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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)**

**MAJOR AND CONNECTED TRANSACTION –  
DISPOSAL OF THE ENTIRE INTEREST IN  
ARMITAGE TECHNOLOGIES HOLDING (BVI) LIMITED**

On 8 March 2012 (after the trading hours), the Company entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase (i) the Sale Shares, representing the entire issued share capital of ATH(BVI); and (ii) the Shareholder's Loans, representing the entire shareholder's loans due and owing by ATH(BVI) to the Company, at the Consideration.

Since the applicable percentage ratios calculated in accordance with Rule 19.08 of the GEM Listing Rules are more than 25% but less than 75%, the Disposal contemplated under the Sale and Purchase Agreement constitutes a major disposal for the Company, and is therefore subject to reporting, announcement and shareholders' approval requirements. The Purchaser is wholly-owned by Mr. Lee, an executive Director, and is therefore a Connected Person of the Company under Chapter 20 of the GEM Listing Rules. The Disposal also constitutes a connected transaction for the Company which is subject to reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

A circular containing, among other things, details of: (i) the Sale and Purchase Agreement and the Disposal; (ii) the letter of advice from the Independent Financial Adviser; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Sale and Purchase Agreement; and (iv) a notice convening the EGM will be despatched to the Shareholders on or before 29 March 2012. The EGM will be held in accordance with the requirements of the GEM Listing Rules for approving the Sale and Purchase Agreement, the Assignment of Shareholder's Loans and the respective transactions contemplated thereunder.

## **THE SALE AND PURCHASE AGREEMENT**

On 8 March 2012 (after the trading hours), the Company entered into the Sale and Purchase Agreement with the Purchaser.

The principal terms of the Sale and Purchase Agreement are set out below:

### **Date**

8 March 2012

### **Parties**

Vendor: Epicurean and Company, Limited

Purchaser: Figo Investments Limited

### **Assets to be disposed of**

Pursuant to the terms of the Sale and Purchase Agreement, the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase (i) the Sale Shares, representing the entire issued share capital of ATH(BVI); and (ii) the Shareholder's Loans, representing the entire shareholder's loans due and owing by ATH(BVI) to the Company.

### **Consideration**

The Consideration payable by the Purchaser to the Company under the Sale and Purchase Agreement shall be calculated with reference to the following formula PROVIDED that the Consideration shall not in any event: (i) exceed the maximum amount of HK\$7,500,000.00 or (ii) fall below the minimum amount of HK\$1,500,000.00.

The Consideration shall equal to the aggregated sum of: (i) the consolidated net asset value or net liability (as the case may be) of ATH(BVI) as at 31 January 2012, minus the amount representing the Employees' Compensation accrued up to 31 January 2012; *plus* (ii) the amount of the Shareholder's Loans as at 31 January 2012; *plus* (iii) any Post-completion Adjustment Amount, provided that if the Post-completion Adjustment Amount represents a sum which is less than HK\$100,000.00, such Post-completion Adjustment Amount shall be ignored in calculating the Consideration.

Subject to any adjustment of the Consideration to take into account the Post-completion Adjustment Amount (in the manner as mentioned below), the Purchaser shall pay the Consideration to the Company in cash in the following manner, (i) a sum of HK\$1,000,000.00 shall be payable by the Purchaser as deposit and part payment upon the signing of the Sale and Purchase Agreement; and (ii) the remaining balance of the Consideration amounted to HK\$1,234,350.21 (other than the Post-completion Adjustment Amount, if any) shall be payable by the Purchaser upon Completion.

Based on the above, the Consideration amounts to HK\$2,234,350.21 assuming that no Post-completion Adjustment Amount is included in calculating the Consideration.

## **Adjustment to the Consideration**

For the purpose of determining the Post-completion Adjustment Amount (if any), the Company shall procure ATH(BVI) to prepare the Completion Accounts within 30 Business Days after the Completion Date. If the Post-completion Adjustment Amount is less than HK\$100,000.00, such amount shall not be included in the Consideration, and neither the Company nor the Purchaser shall have any claim against the other for such amount.

