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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Epicurean and Company, Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of Epicurean and Company, Limited.

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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)**

**DISCLOSEABLE AND CONNECTED TRANSACTION –  
DISPOSAL OF INTEREST IN CERTAIN SUBSIDIARIES  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders**



**上 銀 國 際 有 限 公 司**  
**BOSC International Company Limited**

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A letter from the board of directors of Epicurean and Company, Limited (the “Company”) is set out on pages 5 to 13 of this circular.

An extraordinary general meeting (“EGM”) of the Company will be held at 2/F, J Plus, 35-45B Bonham Strand, Sheung Wan, Hong Kong on Tuesday, 22 September 2015 at 11:00 a.m. A notice convening the EGM is set out at the end of this circular. A form of proxy for use in connection with the EGM is enclosed herewith. Whether or not you are able to attend the EGM in person, please complete, sign and return the form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting (as the case may be) should you so wish.

This circular will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting and on the website of the Company at [www.eacl.com](http://www.eacl.com).

7 September 2015

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## CHARACTERISTICS OF THE GEM

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GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context otherwise requires:*

“Aggregate Consideration”	HK\$45 million, being the aggregate consideration for the sale and purchase of Disposal Share and the Shareholder’s Loans
“Alworth”	Alworth Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors
“BOSC”	BOSC International Company Limited, i.e. the Independent Financial Adviser
“Business Day”	a day (other than a Saturday, a Sunday or a day on which a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong) on which banks are generally open for business in Hong Kong
“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 Disposal Share and the assignment of the Shareholder’s Loans under the Sale and Purchase Agreement
“Completion Date”	the date when the Completion takes place, which shall be the third Business Day from the date on which all the Conditions Precedent have been fulfilled or such later date as the Vendor and the Purchaser may agree in writing
“Conditions Precedent”	the conditions precedent to the Disposal under the Sale and Purchase Agreement
“connected person”	has the meaning ascribed thereto in the GEM Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Group

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## DEFINITIONS

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“Disposal”	the disposal of the Disposal Share and the assignment of the Shareholder’s Loans by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement
“Disposal Group”	Alworth and its subsidiaries, comprising (a) Galactia together with all of its subsidiaries; and (b) Rainbow Sky together with all of its subsidiaries
“Disposal Share”	one issued share in Alworth, representing 100% of the issued share capital of Alworth
“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 Sale and Purchase Agreement and transactions contemplated thereunder
“EMAL”	Epicurean Management (Asia) Limited, a company incorporated in Hong Kong, an indirect wholly-owned subsidiary of the Company and a member of the Remaining Group
“First Glory”	First Glory Holdings Limited, a company incorporated in the British Virgin Islands and the controlling shareholder of the Company
“Galactia”	Galactia Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“Galactia Group”	Galactia and its subsidiaries
“GEM”	Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
“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
“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

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## DEFINITIONS

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“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 Sale and Purchase Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	BOSC International Company Limited, a corporation licensed under the Securities Futures Ordinance (Chapter 571 of the laws of Hong Kong) to carry out type 1 (dealing in securities) and type 6 (advising on corporation finance) regulated activities and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders with regard to the Sale and Purchase Agreement
“Independent Shareholders”	shareholders of the Company who are not required under the GEM Listing Rules to abstain from voting on the resolutions approving the transactions contemplated under the Sale and Purchase Agreement
“Latest Practicable Date”	means 4 September 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Loan Consideration”	the consideration for the assignment of the interest in the Shareholder’s Loans pursuant to the Sale and Purchase Agreement
“Longstop Date”	30 November 2015, or such other date as may be agreed by the Vendor and the Purchaser
“Mr. Tang”	Mr. Tang Sing Ming Sherman, the executive Director and the chairman of the Board
“Purchaser”	Simply Global Investments Limited, a company incorporated in the British Virgin Islands which is wholly-owned by Mr. Tang
“Rainbow Sky”	Rainbow Sky Enterprises Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“Rainbow Sky Group”	Rainbow Sky and its subsidiaries

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## DEFINITIONS

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“Remaining Group”	the Group, excluding the Disposal Group
“Sale and Purchase Agreement”	the sale and purchase agreement dated 18 August 2015 entered into between the Vendor and the Purchaser in respect of the Disposal
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended or otherwise modified from time to time
“Share Consideration”	the consideration for the sale and purchase of the Disposal Share pursuant to the Sale and Purchase Agreement
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the Company
“Shareholders”	shareholders of the Company
“Shareholder’s Loans”	the outstanding loans owed by Alworth to the Vendor accrued up to the Completion Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Marvel Success Limited, a company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Company
“%”	per cent

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LETTER FROM THE BOARD

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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)**

*Executive Director:*

Mr. Tang Sing Ming Sherman (*Chairman*)

*Independent non-executive Directors:*

Mr. Bhanusak Asvaintra

Mr. Chan Kam Fai Robert

Mr. Chung Kwok Keung Peter

*Registered Office:*

P.O. Box 309,

Ugland House,

Grand Cayman,

KY1-1104,

Cayman Islands

*Principal place of business in Hong Kong:*

8th Floor, Pedder Building,

12 Pedder Street,

Central,

Hong Kong

7 September 2015

*To the Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION –  
DISPOSAL OF INTEREST IN CERTAIN SUBSIDIARIES  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 18 August 2015 in relation to the Sale and Purchase Agreement.



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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, amongst other things, (i) further details of the Sale and Purchase Agreement; (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 Sale and Purchase Agreement; and (iv) a notice of the EGM to consider and if thought fit, to approve the resolution in relation to the Sale and Purchase Agreement.

### **THE DISPOSAL**

#### **The Sale and Purchase Agreement**

On 18 August 2015 (after trading hours), the Vendor entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor conditionally agreed to (i) sell to the Purchaser the Disposal Share, representing the entire issued share capital of Alworth, and (ii) assign to the Purchaser the Shareholder's Loans together with all rights, interests, benefits and title therein calculated up to the Completion Date, for the Aggregate Consideration. The details of the Sale and Purchase Agreement are as follows:

#### **Date**

18 August 2015

#### **Parties**

- (1) Marvel Success Limited (a direct wholly-owned subsidiary of the Company) as the vendor
- (2) Simply Global Investments Limited as the purchaser

#### **Subject matter:**

Pursuant to the Sale and Purchase Agreement, the Vendor conditionally agreed to (i) sell to the Purchaser the Disposal Share, representing the entire issued share capital of Alworth, and (ii) assign to the Purchaser the Shareholder's Loans together with all rights, interests, benefits and title therein calculated up to the Completion Date, for the Aggregate Consideration.

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## LETTER FROM THE BOARD

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### **Consideration**

The Aggregate Consideration for the sale and purchase of Disposal Share and the Shareholder's Loans shall be in the total sum of HK\$45 million, which shall be apportioned in the following manner:

- (i) the amount payable for the Loan Consideration shall equal to the amount of the outstanding loan owed by Alworth to the Vendor accrued up to the Completion Date; and
- (ii) the remaining sum shall be the amount payable for the Share Consideration.

The Aggregate Consideration shall be payable by the Purchaser upon Completion by way of set-off in the following manner (or by settlement in such other manner as the Vendor and the Purchaser may agree):

The Purchaser shall procure Mr. Tang to execute a confirmation letter confirming that the total amount of the Aggregate Consideration will be settled by way of set-off against HK\$45 million, representing part of the existing indebtedness owed by EMAL to Mr. Tang.

The Aggregate Consideration was determined after arm's length negotiations based on normal commercial terms, having regard to the net asset value of the Disposal Group and the total amount of the Shareholder's Loans outstanding as at the Completion Date.

### **Conditions Precedent**

Completion of the sale and purchase of the Disposal Share and the Shareholder's Loans shall be conditional upon the satisfaction of the following Conditions Precedent:

- (a) all applicable legal requirements, rules and regulations, including but not limited to the GEM Listing Rules for implementing all the transactions contemplated under the Sale and Purchase Agreement having been duly complied with by the Company; and
- (b) the Company having obtained the necessary approvals from the Independent Shareholders with respect to the transactions contemplated under the Sale and Purchase Agreement.

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## LETTER FROM THE BOARD

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None of the Conditions Precedent can be waived. In the event that any of the Conditions Precedent is not fulfilled by the Longstop Date, the Vendor and the Purchaser agreed that the Sale and Purchase Agreement will lapse, and become null and void and the Vendor and the Purchaser will be released from all obligations thereunder, save for the liabilities of any antecedent breaches thereof.

### **Completion**

Completion shall take place within five Business Days following the satisfaction of the Conditions Precedent.

