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1957 & Co. (Hospitality) Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8495)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agents



On 15 May 2019 (after trading hours of the Stock Exchange), the Company and the Placing Agents entered into the Placing Agreement pursuant to which the Placing Agents agreed to place, on a best efforts basis, to not less than six Places up to 64,000,000 Placing Shares at the Placing Price of HK\$0.235 per Placing Share.

The Placing Price of HK\$0.235 per Placing Share represents: (a) a discount of approximately 16.07% to the closing price of HK\$0.280 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (b) a discount of approximately 12.96% to the average closing price of HK\$0.270 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the Placing Agreement.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Placing, a maximum of 64,000,000 Placing Shares under the Placing represent 20.00% of the entire issued share capital of the Company as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The net proceeds from the Placing of approximately HK\$14.1 million (assuming the Placing Shares are fully placed and after deducting the placing commission and other expenses) will be used for new restaurant openings, development and expansion of the Group's current business and general working capital.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of and permission to deal in the Placing Shares. If the conditions are not fulfilled, the Placing will not proceed.

As completion of the Placing is subject to the satisfaction of conditions, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

15 May 2019 (after trading hours of the Stock Exchange)

Issuer

The Company

Placing Agents

Get Nice Securities Limited
Opus Capital Limited

The Placing Agents have conditionally agreed to procure, on a best efforts basis, not less than six Placees to subscribe for up to 64,000,000 Placing Shares. The Placing Agents may carry out the Placing by themselves and/or through sub-placing agent(s).

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Placing Agents and their respective ultimate beneficial owners are independent of and not connected with the Company and its connected persons (as defined under the GEM Listing Rules).

Placees

The Placing Agents will place the Placing Shares to not less than six Placees, being independent professional, institutional, individual or other investors who and whose ultimate beneficial owner(s) are Independent Third Parties. It is expected that none of the Placees will become substantial shareholders (as defined under the GEM Listing Rules) of the Company immediately after completion of the Placing.

Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Placing, a maximum of 64,000,000 Placing Shares under the Placing represent 20.00% of the entire issued share capital of the Company as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the Placing Shares will be HK\$6,400.

Ranking of Placing Shares

The Placing Shares will, when issued and fully paid up, rank *pari passu* in all respects among themselves and with the Shares which are in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.235 per Placing Share represents:

- (a) a discount of approximately 16.07% to the closing price of HK\$0.280 per Share as quoted on the Stock Exchange on 15 May 2019, being the date of the Placing Agreement; and
- (b) a discount of approximately 12.96% to the average closing price of HK\$0.270 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price, which was agreed after arm's length negotiation between the Company and the Placing Agents, was determined with reference to the prevailing market price of the Shares.

Placing commission

The Placing Agents will receive a placing commission of 3.50% of the Placing Price multiplied by the number of the Placing Shares successfully placed by them. The placing commission was determined after arm's length negotiations between the Company and the Placing Agents with reference to the prevailing market conditions.

The Directors consider that the terms of the Placing Agreement (including the placing commission and Placing Price) are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions of the Placing Agreement

Completion of the Placing Agreement is conditional upon the satisfaction of the following conditions not later than 28 days (or such later date as may be agreed between the Placing Agents and the Company in writing) after the date of the Placing Agreement:

- (i) there shall not have occurred any breach or any event render untrue or inaccurate, any of the representations, warranties or undertakings under the Placing Agreement in all material respects;
- (ii) the listing of and permission to deal in the Placing Shares being granted (subject only to allotment) by the Listing Committee of the Stock Exchange in principle and dealings of the Placing Shares being allowed by the Stock Exchange (and such permission and listing not subsequently being revoked);

- (iii) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Placing void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to the Placing (other than such orders or decisions as would not have a material adverse effect on the legal ability of the Company to proceed with the Placing); and
- (iv) the Placing Agreement not being terminated by the Placing Agents pursuant to the terms of the Placing Agreement.

If any of the conditions is not fulfilled on or prior to the abovementioned date, the obligations and liabilities of the Company under the Placing shall be null and void and the Company shall be released from all rights and obligations pursuant to the Placing, save for those expressly reserved and agreed in the Placing Agreement.

Completion

Completion of the Placing shall take place within five Business Days after the day on which all the conditions as set out in paragraph headed “Conditions of the Placing Agreement” above have been fulfilled or such other time or date to be agreed between the Company and the Placing Agents in writing (the “**Completion Date**”).

