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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)

**(1) DISCLOSEABLE TRANSACTION —
ACQUISITION OF SHARES OF QUALIFRESH CATERING LIMITED**

AND

(2) OPTIONS TO PURCHASE SHARES OF KOSMO DELIGHT LIMITED

Sale and Purchase Agreement

The Board is pleased to announce that the Purchaser and the Vendors entered into the Sale and Purchase Agreement on 30 May 2011 (after trading hours), pursuant to which the Purchaser conditionally agreed to acquire and the Vendors conditionally agreed to sell the Qualifresh Sale Shares at the total consideration of HK\$3,500,000, subject to and upon the terms and conditions of the Sale and Purchase Agreement.

Subject to Completion having taking place and other provisions of the Sale and Purchase Agreement, the Purchaser shall have an option for it or its nominee(s), exercisable at any time during the Qualifresh Call Option Period, to require Mr. Chung to sell up to all the remaining Qualifresh Shares held by Mr. Chung after the Completion (i.e. up to 30% of the entire issued share capital of Qualifresh as at the date of the Sale and Purchase Agreement) for an aggregate amount of up to HK\$1,500,000.

As the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition under the Sale and Purchase Agreement constitutes a discloseable transaction for the Company under the GEM Listing Rules.

Kosmo Option Deed

The Board is also pleased to announce that Robust Asia entered into the Kosmo Option Deed on 30 May 2011 (after trading hours) with Mr. Chung and Mr. Ma, pursuant to which (a) in consideration of HK\$10 payable by Robust Asia to Mr. Chung, Mr. Chung has granted Robust Asia the Kosmo Chung Option to require Mr. Chung to sell the Kosmo Chung Option Shares to Robust Asia or its nominee(s) at a price in the range of HK\$150,000 to HK\$750,000, and in consideration of HK\$10 payable by Robust Asia to Mr. Ma, Mr. Ma has granted Robust Asia the Kosmo Ma Option to require Mr. Ma to sell the Kosmo Ma Option Shares to Robust Asia or its nominee(s) at a price in the range of HK\$150,000 to HK\$750,000, subject to the terms and conditions of the Kosmo Option Deed.

Pursuant to rule 19.75 of the GEM Listing Rules, only the price paid by Robust Asia for the acquisition of the Kosmo Chung Option and Kosmo Ma Option will be taken into consideration for the purpose of classification of notifiable transactions under the GEM Listing Rules.

According to the applicable percentage ratios (as defined under the GEM Listing Rules), the price paid by Robust Asia for acquisition of the Kosmo Chung Option and Kosmo Ma Option does not constitute a discloseable transaction for the Company under the GEM Listing Rules. In accordance with the requirements under the GEM Listing Rules, the Company will make further announcement(s) in respect of the sale and purchase of the Kosmo Chung Option Shares and Kosmo Ma Option Shares under the Kosmo Option Deed as and when appropriate.

Master Agreement

The Board has been informed that on 30 May 2011 (after trading hours), Qualifresh and ITHK entered into the Master Agreement, pursuant to which Qualifresh shall provide the Services to ITHK from time to time for a period of three (3) years commencing from the Completion Date subject to the terms and conditions of the Master Agreement. Given that upon Completion, Qualifresh will become a 70%-owned subsidiary of the Company, and ITHK is a connected person of the Company, the transactions contemplated under the Master Agreement will, after Completion, constitute continuing connected transactions of the Company under the GEM Listing Rules.

