epicurean 惟膳

Epicurean and Company, Limited
惟膳有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8213)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2014

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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.

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

RESULTS

The board of directors (the "Board") of the Company hereby announces the audited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31 March 2014, together with the comparative audited consolidated figures for the corresponding year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 March 2014

	Note	2014 HK$'000	2013 HK$'000
Continuing operations			
Turnover	2	**414,613**	255,065
Cost of sales and services rendered		**(135,411)**	(83,424)
Gross profit		**279,202**	171,641
Other income	3	**2,522**	1,595
Gain on bargain purchase of acquisition of a subsidiary	10	**–**	79
Impairment loss on plant and equipment		**(1,670)**	(4,775)
Operating expenses		**(301,206)**	(175,595)
Operating loss		**(21,152)**	(7,055)
Finance costs	4(a)	**(6,749)**	(5,484)
Loss before income tax	4	**(27,901)**	(12,539)
Income tax expense	5	**(289)**	(409)
Loss for the year from continuing operations		**(28,190)**	(12,948)
Discontinued operations			
Loss for the year from discontinued operations	6	**–**	(4,752)
Loss for the year		**(28,190)**	(17,700)
Loss for the year attributable to:			
Owners of the Company		**(27,712)**	(17,922)
Non-controlling interests		**(478)**	222
		(28,190)	(17,700)
Loss per share	7		
From continuing and discontinued operations			
– Basic		**(1.24)**	(0.89)
– Diluted		**N/A**	N/A
From continuing operations			
– Basic		**(1.24)**	(0.66)
– Diluted		**N/A**	N/A
From discontinued operations			
– Basic		**N/A**	(0.23)
– Diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2014

	2014	2013
	HK$'000	*HK$'000*
Loss for the year	**(28,190)**	(17,700)
Other comprehensive loss:–		
Items that may be subsequently reclassified to profit or loss:–		
Exchange (loss)/gain arising from translation of financial statements of foreign operations	**(291)**	142
Exchange differences reclassified to profit or loss upon disposal of subsidiaries	**–**	(1,211)
Other comprehensive loss for the year, net of tax	**(291)**	(1,069)
Total comprehensive loss for the year	**(28,481)**	(18,769)
Total comprehensive loss for the year attributable to:–		
Owners of the Company	**(28,003)**	(18,991)
Non-controlling interests	**(478)**	222
	(28,481)	(18,769)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2014

	Note	2014 HK$'000	2013 HK$'000
NON-CURRENT ASSETS			
Plant and equipment		**62,220**	40,293
Goodwill on consolidation		**60,031**	60,031
Other intangible assets		**27,446**	25,958
Deferred tax assets		**9,092**	5,630
		158,789	131,912
CURRENT ASSETS			
Other financial assets		**–**	15,550
Inventories		**5,281**	4,395
Debtors, deposits and prepayments	*8*	**49,586**	37,633
Income tax recoverable		**467**	251
Pledged bank deposit		**614**	613
Cash and bank balances	*12*	**27,233**	34,012
		83,181	92,454
CURRENT LIABILITIES			
Amount due to a related company		**–**	1,289
Loan from a director		**44,500**	10,000
Obligations under finance lease		**741**	–
Bank loans, secured		**19,788**	19,051
Creditors, accruals and deposits received	*9*	**56,996**	47,240
Income tax payable		**718**	2,817
		122,743	80,397

	Note	2014 HK$'000	2013 HK$'000
NET CURRENT (LIABILITIES)/ASSETS		**(39,562)**	12,057
TOTAL ASSETS LESS CURRENT LIABILITIES		**119,227**	143,969
NON-CURRENT LIABILITIES			
Convertible bonds		**78,682**	77,769
Deferred tax liabilities		**3,144**	3,356
Other payables	*9*	**4,653**	435
Obligations under finance lease		**698**	–
Bank loans, secured		**–**	2,408
		87,177	83,968
NET ASSETS		**32,050**	60,001
REPRESENTING:			
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital		**22,430**	22,430
Reserves		**8,793**	36,191
		31,223	58,621
Non-controlling interests		**827**	1,380
TOTAL EQUITY		**32,050**	60,001

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2014

	Attributable to owners of the Company										
	Share capital *HK$'000*	**Accumulated losses** *HK$'000*	**Share premium** *HK$'000*	**Special reserve** *HK$'000*	**Exchange reserve** *HK$'000*	**Employee share-based compensation reserve** *HK$'000*	**Convertible bonds equity reserve** *HK$'000*	**Other reserve** *HK$'000*	**Total** *HK$'000*	**Non-controlling interests** *HK$'000*	**Total** *HK$'000*
At 1.4.2012	16,430	(88,963)	103,610	3,801	1,173	886	2,100	–	39,037	1,158	40,195
Recognition of equity-settled share-based payment expenses	–	–	–	–	–	403	–	–	403	–	403
Conversion of convertible bonds	6,000	–	31,590	–	–	–	(1,939)	–	35,651	–	35,651
Repayment of convertible bonds	–	161	–	–	–	–	(161)	–	–	–	–
Recognition of equity component of convertible bonds	–	–	–	–	–	–	2,521	–	2,521	–	2,521
Comprehensive loss											
Loss for the year	–	(17,922)	–	–	–	–	–	–	(17,922)	222	(17,700)
Other comprehensive loss:–											
Exchange gain arising from translation of financial statements of foreign operations	–	–	–	–	142	–	–	–	142	–	142
Exchange differences reclassified to profit or loss upon disposal of subsidiaries	–	–	–	–	(1,211)	–	–	–	(1,211)	–	(1,211)
Total comprehensive loss for the year	–	(17,922)	–	–	(1,069)	–	–	–	(18,991)	222	(18,769)
At 31.3.2013 and 1.4.2013	22,430	(106,724)	135,200	3,801	104	1,289	2,521	–	58,621	1,380	60,001
Acquisition of non-controlling interests	–	–	–	–	–	–	–	(75)	(75)	(75)	(150)
Recognition of equity-settled share-based payment expenses	–	–	–	–	–	680	–	–	680	–	680
Share options lapsed	–	149	–	–	–	(149)	–	–	–	–	–
Comprehensive loss											
Loss for the year	–	(27,712)	–	–	–	–	–	–	(27,712)	(478)	(28,190)
Other comprehensive loss:–											
Exchange loss arising from translation of financial statements of foreign operations	–	–	–	–	(291)	–	–	–	(291)	–	(291)
Total comprehensive loss for the year	–	(27,712)	–	–	(291)	–	–	–	(28,003)	(478)	(28,481)
At 31.3.2014	**22,430**	**(134,287)**	**135,200**	**3,801**	**(187)**	**1,820**	**2,521**	**(75)**	**31,223**	**827**	**32,050**

Notes:

1. BASIS OF PREPARATION

Statement of compliance

(a) Compliance with Hong Kong Financial Reporting Standards

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and Interpretations ("HK(IFRIC)-Int") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").