If the Post-completion Adjustment Amount is or greater than HK\$100,000.00, such amount shall be payable by either the Company or the Purchaser to the other within 10 Business Days after the determination of the aggregated sum of the following items:

- (a) the amount of the consolidated net asset value or net liability (as the case may be) of ATH(BVI) as at the Completion Date minus the amount of the consolidated net asset value or net liability (as the case may be) of ATH(BVI) as at 31 January 2012;

*plus*

- (b) the amount of the Shareholder's Loans as at the Completion Date minus the amount of the Shareholder's Loans as at 31 January 2012;

*minus*

- (c) the amount of the Employees' Compensation accrued up to the Completion Date minus the amount of the Employees' Compensation accrued up to 31 January 2012.

If the Post-completion Adjustment Amount calculated in the above manner represents a net increase by HK\$100,000.00 or more as compared with the amount of the Consideration calculated as at 31 January 2012, the Purchaser shall pay the Post-completion Adjustment Amount to the Company.

If the Post-completion Adjustment Amount calculated in the above manner represents a net decrease by HK\$100,000.00 or more as compared with the amount of the Consideration calculated as at 31 January 2012, the Company shall pay the Post-completion Adjustment Amount to the Purchaser.

## **Conditions precedent**

The Completion is conditional upon the following conditions being satisfied or complied with on or before the Conditions Fulfilment Date:

- (a) all applicable law, rules and regulations (including but without limitation to the GEM Listing Rules) for entering into and implementing the transaction(s) contemplated under the Sale and Purchase Agreement and the Assignment of Shareholder's Loans having been complied with; and
- (b) all necessary approvals (including but without limitation to the approval by the Independent Shareholders at the EGM) of entering into the Sale and Purchase Agreement and the Assignment of Shareholder's Loans and the transaction(s) contemplated thereunder having been obtained by the Company and the Purchaser.

None of the above conditions precedent can be waived by either the Company or the Purchaser.

If one or more of the above conditions precedent remains not satisfied by the Conditions Fulfilment Date (or such later date as the Company and the Purchaser may agree in writing); or becomes impossible to satisfy on or before the Conditions Fulfilment Date (or such later date as the Company and the Purchaser may agree in writing), the Sale and Purchase Agreement shall automatically be terminated with immediate effect and each party's rights and obligations under the Sale and Purchase Agreement shall cease immediately on termination. In the event that the termination is not attributable to any fault on the part of the Purchaser, all the deposits and other monies already paid by the Purchaser under the Sale and Purchase Agreement shall be refunded to the Purchaser without interest by the Company in full within 5 days after such termination.

## **Completion**

Completion shall take place on the date on which all the above conditions precedent have been fulfilled (or on such later date as the Company and the Purchaser may agree in writing).

## **INFORMATION ON ATH(BVI) AND THE DISPOSED GROUP**

ATH(BVI) was incorporated in the BVI with limited liability on 18 October 2001, and has an authorised share capital of HK\$2,500,000.00 divided into 250,000 ordinary shares with a par value of HK\$10.00 each, with 102,013 ordinary shares issued and fully paid up and is directly wholly-owned by the Company.

ATH(BVI) is an investment holding company which holds the entire Disposed Group. The only principal operating subsidiary within the Disposed Group is GZATL, which is carrying on the I.T. Business with focus on hospitality software solutions and online distribution services. GZATL is a direct wholly-owned subsidiary of AHL and a wholly foreign owned enterprise established in the PRC on 12 October 1998. It has a registered capital of RMB6,800,000.00. In turn, AHL is an investment holding company and a direct wholly-owned subsidiary of ATH(BVI). Other than GZATL and AHL, all other subsidiaries within the Disposed Group are inactive and do not hold any substantial assets.