The Board has also been informed by ITHK that prior to the entering into of the Master Agreement between Qualifresh and ITHK, Qualifresh had provided the Services to ITHK on fees payable to Qualifresh on normal commercial terms and on arm's length basis; and that such fees on the Services previously provided by Qualifresh to ITHK were in the total amounts of approximately HK\$30,000 and HK\$40,000 for the two years ended 31 December 2009 and 2010, respectively, which is less than 5% for the applicable percentage ratios (as defined under the GEM Listing Rules) and the annual consideration is less than HK\$1,000,000 if such transactions constitute continuing connected transactions under the GEM Listing Rules. The Directors are of the view that with reference to the historical figures on the fees paid for the Services previously provided by Qualifresh, the transactions contemplated under the Master Agreement will be exempted from the reporting, announcement and independent shareholders' approval requirements applicable to continuing connected transactions under Chapter 20 of the GEM Listing Rules on the basis that such transactions fall under the de minimis threshold as stipulated under rule 20.33(3) of the GEM Listing Rules. If the fees payable by ITHK under the Master Agreement exceed the de minimis threshold as stipulated under rule 20.33(3) of the GEM Listing Rules, the Company will make further announcement(s) in respect of the proposed continuing connected transactions under the Master Agreement as and when appropriate.

Shareholders of the Company and potential investors should note that any exercise of the Kosmo Options are subject to the fulfilment of certain conditions precedent and may or may not proceed. Shareholders of the Company and potential investors are advised to exercise extreme caution when dealing in the shares of the Company.

INTRODUCTION

The Board is pleased to announce that (a) the Purchaser and the Vendors entered into the Sale and Purchase Agreement on 30 May 2011 (after trading hours), pursuant to which the Purchaser conditionally agreed to acquire and the Vendors conditionally agreed to sell the Qualifresh Sale Shares at the total consideration of HK\$3,500,000; and (b) Robust Asia entered into the Kosmo Option Deed on 30 May 2011 (after trading hours) with Mr. Chung and Mr. Ma, pursuant to which Mr. Chung has granted Robust Asia the Kosmo Chung Option in consideration of HK\$10 payable by Robust Asia to Mr. Chung, and Mr. Ma has granted Robust Asia the Kosmo Ma Option in consideration of HK\$10 payable by Robust Asia to Mr. Ma.

The Board has been informed that on 30 May 2011 (after trading hours), Qualifresh and ITHK entered into the Master Agreement, pursuant to which Qualifresh shall provide the Services to ITHK from time to time for a period of three (3) years commencing from the Completion Date subject to the terms and conditions of the Master Agreement. Given that upon Completion, Qualifresh will become a 70%-owned subsidiary of the Company, and ITHK is a connected person of the Company, the transactions contemplated under the Master Agreement will, after Completion, constitute continuing connected transactions of the Company under the GEM Listing Rules.

The terms and conditions of the Sale and Purchase Agreement, the Kosmo Option Deed and the Master Agreement are described in more details below.

A. THE SALE AND PURCHASE AGREEMENT

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

Date

30 May 2011 (after trading hours)

Parties to the Sale and Purchase Agreement

Purchaser: Robust Asia Limited, a wholly-owned subsidiary of the Company

Vendors: (a) Mr. Chung Hoi Shuen
(b) Mr. Tong Hei Wah Aro

Warrantors: (a) Mr. Chung Hoi Shuen
(b) Mr. Tong Hei Wah Aro
(c) Ms. Tong Shuk Yin Eliza

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Mr. Chung (who is the ultimate beneficial owner of Chung Qualifresh Sale Shares), Mr. Tong (who is the ultimate beneficial owner of Tong Qualifresh Sale Shares) and Ms. Tong (who is the trustee of Tong Qualifresh Sale Shares) are all Independent Third Parties.

Assets to be acquired

Pursuant to the terms and conditions of the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and (a) Mr. Chung has conditionally agreed to sell the Chung Qualifresh Sale Shares, representing 20% of the entire issued share capital of Qualifresh, and (b) Mr. Tong has conditionally agreed to sell the Tong Qualifresh Sale Shares, representing 50% of the entire issued share capital of Qualifresh.

Consideration and payment terms

The Total Consideration for the Qualifresh Sale Shares shall be HK\$3,500,000, of which HK\$1,000,000 shall be the consideration for Mr. Chung's sale of Chung Qualifresh Sale Shares to the Purchaser and HK\$2,500,000 shall be the consideration for Mr. Tong's sale of Tong Qualifresh Sale Shares to the Purchaser.