(b) Initial application of HKFRSs

In the current year, the Group initially applied the following new and revised standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning on 1 April 2013:–

HKAS 19 (2011)	Employee Benefits
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Annual improvements to HKFRSs (2009 – 2011)	Amendments to HKAS 1, HKAS 16 and HKAS 32

Except for the items stated below, the initial application of these new HKFRSs have no significant impact in the current period financial information and did not necessitate retrospective adjustments of the comparatives presented in the consolidated financial statements:–

Amendments to HKAS 1, Presentation of items of other comprehensive income

The amendments require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The presentation of other comprehensive income in the consolidated statement of comprehensive income in these financial statements has been modified accordingly.

HKFRS 10, Consolidated financial statements

HKFRS 10 replaces the requirements in HKAS 27, Consolidated and separate financial statements relating to the preparation of consolidated financial statements and HK (SIC) – Int 12 Consolidation – Special purpose entities. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure of rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption did not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 April 2013.

HKFRS 13, Fair value measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance, HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

(c) Hong Kong Financial Reporting Standards in issue but not yet effective

The following Hong Kong Financial Reporting Standards in issue at 31 March 2014 have not been applied in the preparation of the Group's consolidated financial statements for the year then ended since they were not yet effective for the annual period beginning on 1 April 2013:–

HKFRS 9	Financial Instruments [1]
HKFRS 14	Regulatory Deferral Accounts [4]
HK(IFRIC)-Int 21	Levies [2]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions [3]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities [2]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-financial Assets [2]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting [2]
Amendments to HKFRS 10	Investment Entities [2]
Annual improvements to HKFRSs (2010 – 2012)	Amendments to HKFRS 2, HKFRS 3, HKFRS 8, HKAS 16, HKAS 24 and HKAS 38 [3]
Annual improvements to HKFRSs (2011 – 2013)	Amendments to HKFRS 3, HKFRS 13 and HKAS 40 [3]

[1] *Effective date to be determined*
[2] *Effective for annual periods beginning on 1 April 2014*
[3] *Effective for annual periods beginning on 1 April 2015*
[4] *Effective for annual periods beginning on 1 April 2016*

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

(d) Adoption of the going concern basis

When preparing the consolidated financial statements, the Group's ability to continue as a going concern has been assessed. These consolidated financial statements have been prepared by the Directors on a going concern basis notwithstanding that the Group incurred a loss of HK$28,190,000 for the year ended 31 March 2014 and as of that date, the Group had net current liabilities of HK$39,562,000 as the Directors considered that:–

(1) Mr. Tang Sing Ming Sherman, who provided a loan to the Group of HK$44,500,000 as at 31 March 2014, will provide continuing financial support to the Group. Mr. Tang is an executive director of the Company and one of the beneficiaries of a family trust which holds 74.63% interest in the Company; and

(2) The Group had unutilised banking facilities of HK$21,212,000 as at 31 March 2014. Given the Group maintained strong business relationship with its bankers and based on the past experiences, the Directors considered that the Group is able to renew when the facilities expire.

After taking into consideration of above factors, the Directors are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due in the foreseeable future and consider that it is appropriate for the consolidated financial statements to be prepared on a going concern basis since there are no material uncertainties related to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

2. TURNOVER

Turnover, for both continuing and discontinued operations, represents revenue recognized in respect of provision of food and beverage services, sale of application software packages and others, net of discounts and business tax, during the year. An analysis of the turnover recorded for the year is set out below:

	Continuing operations		**Discontinued operations**		**Total**	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Provision of food and beverage services and others	**414,613**	255,065	**–**	–	**414,613**	255,065
Sales of application software packages and related maintenance income	**–**	–	**–**	1,483	**–**	1,483
	414,613	255,065	**–**	1,483	**414,613**	256,548

3. OTHER INCOME

	Continuing operations		**Discontinued operations**		**Total**	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Interest income from other financial assets	**439**	777	**–**	–	**439**	777
Interest income	**7**	19	**–**	–	**7**	19
Service fee income	**1,208**	581	**–**	–	**1,208**	581
Miscellaneous items	**868**	218	**–**	–	**868**	218
	2,522	1,595	**–**	–	**2,522**	1,595

4. LOSS BEFORE INCOME TAX

	Continuing operations		Discontinued operations		Total	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Loss before income tax is arrived at after charging/(crediting):						
(a) Finance costs:						
Interests on secured bank loans, repayable within five years	**689**	879	**–**	–	**689**	879
Finance charge on obligations under finance lease	**4**	–	**–**	–	**4**	–
Interest expense on convertible bonds	**1,600**	1,468	**–**	–	**1,600**	1,468
Imputed interest expense on convertible bonds	**913**	1,268	**–**	–	**913**	1,268
Other bank charges	**3,543**	1,869	**–**	1	**3,543**	1,870
	6,749	5,484	**–**	1	**6,749**	5,485
(b) Other items:						
Amortization of other intangible assets	**984**	670	**–**	–	**984**	670
Bad debts written off	**160**	189	**–**	–	**160**	189
Depreciation	**24,810**	15,886	**–**	40	**24,810**	15,926
Auditor's remuneration	**1,195**	1,111	**–**	1	**1,195**	1,112
Exchange loss	**352**	18	**–**	–	**352**	18
Operating lease rentals for properties	**82,172**	47,162	**–**	204	**82,172**	47,336
Directors' remuneration	**794**	965	**–**	–	**794**	965
Other staff salaries and benefits	**119,838**	68,303	**–**	1,143	**119,838**	69,446
Retirement scheme contributions	**4,545**	2,598	**–**	33	**4,545**	2,631
Equity-settled share-based payment expenses	**372**	213	**–**	–	**372**	213
Other staff costs	**124,755**	71,114	**–**	1,176	**124,755**	72,290
Cost of inventories sold	**135,411**	83,424	**–**	–	**135,411**	83,424
(Gain)/loss on disposal of plant and equipment	**(290)**	303	**–**	–	**(290)**	303
Loss on disposal of other intangible assets	**–**	2	**–**	–	**–**	2

