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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)

CONNECTED TRANSACTION –

**EXTENSION OF THE MATURITY DATE OF
THE CONVERTIBLE BOND**

SUPPLEMENTAL DEED RELATING TO THE CONVERTIBLE BOND

The Board announces that on 8 July 2015, the Company entered into the Supplemental Deed with the Bondholder pursuant to which the Company and the Bondholder agreed to extend the maturity date of the Convertible Bond for 36 months from the date falling on the third anniversary to the sixth anniversary of the date of issue of the Convertible Bond, subject to the conditions precedent contained in the Supplemental Deed being satisfied.

GEM LISTING RULES IMPLICATIONS

Pursuant to Rule 34.05 of the GEM Listing Rules, any alteration in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alteration takes effect automatically under the existing terms of such convertible debt securities. The Company has applied to the Stock Exchange for its approval of the Amendment of Terms contemplated by the Supplemental Deed pursuant to Rule 34.05 of the GEM Listing Rules.

As the Bondholder is a company wholly-owned by Mr. Tang, who is a Director of the Company, the Bondholder thus is an associate of Mr. Tang and hence a connected person of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Amendment of Terms as contemplated under the Supplemental Deed constitutes a connected transaction of the Company under the GEM Listing Rules.

As the Amendment of Terms does not fall into any exemption under Rule 20.71 of the GEM Listing Rules, the Amendment of Terms is subject to the reporting, announcement and shareholders' approval requirements of Chapter 20 of the GEM Listing Rules.

GENERAL

A circular containing, amongst other things, (i) further details of the Supplemental Deed and the Amendment of Terms; (ii) a letter from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Supplemental Deed and the Amendment of Terms; and (iv) a notice of the EGM is expected to be despatched to the Shareholders on or before 29 July 2015 in accordance with the GEM Listing Rules.

BACKGROUND

Reference is made to the Company's announcement dated 28 June 2012 and the Previous Circular in relation to, among other things, the issuance of the Convertible Bond.

As mentioned in the Previous Circular, the Convertible Bond was to be issued to the Bondholder, a company wholly-owned by Mr. Tang (a Director of the Company), in the principal amount of HK\$80,000,000 as payment for the consideration under the Sale and Purchase Agreement (as defined in the Previous Circular). The Convertible Bond was issued to the Bondholder on 15 August 2012.

As at the date of this announcement, Strong Venture Limited remains the holder of the Convertible Bond and all the principal amount of HK\$80,000,000 remained outstanding. All outstanding principal amount under the Convertible Bond will mature on 15 August 2015 pursuant to the original terms and conditions of the Convertible Bond.

SUPPLEMENTAL DEED RELATING TO THE CONVERTIBLE BOND

On 8 July 2015, the Company entered into the Supplemental Deed with the Bondholder, pursuant to which the Company and the Bondholder agreed to extend the maturity date of the Convertible Bond for 36 months from the date falling on the third anniversary to the sixth anniversary of the date of issue of the Convertible Bond. Pursuant to the Supplemental Deed, the Amendment of Terms is conditional upon the satisfaction of the following conditions:

1. The passing by the Independent Shareholders at the EGM of the necessary resolutions to approve the Supplemental Deed and the Amendment of Terms;
2. The Stock Exchange having approved the Amendment of Terms in accordance with the GEM Listing Rules and the Listing Committee granting approval for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange and the approval not having been subsequently revoked or cancelled; and
3. All necessary consents and approvals required to be obtained on the part of the Company and the Bondholder in respect of the Amendment of Terms having been obtained.

The Conversion Period under the Convertible Bond, which is between the date immediately following the issue of the Convertible Bond and the maturity date (both dates inclusive), will be extended accordingly.

PRINCIPAL TERMS OF THE CONVERTIBLE BOND AS AMENDED BY THE SUPPLEMENTAL DEED

Save and except the amendment to the maturity date pursuant to the Supplemental Deed, all the terms and conditions in the Convertible Bond remain unchanged, valid and in full force.

The principal terms of the Convertible Bond as amended pursuant to the Supplemental Deed are summarised as follows:

Total principal amount:	:	HK\$80,000,000
Issue price	:	At the full face value of the Convertible Bond
Redemption	:	Unless previously converted, the Company shall repay the Convertible Bond in full with all interest accrued thereon up to and including the maturity date
Conversion Price	:	HK\$0.08 per Conversion Share, subject to adjustments for, among other things, customary anti-dilution provisions summarised below
Conversion Period	:	the period commencing from the 10th Business Day after the issue date of the Convertible Bond and ending on the 10th Business Day immediately prior to the maturity date (both days inclusive)
Anti-dilution adjustments	:	The Conversion Price shall from time to time be adjusted upon the occurrence of certain events including but not limited to the following:– (i) consolidation, sub-division or reclassification of the Shares; (ii) capitalisation of profits or reserves; (iii) capital distribution of Shares; and (iv) the Company's issue for cash any Shares or other securities which are convertible into new Shares, and the consideration per Share initially receivable for such securities is less than 92% of the market price as at the date of the announcement of the terms of issue of such securities. For the purpose of this provision, "market price" means the average of the closing price per Share for each of the last ten Stock Exchange trading days on which dealings in the Shares on the Stock Exchange took place ending on such trading day last preceding the day on or as of which the market price is to be ascertained.

