



BROOKLYN DUMPLINGS AND 1169032 B.C. LTD. ANNOUNCE REVERSE TAKEOVER TRANSACTION AND FINANCINGS

VANCOUVER, BRITISH COLUMBIA, CANADA, October 23, 2023 /EINPresswire.com/ -- BDS Parent Holdings, Inc., ("BDS"), the parent company of Brooklyn Dumpling Shop, LLC, a company which franchises and operates a chain of restaurants, and 1169032 B.C. LTD. (the "Company") are pleased to announce they have entered into a binding letter of intent (the "LOI") to complete a business combination by way of a transaction that will constitute a reverse takeover of the Company by BDS (the "Transaction"). It is the intention of the parties that the resulting issuer from the Transaction (the "Resulting Issuer") will carry on the current business of BDS.

"We are thrilled to embark on this transformative journey with 1169032 B.C. LTD. This reverse takeover and financing will empower Brooklyn Dumpling Shop to reach new heights by bringing our innovative food concept to even more communities around the world," said Robert "Don Pooh" Cummins, Chief Executive Officer of BDS.

Investor in BDS, Kevin O'Leary, known as "Mr. Wonderful" on ABC's Shark Tank series, said, "since I met guest shark Matt Higgins on Shark Tank, I have been looking for a great investment to partner with him on. When Stratis Morfogen showed me the Brooklyn Dumpling Shops deal, I called Matt immediately, and here we are. Matt brings incredible expertise and executional skill in the food & beverage space. We are assembling a dream team of operators and investors to scale the business in North America and beyond. I'm looking forward to rolling out dumplings everywhere."

Matt Higgins, an investor in BDS, said, "I have been enjoying Stratis' family recipes since I was a little kid, spending hours at many of his dad's diners. When I heard that my fellow Queens native was putting lamb back in dumplings after a 2200 year hiatus (that's dumpling trivia), I knew I had to try them. I was blown away. The dumplings are amazing, the low cost buildout and operations make a franchise realistic for entrepreneurs everywhere, and the concept can thrive in any environment. It had all the ingredients for a global sensation, except one - Chef Wonderful. When my fellow shark puts his palette and pocket behind his favorite cuisine, he is unstoppable. I can't wait to bring my years of experience helping fast casual, QSR and CPG brands scale in order to bring BDS to dumpling lovers everywhere."

BDS operates and franchises restaurants that sell 32 flavors of deli-style dumplings to customers using a self-ordering, 100% contactless "automat" that consumers can operate using their mobile

phones. There are currently 8 locations in operation, 16 under construction in the United States, 2 under construction in Canada, and 75 franchise locations in its pipeline. In addition to its franchising model, BDS is a wholesaler of its food products and currently sells its pre-packaged dumplings in 1,600 Walmart locations in 20 states in the United States.

The LOI

Under the terms of the LOI, it is currently anticipated that the Transaction will be effected as a reverse takeover or similar form of transaction as is acceptable to the parties and has a similar effect with a view to applying to list the Company's common shares (the "Company Shares") on the NEO Exchange, now operating as Cboe Canada (the "Exchange"). The final structure of the Transaction is subject to receipt by the parties of tax, corporate, and securities law advice.

The LOI includes a number of conditions to the closing of the Transaction, including but not limited to, the conditional approval of the Exchange, a reconstitution of the Company's board of directors and management such that they are comprised of 60% of BDS's nominees and 40% the Company's nominees, a change in the Company's name to a name requested by BDS (the "Name Change"), requisite shareholder approvals including the approval of the shareholders of BDS and the Company, approvals of all regulatory bodies having jurisdiction in connection with the Transaction, the creation of a new class of multiple voting shares of the Company (the "Multiple Voting Shares"), the completion of the Seed Financing (as defined below), the completion of the Subscription Receipt Financing (as defined below), and other closing conditions customary to transactions of the nature of the Transaction. The Company intends to seek shareholder approval, if required, for the reconstitution of the Company's board of directors, the Name Change, the creation of Multiple Voting Shares, and the Transaction or a component thereof (as may be required by the Exchange). There can be no assurance that the Transaction will be completed as proposed or at all.

Pursuant to the applicable steps of the Transaction, the capital of the Company and BDS shall be reorganized such that, among other things, (a) the holders of any outstanding common shares of BDS ("BDS Shares"), including those issued upon conversion or exchange of any Convertible Debentures (as defined below) or Subscription Receipts (as defined below), shall become entitled to receive Multiple Voting Shares and/or Company Shares; (b) the holders of any outstanding convertible, exchangeable or exercisable securities of BDS, shall become entitled to receive Multiple Voting Shares and/or Company Shares upon the conversion, exchange or exercise thereof based on the same exchange ratio applicable to the underlying Multiple Voting Shares and/or Company Shares; and (c) the Company shall become the direct or indirect holder of all outstanding BDS Shares.

The Company is a "reporting issuer" under the securities laws of the Provinces of British Columbia and Alberta. The Company intends to apply to list the Company Shares on the Exchange and, if and upon the satisfaction of the Exchange's initial listing requirements, the Company Shares are expected to begin trading on the Exchange following the closing of the

Transaction. There can be no assurance that the application to list the Company Shares will be granted conditional or final approval by the Exchange and that the Company Shares will begin trading as contemplated, or at all.