5. INCOME TAX EXPENSE

Taxation in the profit or loss represents:

	2014	2013
	HK$'000	*HK$'000*
Continuing operations		
Current tax	**3,963**	3,003
Deferred tax	**(3,674)**	(2,594)
	289	409
Discontinued operations		
Current tax	**–**	–
Deferred tax	**–**	342
	–	342
Income tax expense	**289**	751

(i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and BVI.

(ii) The Company's subsidiaries incorporated/established in Hong Kong, the People's Republic of China ("PRC"), Taiwan and Japan are subject to Hong Kong Profits, PRC Enterprise Income Tax, Taiwan Profit-Seeking-Enterprise Income Tax and Japan Corporate Income Tax at the rates of 16.5%, 25%, 17% and 15% respectively (2013: HK – 16.5%, PRC – 25%, Taiwan – N/A and Japan – N/A respectively).

6. DISCONTINUED OPERATIONS

The shareholders of the Company passed an ordinary resolution at an extraordinary general meeting on 18 April 2012 to discontinue all the information technology businesses.

(a) Loss for the year for the information technology business was as follow:

	2014	2013
	HK$'000	*HK$'000*
Turnover	–	1,483
Cost of sales and services rendered	–	(636)
Gross profit	–	847
Loss on disposal of subsidiaries – *Note 11*	–	(3,839)
Operating expenses	–	(1,417)
Operating loss	–	(4,409)
Finance costs	–	(1)
Loss before income tax	–	(4,410)
Income tax expense	–	(342)
Loss for the year	–	(4,752)

(b) The net cash flows provided by information technology business were as follows:

	2014	2013
	HK$'000	*HK$'000*
Operating activities	–	(1,174)
Investing activities	–	–
Financing activities	–	–
	–	(1,174)

7. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to owners of the Company of HK$27,712,000 (2013: HK$17,922,000) and the weighted average number of ordinary shares of 2,242,950,000 (2013: 2,009,525,000 shares) in issue during the year ended 31 March 2014 calculated as follows:

	2014		2013	
	Loss attributable to owners	**Weighted average number of ordinary shares**	Loss attributable to owners	Weighted average number of ordinary shares
	HK$'000		*HK$'000*	
Continuing operations	**27,712**	**2,242,950,000**	(13,170)	2,009,525,000
Discontinued operations	**–**	**2,242,950,000**	(4,752)	2,009,525,000
	27,712	**2,242,950,000**	(17,922)	2,009,525,000

Weighted average number of ordinary shares

	2014	2013
	'000	*'000*
Issued ordinary shares at the beginning of the year	**2,242,950**	1,642,950
Effect of conversion of convertible bond	**–**	366,575
Weighted average number of ordinary shares at the end of the year	**2,242,950**	2,009,525

Diluted loss per share has not been disclosed as no dilutive potential equity shares in existence as at 31 March 2013 and 2014.

8. DEBTORS, DEPOSITS AND PREPAYMENTS

Debtors, deposits and prepayments comprise:

	2014	2013
	HK$'000	*HK$'000*
Trade debtors	**8,134**	9,337
Rental and utility deposits	**36,493**	24,662
Prepayments	**4,604**	2,397
Interest receivable	**–**	107
Other debtors	**355**	1,130
	49,586	37,633

(a) Aging analysis

The trading terms with the Group's customers are mainly on cash and credit card settlements, except for well established corporate customers who entitled credit term of 30-60 days. For credit card settlements, the banks normally settle the balances within 2-3 days. The following was an aging analysis of trade debtors, which included outstanding balances for credit card settlements, (net of allowance for doubtful debts) at the end of the reporting period:

	2014	2013
	HK$'000	*HK$'000*
0 – 30 days	**7,274**	7,404
31 – 60 days	**489**	1,475
61 – 90 days	**9**	75
91 – 180 days	**25**	88
181 – 365 days	**337**	295
	8,134	9,337

(b) Trade debtors that are not impaired

The aging analysis of trade debtors that are not considered to be impaired was as follow:

	2014	2013
	HK$'000	*HK$'000*
Neither past due nor impaired	**7,037**	5,639
Past due but not impaired:		
1 – 30 days	**691**	1,765
31 – 60 days	**35**	1,475
61 – 90 days	**9**	75
91 – 180 days	**20**	88
181 – 365 days	**342**	295
	1,097	3,698
	8,134	9,337

Trade debtors that were neither past due nor impaired relate to customers for whom there was no recent history of default.

Trade debtors that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

9. CREDITORS, ACCRUALS AND DEPOSITS RECEIVED

Creditors, accruals and deposits received comprise:

	2014	2013
	HK$'000	*HK$'000*
Trade creditors	**27,157**	20,595
Accruals and provisions	**25,928**	17,795
Other creditors	**8,564**	9,285
	61,649	47,675
Less: Classified in non-current liabilities	**(4,653)**	(435)
Classified in current liabilities	**56,996**	47,240

The following was an aging analysis of trade creditors:

	2014	2013
	HK$'000	*HK$'000*
0 – 30 days	**21,643**	10,423
31 – 60 days	**4,706**	9,797
61 – 90 days	**658**	303
91 – 180 days	**101**	65
Over 180 days	**49**	7
	27,157	20,595

10. ACQUISITION OF SUBSIDIARIES

During the year ended 31 March 2013, the Group completed the acquisition of the entire equity interest in Mark Limited and its subsidiaries (collectively referred to as the "Mark Group") from Strong Venture Limited ("Strong Venture"), which is wholly and beneficially owned by a director of the Company, Mr. Tang Sing Ming Sherman, at a total consideration of HK$80 million which was satisfied by convertible bonds issued by the Company. Mark Group is operating restaurants, café and cake shops.

