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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)

**LICENCE AGREEMENT IN RESPECT OF PROPRIETARY
MARKS AND KNOW-HOW**

AND

**DISCLOSEABLE TRANSACTION IN RELATION TO THE
FORMATION OF JOINT VENTURE WITH SHIROKUMA & CO.**

The Board is pleased to announce that Talent, Shirokuma and Mr. Sato entered into the Licence Agreement on 6 October 2011 (after trading hours), pursuant to which Shirokuma agreed to grant to Talent and its subsidiaries with effect from the date of the Licence Agreement the Licence Rights in each of the Territories at the Consideration during the Term and any Further Terms, subject to and upon the terms of the Licence Agreement.

The Consideration shall be satisfied by Talent by issue and allotment of 100 Talent Shares credited as fully paid up to Shirokuma upon the signing of the Licence Agreement and by payment of HK\$1,000,000 to Shirokuma in the manner as stated in the Licence Agreement.

Immediately prior to the signing of the Licence Agreement, Talent was an indirect wholly-owned subsidiary of the Company. Upon signing of the Licence Agreement and immediately after the issue and allotment of 100 Talent Shares to Shirokuma, Talent is owned as to 90% by Townsman (an indirect wholly-owned subsidiary of the Company) and as to 10% by Shirokuma. Hence, the grant of the Licence Rights under the Licence Agreement resulted in the formation of the Joint Venture.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Shirokuma and its ultimate beneficial owner(s) and Mr. Sato are Independent Third Parties.

For the Company, the formation of the Joint Venture in effect involves the injection of the Licence Rights into Talent. The Directors currently planned that a total sum of HK\$8,000,000 (which covers the sum of HK\$1,000,000 payable to Shirokuma as part of the Consideration) will be injected into the Joint Venture by the Company as working capital of the Joint Venture. The Company intends to finance its capital contribution in the Joint Venture by its internal resources. The Company does not have any capital commitment for the formation of the Joint Venture pursuant to the terms of the Licence Agreement or any other agreement with Shirokuma and Mr. Sato.

As the applicable percentage ratios as set out in the GEM Listing Rules in respect of the Consideration for the grant of the Licence Rights are not more than 5%, the grant of the Licence Rights is not subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

Based on the sum of HK\$8,000,000 which was currently planned by the Company to be injected into the Joint Venture as working capital of the Joint Venture, the applicable percentage ratios as set out in the GEM Listing Rules in respect of the formation of the Joint Venture are more than 5% but less than 25%, and the formation of the Joint Venture constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

THE LICENCE AGREEMENT

The Board is pleased to announce that Talent, Shirokuma and Mr. Sato entered into the Licence Agreement on 6 October 2011 (after trading hours).

The principal terms of the Licence Agreement are set out below:

Date

6 October 2011

Parties to the Licence Agreement

- (a) Talent Horizon Limited
- (b) Shirokuma & Co.
- (c) Mr. Kaoru Sato

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Shirokuma and its ultimate beneficial owner(s) and Mr. Sato are Independent Third Parties.

Licence Rights

Pursuant to the terms of the Licence Agreement and during the Term and any Further Terms:

- (a) Shirokuma agreed to grant to Talent and its subsidiaries with effect from the date of the Licence Agreement the Licence Rights in each of the Territories;

- (b) Talent and its subsidiaries shall be entitled to use the Licence Rights for the purpose of operating the Business and any other purposes as they may deem fit and Talent shall be entitled to register and apply for registration of all or any part of the Licence Rights under such classes as Talent may determine from time to time with the relevant trademark registries or intellectual property authorities in each of the Territories; and
- (c) Talent shall have the absolute right to sub-licence or franchise the Licence Rights in the Territories to any persons or parties upon such terms and conditions as Talent may deem fit.

Consideration and payment terms

Pursuant to the terms of the Licence Agreement, the Consideration for the grant of the Licence Rights shall be satisfied by Talent by payment of HK\$1,000,000 to Shirokuma and by issue and allotment of 100 Talent Shares credited as fully paid up to Shirokuma in the following manner:

- (a) Talent shall remit a sum of HK\$500,000 on the date of the Licence Agreement to a bank account of Shirokuma as designated by Shirokuma and shall pay the remaining sum of HK\$500,000 upon the setting up and opening of the First Restaurant for carrying out the Business; and
- (b) Talent shall issue and allot 100 Talent Shares credited as fully paid up to Shirokuma upon signing of the Licence Agreement.

The Consideration was determined between Talent and Shirokuma after arm's length negotiations based on normal commercial terms and with reference to the trade mark licence arrangement of other brand names for F&B business.

It is intended that the consideration payable for the grant of the Licence Rights will be funded by internal resources of the Group.

Term

Subject to other provisions regarding the termination of the Licence Agreement, the Licence Agreement shall be in force for the Term from the date of the Licence Agreement, which will be renewed automatically for each Further Term upon the expiry of the Term or the preceding Further Term.

At the expiry of the Term and a Further Term, the term of the Licence Agreement will continue to be renewed automatically on a ten (10) years' basis on the same terms and conditions as contained in the Licence Agreement, unless Talent has during the Term or a Further Term given one (1) month prior written notice to Shirokuma terminating the Licence Agreement.

Pursuant to the Licence Agreement, Shirokuma shall not have any right to terminate or revoke the Licence Agreement without Talent's prior written consent unless any one of the following events shall occur:

- (a) Talent shall become insolvent or shall propose any voluntary arrangement or make any arrangement or composition with creditors, or
- (b) any order shall be made by a competent court or other appropriate authority or any resolution shall be passed for bankruptcy, liquidation, winding up or dissolution of Talent.