Termination/Force Majeure

The Placing Agents may terminate the Placing Agreement without liability to the Company by notice in writing at any time on or prior to the Completion Date, if in the absolute discretion of the Placing Agents, the success of the Placing would be materially and adversely affected by any of the following events:

- (i) there has come to the notice of the Placing Agents:
 - (a) that any statement contained in this announcement was, when this announcement was issued, or has become, untrue, incorrect or misleading in any material respect; or
 - (b) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this announcement, constitute a material omission therefrom; or
 - (c) any material breach of the undertakings, warranties and representations under the Placing Agreement; or
 - (d) any material breach of any of the Company’s obligations under the Placing Agreement; or
 - (e) any of the undertakings, warranties and representations under the Placing Agreement would be untrue or inaccurate or misleading in any material respect when given at that time; or

- (f) any adverse change in the business or in the financial or trading position or prospects of any member of the Group taken as a whole which is material in the context of the Placing; or
- (ii) there develops, occurs or comes into force:
 - (a) any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, whether or not sui generis with any of the foregoing, resulting in a change in, or which might be expected to result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions; or
 - (b) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (c) any change in conditions of local, national or international securities markets occurs; or
 - (d) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong and if in the sole and absolute opinion of the Placing Agents any such new law or change would materially and adversely affect the business or financial prospects of the Group and/or prejudice the success of the Placing; or
 - (e) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong; or
 - (f) any litigation or claim of material importance of any third party being instigated against any member of the Group which has or may have a material adverse effect on the business or financial prospects of the Group.

The Directors are not aware of the occurrence of any of such events above as at the date of this announcement.

As completion of the Placing is subject to the satisfaction of conditions, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

GENERAL MANDATE TO ALLOT AND ISSUE THE PLACING SHARES

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 24 May 2018 pursuant to which the Directors are authorised to allot and issue up to 64,000,000 new Shares until the revocation, variation or expiration of the General Mandate. The maximum of 64,000,000 Placing Shares to be allotted and issued will utilise the entire amount granted under the General Mandate.

At the date of this announcement, the Directors have not exercised the power to allot and issue any new Shares pursuant to the General Mandate. Accordingly, the allotment and issue of the Placing Shares are not subject to any additional approval of the Shareholders.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company. The Group is principally engaged in the operation of full-service restaurants under various brands and is dedicated to serving quality Japanese, Thai, Vietnamese, Shanghainese and Italian cuisines to different customers. In addition to the restaurant operation business, the Group also provides catering management and consultancy services in Hong Kong and the PRC.

As disclosed in the 2018 annual report, the Group recorded a loss of approximately HK\$10.1 million for the year ended 31 December 2018, which was primarily attributable to the pre-opening expenses and operating losses incurred for the opening of 10 Shanghai Restaurant and relocation of Ta-ke Japanese Restaurant in 2018. On the other hand, the Group recorded an increase in net profits contributed by its other restaurants from approximately HK\$8.7 million for the year ended 31 December 2018 compared to approximately HK\$7.3 million for the year ended 31 December 2017 through continuous monitoring and active management. As disclosed in the 2019 first quarterly report, the Group recorded a loss of approximately HK\$2.2 million for the three months ended 31 March 2019, which was further reduced from approximately HK\$9.9 million of the same period in 2018. As the Group intends to continue to expand its restaurant network and the Directors consider that the food and beverage industry in the PRC (especially the Guangdong-Hong Kong-Macao Greater Bay Area) has significant growth potential and expect that there will be an increasing demand for restaurant management and/or consultancy services, the Group considers that it is necessary to raise additional funds to strengthen its financial position and to replenish the Group's working capital in order to achieve its business objective.

Assuming the Placing Shares are fully placed, the maximum gross proceeds and net proceeds (after deducting the placing commission and other expenses) from the Placing will be HK\$15.0 million and approximately HK\$14.1 million respectively, representing a net issue price of approximately HK\$0.221 per Placing Share.

The net proceeds from the Placing is proposed to be utilised as follows:

- (i) approximately HK\$8.5 million (representing approximately 60.28% of the maximum net proceeds from the Placing) will be used to open a new Shanghainese restaurant in the Kowloon district in the year;

- (ii) approximately HK\$3.0 million (representing approximately 21.28% of the maximum net proceeds from the Placing) will be used to develop the restaurant management consultancy services of the Group and/or to invest in a restaurant by a minority stake in the Guangdong-Hong Kong-Macao Greater Bay Area; and
- (iii) approximately HK\$2.6 million (representing approximately 18.44% of the maximum net proceeds from the Placing) will be used for general working capital.