Set out below is the unaudited consolidated financial information of ATH(BVI):

	<b>For the financial year ended 31 March 2010 <i>HK\$'000</i></b>	<b>For the financial year ended 31 March 2011 <i>HK\$'000</i></b>	<b>For the ten months ended 31 January 2012 <i>HK\$'000</i></b>
Net losses before taxation	9,704	22,591	10,014
Net losses after taxation	9,633	21,999	9,768

According to the management accounts of ATH(BVI), the unaudited consolidated net liability of ATH(BVI) as at 31 January 2012 was approximately HK\$56,012,000.00.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Group is principally engaged in the food and beverage business, and the I.T. Business. Currently, the entire I.T. Business is operated by GZATL within the Disposed Group.

In light of the increasing competition in the information technology servicing industry and the difficult operating environment, the Group has been making continuous losses since the financial year ended 31 March 2004. To improve the financial and cashflow profile of the Group and to enhance its future development, the Group has diversified its business operations and embarked upon the food and beverage business in June 2010. In order to maintain its competitiveness, the Group has in the first fiscal quarter of 2011 completed the disposal of part of its loss-making I.T. Business. After such disposal, however, there has been no significant improvement in the overall performance of the I.T. Business segment. Instead, gross profit margin for the I.T. Business has been deteriorating due to the fierce competition within the industry.

Facing with the current high inflation economic situation, costs in various aspects such as human resources, rental, utilities, etc. will continue to stand high and the Directors believe that the existing remaining I.T. Business within the Disposed Group will continue to face a difficult year ahead. Under the above circumstances, the Directors consider that it is in the interest of the Group to dispose of the entire I.T. Business through the sale of the Disposed Group to the Purchaser under the Sale and Purchase Agreement, so that the resources within the Group can be better allocated.

The Consideration was determined after arm's length negotiations based on normal commercial terms and with reference to the face value of the Shareholder's Loans and the consolidated net liability of ATH(BVI) as at the date of Completion.

Based on the unaudited management accounts of ATH(BVI) as at 31 January 2012, the Shareholder's Loans calculated up to 31 January 2012 amounted to HK\$63,102,679.29 while the consolidated net liability of ATH(BVI) was HK\$56,011,278.94.

Before taking into account the Post-completion Adjustment Amount (if any), the Consideration calculated up to 31 January 2012 is HK\$2,234,350.21.

The Directors are of the view that the terms of the Sale and Purchase Agreement, and the transactions contemplated thereunder were negotiated on an arm's length basis between the parties and are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **USE OF PROCEEDS**

The Directors expect that the proceeds from the Disposal will be used for general working capital of the Group.

## **FINANCIAL EFFECTS OF THE DISPOSAL**

Upon Completion, ATH(BVI) and all the companies within Disposed Group will cease to be subsidiaries of the Company, and the Company will no longer have any shareholding in ATH(BVI) and the entire Disposed Group.

Based on the calculation of the Consideration in accordance with the above formula, the loss from the Disposal will be the amount representing the Employees' Compensation accrued up to the Completion Date minus the release of the exchange reserve attributable to the Disposed Group, subject to the adjustment below. Assuming that no Post-completion Adjustment Amount is included in calculating the Consideration, the loss from the Disposal will be approximately HK\$3,670,000.00, based on the amount of the Employees' Compensation accrued up to 31 January 2012 in the sum of approximately HK\$4,857,000.00 and the exchange reserve attributable to the Disposed Group as at 31 January 2012 in the sum of approximately HK\$1,187,000.00.