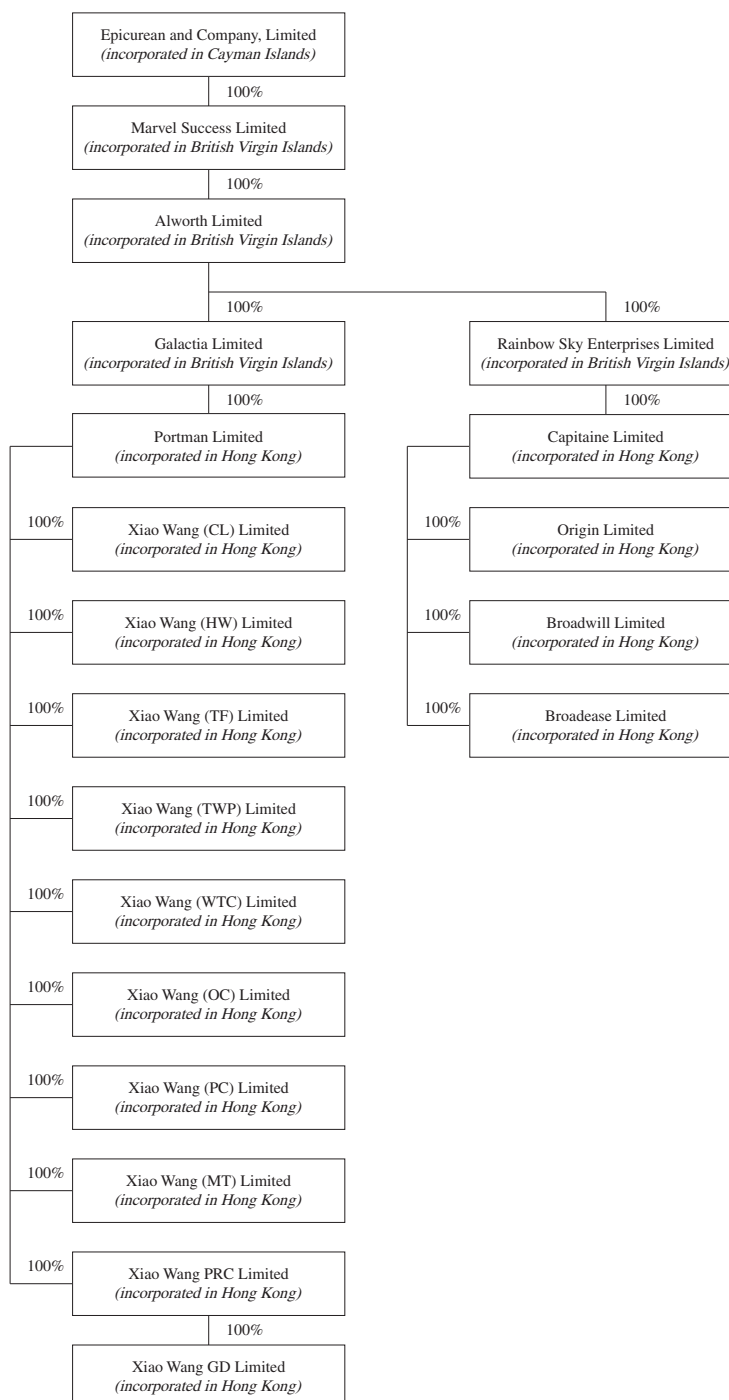
After the Completion, the Company will cease to have any interest in the Disposal Group (namely, Alworth and its subsidiaries, comprising (i) Galactia together with all of its subsidiaries; and (ii) Rainbow Sky together with all of its subsidiaries), and all the members of the Disposal Group will cease to be subsidiaries of the Company.

### **INFORMATION ON THE DISPOSAL GROUP**

The Disposal Group consists of Alworth and its subsidiaries, comprising (a) Galactia together with all of its subsidiaries; and (b) Rainbow Sky together with all of its subsidiaries. The Disposal Group is principally engaged in two separate lines of restaurant business, namely, (i) the restaurants with the concept of Taiwanese beef noodles operated by the Galactia Group under the brand name of Xiao Wang Beef Noodle 小王牛肉麵; and (ii) the Shanghainese dining restaurants operated by the Rainbow Sky Group under the brand name of Xia Fei 霞飛. As at the Latest Practicable Date, there are a total of 7 existing restaurants under the brand name of Xiao Wang Beef Noodle 小王牛肉麵 and a total of 3 existing restaurants under the brand name of Xia Fei 霞飛 in business operations.

## LETTER FROM THE BOARD

A simplified corporate chart of the Disposal Group as at the date of this circular is set out below:



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## LETTER FROM THE BOARD

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As at 30 June 2015, based on the unaudited and consolidated management accounts of the Disposal Group, the net asset value was approximately HK\$29.1 million (excluding the entire Shareholder's Loans, which is approximately HK\$42.9 million as at 30 June 2015). The financial information of the Disposal Group for the two years ended 31 March 2014 and 2015 were as follows:

	<b>For the financial year ended 31 March 2014 (unaudited) HK\$'000</b>	<b>For the financial year ended 31 March 2015 (unaudited) HK\$'000</b>
Net profit/(loss) before taxation	(1,534)	2,002
Net profit/(loss) after taxation	(1,340)	1,625

Subject to audit, it is expected that the Group will record a gain of approximately HK\$15.9 million from the Disposal, which is calculated with reference to the difference between the Aggregate Consideration and the expected unaudited consolidated net asset value of the Disposal Group attributable to the Disposal Share at Completion.

It is expected that the net proceeds from the Disposal will be used to repay part of the existing indebtedness owed by the Group to Mr. Tang by way of set-off.

### REASONS FOR THE DISPOSAL

The Group is principally engaged in the food and beverage business. Apart from the two separate lines of restaurant business operated by the Disposal Group under the concepts of Taiwanese beef noodles and the Shanghainese cuisine, all the other existing restaurants operated by the Group are Japan-related brands, including Japanese tonkatsu under the brand of Ginza Bairin 銀座梅林, the restaurants, café and cake shops under the Japanese brands of Italian Tomato, Yumemiya 夢見屋 and Caffé Superiore, the Japanese curry specialty stores under the name of Shirokuma Curry 白熊咖哩, the Japanese ramen under the name of Mutsumiya 睦美屋 and the Japanese izakaya under the name of Enmaru 炎丸.

The Directors consider that the proposed Disposal will enable the Group to focus on the development of its Japan-related brands in the Greater China market, as the management of the Company believes that the Disposal would enable the Remaining Group to allocate additional financial resources, budget and time to its Japan-related brands (which would otherwise be shared with the Disposal Group which operates Taiwanese and Shanghainese cuisine restaurants), and thus not only would better facilitate the growth and development plans for its Japan-related brands, but such streamlining of the Group's brands could potentially enhance the popularity and

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## LETTER FROM THE BOARD

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recognition of the Group's Japan-related brands, given that customers would more easily identify the Group as specializing in food and beverage operations under Japanese concepts only. Thus the Directors believe that this will be beneficial to the Group. Furthermore, as the proceeds from the Disposal will be used to repay part of the existing indebtedness owed by the Group to Mr. Tang by way of set-off, the Directors consider that the proposed Disposal will reduce the existing indebtedness owed by the Group, increase the net asset value of the Group and improve the liquidity position of the Group.

The Board is 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.

### **INTENTION ON THE REMAINING GROUP**

The business environment for the food and beverage sector in Hong Kong has always been challenging and volatile. The Group continued to face difficulties arising from rising operating costs. The recent drop in mainland Chinese tourists in Hong Kong as well as the recent devaluation of Renminbi may further dampen retail sales in Hong Kong. Under such an operating environment and the market volatility in the food and beverage industry in Hong Kong, the Board will continue to adopt a prudent approach in the business development of the Group. As at the Latest Practicable Date, the Board has no intention or concrete plans for any acquisition or disposal of assets and/or business of the Remaining Group. However, the Board may explore opportunities to enhance shareholder value if future business opportunities arise.

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

#### **Discloseable transaction**

As the applicable percentage ratios in respect of the Sale and Purchase Agreement exceed 5% but are less than 25%, the Sale and Purchase Agreement constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules.

#### **Connected transaction**

The Purchaser is wholly-owned by Mr. Tang, a Director and the chairman of the Board. As such, the Purchaser is a connected person of the Company.

As the Purchaser is a connected person of the Company, the Sale and Purchase Agreement also constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. As Mr. Tang has a material interest in the transactions under the Sale and Purchase Agreement, Mr. Tang has abstained from voting on the Sale and Purchase Agreement at the relevant Board meeting.

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## LETTER FROM THE BOARD

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### **Aggregation with a previous *de minimis* transaction**

On 7 July 2015, the Vendor as the seller entered into a sale and purchase agreement with Speedyway Limited (which is wholly-owned by Mr. Tang) as the purchaser, pursuant to which the Vendor agreed to sell to Speedyway Limited, and Speedyway Limited agreed to purchase, the entire issued share capital in Jazzman Holdings Limited and the interest and benefits in the entire shareholder's loan owed to the Vendor by Jazzman Holdings Limited for a total consideration of HK\$1,714,217.22. The transaction involved the disposal of the Group's tiny overseas operations in Japan and the Directors considered that it will help the Group to focus on the development of its Japan-related brands in the Greater China market. The transaction was completed on the same day of 7 July 2015. On a standalone basis, the transaction constituted a fully exempted *de minimis* connected transaction under Rule 20.74(1) of the GEM Listing Rules.