Upon termination of the Licence Agreement, Talent shall cause the legal ownership of any Licence Rights to be transferred to Shirokuma at no cost.

Mr. Sato's obligations

Pursuant to the terms of the Licence Agreement, Mr. Sato shall guarantee to Talent the full, due and punctual performance by Shirokuma of all its obligations under the Licence Agreement.

Other than his obligations as a guarantor pursuant to the Licence Agreement, Mr. Sato shall not be obliged to provide any financial support or financial assistance to Talent to operate the Business pursuant to the terms of the Licence Agreement.

INFORMATION OF SHIROKUMA AND MR. SATO

To the Directors' best knowledge, information and belief, Shirokuma is a company incorporated in Japan and is principally engaged in the business of running and operating restaurants and sale of curry and related products in retail outlets in Japan conducted under the Proprietary Marks and by utilising the Know-how, and Mr. Sato is the owner of Shirokuma.

INFORMATION ON TALENT

Talent was incorporated in the British Virgin Islands on 29 July 2011 with limited liability and has an authorised share capital of US\$50,000 divided into 50,000 ordinary shares with a par value of US\$1.00 each. 900 Talent Shares were issued to Townsman (an indirect wholly-owned subsidiary of the Company) and it was an indirect wholly-owned subsidiary of the Company immediately prior to the signing of the Licence Agreement.

FORMATION OF THE JOINT VENTURE

Upon signing of the Licence Agreement and immediately after the issue and allotment of 100 Talent Shares to Shirokuma pursuant to the terms of the Licence Agreement, Talent is owned as to 90% by Townsman and as to 10% by Shirokuma as at the date of this announcement. The grant of the Licence Rights pursuant to the terms of the Licence Agreement resulted in the formation of the Joint Venture.

For the Company, the formation of the Joint Venture in effect involves the injection of the Licence Rights into Talent. The Directors currently planned that a total sum of HK\$8,000,000 (which covers the sum of HK\$1,000,000 payable to Shirokuma as part of the Consideration) will be injected into the Joint Venture by the Company as working capital of the Joint Venture. The Company intends to finance its capital contribution in the Joint Venture by its internal resources. The Company does not have any capital commitment for the formation of the Joint Venture pursuant to the terms of the Licence Agreement or any other agreement with Shirokuma and Mr. Sato.

REASONS FOR AND BENEFIT OF THE TRANSACTIONS

As discussed in the annual report of the Company for the financial year ended 31 March 2011, the financial year 2010/11 was a breakthrough year for the Group as it has made its first attempt to tap into the F&B business. Since then, the Group has been taking a number of initiatives to develop its F&B business. The results from the F&B operation have been promising, and currently the F&B business is the most important core of the Group's business operation.

The Board believes that the grant of the Licence Rights, the transactions contemplated under the Licence Agreement and the formation of the Joint Venture offer business opportunities to the Group in developing new F&B business that would further enhance the Group's income.

The Directors (including the independent non-executive Directors) are of the view that the grant of the Licence Rights and the formation of the Joint Venture pursuant to the Licence Agreement are on normal commercial terms after arm's length negotiation and the terms of the Licence Agreement are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the applicable percentage ratios as set out in the GEM Listing Rules in respect of the Consideration for the grant of the Licence Rights are not more than 5%, the grant of the Licence Rights is not subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

Based on the sum of HK\$8,000,000 which was currently planned by the Company to be injected into the Joint Venture as working capital of the Joint Venture, the applicable percentage ratios as set out in the GEM Listing Rules in respect of the formation of the Joint Venture are more than 5% but less than 25%, and the formation of the Joint Venture constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

GENERAL INFORMATION OF THE GROUP

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

DEFINITIONS

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

“Board”	the board of Directors
“Business”	the business of running and operating restaurants, sale of curry and related products in retail outlets and any other related business conducted under the Proprietary Marks and utilising the Know-how

“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
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Consideration”	the total consideration for granting the Licence Rights under the Licence Agreement
“Director(s)”	the director(s) of the Company
“First Restaurant”	the first restaurant to be opened by Talent and/or its subsidiaries in Hong Kong to carry out the Business
“Further Term(s)”	each successive term(s) of ten (10) years for renewal of the Licence Agreement
“F&B”	food and beverage
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) which, to the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, is (are) independent of the Company and its connected person(s)
“Joint Venture”	the joint venture formed between Townsman and Shirokuma in relation to Talent in respect of the grant of the Licence Rights under the Licence Agreement
“Know-how”	all the know-how developed and implemented by Shirokuma in connection with or relating to the operation of restaurants conducted under the Proprietary Marks or under the trade name of “Shirokuma curry”
“Licence Agreement”	the licence agreement dated 6 October 2011 entered into among Shirokuma, Mr. Sato and Talent in respect of the grant of Licence Rights

“Licence Rights”	the exclusive licences and rights granted to Talent and its subsidiaries to use the Proprietary Marks and the Know-how in the Territories pursuant to the terms of the Licence Agreement
“Mr. Sato”	Mr. Kaoru Sato
“Proprietary Marks”	the trade marks, trade names and logos (whether unregistered, registered or applied to be registered in Japan) and all other proprietary rights and intellectual property rights whatsoever relating to “Shirokuma curry”
“Shirokuma”	Shirokuma & Co., a company incorporated in Japan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Talent”	Talent Horizon Limited, a company incorporated in the British Virgin Islands
“Talent Shares”	ordinary shares with a par value US\$1.00 each in the issued share capital of Talent
“Term”	an initial term of ten (10) years from the date of the Licence Agreement
“Territories”	Asia (excluding Japan)
“Townsmen”	Townsmen Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“US\$”	US dollar, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 6 October 2011

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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