In accordance with the manner of adjustment as set out in the above section headed "Adjustment to the Consideration":

- (a) if the Post-completion Adjustment Amount calculated in the above manner represents a net increase by less than HK\$100,000.00 as compared with the amount of the Consideration calculated as at 31 January 2012, the Group will record a further loss of the amount which would otherwise be receivable by the Group in respect of the Post-completion Adjustment Amount, in addition to the loss from the amount representing the Employees' Compensation accrued up to the Completion Date minus the release of the exchange reserve attributable to the Disposed Group; and
- (b) if the Post-completion Adjustment Amount calculated in the above manner represents a net decrease by less than HK\$100,000.00 as compared with the amount of the Consideration calculated as at 31 January 2012, the loss from the Disposal will be decreased by the amount which would otherwise be payable by the Group in respect of the Post-completion Adjustment Amounts, apart from the amount of loss representing the Employees' Compensation accrued up to the Completion Date minus the release of the exchange reserve attributable to the Disposed Group.

## **LISTING RULES IMPLICATIONS**

Since the applicable percentage ratios calculated in accordance with Rule 19.08 of the GEM Listing Rules are more than 25% but less than 75%, the Disposal contemplated under the Sale and Purchase Agreement constitutes a major disposal for the Company, and is therefore subject to reporting, announcement and shareholders' approval requirements. The Purchaser is wholly-owned by Mr. Lee, an executive Director, and is therefore a Connected Person of the Company under Chapter 20 of the GEM Listing Rules. The Disposal also constitutes a connected transaction for the Company which is subject to reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Mr. Lee has a material interest in the transactions contemplated under the Sale and Purchase Agreement and has abstained from voting on the board resolutions in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder.

The Independent Board Committee has been formed to advise the Independent Shareholders on whether or not the Disposal, the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Shareholders as a whole. Messis Capital Limited will be appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders regarding the Disposal, the Sale and Purchase Agreement and the transactions contemplated thereunder.

A circular containing, among other things, details of: (i) the Sale and Purchase Agreement and the Disposal; (ii) the letter of advice from the Independent Financial Adviser; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Sale and Purchase Agreement; and (iv) a notice convening the EGM will be despatched to the Shareholders on or before 29 March 2012. The EGM will be held in accordance with the requirements of the GEM Listing Rules for approving the Sale and Purchase Agreement, the Assignment of Shareholder's Loans and the respective transactions contemplated thereunder.

## **GENERAL INFORMATION**

The Group is principally engaged in the food and beverage business, provision of information solutions and designing, development and sale of application software packages.

The Purchaser is principally engaged in investment holding.

## **DEFINITIONS**

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

“AHL”	Armitage Holdings Limited, a company incorporated in Hong Kong and a direct wholly-owned subsidiary of ATH(BVI)
“Alpha Bright”	Alpha Bright Holdings Limited, a company incorporated under the laws of the BVI and a direct wholly-owned subsidiary of ATH(BVI)
“Alpha Skill”	Alpha Skill Holdings Limited, a company incorporated in the BVI and a direct wholly-owned subsidiary of ATH(BVI)
“Assignment of Shareholder's Loans”	the deed of assignment of the Shareholder's Loans to be executed by the Company in favour of the Purchaser pursuant to the terms of the Sale and Purchase Agreement
“ATH(BVI)”	Armitage Technologies Holding (BVI) Limited, a company duly incorporated in the BVI
“Board”	the board of Directors
“Business Day”	a day (other than Saturday) on which banks in Hong Kong are generally open for business
“BVI”	the British Virgin Islands