As the applicable percentage ratios in respect of the Sale and Purchase Agreement aggregated with the previous *de minimis* transaction as disclosed above are less than 25% but the total consideration is more than HK\$10,000,000, the Sale and Purchase Agreement constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules which is subject to reporting, announcement and Independent Shareholders' approval requirement under Rule 20.74(2) of the GEM Listing Rules.

### **Abstention from voting at the EGM**

Mr. Tang and its associates will abstain from voting in the EGM for approval of the Sale and Purchase Agreement and the transactions contemplated thereunder. As at the Latest Practicable Date, First Glory held 1,673,810,083 Shares, representing approximately 74.63% of the issued share capital of the Company. First Glory is wholly-owned by Glory Sunshine Holding Limited. In turn, Glory Sunshine Holding Limited is wholly-owned by HSBC International Trustee Limited in its capacity as the trustee of a family trust in which Mr. Tang is the founder and one of the beneficiaries. As such, First Glory has material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and will abstain from voting in the EGM for approval of the Sale and Purchase Agreement and the transactions contemplated thereunder. Other than First Glory, no other Shareholder has a material interest in the Sale and Purchase Agreement and is required to abstain from voting in the EGM.

### **GENERAL INFORMATION**

The Group is principally engaged in the food and beverage business.

The Vendor is principally engaged in investment holding.

The Purchaser is principally engaged in investment holding.

### **EGM AND PROXY ARRANGEMENT**

The EGM will be held at 2/F, J Plus, 35-45B Bonham Strand, Sheung Wan, Hong Kong at 11:00 a.m. on Tuesday, 22 September 2015 for the Shareholders to consider and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder. The notice of the EGM is set out on pages 42 to 43 of this circular. The voting on such resolution will be conducted by way of poll in accordance with Rule 17.47(4) of the GEM Listing Rules.

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## LETTER FROM THE BOARD

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To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholder; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby its has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its Shares to a third party, either generally or on a case-by-case basis.

A form of proxy for use in connection with the EGM is enclosed with this circular. Whether or not you are able to attend the EGM in person, please complete, sign and return the form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting (as the case may) should you so wish.

### RECOMMENDATION

Taking into account the reasons set out above, the Board (excluding all independent non-executive Directors, whose views are set out in the section headed "Letter from the Independent Board Committee" in this circular), considers that the Sale and Purchase Agreement is fair and reasonable and in the best interests of the Company and the Shareholders as a whole, and therefore, recommends the Independent Shareholders to vote in favour of the proposed resolution as set out in the notice of EGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

### ADDITIONAL INFORMATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 14 of this circular which contains its recommendation to the Independent Shareholders concerning the ordinary resolution to be voted at the EGM; and (ii) the letter from the Independent Financial Adviser set out on pages 15 to 32 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders concerning the resolutions to be voted at the EGM.

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully,  
For and on behalf of  
**Epicurean and Company, Limited**  
**Tang Sing Ming Sherman**  
*Chairman*



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LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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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)**

*To the Independent Shareholders*

7 September 2015

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION –  
DISPOSAL OF INTEREST IN CERTAIN SUBSIDIARIES**

We refer to the circular of even date issued by the Company (the “**Circular**”) to its Shareholders of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to give a recommendation to the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder. BOSC International Company Limited has been appointed as independent financial adviser to advise you and us in this regard. Details of their advice, together with the principal factors and reasons they have taken into consideration in giving such advice, are set out on pages 15 to 32 of the Circular. Your attention is also drawn to the letter from the Board in the Circular and the additional information set out in the appendix thereto.

Having considered the advice from the Independent Financial Adviser, we 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 and fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder to be presented at the EGM.

Yours faithfully,

**Independent Board Committee**

**Bhanusak Asvaintra**  
*Independent Non-Executive  
Director*

**Chan Kam Fai Robert**  
*Independent Non-Executive  
Director*

**Chung Kwok Keung Peter**  
*Independent Non-Executive  
Director*

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## LETTER FROM BOSC INTERNATIONAL COMPANY LIMITED

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*The following is the text of the letter of advice to the Independent Board Committee and the Independent Shareholders from BOSC International Company Limited, the Independent Financial Adviser dated 7 September 2015 in respect of the Sale and Purchase Agreement for incorporation in this circular:–*



**上銀國際有限公司**  
**BOSC International Company Limited**

Suite 2608-2611 Citibank Tower  
Citibank Plaza, 3 Garden Road  
Hong Kong

7 September 2015

*To the Independent Board Committee and  
the Independent Shareholders*

Dear Sir or Madam,

### **DISCLOSEABLE AND CONNECTED TRANSACTION – DISPOSAL OF INTEREST IN CERTAIN SUBSIDIARIES**

#### **INTRODUCTION**

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of Epicurean and Company, Limited (the “**Circular**”) to the Shareholders dated 7 September 2015, of which this letter forms part. Capitalized terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 18 August 2015 (after trading hours of the Stock Exchange), the Company announced that the Vendor entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor conditionally agreed to (i) sell to the Purchaser the Disposal Share, representing the entire issued share capital of Alworth, and (ii) assign to the Purchaser the Shareholder’s Loans together with all rights, interests, benefits and title therein calculated up to the Completion Date, for the Aggregate Consideration.

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## LETTER FROM BOSC INTERNATIONAL COMPANY LIMITED

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As the applicable percentage ratios in respect of the Sale and Purchase Agreement exceed 5% but are less than 25%, the Sale and Purchase Agreement constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules. Since the Purchaser is wholly-owned by Mr. Tang, who is a Director, the Purchaser is a connected person of the Company. As such, the Sale and Purchase Agreement also constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. As the applicable percentage ratios in respect of the Sale and Purchase Agreement are less than 25% but the total consideration is more than HK\$10,000,000, the Sale and Purchase Agreement constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules which is subject to reporting, announcement and Independent Shareholders' approval requirement under Rule 20.74(2) of the GEM Listing Rules.

As Mr. Tang has a material interest in the transactions contemplated under the Sale and Purchase Agreement, Mr. Tang has abstained from voting on the Sale and Purchase Agreement at the relevant Board meeting. Mr. Tang and its associates will abstain from voting in the EGM for approval of the Sale and Purchase Agreement and the transactions contemplated thereunder. As at the Latest Practicable Date, First Glory held 1,673,810,083 Shares, representing approximately 74.63% of the issued share capital of the Company. First Glory is wholly-owned by Glory Sunshine Holding Limited. In turn, Glory Sunshine Holding Limited is wholly-owned by HSBC International Trustee Limited in its capacity as the trustee of a family trust in which Mr. Tang is the founder and one of the beneficiaries. As such, First Glory has material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and will abstain from voting in the EGM for approval of the Sale and Purchase Agreement and the transactions contemplated thereunder. Other than First Glory, no other Shareholder has a material interest in the Sale and Purchase Agreement and is required to abstain from voting in the EGM.

The Independent Board Committee comprising all the independent non-executive Directors, namely Bhanusak Asvaintra, Chan Kam Fai Robert and Chung Kwok Keung Peter, has been formed to advise the Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder.

### **BASIS OF OUR OPINION**

In formulating our opinion, we have relied upon the information, facts and representations contained in the Circular and those supplied or made available to us by the Company, the Directors and the representatives of the Company for which they are solely and wholly responsible, and to their information and knowledge, were true, accurate and complete in all respects at the time they were given or made and continue to be true, accurate and valid as at the Latest Practicable Date and can be relied upon. We have assumed that all statements and information supplied, and the opinions and representations made or provided to us by the Directors and the representatives of the Company and those contained in the Circular have been reasonably made after due and careful enquiry.

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## LETTER FROM BOSC INTERNATIONAL COMPANY LIMITED

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As stated in the Circular, 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 circular 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 document misleading.

We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by the Company, the Directors and the representatives of the Company or to believe that material information has been withheld or omitted from the information provided to us or referred to in the available documents. We have not, however, conducted any independent verification of the information provided, nor have we conducted any independent investigation into the business or affairs or future prospects of the Company, Alworth or any of their respective subsidiaries or associates.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion and advice in respect of the terms of the Sale and Purchase Agreement, we have considered the following principal factors and reasons:

#### **1. Information on the Group**

##### ***1.1 Background information on the Group***

The Group is principally engaged in the food and beverage business. Its main business activities consist of retail operations of restaurants, café and cake shops. Currently, the majority of the Group's revenue is derived from the provision of food and beverage services in Hong Kong, and less than 20% of the Group's revenue is contributed from sales in the PRC, Taiwan and Japan.