The Directors consider that the Placing represents an opportunity to raise capital for the business development of the Group whilst broadening the shareholder base and capital base of the Company. Accordingly, the Directors are of the view that the Placing is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE (12) MONTHS

The Company has not conducted any fund raising activities in the past twelve (12) months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structures of the Company (i) as at the date of this announcement; and (ii) immediately upon completion of the Placing (assuming the maximum number of Placing Shares are placed and there is no change in the share capital of the Company from the date of this announcement up to the Completion Date) are set out as follows:

	As at the date of this announcement		Immediately after completion of the Placing (assuming the Placing Shares are subscribed in full)	
	<i>Number of Shares</i>	<i>Approximate percentage (%)</i>	<i>Number of Shares</i>	<i>Approximate percentage (%)</i>
Leung Chi Tien Steve ("Mr. Leung") (Notes 1 and 4)	90,256,800	28.21	90,256,800	23.50
Kwan Wing Kuen Tino ("Mr. Kwan") (Notes 2 and 4)	64,000,000	20.00	64,000,000	16.67
Kwok Chi Po ("Mr. Kwok") (Notes 3 and 4)	15,362,400	4.80	15,362,400	4.00
Independent Placees (Note 5)	—	—	64,000,000	16.67
Other public Shareholders	<u>150,380,800</u>	<u>46.99</u>	<u>150,380,800</u>	<u>39.16</u>
Total	<u><u>320,000,000</u></u>	<u><u>100.00</u></u>	<u><u>384,000,000</u></u>	<u><u>100.00</u></u>

Notes:

1. Among the 90,256,800 Shares, 67,576,800 Shares are held by Sino Explorer Limited (“**Sino Explorer**”) and 22,680,000 Shares are held by All Victory Global Limited (“**All Victory**”). Both Sino Explorer and All Victory are wholly owned by 1957 & Co. Limited, which is in turn wholly owned by Mr. Leung. Mr. Leung is one of the founders, a non-executive Director and a controlling shareholder of the Company.
2. Among the 64,000,000 Shares, 60,000,000 Shares are held by Perfect Emperor Limited which is wholly owned by Mr. Kwan. The remaining 4,000,000 Shares are beneficially held by Mr. Kwan. Mr. Kwan is one of the founders, an executive Director and a controlling shareholder of the Company.
3. The 15,362,400 Shares are held by P.S Hospitality Limited which is wholly owned by Mr. Kwok, one of the founders, an executive Director and a controlling shareholder of the Company.
4. Mr. Leung, Mr. Kwan and Mr. Kwok are controlling shareholders of the Company pursuant to their continuing acting in concert arrangement as disclosed in the prospectus of the Company dated 23 November 2017.
5. Pursuant to the Placing Agreement, the Placees are expected to be Independent Third Parties. As such, the Placees are treated as public Shareholders.

GEM LISTING RULES IMPLICATION

The Placing will be conducted under the General Mandate. Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the Placing Shares.

DEFINITIONS

In this announcement, unless otherwise defined, the following terms used herein have the following meanings:

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday and public holidays in Hong Kong) on which commercial banks generally are open for business in Hong Kong
“Company”	1957 & Co. (Hospitality) Limited, an exempted company incorporated in Cayman Islands with limited liability, the Shares of which are listed on GEM (stock code: 8495)
“connected persons”	has the meaning ascribed to it under the GEM Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“General Mandate”	the general unconditional mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 24 May 2018 to allot, issue and deal with up to 64,000,000 new Shares, representing 20.00% of the then issued share capital of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Codes on Takeovers and Mergers and Share Buy-backs) with any of the connected persons of the Company or any of their respective associates
“Listing Committee”	the meaning ascribed thereto in the GEM Listing Rules
“Placee(s)”	independent professional, institutional, individual or other investors to be procured by the Placing Agents on a best efforts basis pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares pursuant to the Placing Agreement
“Placing Agents”	<p>(i) Get Nice Securities Limited, a licensed corporation to carry on business in Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO; and</p> <p>(ii) Opus Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO</p>
“Placing Agreement”	the placing agreement dated 15 May 2019 entered into between the Company and the Placing Agents in relation to the Placing
“Placing Price”	HK\$0.235 per Placing Share
“Placing Share(s)”	a maximum of 64,000,000 new Shares to be allotted and issued by the Company pursuant to the Placing Agreement
“PRC”	the People’s Republic of China
“SFO”	Securities and Future Ordinance, Chapter 571, Laws of Hong Kong

“Shareholder(s)”	holder(s) of the Share(s)
“Shares”	ordinary share(s) of HK\$0.0001 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“%”	per cent

By Order of the Board
1957 & Co. (Hospitality) Limited
Kwok Chi Po
Executive Director

Hong Kong, 15 May 2019

As of the date of this announcement, the executive Directors are Mr. Kwok Chi Po, Mr. Kwan Wing Kuen Tino, Mr. Lau Ming Fai and Mr. Leung Nicholas Nic-hang; the non-executive Director is Mr. Leung Chi Tien Steve; and the independent non-executive Directors are Mr. How Sze Ming, Mr. Ng Wai Hung and Mr. Chan Kam Kwan Jason.

This announcement, for which 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 Company Announcements” page of the website of GEM of the Stock Exchange at www.hkgem.com for a minimum period of 7 days from the date of publication and on the website of the Company at www.1957.com.hk.