“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
“Completion”	completion of the sale and purchase of the Sale Shares and the assignment of the Shareholder’s Loans in accordance with the Sale and Purchase Agreement
“Completion Accounts”	the unaudited profit and loss accounts of ATH(BVI) for the period commencing on the day which is immediately after 31 January 2012 up to, and the unaudited balance sheet of ATH(BVI) as at, the Completion Date
“Completion Date”	the date on which Completion takes place in accordance with the Sale and Purchase Agreement
“Conditions Fulfilment Date”	30 June 2012 or such later date as may be agreed in writing by the Company and the Purchaser
“Connected Person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Consideration”	the total consideration payable for the Sale Shares and the Shareholder’s Loans under the Sale and Purchase Agreement as calculated and subject to adjustment in accordance with the sections headed “Consideration” and “Adjustment to the Consideration”
“Director(s)”	director(s) of the Company
“Disposal”	the sale of the Sale Shares and the assignment of the Shareholder’s Loans as contemplated under the Sale and Purchase Agreement
“Disposed Group”	ATH(BVI) and all the subsidiaries of ATH(BVI), namely AHL, Alpha Skill, Alpha Bright, GZATL and Eastern Express
“Eastern Express”	Eastern Express Solutions Limited, a company incorporated under the laws of Hong Kong and an indirect wholly-owned subsidiary of ATH(BVI)
“EGM”	an extraordinary general meeting of the Shareholders of the Company to be convened for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement, the Assignment of Shareholder’s Loans and the respective transactions contemplated thereunder



“Employees’ Compensation”	80% of the compensation payable by GZATL to the employees of GZATL relating to: (a) long service payment payable upon termination of employment; and (b) payment in lieu of notice for termination of employment, calculated in accordance with the relevant PRC laws, rules and regulations as if the employment of those employees were terminated on a particular date
“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 of Hong Kong Limited
“GZATL”	廣州萬迅電腦軟件有限公司 (Guangzhou Armitage Technologies Limited), a wholly foreign owned enterprise incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of ATH(BVI)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	the independent board committee of the Company, comprising Mr. Bhanusak Asvaintra, Mr. Chan Kam Fai Robert and Mr. Chung Kwok Keung Peter, being all the independent non-executive Directors, which has been formed to make recommendation to the Independent Shareholders in respect of the Sale and Purchase Agreement, the Assignment of Shareholder’s Loans and the respective transactions contemplated thereunder
“Independent Financial Adviser”	Messis Capital Limited, a corporation licensed to carry on type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance and the independent financial adviser to be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Sale and Purchase Agreement, the Assignment of Shareholder’s Loans and the respective transactions contemplated thereunder
“Independent Shareholders”	Shareholders who are not required to abstain from voting at the EGM under the GEM Listing Rules
“I.T. Business”	the provision of information solutions and designing, development and sale of application software packages

“Mr. Lee”	Mr. Lee Shun Hon, Felix, an executive Director
“Post-completion Adjustment Amount”	the adjustment amount to the Consideration, which is determined in the manner as set out in the section headed “Adjustment to the Consideration”
“PRC”	The People’s Republic of China, excluding Hong Kong, Macau and Taiwan for the purpose of this announcement
“Purchaser”	Figo Investments Limited, a company incorporated in Hong Kong and is wholly owned by Mr. Lee
“RMB”	Renminbi, the lawful currency of The People’s Republic of China
“Sale and Purchase Agreement”	the conditional agreement dated 8 March 2012 and entered into between the Company as the vendor and the Purchaser as the purchaser in relation to the sale and purchase of the Sale Shares and the Shareholder’s Loans
“Sale Shares”	the 102,013 ordinary shares with par value of HK\$10.00 each in the share capital of ATH(BVI), representing 100% of the issued share capital of ATH(BVI) as at the date hereof
“Shareholder(s)”	shareholder(s) of the Company
“Shareholder’s Loans”	the shareholder’s loans owing by ATH(BVI) to the Company calculated up to the Completion Date and to be assigned by the Company to the Purchaser pursuant to the terms of the Sale and Purchase Agreement, which amount to HK\$63,102,679.29 as at 31 January 2012 (subject to any adjustment in accordance with the terms of the Sale and Purchase Agreement)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 8 March 2012

*As at the date of this announcement, the Company's executive Directors are Mr. Tang Sing Ming Sherman, Mr. Lee Shun Hon, Felix; the independent non-executive Directors are Mr. Bhanusak Asvaintra, Mr. Chan Kam Fai Robert and Mr. Chung Kwok Keung Peter.*

*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 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 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 GEM website on the "Latest Company Announcements" page for at least 7 days from the date of its posting.*