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## LETTER FROM BOSC INTERNATIONAL COMPANY LIMITED

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### 1.2 Historical financial performance of the Group

Set out below are the highlights of the financial results of the Group for the three months ended 30 June 2015 and 30 June 2014, and for the two years ended 31 March 2015 and 31 March 2014, details of which are set out in the Company's quarterly report for the three months ended 30 June 2015 (the "Quarterly Report") and annual report for the year ended 31 March 2015 (the "Annual Report"), respectively:

	For the three months ended		For the year	
	30 June		ended 31 March	
	2015	2014	2015	2014
	("Q1-2016")	("Q1-2015")	("FY2015")	("FY2014")
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	127,698	120,801	505,991	414,613
Cost of sales	<u>(38,188)</u>	<u>(37,955)</u>	<u>(159,999)</u>	<u>(135,411)</u>
Gross profit	89,510	82,846	345,992	279,202
Gross profit margin	70.1%	68.6%	68.4%	67.3%
Other income	375	348	1,851	2,522
Impairment loss on plant and equipment	–	–	(2,185)	(1,670)
Operating expenses	(95,685)	(89,497)	(372,840)	(301,206)
Finance costs	<u>(1,975)</u>	<u>(1,930)</u>	<u>(7,709)</u>	<u>(6,749)</u>
Loss before income tax	(7,775)	(8,233)	(34,891)	(27,901)
Income tax expense	<u>(880)</u>	<u>(354)</u>	<u>(2,021)</u>	<u>(289)</u>
Loss for the period/year	<u><u>(8,655)</u></u>	<u><u>(8,587)</u></u>	<u><u>(36,912)</u></u>	<u><u>(28,190)</u></u>
Loss for the period/year attributable to:				
Owners of the Company	(8,488)	(8,345)	(36,643)	(27,712)
Non-controlling interests	(167)	(242)	(269)	(478)

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## LETTER FROM BOSC INTERNATIONAL COMPANY LIMITED

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### *Q1-2016 vs Q1-2015*

For Q1-2016, the Group's revenue amounted to approximately HK\$127.7 million, which represented an increase of approximately 5.7% as compared to that of approximately HK\$120.8 million for Q1-2015. Such increase was mainly attributable to the Group's expansion of its store network with net increase of 6 new stores during the comparable period. The Group recorded gross profit of approximately HK\$89.5 million in Q1-2016, which represented an increase of approximately 8.0% as compared to that of approximately HK\$82.8 million in Q1-2015. Such increase in gross profit was mainly attributable to the increase in revenue. The Group's gross profit margin remained relatively stable at approximately 68.6% for Q1-2015 and approximately 70.1% for Q1-2016.

The Group recorded loss attributable to owners of the Company of approximately HK\$8.5 million for Q1-2016, which represented an increase in loss of approximately 1.7% as compared to that of approximately HK\$8.3 million for Q1-2015. We note from the Quarterly Report that the increase in loss for Q1-2016 was mainly attributable to the increases in (i) operating expenses of approximately HK\$6.2 million and (ii) income tax expense of approximately HK\$0.5 million, which were partly offset by the increase in gross profit during the period.

### *FY2015 VS FY2014*

For FY2015, the Group recorded revenue of approximately HK\$506.0 million, which represented an increase of approximately 22.0% as compared to that of approximately HK\$414.6 million for FY2014. As stated in the Annual Report, such increase was driven by the increase in number of stores (net increase of 8 new stores) and store sales, faster traffic flow and also increased operating efficiency. The Group recorded gross profit of approximately HK\$346.0 million in FY2015, representing an increase of approximately 23.9% as compared to that of approximately HK\$279.2 million for FY2014, being largely in line with the increase in revenue. Gross profit margin of the Group remained relatively stable at approximately 67.3% for FY2014 and approximately 68.4% for FY2015.

The Group recorded loss attributable to owners of the Company of approximately HK\$36.6 million for FY2015, which represented an increase in loss of approximately 32.2% as compared to that of approximately HK\$27.7 million for FY2014. As stated in the Annual Report, such increase in loss was as a result of high operating expenses and investments in operating infrastructures, new store openings and closing down of some profit-making stores during the year due to the expiry of certain leases.

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## LETTER FROM BOSC INTERNATIONAL COMPANY LIMITED

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### 1.3 Financial position of the Group

Set out below is a summary of the audited consolidated assets and liabilities of the Group as at 31 March 2015, details of which are set out in the Annual Report:

	<b>As at 31 March 2015 (audited) HK\$'000</b>
<b>Non-current assets</b>	
– Plant and equipment	56,761
– Goodwill on consolidation	60,031
– Other intangible assets	26,468
– Deferred tax assets	<u>11,235</u>
	<b><u>154,495</u></b>
<b>Current assets</b>	
– Inventories	6,434
– Debtors, deposits and prepayments	51,847
– Income tax recoverable	120
– Cash and cash equivalents	<u>49,628</u>
	<b><u>108,029</u></b>
<b>Current liabilities</b>	
– Convertible bonds	79,625
– Loan from a director	81,700
– Bank loans, secured	26,293
– Creditors, accruals and deposits received	69,500
– Other current liabilities	<u>3,538</u>
	<b><u>260,656</u></b>
<b>Non-current liabilities</b>	
– Deferred tax liabilities	2,788
– Other payables	<u>3,502</u>
	<b><u>6,290</u></b>
<b>Net liabilities</b>	<b><u>(4,422)</u></b>
<b>Equity</b>	
– Equity attributable to owners of the Company	(5,078)
– Non-controlling interests	<u>656</u>
	<b><u>(4,422)</u></b>

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## LETTER FROM BOSC INTERNATIONAL COMPANY LIMITED

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As at 31 March 2015, the Group's total assets amounted to approximately HK\$262.5 million, mainly comprising of (i) goodwill on consolidation amounting to approximately HK\$60.0 million (representing approximately 22.9% of total assets); (ii) plant and equipment amounting to approximately HK\$56.8 million (representing approximately 21.6% of total assets); (iii) debtors, deposits and prepayments amounting to approximately HK\$51.8 million (representing approximately 19.7% of total assets); and (iv) cash and cash equivalents amounting to approximately HK\$49.6 million (representing approximately 18.9% of total assets).

As at 31 March 2015, the Group's total liabilities amounted to approximately HK\$266.9 million, mainly comprising of (i) loan from a director amounting to approximately HK\$81.7 million (the "Director Loan") (representing approximately 30.6% of total liabilities); (ii) convertible bonds amounting to approximately HK\$79.6 million (the "CB") (representing approximately 29.8% of total liabilities); and (iii) creditors, accruals and deposits received amounting to approximately HK\$69.5 million (representing approximately 26.0% of total liabilities). The Director Loan, which is non-interest bearing was provided by Mr. Tang for financial support to the Group and the CB, which was issued in August 2012 to Strong Venture Limited (being a company owned by Mr. Tang) for the acquisition of subsidiaries is interest bearing at 2% per annum. Based on the financial position of the Group as at 31 March 2015, we note that the Group had historically largely relied on financial support from Mr. Tang to support its operations.

As at 31 March 2015, the Group was at net liability position of approximately HK\$4.4 million.

## 2. The Disposal

### 2.1 Background of the Disposal Group

The Disposal Group consists of Alworth and its subsidiaries, comprising (a) Galactia together with all of its subsidiaries; and (b) Rainbow Sky together with all of its subsidiaries. The Disposal Group is principally engaged in two separate lines of restaurant business, namely, (i) the restaurants with the concept of Taiwanese beef noodles operated by the Galactia Group under the brand name of Xiao Wang Beef Noodle 小王牛肉麵; and (ii) the Shanghainese dining restaurants operated by the Rainbow Sky Group under the brand name of Xia Fei 霞飛. As at the Latest Practicable Date, there were a total of 7 existing restaurants under the brand name of Xiao Wang Beef Noodle 小王牛肉麵 and a total of 3 existing restaurants under the brand name of Xia Fei 霞飛 in business operations.



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## LETTER FROM BOSC INTERNATIONAL COMPANY LIMITED

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### *Financial information on the Disposal Group*

Set out below is the unaudited consolidated information of the Disposal Group for the two years ended 31 March 2014 and 31 March 2015:

	<b>For the year ended 31 March</b>	
	<b>2015</b>	<b>2014</b>
	<b>(“FY2015”)</b>	<b>(“FY2014”)</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	113,236	78,988
Gross profit	83,486	58,986
<i>Gross profit margin</i>	<i>73.7%</i>	<i>74.7%</i>
Profit/(loss) for the year attributable to owners of the Company	1,625	(1,340)

For FY2015, the Disposal Group recorded revenue of approximately HK\$113.2 million, representing an increase of approximately 43.4% as compared to that of approximately HK\$79.0 million for FY2014. Such increase in revenue was mainly attributable to the opening of three new stores during the year under the brand name of Xiao Wang Beef Noodle 小王牛肉麵. The gross profit margin of the Disposal Group remained stable for the two financial years, being approximately 73.7% and approximately 74.7% for FY2015 and FY2014 respectively. For FY2015, the Disposal Group recorded profit attributable to owners of the Company of approximately HK\$1.6 million as compared to loss of approximately HK\$1.3 million for FY2014. The improvement was mainly due to the (i) increase in gross profit as a result of the increase in revenue and stable gross profit margin for reasons stated above; and (ii) reduction in depreciation expense relating to the Disposal Group's fixed assets, as certain fixed assets had already been fully depreciated during FY2015.

For Q1-2016, the Disposal Group recorded revenue of approximately HK\$32.3 million, gross profit amounting to approximately HK\$24.4 million and gross margin of approximately 75.6%. For Q1-2016, the Disposal Group recorded profit attributable to owners of the Company of approximately HK\$1.8 million, which was mainly due to the substantial reduction in depreciation expense relating to the Disposal Group's fixed assets.