The Group also completed the acquisition of equity interest in Tomato Books Co., Limited ("Tomato"), which is operating a bookstore under the business name of "Tomato Books", at a total consideration of HK$510,000.

The Directors believe that through the acquisition of these subsidiaries, it offers business opportunities of the Group in developing new brands under the Group's food and beverage business that would further enhance the Group's income and strengthen the Group's market position.

The goodwill recognized is expected to be non-deductible for income tax purposes. The net assets acquired in above acquisitions were as follows:–

	Mark Group	**Tomato**	**Total**
	HK$'000	*HK$'000*	***HK$'000***
Net assets acquired:–			
Other intangible assets	16,292	–	**16,292**
Plant and equipment	12,788	–	**12,788**
Deferred tax assets	–	302	**302**
Income tax	367	–	**367**
Inventories	1,895	422	**2,317**
Debtors, deposits and prepayments	11,602	480	**12,082**
Cash and bank balances	6,477	87	**6,564**
Creditors, accruals and deposits received	(11,411)	(702)	**(12,113)**
Bank loans, secured	(8,767)	–	**(8,767)**
Income tax payable	(1,691)	–	**(1,691)**
Deferred tax liabilities	(2,901)	–	**(2,901)**
	24,651	589	**25,240**

	Mark Group	Tomato	Total
	HK$'000	*HK$'000*	***HK$'000***
Gain on bargain purchase of acquisition of a subsidiary	–	(79)	**(79)**
Goodwill on acquisitions of subsidiaries	55,095	–	**55,095**
Consideration for acquisitions of subsidiaries			
Satisfied by:–			
– Convertible bonds	79,746	–	**79,746**
– Cash	–	510	**510**
Total	79,746	510	**80,256**

Acquisition related costs incurred during the year to these acquisitions amounting to approximately HK$1,229,000 were included in operating expenses in the profit or loss.

The newly acquired subsidiaries contributed approximately profit of HK$4,720,000 and revenue of HK$92,996,000 to the Group's loss for the year and revenue for the year ended 31 March 2013, respectively, for the period between the date of acquisition and the end of the reporting period.

Had the acquisition been completed on 1 April 2012, the Group's loss for the year and revenue for the year ended 31 March 2013 would be approximately HK$14,140,000 and HK$321,491,000 respectively. This proforma information was for illustrative purposes only and was not necessarily an indication of the turnover and result of the Group that would actually have been impacted had the acquisition been completed on 1 April 2012, nor was it intended to be a projection of future result.

11. DISPOSAL OF SUBSIDIARIES

During the year ended 31 March 2013, the Group had disposed of the entire equity interests in Armitage Technologies Holding (BVI) Limited and its subsidiaries (collectively referred to as the "Armitage Group") to Figo Investments Limited in which Mr. Lee Shun Hon, Felix, who had resigned as the executive director of the Company on 17 August 2012, has controlling interests in order to discontinue all the information technology businesses.

The net assets of the above subsidiaries being disposed of were as follows:–

	2014	2013
	HK$'000	*HK$'000*
Net assets disposed of:–		
Plant and equipment	**–**	3,867
Deferred tax assets	**–**	335
Debtors, deposits and prepayments	**–**	3,276
Cash and bank balances	**–**	5,965
Creditors, accruals and deposit received	**–**	(6,793)
Net assets disposed of	**–**	6,650
Release of exchange reserve	**–**	(1,211)
	–	5,439
Loss on disposal of subsidiaries – *Note 6*	**–**	(3,839)
Total consideration	**–**	1,600
Total consideration satisfied by:–		
Cash consideration	**–**	1,600

12. CASH AND CASH EQUIVALENTS

	2014	2013
	HK$'000	*HK$'000*
Cash and bank balances	**27,233**	34,012

13. RELATED PARTY AND CONNECTED TRANSACTIONS

Except for the amount due to a related company, loan from a director, the acquisition of 100% interest in the Mark Group as disclosed in note 10 and the disposal of 100% interest in the Armitage Group as disclosed in note 11, the Group had the following material transactions with its related parties in which a Director of the Company have controlling interest under the GEM Listing Rules during the year:

			2014	2013
		Note	***HK$'000***	*HK$'000*
(i)	Rental expense to Epicurean Management Limited #	*(a)*	**240**	240
(ii)	Interest expense on convertible bonds to First Glory Holdings Limited ("First Glory") ##	*(b)*	**–**	490
(iii)	Interest expense on convertible bonds to Strong Venture #	*(c)*	**1,600**	978
(iv)	Provision of food and beverage services to I. T. H. K. Limited ("ITHK") ###	*(d)*	**–**	311
(v)	Rental expenses to Joint Allied Limited####	*(d)*	**1,267**	731

\# Mr. Tang Sing Ming Sherman ("Mr. Tang"), an executive Director of the Company, has controlling interest.

\## Mr. Tang had controlling interest in First Glory during the time when First Glory held the convertible bonds.

\### Mr. Tang had controlling interest in ITHK through Strong Venture before the Group completed its acquisition of the Mark Group (in which ITHK is one of the group members) on 21 August 2012.

\#### Joint Allied Limited is owned by a family trust in which Mr. Tang is one of the beneficiaries.

Notes:

(a) The amounts were predetermined by both parties.

(b) The interest rate was determined at 3% per annum as set out in the subscription agreement dated 22 December 2009.

(c) The interest rate was determined at 2% per annum as set out in the subscription agreement dated 15 August 2012.

(d) The transaction was entered based on the normal commercial terms.

The Directors (including the independent non-executive Directors) of the Company have reviewed the above related party and connected transactions and are of the opinion and confirm that these transactions were effected: (i) on normal commercial terms (or better to the Group); (ii) in the ordinary and usual course of the business of the Group; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interest of the shareholders of the Company as a whole.

Key management compensation

	2014	2013
	HK$'000	*HK$'000*
Fees for key management personnel	**360**	360
Salaries, allowances and other benefits in kind	**4,532**	3,184
Retirement scheme contributions	**96**	97
Equity-settled share-based payment expenses	**574**	353
	5,562	3,994

14. SEGMENT AND ENTITY-WIDE INFORMATION

HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly review by the chief operating decision maker (the board of directors) in order to allocation resources to the segment and to assess its performance.