Every adjustment to the Conversion Price shall be certified by the Company's auditors or a merchant bank of repute in Hong Kong selected and appointed jointly by the Company and the Convertible Bondholder. Whenever the Conversion Price is adjusted, the Company shall as soon as possible but not later than three (3) Business Days after the relevant adjustment has been determined give notice to the Convertible Bondholder setting out the details of the adjustment to the Conversion Price.

The anti-dilution adjustment provisions contained in the Convertible Bond are all customary in nature. The mechanism for the anti-dilution adjustment provisions in the Convertible Bond was negotiated by the parties on an arm's length basis with reference to the initial Conversion Price and the anti-dilution adjustment provisions commonly found in transactions involving issue of convertible bonds.

Maturity date : The sixth anniversary of the date of issue of the Convertible Bond

Interest rate : 2% per annum, payable at the end of each March, June, September and December commencing on the date of issue of the Convertible Bond on the principal amount of the Convertible Bond outstanding from time to time

If the Company does not pay any sum payable under the Convertible Bond when due, it shall pay interest on the amount from time to time outstanding in respect of that overdue sum at the rate of eight (8) per cent. per annum for the period beginning on its due date and ending on the date of actual payment

Transferability: : The Convertible Bond is freely transferable (whether in whole or in part) provided that: (i) it may not, without the prior written consent of the Company, be transferred to any person who is at the time of such transfer a connected person of the Company; and (ii) the principal amount to be transferred is at least HK\$1,000,000 and in integral multiples of HK\$1,000,000

Conversion: : Subject to compliance with the GEM Listing Rules and the Code on Takeovers and Mergers, the Convertible Bondholder will have the right during the Conversion Period, to convert the whole or part of such principal amount of the Convertible Bond into the Conversion Shares at the Conversion Price PROVIDED THAT any such conversion shall not result in the shareholding of the Company held by the public being less than the then minimum public float requirement as stipulated by the GEM Listing Rules at the time of such conversion

- Conversion Shares: : Upon full conversion of the Convertible Bond and assuming no adjustment to the Conversion Price of HK\$0.08 per Conversion Share and there is no further issue of the Shares (other than the Conversion Shares), a total number of 1,000,000,000 Conversion Shares will be issued upon conversion, representing approximately 44.58% of the number of Shares in issue and approximately 30.84% of the number of Shares in issue as enlarged by the issue of the Conversion Shares
- Ranking of the Conversion Shares: : The Conversion Shares will rank pari passu in all respects among themselves and with other Shares in issue on the date of allotment and issue of such Conversion Shares
- Early repayment: : The Company may upon mutual agreement with the Convertible Bondholder request for early repayment of all or part of the outstanding sums under the Convertible Bond on terms as may be mutually agreed between the Company and the Convertible Bondholder
- Voting: : Holder of the Convertible Bond will not be entitled to attend or vote at any meetings of the Company by reason only of its being a bondholder

No application will be made for the listing of, or permission to deal in the Convertible Bond on the Stock Exchange or any other stock exchange. An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Conversion Shares that may be issued upon the conversion of the Convertible Bond.

Please refer to the Previous Circular for further details of the Convertible Bond.

REASON FOR AND BENEFIT OF THE TRANSACTION

The Convertible Bond would mature on 15 August 2015 under its original terms unless further extended. The extension of the maturity date of the Convertible Bond allow the Company to finance the debts under the Convertible Bond under the same terms for a further 36 months. The Board is of the view that the extension of the maturity date will enhance the sufficiency of working capital of the Group.

The Amendment of Terms is arrived at after arm's length negotiation between the Company and the Bondholder. The Board (excluding the independent non-executive Directors who will form their views after considering the advice of the Independent Financial Advisers) considers that the terms and conditions of the Supplemental Deed are fair and reasonable, and the Amendment of Terms is in the interests of the Company and the Shareholders as a whole. The Directors are of the view that the Amendment of Terms will not pose any significant impact on the operations of the Group.