As at 30 June 2015, based on the unaudited and consolidated management accounts of the Disposal Group, the net liabilities value of the Disposal Group amounted to approximately HK\$13.8 million. Excluding the Shareholders' Loan which amounted to approximately HK\$42.9 million as at 30 June 2015, the Disposal Group would have net assets value amounting to approximately HK\$29.1 million as at 30 June 2015.

## *2.2 Reasons and benefits of the Disposal*

As stated in the Letter from the Board, apart from the two separate lines of restaurant business operated by the Disposal Group under the concepts of Taiwanese beef noodles and the Shanghainese cuisine, all the other existing restaurants operated by the Group are Japan-related brands, including Japanese tonkatsu under the brand of Ginza Bairin 銀座梅林, the restaurants, café and cake shops under the Japanese brands of Italian Tomato, Yumemiya 夢見屋 and Caffé Superiore, the Japanese curry specialty stores under the name of Shirokuma Curry 白熊咖哩, the Japanese ramen under the name of Mutsumiya 睦美屋 and the Japanese izakaya under the name of Enmaru 炎丸. The Directors consider that the proposed Disposal will enable the Group to focus on and direct more resources to further develop its Japan-related brands in the Greater China region, and the Directors believe that this will be beneficial to the Group. As stated in the announcement dated 18 August 2015, the Group had disposed of their “tiny overseas operations in Japan” in July 2015 (the “**Japan Disposal**”). We have discussed with the management of the Company to understand that the Japan Disposal relates to the disposal of operations which were actually located in Japan (i.e. operations outside of the Greater China region). As stated above, we understand that one of the reasons for the Disposal is that the Group would like shift its focus on further developing its Japan-related brands within the Greater China region. As such, we are of the view that the Japan Disposal and the Disposal are consistent with each other and are necessary steps to allow the Group to focus on its Greater China business, in particular its Japan-related brands in the region.

Based on discussion with management of the Company, we understand that the Remaining Group intends to increase its efforts in the development of its Japan-related brands restaurants, which includes the opening of new stores in both Hong Kong and the PRC. Currently, the Group has 39 stores in Hong Kong, 18 stores in the PRC and 4 stores in Taiwan under its Japan-related brands. The Group intends to open 3 new stores under its Japan-related brands by the end of 31 March 2016. As stated in the Annual Report and Quarterly Report, in light of the tough operating environment and the food and beverage industry which remains competitive, the Group has been exploring opportunities to realize brand value, including the disposal of certain brand concept when opportunities arise. The management of the Company believes that the Disposal would enable the Remaining Group to allocate additional financial resources, budget and time to its Japan-related brands (which would otherwise be shared with the Disposal Group which operates Taiwanese and Shanghainese cuisine restaurants), and thus not only would better facilitate the growth and development plans for its Japan-related brands, but such streamlining of the Group’s brands could potentially enhance the popularity and recognition of the Group’s Japan-related brands, given that customers would more easily identify the Group as specializing in food and beverage operations under Japanese concepts only.

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## LETTER FROM BOSC INTERNATIONAL COMPANY LIMITED

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We note that there is improvement in the recent revenue and profits of the Disposal Group. We understand from the management of the Company that there is no current intention to expand the operations of the Shanghainese dining restaurants operating under the brand name of Xia Fei 霞飛 (which contributed to approximately 42.8% and 39.3% of the revenue of the Disposal Group for the financial year ended 31 March 2015 and quarter ended 30 June 2015 respectively) because of the less than satisfactory performance of the Xia Fei 霞飛 operations. The Disposal therefore represents an excellent opportunity for the Group to realize the value of Xia Fei 霞飛, which the Directors believe may have limited growth potential.

As regards to the operations of the restaurants under the brand of Xiao Wang Beef Noodle 小王牛肉麵, it has recorded steady growth in both revenue and net profits. Such growth mainly arises from the expansion in the number of stores. Based on discussion with management of the Company, we note that the brand of Xiao Wang Beef Noodle 小王牛肉麵 is fairly new and only has a short operating history of 3 years in Hong Kong and it may take some time and further investment to build the brand. Considering the short history and the small scale of operations of the Xiao Wang Beef Noodle 小王牛肉麵 brand, the Directors consider that the Disposal allows the Company to realize the value of the Xiao Wang Beef Noodle 小王牛肉麵 brand.

Furthermore, as stated in the Letter from the Board, as the proceeds from the Disposal will be used to repay part of the existing indebtedness owed by the Group to Mr. Tang by way of set-off, it is expected that the proposed Disposal will reduce the existing indebtedness owed by the Group, increase the net asset value of the Group and improve the liquidity position of the Group. As disclosed in the section headed “2.1 Background of the Disposal Group” above, the Group was at net liability position as at 31 March 2015, and thus the cash proceeds from the Disposal are expected to improve such net liability position. Please also refer to the section headed “3. Possible financial effects of the Disposal” below for details on our analysis on the possible financial effects of the Disposal.

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## LETTER FROM BOSC INTERNATIONAL COMPANY LIMITED

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### *Our view*

Given the above, in particular (i) the Disposal would enable the Remaining Group to allocate additional financial resources, budget and time to its Japan-related brands, and the streamlining of the Group's brands may potentially enhance brand recognition of the Group; (ii) the Disposal allows the Group to realize the value of the Xia Fei 霞飛 brand (which the Directors consider has limited growth potential) and the Xiao Wang Beef Noodle 小王牛肉麵 brand (which is a relatively new brand with short history of operations) at a fair consideration; (iii) the proceeds from the Disposal will be used to repay part of the existing indebtedness owed by the Group to Mr. Tang by way of set-off, which is expected to reduce the existing indebtedness owed by the Group, increase the net asset value and improve the liquidity position of the Group (please refer to the section headed "3. Possible financial effects of the Disposal" below for details); and (iv) our view that the Aggregate Consideration of HK\$45 million is fair and reasonable (our assessment of which is illustrated in the section headed "2.3 Principal terms of the Disposal" below), we concur with the Company's view that the Disposal is beneficial to the Group and the Independent Shareholders as a whole.

### **2.3 Principal terms of the Disposal**

#### *(1) Consideration*

Pursuant to the Sale and Purchase Agreement, the Company has conditionally agreed to (i) sell to the Purchaser the Disposal Share, representing the entire issued share capital of Alworth, and (ii) assign to the Purchaser the Shareholder's Loans together with all rights, interests, benefits and title therein calculated up to the Completion Date, for the Aggregate Consideration.

The Sale and Purchase Agreement stipulates that the Aggregate Consideration shall be HK\$45 million, being the aggregate consideration for the sale and purchase of Disposal Share and the Shareholder's Loans. The Aggregate Consideration shall be payable by the Purchaser upon Completion by way of set-off against HK\$45 million, representing part of the existing indebtedness owed by EMAL to Mr. Tang.

As stated in the Letter from the Board, the Aggregate Consideration was determined after arm's length negotiations based on normal commercial terms, having regard to the net asset value of the Disposal Group and the total amount of Shareholder's Loans outstanding as at the Completion Date.

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## LETTER FROM BOSC INTERNATIONAL COMPANY LIMITED

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### Comparison with comparable companies

In assessing the fairness and reasonableness of the Aggregate Consideration, we have adopted the price-to-earnings approach which has been considered as a suitable approach for analysing companies that are revenue generating with recurrent income. Given that the Disposal Group was profitable for the financial year ended 31 March 2015 and for the quarter ended 30 June 2015, we consider that price-to-earnings ratio is the most appropriate method to evaluate the fairness of the Aggregate Consideration. As disclosed in the section headed “2.1 Background of the Disposal Group” above, the unaudited net profit after tax of the Disposal Group for the year ended 31 March 2015 was approximately HK\$1.6 million, and the Aggregate Consideration amounts to HK\$45 million. Therefore, the implied price-to-earnings ratio (the “**Implied P/E Ratio**”) of the Disposal Group is approximately 27.7 times, which is calculated by the Aggregate Consideration divided by the unaudited net profit after tax of the Disposal Group for the year ended 31 March 2015.

Apart from the price-to-earnings approach, we have also considered the price-to-book approach as a suitable alternative for assessing the fairness and reasonableness of the Aggregate Consideration. As disclosed in the section headed “2.1 Background of the Disposal Group” above, the Disposal Group had net liabilities value of approximately HK\$13.8 million as at 30 June 2015, which after adjusted for the Shareholder’s Loan of approximately HK\$42.9 million, the Disposal Group would have net assets value of approximately HK\$29.1 million (the “**Adjusted NAV**”). Therefore, the implied price-to-book ratio (the “**Implied P/B Ratio**”) of the Disposal Group is approximately 1.5 times, which is calculated by the Aggregate Consideration divided by the Adjusted NAV.