After the Group had completed the disposal of the entire information technology business, the Group operates in one business unit, and has one reportable and operating segment: food and beverage. Accordingly, the Group does not have any identifiable segment or any discrete information for segment reporting purpose. Currently, the Group participated primarily in one geographical location classified by location of sales, i.e. Hong Kong, and the turnover from the PRC, Taiwan and Japan contributed less than 10% of the total turnover of the Group, therefore, no geographical segment analysis is presented.

15. DIVIDEND

The Board does not recommend the payment of any dividend in respect of the year ended 31 March 2014 (2013: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

In 2013, world economic conditions showed some improvements than those of 2012. In Hong Kong, the economy recorded a moderate growth as backed by a relatively resilient domestic sector. Economic growth in Mainland China remained steady, which benefited consumer confidence and expenditure. However, measures introduced by the central government adversely affected demand for luxury products.

During the year, Hong Kong retail sales continue to grow, but the pace is moderating. Fueled by the mainland tourist arrivals, the food and beverage ("F&B") sector in Hong Kong registered a stable growth. As the Individual Visit Scheme has been launched for more than 10 years, China's tourist tastes are maturing and becoming more sophisticated. Their spending behavior has shifted from luxury products to daily necessities. There are less first-time tourists. Instead, visitors want to make more focused trips, which include more quality exposure to local dining and culture. Such change in spending pattern has brought benefits to the F&B sector.

Behind the growth, however, competition among the sector is very intensive. In such a highly competitive market, we have to be innovative and adaptive. During the year, we continued to refresh the menu in our existing brands and introduce new concepts to our portfolio.

Similar to the previous year, we continued to face constant challenges from severe shortage of retail floor areas, acute labour shortage and high employee turnover rate, as well as rising costs of raw materials. Under such operating landscape, disciplined execution to enhance operating efficiency is particularly important for the sector.

Stepping into the first quarter of 2014, Hong Kong retail sales marked the steepest fall in over four years alongside growth moderation in China and slowing down in domestic consumption. As our target market segment is more resilient to economic downturn, we expect the impact on our Company will be minimal.

Business Review

During the fiscal year 2013/2014, the Group has continued to apply multi-brand strategy to drive its business growth and achieve further market penetration in focused market segments. The Group's operations recorded a remarkable turnover growth of 63%, to HK$414.6 million. The profitability, however, is not as impressive as revenue growth. The net loss for the year amounted to HK$27.7 million which was mainly due to large amount of initial investments on operating infrastructures and acquisitions of new initiatives. The management believes that these investments and capabilities will soon translate into record financial performance.

During the year, our business expanded in both depth and scope. We drove revenue growth by increasing traffic at the existing stores and also increasing operating efficiency. In Hong Kong, we opened 8 new stores under our core concepts so that the total number of stores reached 48 by the end of the year. We also broadened our geographic reach in Mainland China and other cities in Asia.

In Mainland China, consumers' shopping habits have changed dramatically as incomes have risen and new products and concepts have entered the China market. Therefore, consumer habits evolve more rapidly than other more matured markets. Dining concepts were carefully selected by the management to develop in this market. During the year, the number of our stores in Mainland China more than doubled that of the previous financial year by an increase in number of stores of 9, which were under Japanese tonkatsu, Japanese izakaya, curry specialty store as well as café and cake shop concept.

This year, we have also marked an important milestone of our overseas development by tapping into the F&B market in Taiwan and Japan. Overseas branch offices were established in Tokyo and Taipei during the year. As at the end of the reporting year, we operated 4 stores under café and cake shops concept in Taiwan, and 1 store for each of ramen and Japanese curry in Tokyo. These two markets not only will be another potential for future growth, but also serve as our springboard to expand into the Asia-Pacific region.

The restaurants, café and cake shops continued to be the core contributor for our profit and growth. As this concept is an enduring brand in Hong Kong with a strong customer base, our objective is to maintain our quality by selling the finest quality cake and related products, as well as spark customers interest by regular update of menu. Our delicious new food offerings, led by the rollout of a seasonal campaign "Strawberry Sweet Fairs", through which we sold cakes and other related products made by the freshest ingredients from Japan. It had received strong customer response and lifting sales. Another important feature of our marketing strategy was to pair the powerful digital media with our campaign to boost the brand image and stimulate purchase. It has also helped to build up a closer relationship with our customers, through which we were able to understand more about customers' need.

During the year, Japanese tonkatsu brand remained another major driver to the Group's growth. Amid keen competition in this market segment, some stores under this concept had still achieved a significant same store sales growth. To increase traffic and stimulate spending, we launched "Thanks Giving Day" at a store to test the market and the result was encouraging. The promotion scheme had attracted first time visit and enhance our brand recognition in the region. During the review period, we had sped up our development in Shanghai. Two additional stores were opened. In terms of revenue generation, the overall performance of these two stores was not up to our expectation mainly due to insufficient flow of traffic in the region they located. However, we believe that the sales will eventually pick up along with the completion of office and residence buildings nearby.

We are especially excited about the progress of our Taiwanese beef noodle concept. In a short operating period, it has already generated profits to the Group. This year, one of the stores was rated as a recommended restaurant in a prestigious international food guide for 2014. This is recognition for taste and product quality and had helped to promote the brand and boost our income.

In early 2014, we opened the first izakaya concept store in both Hong Kong and Shanghai. As izakaya is an unfamiliar dining concept in the regions, we have added into the original concept with new ideas to reflect the regional custom and culture. Apart from traditional Japanese tapas and wines, we also offer sushi, sashimi and robatayaki to provide our customer a wider variety of food choices. In a few months time, the two stores have already attracted high traffic. We will closely monitor the development of this concept and seek for further business opportunities in the regions.

Other concepts operated by the Group, including Japanese curry specialty shops and Japanese ramen continued to provide the Group with a steady flow of revenue. As these concepts are young brands in the market, we tried to attract customers attention by regularly updating the menu with new good choices.