IMPLICATIONS UNDER THE GEM LISTING RULES

Pursuant to Rule 34.05 of the GEM Listing Rules, any alteration in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alteration takes effect automatically under the existing terms of such convertible debt securities. The Company has applied to the Stock Exchange for its approval of the Amendment of Terms contemplated by the Supplemental Deed pursuant to Rule 34.05 of the GEM Listing Rules.

As the Bondholder is a company wholly-owned by Mr. Tang, who is a Director of the Company, the Bondholder thus is an associate of Mr. Tang and hence a connected person of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Amendment of Terms as contemplated under the Supplemental Deed constitutes a connected transaction of the Company under the GEM Listing Rules.

As the Amendment of Terms does not fall into any exemption under Rule 20.71 of the GEM Listing Rules, the Amendment of Terms is subject to the reporting, announcement and shareholders' approval requirements of Chapter 20 of the GEM Listing Rules. The Bondholder and its associates will abstain from voting in the EGM for approval of the Supplemental Deed, the Amendment of Terms and the transactions contemplated thereunder. As at the date of this announcement, First Glory Holdings Limited held 1,673,810,083 Shares, representing approximately 74.63% of the issued share capital of the Company. First Glory Holdings Limited is wholly-owned by Glory Sunshine Holding Limited. In turn, Glory Sunshine Holding Limited is wholly-owned by HSBC Trustee (Cook Islands) Limited in its capacity as the trustee of a family trust in which Mr. Tang is the founder and one of the beneficiaries.

GENERAL

The Supplemental Deed, the Amendment of Terms and the transactions contemplated thereunder, including the issue and allotment of Conversion Shares, are subject to, inter alia, the approval of Independent Shareholders at the EGM. A specific mandate for the issue of new Shares will be sought in the EGM to cater for the issue of the Conversion Shares.

An Independent Board Committee (comprising all independent non-executive Directors) has been formed to advise the Independent Shareholders and an independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders regarding the Amendment of Terms.

A circular containing, amongst other things, (i) further details of the Supplemental Deed and the Amendment of Terms; (ii) a letter from the Independent Board Committee to the Independent Shareholders; (iii) a letter from advice from Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Supplemental Deed and the Amendment of Terms; and (iv) a notice of the EGM is expected to be despatched to the Shareholders on or before 29 July 2015 in accordance with the GEM Listing Rules.

DEFINITIONS

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

“Amendment of Terms”	the proposed amendment of the terms and conditions of the Convertible Bond pursuant to the Supplemental Deed to extend the maturity date of the Convertible Bond
“Board”	the board of Directors
“Bondholder” or “Convertible Bondholder”	holder of the Convertible Bond, being Strong Venture Limited, a company incorporated in the British Virgin Islands and is wholly-owned by Mr. Tang

“Business Day”	a day (other than Saturday) on which banks in Hong Kong are generally open for business
“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 the stock code 8213
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Conversion Period”	the period commencing from the 10th Business Day after the issue date of the Convertible Bond and ending on the 10th Business Day immediately prior to the maturity date (both days inclusive)
“Conversion Price”	HK\$0.08 per Conversion Share, subject to adjustments, pursuant to the terms and conditions of the Convertible Bond
“Conversion Share(s)”	new Share(s) which would fall to be issued by the Company upon the exercise of the conversion rights attached to the Convertible Bond
“Convertible Bond”	the convertible bond in the aggregate principal amount of HK\$80 million issued by the Company to Bondholder
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Supplemental Deed and Amendment of Terms and transactions contemplated thereunder
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong Dollar”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders as to the terms of the Supplemental Deed and the transactions contemplated thereunder

“Independent Financial Adviser”	the independent financial adviser to be appointed to advise the Independent Board Committee and the Independent Shareholders with regard to the Amendment of Terms
“Independent Shareholder(s)”	the Shareholder(s) who are not interested or involved in the Supplemental Deed, the Amendment of Terms and the transactions contemplated thereunder
“Mr. Tang”	Mr. Tang Sing Ming Sherman, the executive Director and chairman of the Company
“Previous Circular”	the circular of the Company dated 30 July 2012 issued by the Company in relation to, amongst other things, the issue of the Convertible Bond
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Deed”	the supplemental deed dated 8 July 2015 executed between the Company and the Bondholder in relation to the Convertible Bond
“%”	per cent.

By Order of the Board
Epicurean and Company, Limited
Tang Sing Ming Sherman
Chairman

Hong Kong, 8 July 2015

As at the date of this announcement, Company’s executive director is Mr. Tang Sing Ming Sherman; independent non-executive directors are Mr. Bhanusak Asvaintra, Mr. Chan Kam Fai Robert and Mr. Chung Kwok Keung Peter.

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