## LETTER FROM BOSC INTERNATIONAL COMPANY LIMITED

We have selected peer companies for the purpose of assessing the fairness of the Aggregate Consideration. When selecting peer companies for the purpose of comparison, we have, on a best effort basis, identified companies which (i) are listed on the Stock Exchange; (ii) are principally engaged in the food and beverage business (which at least 50% of total revenue is attributable to the operation of restaurants based on the latest published annual reports) and profit-making; and (iii) have a market capitalization of not more than HK\$5,000 million. Based on such criteria, we have identified eleven companies (the “Comparables”) which we consider exhaustive based on such criteria for comparison purposes. Details of our findings are tabled as below:

Company name	Stock code	Principal business	Market	Net assets	Net profit	P/E Ratio	P/B Ratio
			capitalisation	HK\$'million	HK\$'million	(approximately	(approximately
			HK\$'million	HK\$'million	HK\$'million	times) (Note 1)	times) (Note 1)
			(Note 1)	(Note 1)	(Note 1)		(Note 1)
Xiabuxiabu Catering Management (China) Holdings Co., Ltd.	520.HK	Operation of fast casual restaurants and providing catering services in the PRC	4,266	1,655	221	19.6	2.7
Ajisen (China) Holdings Limited	538.HK	Fast casual restaurant chain operator selling Japanese ramen and Japanese-style dishes in Hong Kong and the PRC	3,842	3,487	276	14.9	1.1
Tsui Wah Holdings Limited	1314.HK	Operation of a chain of <i>Cha Chaan Teng</i> under “Tsui Wah” brand	3,294	1,232	157	20.8	2.7
Tao Heung Holdings Limited	573.HK	Restaurant and bakery operations, provision of food catering services, production, sale and distribution of food products related to restaurant operations and poultry farm operations	3,218	1,821	172	18.8	1.7
Fairwood Holdings Limited	52.HK	Operation of fast food restaurants and property investments	2,815	600	144	19.5	4.7
Fulum Group Holdings Limited	1443.HK	Restaurant operations in Hong Kong and PRC, the provision of festival food products, production, sale and distribution of food products related to restaurant operations	1,495	914	160	8.9	1.6
Xiao Nan Guo Restaurants Holdings Limited (“Xiao Nan Guo”)	3666.HK	Operation of Chinese restaurant chain stores in the PRC and Hong Kong	1,357	954	0.6	Not applicable (Note 2)	1.4

## LETTER FROM BOSC INTERNATIONAL COMPANY LIMITED

Company name	Stock code	Principal business	Market	Net assets	Net profit	P/E Ratio	P/B Ratio
			capitalisation				
			HK\$'million	HK\$'million	HK\$'million	(approximately	(approximately
			(Note 1)	(Note 1)	(Note 1)	times) (Note 1)	times) (Note 1)
Hop Hing Group Holdings Limited	47.HK	Operation of quick service restaurant chain business primarily selling rice bowl under the brand name Yoshinoya and ice-cream under brand name Dairy Queen, in Northern China	1,148	421	35	32.4	2.7
Food Idea Holdings Limited	8179.HK	Operation of a chain of Chinese restaurants and production, sales and distribution of food products to supermarket chains in Hong Kong and investments in equity securities	645	441	199	2.0	1.5
Tang Palace (China) Holdings Limited	1181.HK	Restaurant operations and food productions	709	484	67	10.8	1.4
U Banquet Group Holding Limited	8107.HK	Operation of a chain of Chinese restaurants and provision of wedding services and distribution of goods consisting of fresh vegetables, fruits, seafood and frozen meat in Hong Kong	372	97	26	13.0	3.9
			<b>Average</b>			<b>16.1</b>	<b>2.3</b>
			<b>Maximum</b>			<b>32.4</b>	<b>4.7</b>
			<b>Minimum</b>			<b>2.0</b>	<b>1.1</b>
<b>Disposal Group</b>		Operation of restaurants under the brand name of Xiao Wang Beef Noodle 小王牛肉麵 and Xia Fei 霞飛		<b>29.1</b>	<b>1.6</b>	<b>27.7</b>	<b>1.5</b>
				(Note 3)		(Note 4)	(Note 5)

Source: Bloomberg and the website of the Stock Exchange

Notes:

- 1) Data regarding the market capitalisations, price-to-earnings ratios and price-to-book ratios of the Comparables are sourced from Bloomberg as at 18 August 2015, being the date of the Sale and Purchase Agreement, and with reference to their respective latest annual/interim reports.

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## LETTER FROM BOSC INTERNATIONAL COMPANY LIMITED

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- 2) Based on Xiao Nan Guo's annual report for the year ended 31 December 2014, after recording income from government grants amounting to approximately HK\$41.6 million, Xiao Nan Guo recorded profit attributable to owners of the company amounting to approximately HK\$0.6 million for the year ended 31 December 2014. Due to the minimal profit recorded, Xiao Nan Guo had a price-to-earnings multiple of approximately 1,897 times as at 18 August 2015. The net profit of Xiao Nan Guo would be negative after adjusting for the income from government grants. Thus, Xiao Nan Guo is excluded from our analysis.
- 3) Based on the Disposal Group's Adjusted NAV.
- 4) The Implied P/E Ratio of the Aggregate Consideration is based on the Aggregate Consideration of HK\$45 million and the unaudited net profit tax of the Disposal Group of approximately HK\$1.6 million for the year ended 31 March 2015.
- 5) The Implied P/B Ratio of the Aggregate Consideration is based on the Aggregate Consideration of HK\$45 million and the Adjusted NAV of approximately HK\$29.1 million.

With reference to the above table, we note that the price-to-earnings ratio of the Comparables range from approximately 2.0 times to 32.4 times, with an average of approximately 16.1 times. The price-to-book ratio of the Comparables ranged from approximately 1.1 times to 4.7 times, with an average of approximately 2.3 times. Since the Implied P/E Ratio of 27.7 times is above the average and at the upper range of the price-to-earnings ratios of the Comparables, and the Implied P/B ratio of 1.5 times is within the range of the price-to-book ratios of the Comparables, we consider that the Aggregate Consideration is fair and reasonable so far as the Shareholders are concerned.

### Comparison with Adjusted NAV

Furthermore, as stated in the Letter from the Board, the Aggregate Consideration was determined after arm's length negotiation having regard to the net asset value of the Disposal Group and the total amount of Shareholder's Loans outstanding as at the Completion Date. As at 30 June 2015, the Disposal Group's Adjusted NAV amounted to approximately HK\$29.1 million. And thus, the Aggregate Consideration represents a premium of approximately 54.6% to the Adjusted NAV.



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## LETTER FROM BOSC INTERNATIONAL COMPANY LIMITED

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*(2) Terms of payment*

The Aggregate Consideration shall be payable by the Purchaser upon Completion by way of set-off against HK\$45 million, representing part of the existing indebtedness owed by EMAL to Mr. Tang.

*(3) Conditions precedent*

Please refer to the section headed “Conditions Precedent” in the Letter from the Board for details. As at the Latest Practicable Date, none of the conditions have been fulfilled.

*(4) Completion*

Completion shall take place within five Business Days following the satisfaction of the Conditions Precedent. After the Completion, the Company will cease to have any interest in the Disposal Group (namely, Alworth and its subsidiaries, comprising (i) Galactia together with all of its subsidiaries; and (ii) Rainbow Sky together with all its subsidiaries), and all members of the Disposal Group will cease to be subsidiaries of the Company.

*Our view*

Having considered the above, we are of the view that the terms of the Sale and Purchase Agreement are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

### **3 Possible financial effects of the Disposal**

*(i) Accounting treatment upon completion of the Disposal*

Upon Completion, Alworth will cease to be a subsidiary of the Group and the assets and liabilities of the Disposal Group will no longer be consolidated into the consolidated financial statements of the Company.

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## LETTER FROM BOSC INTERNATIONAL COMPANY LIMITED

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### *(ii) Net assets value*

Based on the Annual Report, the net liabilities value of the Group was approximately HK\$4.4 million. Given that the Unaudited Gain (as defined below) is expected to be approximately HK\$15.9 million and the Aggregate Consideration shall be payable by the Purchaser upon Completion by way of set-off against HK\$45 million, representing part of the existing indebtedness owed by the Group to Mr. Tang, we therefore consider that the net asset value of the Group will increase upon Completion, provided that there are no other events which would materially affect the net assets value of the Group before Completion.

### *(iii) Earnings*

As stated in the Letter of the Board, subject to audit, it is expected that the Group will record a gain of approximately HK\$15.9 million from the Disposal (the “**Unaudited Gain**”), which is calculated with reference to the difference between the Aggregate Consideration and the expected unaudited consolidated net asset value of the Disposal Group attributable to the Disposal Share at Completion, which will have an immediate positive impact on the earnings of the Group. Furthermore, upon Completion, given that Alworth will cease to be a subsidiary of the Group, the results of the Disposal Group will also no longer be consolidated into the consolidated financial statements of the Company.

Shareholders and investors should note that the aforesaid financial effects as discussed above are subject to audit and will vary and depend on, among other things, the carrying value of the Group’s interest in the Disposal Group as well as the financial position of the Group as at Completion.