Future Prospects

The Group has experienced a challenging year in fiscal 2013/2014. We foresee fiscal 2014/2015 will be another tough year for the F&B sector amid shrinking tourist spending coupled with lower consumer sentiment. In operation front, we will continue to feel the pressure of inflation on the key components of our operating expenses. Therefore, apart from growth and expansion, increase in operating efficiency and effective cost control also topped the corporate agenda. A new ERP system will be launched soon for the purposes of further streamline operations and optimize margins.

For our Hong Kong business platform, we will further increase our market share by adding new stores and looking for the possibility of co-operation and acquisitions, if the opportunities arise. This year, tenancy agreements of some of our stores will expire. We will negotiate with the landlords for renewal of contracts or relocate our stores, depending on the market sentiment and rental condition. Though we observed the recent rental adjustment in prime street shops, base rents at major shopping centers where most of our stores are located remain high. We will closely monitor the change of economic condition for identifying store location that is in line with our strategy.

It is clear that Mainland China will be another important market to drive our growth in the future. Upcoming, we will focus on enhancing our operational foundation in Shanghai in terms of productivity and scale and will gradually expand to other cities in China. To capture growth in the mass mainland China market, we target to partner with local experts for licensing or franchising our concepts to speed up our penetration into cities in the PRC.

The restaurants, café and cake shops concept, our Japanese tonkatsu brand and Shanghainese dining are matured brands in Hong Kong. We will focus on productivity improvements and robust innovation to deliver higher return to the Group. Meanwhile, we will continue to enhance the brand image and strengthen the market positioning of other younger concepts.

Upcoming, we will upgrade the infrastructure of our catering services company to enhance its productivity and increase capacity. Meanwhile, we are planning to build a new distribution and food production centre in Hong Kong aiming at higher efficiency, taste consistency and food safety.

As the beverage and food industry is highly susceptible to changes in consumer preferences, we will adhere to our multi-brand strategy and continue to identify and develop new concepts locally and aboard to further broaden and deepen our presence in the markets we operate.

FINANCIAL REVIEW

Consolidated results of operations

For the year ended 31 March 2014, the Group recorded a total turnover of HK$414.6 million (2013: HK$256.5 million), representing an increase of 62% compared with the previous year. Turnover generated from the continuing operations, food and beverage business, was HK$414.6 million (2013: HK$255.1 million), representing an increase of 63% compared with the previous year.

Net loss attributable to owners of the Company was HK$27.7 million (2013: HK$17.9 million).

Gross profit

The gross profit margin from the continuing operations of the Group was 67% (2013: 67%).

Expenses

Total operating expenses for the continuing operations increased by 72% to HK$301.2 million (2013: HK$175.6 million) which were quite in line with the increase in turnover from the continuing operations. Besides, such increase was mainly resulted from the operating expenses incurred by Mark Group which was acquired by the Group in August 2012 through a very substantial acquisition.

Financial resources and liquidity

The Group generally relies on internal funds and facilities granted by its bankers and the executive director of our Company to finance its operation.

As at 31 March 2014, current assets amounted to HK$83.2 million (2013: HK$92.5 million) of which HK$27.8 million (2013: HK$34.6 million) was cash and bank deposits, HK$49.6 million (2013: HK$37.6 million) was debtors, deposits and prepayment. The Group's current liabilities amounted to HK$122.7 million (2013: HK$80.4 million), including creditors, accruals and deposits received in the amount of HK$57.0 million (2013: HK$47.2 million).

Current ratio and quick assets ratio as at 31 March 2014 was 0.68 and 0.64 respectively (2013: 1.15 and 1.10 respectively). Debt-to-equity ratio, expressed as a ratio of total debts less pledged bank deposit, pledged bank balance and cash and bank balances to total equity, was 5.68 (2013: 2.16).

Foreign exchange

The Group received renminbi income from sales in the PRC. Fluctuations in exchange rates of renminbi against foreign currencies can affect the Group's results of operations. During the year under review, no hedging transactions or other exchange rate arrangements were made.

Charges on the Group's assets

Except for the pledged bank deposit and assets pledged as security for the obligations under finance lease, no Group's assets have been pledged or charged as at 31 March 2014 and 31 March 2013 respectively.

Capital commitments

As at 31 March 2014 and 31 March 2013 respectively, the Group did not have material capital commitment.

Contingent liabilities

As at 31 March 2014 and 31 March 2013 respectively, the Group did not have material contingent liabilities.

Subsequent event

On 1 June 2014, the Group acquired additional 5% equity interest in Talent Horizon Limited, which is an investment holding company within the Group, running Japanese curry specialty stores in Hong Kong and the PRC, from a minority shareholder at a consideration of JPY720,000. After the acquisition, the Group holds 98% equity interest in Talent Horizon Limited.

Other financial assets

On 10 February 2010, a wholly-owned subsidiary of the Company, Marvel Success Limited ("Marvel Success") subscribed at face value, a two-year 5% convertible bond ("PJ Convertible Bond") in the principal amount of US$2,000,000 (equivalent to approximately HK$15,550,000 as at 31 March 2013) issued by PJ Partners Pte. Ltd. ("PJ Partners"), a company which was incorporated in Singapore with limited liability and is engaged in food and beverage management business, with transaction costs of HK$1,300,000. According to the terms of the subscription agreement, the conversion price is lower of the net asset value per share or 2.5 times the net profit per share of PJ Partners at the time of conversion provided that Marvel Success is allowed to use US$2,000,000 to convert to shares of PJ Partners up to 75% or minimum 25% of the issued share capital of PJ Partners.

At initial recognition, the loan receivable component of PJ Convertible Bond was recognized at fair value of HK$16,217,000 which was estimated by discounted cash flows method using a market interest rate for a similar investment plus allocated transaction costs. The loan receivable is carried at amortized cost in subsequent measurement.

For derivative component of PJ Convertible Bond, the fair value at initial recognition was HK$633,000, which was estimated by the difference between the consideration paid and the fair value of loan receivable component at initial recognition.

On 10 February 2012, Marvel Success executed a supplemental deed with PJ Partners under which the maturity date of the PJ Convertible Bond had been extended for one year from the second anniversary to the third anniversary of the date of the issue of the PJ Convertible Bond.

On 4 February 2013, Marvel Success executed a second supplemental deed with PJ Partners under which the maturity date of the PJ Convertible Bond had been further extended to 9 May 2013 or such later date to be mutually agreed in writing between PJ Partners and Marvel Success.

