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*(incorporated in the Cayman Islands with limited liability)*

(Stock code: 8371)

## VOLUNTARY ANNOUNCEMENT SUBSCRIPTION OF 50% ENLARGED EQUITY INTEREST IN A COMPANY AND CLOSURE AND DISPOSAL OF ASSETS OF A RESTAURANT

This announcement is made by Taste • Gourmet Group Limited (the “**Company**”) on a voluntary basis with the aim of updating the shareholders and potential investors of the Company on the latest business plan and development of the Company.

### SUBSCRIPTION OF 50% ENLARGED EQUITY INTEREST IN A COMPANY

The board of directors (the “**Board**”) of the Company is pleased to announce that on 31] August 2018, Taste New Limited, an indirect wholly-owned subsidiary of the Company (“**TNL**”) and the Company entered into a Subscription Agreement (the “**Subscription Agreement**”) with the Lubuds Food and Beverage Group (the “**Lubuds Group**”) and Long Sea Limited (the “**Target**”), both are independent third parties, to subscribe for 50% equity interest in the Target (the Lubuds Group, the Target, the Company and TNL are referred to as the “**Parties**” and individually as a “**Party**”). The basic terms of the Subscription Agreement, determined through arm’s length negotiations and on normal commercial terms with reference to the net assets value of the Target are as follows:

<b>Target</b>	The Target is a wholly owned subsidiary of the Lubuds Group that own and operate a Vietnamese food kiosk “The Pho” at the food court in Hysan Place.
<b>Subscription Shares:</b>	500,000 new ordinary shares of the Target
<b>Consideration:</b>	HK\$1,202,907
<b>Settlement of the Consideration</b>	The Consideration was settled partly by the assets at our Fiat Caffé (the “ <b>Fiat Assets</b> ”) of HK\$1,149,121 and cash of HK\$53,786
<b>The Board</b>	Two, one appointed by the Lubuds Group and one appointed by the Company
<b>Shareholders’ Agreement</b>	At the same time, the Parties have entered into a separate Shareholders’ Agreement, detailing the roles and responsibilities of each party in the running of the Target post completion.

The Subscription Shares represents approximately 50% of the Target's total issued and outstanding share capital as enlarged by such issuance. Upon completion of the Subscription Agreement, the shareholding structure of the Target will be as follows:

	<b><u>Before Subscription</u></b>		<b><u>After Subscription</u></b>	
Lubuds Group	500,000	100%	500,000	50%
The Company	-	-	500,000	50%
<b>Total</b>	<b><u>500,000</u></b>	<b><u>100%</u></b>	<b><u>1,000,000</u></b>	<b><u>100%</u></b>

The net assets value of the Target as at 31 August 2018 was HK\$1,202,907. The Target is accounted for as a jointly controlled entity of the Company commencing from 1 September 2018.

### **CLOSURE AND DISPOSAL OF ASSETS OF A RESTAURANT**

As the Consideration is partly settled using the Fiat Assets which is treated as disposal of assets (the “**Disposal**”) in the consolidated financial statements of the Company as at 31 August 2018. The Fiat Caffé, which is situated at Shop 131B, Mira Place, 132 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong (the “**Site**”) has ceased operations from 31 August 2018.

The net book value of the Fiat Assets as at 31 August 2018 was HK\$1,149,121.

### **MADAM SAIGON**

A new Vietnamese restaurant, Madam Saigon, will be reopened at the Site at around the end of September or early October 2018. Madam Saigon and The Pho will be jointly operated by the Lubuds Group and the Company through the Target. The Target has entered into a new lease agreement with the Landlord at the Site for three years with an option to renew for a further three years commencing on 1 September 2018.

### **BACKGROUND OF THE LUBUDS GROUP**

Established in 2006, the Lubuds Group is a restaurant group in Hong Kong operating a variety of cuisines including Japanese, western and Vietnamese. Their restaurants are positioned at the high end of the market.

### **IMPLICATIONS UNDER THE GEM LISTING RULES**

The revenue, net profit before tax and non-controlling interests, total assets and consideration associated with the Subscription Agreement and the Disposal were taken into account in the assessment pursuant to the requirements of Chapter 19 of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). As all of the applicable percentage ratios (as defined under the GEM Listing Rules for both the Subscription Agreement and the Disposal are less than 5%, both the Subscription Agreement and the Disposal are not subject to the requirements pursuant to Chapter 19 of the GEM Listing Rule.

By Order of the Board  
**WONG Ngai Shan**  
*Chairman and Executive Director*

Hong Kong, 7 September 2018

As at the date of this announcement, the Board comprises:

*Executive Directors:*

WONG Ngai Shan (*Chairman*)  
CHAN Wai Chun (*Chief Executive Officer*)

*Independent Non-executive Directors:*

CHAN Yuen Ting  
TSANG Siu Chun  
WANG Chin Mong

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

*This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s websites at [www.hkexnews.hk](http://www.hkexnews.hk) and [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting. This announcement will also be published on the Company’s website at [www.tastegourmet.com.hk](http://www.tastegourmet.com.hk).*