## CONCLUSION AND RECOMMENDATION

Based on the above principal factors and reasons, in particular the followings (which should be read in conjunction with and interpreted in the full context of this letter):

- (i) the Disposal would enable the Remaining Group to allocate additional financial resources, budget and time to its Japan-related brands, and the streamlining of the Group’s brands may potentially enhance brand recognition of the Group;
- (ii) the Implied P/E Ratio is above the average and at the upper range of price-to-earnings ratios of the Comparables, and the Implied P/B ratio is within the range of price-to-book ratios of the Comparables;
- (iii) the Aggregate Consideration is at a premium of approximately 54.6% to the Adjusted NAV;

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## LETTER FROM BOSC INTERNATIONAL COMPANY LIMITED

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- (iv) the Disposal allows the Group to realize the value of the Xia Fei 霞飛 brand (which the Directors consider has limited growth potential) and the Xiao Wang Beef Noodle 小王牛肉麵 brand (which is a relatively new brand with short history of operations) at a fair consideration; and
- (v) the proceeds from the Disposal will be used to repay part of the existing indebtedness owed by the Group to Mr. Tang by way of set-off, which is expected to reduce the existing indebtedness owed by the Group, increase the net asset value and improve the liquidity position of the Group,

we consider that (i) while the Disposal is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Disposal are on normal commercial terms and fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to approve the Sale and Purchase Agreement and the transactions contemplated thereunder to be presented at the EGM.

Yours faithfully,

For and on behalf of

**BOSC International Company Limited**

**Heidi Cheng**

*Managing Director*

*Investment Banking*

**Aaron Ko**

*Vice President*

*Investment Banking*

## 1. RESPONSIBILITY STATEMENT

This circular, 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 circular 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 document misleading.

## 2. DISCLOSURE OF INTERESTS

### (i) Interests of Directors and chief executive in the Shares, underlying Shares

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange (a) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange, were as follows:

#### (a) Long positions/short positions in the ordinary shares of the Company

Name	Type of interests	Number of Shares (Long positions ("L")/ Short positions ("S"))	Approximate percentage of the issued capital (note 3)
Mr. Tang (note 2)	Beneficiary of a trust	1,673,810,083 (L) (note 1(a))	74.63%
		500,000,000 (S) (note 1(b))	22.29%

*Notes:*

1. (a) Mr. Tang is the founder and one of the beneficiaries of Piety Trust (“**Family Trust**”), a discretionary family trust for the benefit of certain family members of Mr. Tang. The said 1,673,810,083 shares are held by First Glory which is wholly-owned by Glory Sunshine Holding Limited (“**Glory Sunshine**”). In turn, Glory Sunshine is wholly-owned by HSBC International Trustee Limited in its capacity as the trustee of the Family Trust. Mr. Tang is therefore deemed to be interested in the said 1,673,810,083 shares under Part XV of the SFO.

In addition, Mr. Tang is also the sole legal and beneficial owner of a convertible bond (“**Convertible Bond**”) issued by the Company in the aggregate principal amount of HK\$80 million pursuant to which a total of 1,000,000,000 ordinary shares of the Company will be issued upon full conversion at the conversion price of HK\$0.080 per share. Accordingly, Mr. Tang was deemed to be interested, within the meaning of Part XV of the SFO, in the Convertible Bond.

- (b) As at the Latest Practicable Date, First Glory has appointed an agent to procure places for a total of up to 500,000,000 Shares owned by First Glory but completion for the sale and purchase of the said 500,000,000 Shares has not yet taken place.
2. Ms. Ho Ming Yee (“**Ms. Ho**”), the spouse of Mr. Tang, is deemed to be interested in the same number of shares held by Mr. Tang.
3. Based on 2,242,950,000 Shares of the Company in issue as at the Latest Practicable Date.

**(b) Interests in underlying shares of equity derivatives of the Company**

Name	Type of interests	Number of Shares	Approximate percentage of the issued capital (note 3)
Mr. Tang (note 2)	Beneficial owner	1,000,000,000 (note 1)	44.58%

Outstanding options granted to the Directors under the share option schemes:

Name	Date of grant	Exercise price per share HK\$	Exercisable period	Approximate percentage of the issued share capital	Number of share options outstanding (note 3)
Mr. Tang (note 2)	23 December 2011	0.062	From 23 December 2012 to 22 December 2021	0.22%	5,000,000
	23 December 2011	0.062	From 23 December 2013 to 22 December 2021	0.22%	5,000,000
	23 December 2011	0.062	From 23 December 2014 to 22 December 2021	0.22%	5,000,000
	19 April 2013	0.90	From 19 April 2014 to 18 April 2023	0.22%	5,000,000
	19 April 2013	0.90	From 19 April 2015 to 18 April 2023	0.22%	5,000,000
Mr. Bhanusak Asvaintra	13 August 2010	0.138	From 13 August 2011 to 12 August 2020	0.04%	1,000,000
	23 December 2011	0.062	From 23 December 2012 to 22 December 2021	0.02%	500,000
	19 April 2013	0.90	From 19 April 2014 to 18 April 2023	0.02%	500,000
Mr. Chan Kam Fai Robert	13 August 2010	0.138	From 13 August 2011 to 12 August 2020	0.04%	1,000,000
	23 December 2011	0.062	From 23 December 2012 to 22 December 2021	0.02%	500,000
	19 April 2013	0.90	From 19 April 2014 to 18 April 2023	0.02%	500,000
Mr. Chung Kwok Keung Peter	13 August 2010	0.138	From 13 August 2011 to 12 August 2020	0.04%	1,000,000
	23 December 2011	0.062	From 23 December 2012 to 22 December 2021	0.02%	500,000
	19 April 2013	0.90	From 19 April 2014 to 18 April 2023	0.02%	500,000
					<u>31,000,000</u>

Notes:

- The said 1,000,000,000 Shares represent the total number of shares which would be issued upon full conversion of the Convertible Bond held by Mr. Tang, and the Convertible Bond was issued in the principal amount of HK\$80 million pursuant to which a total of 1,000,000,000 ordinary shares of the Company will be issued upon full conversion at the conversion price of HK\$0.080 per share. Accordingly, Mr. Tang was deemed to be interested, within the meaning of Part XV of the SFO, in the Convertible Bond.
- Ms. Ho, the spouse of Mr. Tang, is deemed to be interested in the same number of shares held by Mr. Tang.
- Based on 2,242,950,000 Shares of the Company in issue as at the Latest Practicable Date.

**(c) Interests in the shares of associated corporations of the Company**

Name	Name of associated corporation	Capacity	Number of ordinary shares	Percentage of interest held
Mr. Tang	First Glory <i>(note)</i>	Beneficiary of a trust	1	100%

*Note:*

The one issued share in the share capital of First Glory (which constitutes the entire issued share capital of First Glory) was held by Glory Sunshine. In turn, Glory Sunshine is wholly-owned by HSBC International Trustee Limited in its capacity as the trustee of the Family Trust. Mr. Tang is the founder and one of the beneficiaries of the Family Trust.

**(d) Interests in debentures of the Company**

Name	Type of interests	Amount of Debentures
Mr. Tang <i>(note 2)</i>	Beneficial owner	HK\$80 million <i>(note 1)</i>

*Notes:*

1. The said HK\$80 million represents the outstanding principal amount of the Convertible Bond held by Mr. Tang, which was issued by the Company in the principal sum of HK\$80 million, pursuant to which a total of 1,000,000,000 ordinary shares of the Company will be issued upon full conversion at the conversion price of HK\$0.080 per share.
2. Ms. Ho, the spouse of Mr. Tang, is deemed to be interested in the same number of shares held by Mr. Tang.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and Stock Exchange.

(ii) **Interests of Substantial Shareholders**

As at the Latest Practicable Date, so far as was known to the Directors, the following persons, not being Directors or chief executive of the Company had, or were deemed to have, interests or short positions in the Shares, underlying Shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or held any option in respect of such capital:

Name of shareholder	Capacity	Number of Shares <i>(Long positions ("L")/ Short positions ("S"))</i>	Approximate percentage of the issued capital <i>(note 3)</i>
HSBC International Trustee Limited <i>(note 1)</i>	Interest in corporation	1,673,810,083 (L)	74.63%
		500,000,000 (S)	22.29%
Glory Sunshine <i>(note 1)</i>	Interest in corporation	1,673,810,083 (L)	74.63%
		500,000,000 (S)	22.29%
First Glory <i>(note 1)</i>	Beneficial owner	1,673,810,083 (L)	74.63%
		500,000,000 (S)	22.29%
Ms. Ho <i>(note 2)</i>	Interest in spouse	2,698,810,083 (L)	120.32%
		500,000,000 (S)	22.29%

*Notes:*

1. (a) The said 1,673,810,083 Shares of the Company are held by First Glory. First Glory is wholly-owned by Glory Sunshine. In turn, Glory Sunshine is wholly-owned by HSBC International Trustee Limited in its capacity as the trustee of the Family Trust.
- (b) As at the Latest Practicable Date, First Glory has appointed an agent to procure placees for a total of up to 500,000,000 Shares owned by First Glory but completion for the sale and purchase of the said 500,000,000 Shares has not yet taken place.
2. Ms. Ho is the spouse of Mr. Tang, and is therefore deemed to be interested in the shares of the Company held by Mr. Tang. Please refer to the above disclosure of interests in this section for further details.
3. Based on 2,242,950,000 Shares of the Company in issue as at the Latest Practicable Date.



Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person, other than the Directors and the chief executives of the Company, who had, or was deemed to have, interests or short positions in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or held any option in respect of such capital.

### 3. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or the controlling Shareholders or any of their respective associates had any interest in a business which competes or may compete directly or indirectly with the business of the Group or any other conflicts of interests with the Group.

Mr. Tang, the executive Director, is a seasoned entrepreneur in hospitality management and consultancy services. He owns a well established hospitality group which creates and operates a wide variety of food and beverage concepts in Hong Kong, PRC and Japan. Other than the Group, the restaurants currently owned and operated by Mr. Tang and his associates in Hong Kong, PRC and Japan include but are not limited to the following: Joy & Joy 喜双逢, Xia Mian Guan 夏麵館, Tim's Kitchen Elements 圓方桃花源, The Peak Lookout, The Peak Lookout Airport, Jimmy's Kitchen, Steik World Meats, Agave, Club 97, Post 97, EI Pomposo Shanghai, Sei 誠, Naha 那霸沖繩料理, 大勝軒 and 大門. The information of some of these restaurants, including their locations and menus, can be found in the website [www.epicurean.com.hk](http://www.epicurean.com.hk) (which is not the website of the Company).

Given the cuisines and dining experiences that these restaurants offer vis-a-vis that are currently offered by the Group's restaurants (which include Japanese tonkatsu under the name of Ginza Bairin 銀座梅林, the Shanghainese dining restaurants under the brand of Xia Fei 霞飛, café and cake shops under the brands of Italian Tomato, the Japanese curry specialty stores under the name of Shirokuma Curry 白熊咖喱, the concept of Taiwanese beef noodles under the brand name of Xiao Wang Beef Noodle 小王牛肉麵, the Japanese ramen under the name of Mutsumiya 睦美屋 and the Japanese izakaya under the name of Enmaru 炎丸) and their different locations, Mr. Tang considers that the restaurants currently owned or operated by him and his associates (otherwise than through the Group) are not in competition with the business of the Group.

### 4. DIRECTORS' INTERESTS IN ASSETS

None of the Directors has any interest, either directly or indirectly, in any assets which has since 31 March 2015 (being the date to which the latest published audited accounts of the Group were made up), up to the Latest Practicable Date, been acquired or disposed of by, or leased to, any member of the Group or are proposed to be acquired or disposed of by, or leased to, any member of the Group, except:

- (a) the interest in the Convertible Bond issued by the Company on 15 August 2012 as supplemented by the Supplemental Deed dated 8 July 2015 entered into between the Company and Strong Venture Limited;
- (b) a tenancy agreement dated 1 April 2014 entered into between Assets Partner Limited (a company owned by Mr. Tang's family trust in which Mr. Tang is one of the beneficiaries) as the landlord and EMAL (an indirect wholly owned subsidiary of the Company) as the tenant in respect of the property known as office and ancillary areas on the 10th Floor of Silver Fortune Plaza, No. 1 Wellington Street, Central, Hong Kong for a term of three years commencing on 1 April 2014 and ending on 31 March 2017 (both days inclusive) at the monthly rental of HK\$156,000;
- (c) a tenancy agreement entered into between Joint Allied Limited (a company owned by Mr. Tang's family trust in which Mr. Tang is one of the beneficiaries) as the landlord and I. T. H. K. Limited (an indirect wholly-owned subsidiary of the Company) as the tenant in respect of the property known as (a) Units G, H, I, J, K, L, M, N, O on 6/F, Wah Lik Industrial Centre, 459-469 Castle Peak Road, Tsuen Wan, N.T., Hong Kong and (b) Lorry Car Parking Spaces 2 and 6 on 1/F, Wah Lik Industrial Centre, 459-469 Castle Peak Road, Tsuen Wan, N.T., Hong Kong for a term of two years commencing on 1 November 2013 and ending on 31 October 2015 (both days inclusive) at the monthly rental of HK\$114,251;
- (d) a tenancy agreement dated 25 June 2014 entered into between Jebson Development Limited (a company owned by Mr. Tang's family trust in which Mr. Tang is one of the beneficiaries) as the landlord and Qualifresh Catering Limited (an indirect 70%-owned subsidiary of the Company) as the tenant in respect of the property known as (a) Units B, C, M, N, O, P on 4/F, Yue Cheung Centre, Nos. 1-3 Wong Chuk Yeung Street, Shatin, New Territories, Hong Kong and (b) Light Van Parking Space No. LV14 on upper ground floor, Yue Cheung Centre, Nos. 1-3 Wong Chuk Yeung Street, Shatin, New Territories, Hong Kong for a term of three years commencing on 25 June 2014 and ending on 24 June 2017 (both days inclusive) at the monthly rental of HK\$60,000;
- (e) the sale and purchase agreement dated 7 July 2015 entered into between the Vendor (which is a direct wholly-owned subsidiary of the Company) and the Speedyway Limited (which is wholly-owned by Mr. Tang) in respect of the disposal of the entire issued share capital in Jazzman Holdings Limited and the interest in the entire shareholder's loan owed to the Vendor by Jazzman Holdings Limited for a total consideration of HK\$1,714,217.22; and
- (f) the Sale and Purchase Agreement dated 18 August 2015 entered into between the Vendor (which is a direct wholly-owned subsidiary of the Company) and the Purchaser (which is wholly-owned by Mr. Tang) in respect of the Disposal.

Save as disclosed in this circular, there is no contract or arrangement subsisting as at the Latest Practicable Date in which any Director is materially interested and which is significant in relation to the business of the Group.

**5. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors has entered into a service contract or a proposed service contract with the Company or any member of the Group, which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

**6. QUALIFICATION AND CONSENT OF EXPERT**

- (a) The following is the qualification of the expert who has given opinion or advice contained in this circular:

<b>Name</b>	<b>Qualification</b>
BOSC	A corporation licensed to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

- (b) BOSC has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter dated 7 September 2015 and references to its name in the form and context in which they appear.

**7. EXPERTS' INTERESTS**

As at the Latest Practicable Date,

- (a) BOSC did not have any direct or indirect interest in any asset which had since 31 March 2015, being the date to which the latest published audited financial statements of the Company were made up, been acquired or disposed of by, or leased to, any member of the Group, or was proposed to be acquired or disposed of by, or leased to, any member of the Group; and
- (b) BOSC did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of any member in the Group.

**8. LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

**9. MATERIAL ADVERSE CHANGE**

The Directors are not aware of any material adverse change in the financial position or trading position of the Group since 31 March 2015, being the date to which the latest published audited financial statements of the Group was made up.

**10. MISCELLANEOUS**

In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

**11. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection by prior telephone appointment (tel. number: (852) 2532 6271) at the Company's principal place of business in Hong Kong at 8th Floor, Pedder Building, 12 Pedder Street, Central, Hong Kong during 10:00 a.m. to 5:00 p.m. on any Business Day from the date of this circular up to and including the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 31 March 2014 and 31 March 2015;
- (c) the Sale and Purchase Agreement;
- (d) the written consent of the expert referred to in the paragraph headed "Qualification and Consent of Expert" in this Appendix;
- (e) the letter from the Independent Board Committee, the text of which is set out on page 14 in this circular;
- (f) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 15 to 32 in this circular; and
- (g) this circular.

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## NOTICE OF EGM

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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)

### **DISCLOSEABLE AND CONNECTED TRANSACTION – DISPOSAL OF INTEREST IN CERTAIN SUBSIDIARIES**

#### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of the shareholders of Epicurean and Company, Limited (the “**Company**”) will be held at 2/F, J Plus, 35-45B Bonham Strand, Sheung Wan, Hong Kong on Tuesday, 22 September 2015 at 11:00 a.m. or any adjournment thereof for the purpose of considering and, if thought fit, pass with or without amendments, the following resolution of the Company:

#### **ORDINARY RESOLUTION**

**“THAT**

- (a) the sale and purchase agreement dated 18 August 2015 (“**Sale and Purchase Agreement**”) entered into between Marvel Success Limited (“**Vendor**”), a direct wholly-owned subsidiary of the Company, and Simply Global Investments Limited (“**Purchaser**”) in relation to the sale and purchase of one issued share in Alworth Limited (“**Alworth**”), representing the entire issued share capital of Alworth, and the assignment of the outstanding loans owed by Alworth to the Vendor (a copy of the Sale and Purchase Agreement having been produced to the EGM and marked “A” and initialled by the chairman of the EGM for the purpose of identification), and all transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and

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## NOTICE OF EGM

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- (b) any one or more of Directors of the Company be and is/are hereby authorised to exercise all the powers of the Company and take all steps as might in his/their opinion be desirable, necessary or expedient to give effect to or in connection with the Sale and Purchase Agreement and taking of all necessary actions to implement the transactions contemplated under the Sale and Purchase Agreement.”

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

Hong Kong, 7 September 2015

*Notes:*

- (a) Any member entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and vote in his stead. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the meeting. A proxy need not be a member of the Company.
- (b) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
- (c) In order to be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed or a notially certified copy thereof, must be deposited at the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjourned meeting (as the case may be). Completion and return of the proxy form will not preclude you from subsequently attending and voting at the EGM or any adjourned meeting should you so wish.