rights issue at the Subscription Price to be made by the Company to the Qualifying Shareholders in the proportion of one (1) Rights Share for every two (2) Shares held on the Record Date in accordance with terms and conditions mentioned in this announcement and more particularly described in the Prospectus Documents
“Rights Share(s)”	Share(s) to be allotted and issued pursuant to the Rights Issue

“Share(s)”	ordinary shares of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.072 per Rights Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriter”	Win Union
“Underwriting Agreement”	the underwriting agreement dated 26 April 2017 entered into between the Company and the Underwriter in relation to the Rights Issue
“Underwritten Shares”	686,585,854 Shares, being the total number of Rights Shares to which holders of existing Shares are entitled pursuant to the Rights Issue less the number of Committed Shares
“Win Union”	Win Union Investment Limited, a company incorporated in the British Virgin Islands, being the controlling Shareholder
“%”	per cent

By Order of the Board
EPICUREAN AND COMPANY, LIMITED
Chan Kin Chun Victor
Chairman

Hong Kong, 26 April 2017

As at the date of this announcement, the Company’s executive Directors are Mr. Chan Kin Chun Victor and Mr. Zheng Hua; and the independent non-executive Directors are Mr. Yip Tai Him, Mr. Chan Yee Ping, Michael and Mr. Deng Guozhen.

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 Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited 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, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; (ii) there are no other matters the omission of which would make any statement herein or in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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