Multiple Voting Shares

It is contemplated that the Multiple Voting Shares shall be unlisted shares held by certain U.S. resident securityholders of BDS, as of prior to the completion of the Transaction, to facilitate satisfying from time-to-time certain United States securities laws matters. The Multiple Voting Shares shall have economic and voting rights equivalent (but not equal) to the Company Shares and be convertible into or exchangeable or redeemable for Company Shares.

Seed Financing

BDS will complete a private placement offering (the "Seed Financing") of secured convertible debentures ("Convertible Debentures") to raise gross proceeds of a minimum of US\$3,000,000. Each Convertible Debenture will automatically convert into BDS Shares immediately prior to completion of the Transaction at a conversion price equal to the lesser of (a) eighty percent (80%) of the Issue Price (as defined below), or (b) US\$0.30. The Convertible Debentures shall bear no interest and shall mature on the earlier of eighteen (18) months following the completion of the Seed Financing or the date on which the LOI is terminated. The Convertible Debentures will be secured against all of the assets of BDS. Any amount raised as a result of the Seed Financing may be used by BDS upon receipt.

Subscription Receipt Financing

BDS will complete a private placement offering (the "Subscription Receipt Financing") of subscription receipts ("Subscription Receipts") either directly or through a special purpose corporation, at a price per Subscription Receipt to be determined in the context of the market (the "Issue Price"). Upon the satisfaction or waiver of certain escrow release conditions, including closing of the Transaction in accordance with its terms and the Resulting Issuer being conditionally approved for listing on the Exchange, each Subscription Receipt will be converted into one (1) BDS Share and the escrowed proceeds of the Subscription Receipt Financing (less certain agreed deductions) will be released to the Resulting Issuer.

Management of the Resulting Issuer

Subject to applicable shareholder and Exchange approval, upon completion of the Transaction, all of the Company's current directors and officers will resign and will be replaced as follows: (a) 60% of the Resulting Issuer's directors and officers will be the nominees of BDS and (b) 40% of the Resulting Issuer's directors and officers will be the nominees of the Company. The complete details of the Resulting Issuer's board and officers will be disclosed in a future news release.

Conversion of Debt

As of the date of this news release, BDS has approximately US\$564,000 in outstanding debt ("BDS Debt"). It is contemplated that following the Seed Financing, but before the Transaction is effectuated, some or all of this BDS Debt will be converted into Convertible Debentures.

Further information

The Company and BDS will provide further details in respect of the Transaction in due course by way of press release. The Company will make available all information including financial information as required by applicable regulatory authorities and will provide, in a press release to be disseminated at a later date, the required disclosure.

Investors are cautioned that any information released or received with respect to the Transaction in this news release may not be complete and should not be relied upon.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities to be issued in connection with the Transaction have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Investors are cautioned that, except as disclosed in the management information circular or listing application to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

Cautionary Statements Regarding Forward Looking Information

Certain information in this news release constitutes "forward-looking information" under applicable securities laws. "Forward-looking information" is defined as disclosure regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action and includes future-oriented financial information with respect to prospective financial performance, financial position or cash flows that is presented as a forecast or a projection. Forward-looking statements are often but not always, identified by the use of such terms as "may", "might", "will", "will likely result", "would", "should", "estimate", "plan", "project", "forecast", "intend", "expect", "anticipate", "believe", "seek", "continue", "target" or the negative and/or inverse of such terms or other similar expressions.

Forward-looking information in this news release includes, but is not limited to, statements relating to: the intentions of the Company and BDS to complete the Transaction, Seed Financing, Subscription Receipt Financing and conversion of the BDS Debt; the listing of the Company Shares on the Exchange; and the potential effects of the Transaction.

Forward-looking information in this news release are based on certain assumptions and expected future events, namely: the ability of the Company and BDS to complete the Transaction; the ability of the Company and BDS to complete the Seed Financing and Subscription Receipt Financing; the ability of BDS to complete the conversion of the BDS Debt; the ability of the Resulting Issuer to obtain conditional listing approval from the Exchange; the ability of the Company and BDS to attain the respective shareholder and/or director approval of the Transaction, Seed Financing and Subscription Receipt Financing; the ability of BDS to attain director approval of the conversion of BDS Debt, and the ability of the Company and BDS to comply with the conditions of the Transaction as outlined herein.

These statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements, including: the ability of the Company and BDS to consummate the Seed Financing, conversion of the BDS Debt, and Subscription Receipt Financing; the timing of the closing of the Transaction, including the risks that the conditions to the Transaction, as outlined herein, would not be satisfied within the expected timeframe or at all, or that the closing of any proposed financing, acquisition or transaction will not occur or whether any such event will enhance shareholder value; the non-approval of the board of directors and/or shareholders of the Company and BDS of the Transaction, and/or Seed Financing, and/or conversion of the BDS Debt, and/or Subscription Receipt Financing; the ability of the Company and BDS to continue as a going concerns; the inability of the Resulting Issuer to attain conditional listing approval from the Exchange; the effects of the global COVID-19 pandemic; changes in economic conditions; competition; risks and uncertainties applicable to the businesses of the Company and BDS, as applicable; and other risks, uncertainties and factors. These forward-looking statements speak only as of the date hereof and the Company disclaims any obligations to update these statements, except as may be required by law.

Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated.

Forward-looking statements contained in this news release are expressly qualified by this cautionary statement and reflect our expectations as of the date hereof, and thus are subject to change thereafter. The Company and BDS disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or

otherwise, except as required by law. This news release has been approved by the board of directors of the Company and BDS.

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