On 8 May 2013, Marvel Success executed a third supplemental deed with PJ Partners under which the maturity date of the PJ Convertible Bond had been further extended to 9 August 2013 or such later date to be mutually agreed in writing between PJ Partners and Marvel Success.

On 9 August 2013, Marvel Success executed a fourth supplemental deed (the "Fourth Supplemental Deed") with PJ Partners under which the maturity date of the PJ Convertible Bond had been further extended to 9 November 2013 in order to offer PJ Partners additional time to arrange payment of the outstanding principal amount of the PJ Convertible Bond.

During the year under review, PJ Partners had settled the principal amount and all the interests accrued under the PJ Convertible Bond as well as the extension fee as contemplated under the Fourth Supplemental Deed.

Employees and remuneration policies

As at 31 March 2014, the Group had 1,021 employees in Hong Kong and the PRC (2013: 891). Remuneration is determined by reference to market terms and in accordance with the performance, qualification and experience of each individual employee. Discretionary bonuses, based on each individual's performance, are paid to employees as recognition and in reward of their contributions. Other fringe benefits such as medical subsidy, medical insurance, education/training subsidies and pension fund plans are offered to most employees. Share options are granted at the discretion of the Board under the terms and conditions of the new share option scheme adopted on 20 July 2012 as well as the previous share option scheme adopted on 26 February 2003 (collectively referred to as the "Share Option Schemes").

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS' INTERESTS IN THE SECURITIES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 31 March 2014, the interests or short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), Chapter 571 under the Laws of Hong Kong), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, 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 in the ordinary shares of the Company

Name	Type of interests	Number of shares	Approximate percentage of the issued share capital *(Note 3)*
Mr. Tang Sing Ming Sherman ("Mr. Tang") *(Note 2)*	Beneficiary of a trust	1,673,810,083 *(Note 1)*	74.63%

Notes:

1. 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 Trustee (Cook Islands) 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 Strong Venture, which held convertible bond issued by the Company in the aggregate principal amount of HK$80 million ("Convertible Bond") 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 held by Strong Venture.

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 31 March 2014.

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

Name	Type of interests	Number of shares	Approximate percentage of the issued share capital *(Note 3)*
Mr. Tang *(Note 2)*	Interest in corporation	1,000,000,000 *(Note 1)*	44.58%

Outstanding options granted to the Directors under the share option schemes adopted on 26 February 2003 and 20 July 2012 (collectively received to as the "Share Option Schemes"):

Name	**Date of grant**	**Exercise price per share** *(Note 4)* *HK$*	**Exercisable period**	**Approximate percentage of the issued share capital** *(Note 3)*	**Number of share options outstanding**
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	0.090	From 19 April 2014 to 18 April 2023	0.22%	5,000,000
	19 April 2013	0.090	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	0.090	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	0.090	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	0.090	From 19 April 2014 to 18 April 2023	0.02%	500,000
					31,000,000

Notes:

1. 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 Strong Venture, which is wholly-owned 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 held by Strong Venture.

2. 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 31 March 2014.

4. The original exercise price in respect of the share options granted on 13 August 2010 was HK$0.142 per share. Adjustment of the exercise price of such share options has been made on 28 October 2011 to HK$0.138 per share as a result of the rights issue by the Company in November 2011.

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

Name of Director	Name of associated corporation	Capacity	Number of ordinary shares	Approximate percentage of attributable interest in corporation
Mr. Tang	First Glory *(Note)*	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 Trustee (Cook Islands) 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 *(Note 2)*	Interest in corporation	HK$80 million *(Note 1)*

Notes:

1. The said HK$80 million represents the outstanding principal amount of the Convertible Bond held by Strong Venture, which is wholly-owned by Mr. Tang. The Convertible Bond 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 herein, as at 31 March 2014, none of the Directors of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, 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.

PERSONS WHO HAVE AN INTEREST OR A SHORT POSITION WHICH IS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed under the section headed "Directors' interests in the securities of the Company or any associated corporations", so far as is known to the Directors and chief executive of the Company, as at 31 March 2014, no other persons or companies had interests or short positions in the shares and underlying shares of the Company which were required to be disclosed under provisions of Divisions 2 and 3 of Part XV of the SFO or were interested in, directly or indirectly, 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, except the following:

Name	**Type of interests**	**Number of shares**	**Approximate percentage of the issued capital** *(Note 4)*
HSBC Trustee (Cook Islands) Limited *(Note 1)*	Interest in corporation	1,673,810,083	74.63%
Glory Sunshine *(Note 1)*	Interest in corporation	1,673,810,083	74.63%
First Glory *(Note 1)*	Beneficial owner	1,673,810,083	74.63%
Strong Venture *(Note 2)*	Beneficial owner	1,000,000,000	44.58%
Ms. Ho *(Note 3)*	Interest in spouse	2,698,810,083	120.32%

Notes:

1. 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 Trustee (Cook Islands) Limited in its capacity as the trustee of the Family Trust.

2. 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 Strong Venture, which is wholly-owned by Mr. Tang. The Convertible Bond was issued by the Company 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 held by Strong Venture.

3. 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 section headed "Directors' interests in the securities of the Company or any associated corporations" for further details.

4. Based on 2,242,950,000 shares of the Company in issue as at 31 March 2014.

SHARE OPTIONS

As at 31 March 2014, options under Share Option Schemes to subscribe for an aggregate of 69,500,000 shares have been granted to a total of 13 directors and employees of the Group, details as follows:

	Date of grant	Exercisable period	Exercise price per share *HK$*	Outstanding at 1.4.2013	Granted during the year	Lapsed during the year	Outstanding at 31.3.2014
Category 1: Directors							
Mr. Tang	23.12.2011	23.12.2012 – 22.12.2021	0.062	5,000,000	–	–	5,000,000
	23.12.2011	23.12.2013 – 22.12.2021	0.062	5,000,000	–	–	5,000,000
	23.12.2011	23.12.2014 – 22.12.2021	0.062	5,000,000	–	–	5,000,000
	19.4.2013	19.4.2014 – 18.4.2023	0.090	–	5,000,000	–	5,000,000
	19.4.2013	19.4.2015 – 18.4.2023	0.090	–	5,000,000	–	5,000,000
Mr. Bhanusak Asvaintra	13.8.2010	13.8.2011 – 12.8.2020	0.138	1,000,000	–	–	1,000,000
	23.12.2011	23.12.2012 – 22.12.2021	0.062	500,000	–	–	500,000
	19.4.2013	19.4.2014 – 18.4.2023	0.090	–	500,000	–	500,000
Mr. Chan Kam Fai Robert	13.8.2010	13.8.2011 – 12.8.2020	0.138	1,000,000	–	–	1,000,000
	23.12.2011	23.12.2012 – 22.12.2021	0.062	500,000	–	–	500,000
	19.4.2013	19.4.2014 – 18.4.2023	0.090	–	500,000	–	500,000
Mr. Chung Kwok Keung Peter	13.8.2010	13.8.2011 – 12.8.2020	0.138	1,000,000	–	–	1,000,000
	23.12.2011	23.12.2012 – 22.12.2021	0.062	500,000	–	–	500,000
	19.4.2013	19.4.2014 – 18.4.2023	0.090	–	500,000	–	500,000
Category 2: Employees	23.3.2010	23.3.2011 – 22.3.2020	0.210	2,000,000	–	–	2,000,000
	13.8.2010	13.8.2011 – 12.8.2020	0.138	6,000,000	–	(1,000,000)	5,000,000
	13.8.2010	13.8.2012 – 12.8.2020	0.138	6,000,000	–	(1,000,000)	5,000,000
	23.12.2011	23.12.2012 – 22.12.2021	0.062	3,800,000	–	(400,000)	3,400,000
	23.12.2011	23.12.2013 – 22.12.2021	0.062	5,000,000	–	(500,000)	4,500,000
	23.12.2011	23.12.2014 – 22.12.2021	0.062	6,200,000	–	(600,000)	5,600,000
	19.4.2013	19.4.2014 – 18.4.2023	0.090	–	7,500,000	(1,000,000)	6,500,000
	19.4.2013	19.4.2015 – 18.4.2023	0.090	–	7,500,000	(1,000,000)	6,500,000
Total of all categories				48,500,000	26,500,000	(5,500,000)	69,500,000

COMPETING INTERESTS

None of the directors, the controlling shareholders or their respective associates (as defined in the GEM Listing Rules) had any interests in any business which competed with or might compete with the business of the Group or had any other conflicts of interests with the Group.

Mr. Tang, an 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 and the PRC. Other than the Group, the restaurants currently owned and operated by Mr. Tang and his associates in Hong Kong and the PRC include a number of Chinese restaurants (namely Joy & Joy 喜双逢, Xia Mian Guan 夏麵館, Kowloon Tang 九龍廳 and Tim's Kitchen Elements 圓方桃花源), western restaurants (namely The Peak Lookout, The Peak Lookout Airport, Jimmy's Kitchen, Steik World Meats, Agave, Club 97, iL Posto 97 and El Pomposo), Japanese restaurants (Rei 礼 and Naha 那霸沖繩料理). The information of these restaurants, including their locations and menus, can be found in the website 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, wellness café concept under the names of Quick & Fresh and getgo fresh, restaurants, café and cake shops under the brands of Italian Tomato, the Japanese curry specialty stores under the name of Shirokuma Curry 白熊咖哩, 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), 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.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The primary duties of the audit committee are to review the Company's draft annual, interim and quarterly financial reports and accounts and to provide advice and comments thereon to the Board. The audit committee is also responsible for reviewing and supervising the financial reporting process and internal control procedures of the Group. The audit committee comprises three independent non-executive Directors, namely Mr. Bhanusak Asvaintra, Mr. Chan Kam Fai Robert and Mr. Chung Kwok Keung Peter.

Up to the date of approval of the Group's unaudited results for the year ended 31 March 2014, the audit committee had held four meetings and had reviewed the draft quarterly report and accounts for the year ended 31 March 2014 prior to recommending such report and accounts to the Board for approval.

DIRECTORS' SECURITIES TRANSACTIONS

Throughout the year ended 31 March 2014, the Company adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries of all Directors, the Company confirms that all of the Company's directors complied with such required standard of dealings and its code of conduct regarding directors' securities transactions.

CORPORATE GOVERNANCE

The Company is firmly committed to maintaining and ensuring a high level of corporate governance standards and will review and improve the corporate governance practices and standards constantly. The Company has complied with the code provisions set out in the Corporate Governance Code (the "Code Provisions") contained in Appendix 15 of the GEM Listing Rules throughout the year ended 31 March 2013, except for the deviations from Code Provisions A.2.1 and A.4.2 of the Corporate Governance Code. Details of the deviations are set out below.

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing.

Mr. Tang is the Chairman of the Board and the Chief Executive Officer of the Company. As such, such dual role constitutes a deviation from Code Provisions A.2.1. However, the Board is of the view that:

- the Company's size is relatively small and thus does not justify the separation of the roles of the Chairman and Chief Executive Officer;

- the Company has sufficient internal controls to provide checks and balances on the functions of the Chairman and Chief Executive Officer;

- Mr. Tang as the Chairman of the Board and the Chief Executive Officer of the Company is responsible for ensuring that all Directors act in the best interests of the shareholders. He is fully accountable to the shareholders and contributing to the Board and the Group on all top-level and strategic decisions; and

- this structure will not impair the balance of power and authority between the Board and the management of the Company.

Code Provision A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment, and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Pursuant to the Articles of Association of the Company, at every annual general meeting of the Company, one-third of the directors (for the time being, or, if their number is not a multiple of three, the number nearest to but not exceeding one-third) shall retire from office by rotation, provided that the chairman of the Board and/or the managing director of the Company shall not, while holding such office, be subject to retirement by rotation or be taken into account in determining the number of directors to retire in each year. As such, as at the date hereof, Mr. Tang being the Chairman of the Board, is not subject to retirement by rotation. The management of the Company is of the view that the membership of the Board represents rich and diversified background and industry expertise and as such, the management considers that there is no imminent need to amend the relevant provisions of the Articles of Association of the Company.

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

Hong Kong, 23 June 2014

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

This announcement will remain on the GEM website at http://www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the day of its posting.