Upon Completion, the Purchaser shall pay the Total Consideration in cash in the following manner:

- (a) for Chung Consideration, at the direction of Mr. Chung, the Purchaser shall pay a sum of HK\$770,149.35 directly to Qualifresh for repayment of the loans owed by Mr. Chung to Qualifresh and the remaining sum of HK\$229,850.65 to Mr. Chung;
- (b) for Tong Consideration, at the direction of Mr. Tong, the Purchaser shall pay a sum of HK\$304,477.65 directly to Qualifresh for repayment of the loans owed by Ms. Tong to Qualifresh and the remaining sum of HK\$2,195,522.35 to Mr. Tong;

or in such other manner as the Purchaser and the Vendors may agree in writing.

The Total Consideration was determined between the Purchaser and the Vendors after arm's length negotiations based on normal commercial terms and with reference to the unaudited net asset value of Qualifresh as at 31 March 2011 which is in the sum of approximately HK\$3.1 million.

Conditions precedent to the Acquisition

Completion of the Acquisition is conditional upon the fulfilment of the following conditions:

- (a) the Warrantors having facilitated the Purchaser to undertake a legal, financial, operational, tax, accounting and business due diligence investigation in respect of Qualifresh, and the results of which are satisfactory to the Purchaser;
- (b) all applicable law, rules and regulations (including but without limitation to the GEM Listing Rules) for entering into the transaction(s) contemplated under the Transaction Documents having been complied with, and all necessary approvals in respect of the transaction(s) contemplated under the Transaction Documents having been obtained, by the Parties and by the Company;
- (c) the Chung Service Agreement having been duly executed by Mr. Chung;
- (d) the Tong Service Agreement having been duly executed by Mr. Tong;
- (e) the Deed of Tax Indemnity having been duly executed by each of Mr. Chung, Mr. Tong and Qualifresh in favour of the Purchaser;
- (f) the warranties given by the Warrantors remaining true and accurate in all material respects and not misleading in any material respect immediately prior to Completion by reference to the facts and circumstances subsisting immediately prior to Completion; and
- (g) there has been no Material Adverse Change immediately prior to Completion.

The Purchaser may, by written notice to the Warrantors, waive or modify compliance with any of the above conditions precedent (except the condition precedent set out in paragraph (b) above) in whole or in part at any time on or before the Conditions Fulfillment Date (or in respect of the conditions set out in paragraph (f) and (g) above, immediately prior to Completion taking place).

If one or more of the above conditions precedent:

- (i) remains unsatisfied at the end of the Conditions Fulfillment Date (or such later date as the Vendors and the Purchaser may agree in writing), or in respect of the conditions precedent set out in paragraphs (f) and (g) above, immediately prior to Completion taking place, and has not been waived on or before that date; or
- (ii) becomes impossible to satisfy on or before the Conditions Fulfillment Date (or such later date as the Vendors and the Purchaser may agree in writing) or in respect of the conditions precedent set out in paragraphs (f) and (g) above, immediately prior to Completion taking place, and if it is a condition precedent which can be waived by the Purchaser, has not been waived within five (5) Business Days of such condition becoming impossible to satisfy,

the Sale and Purchase Agreement shall thereupon automatically be terminated with immediate effect, subject to the terms and conditions of the Sale and Purchase Agreement, but such termination shall not affect the rights and obligations of the Warrantors or the Purchaser existing before termination.

Completion

Completion shall take place within three (3) Business Days after the date on which all the conditions precedent set out above have been fulfilled or waived by the Purchaser in accordance with the terms of the Sale and Purchase Agreement (or on such later date as the Parties may agree in writing).

Qualifresh Call Option

Subject to Completion having taking place and other provisions of the Sale and Purchase Agreement, the Purchaser shall have an option for it or any of its nominee(s) (as the Purchaser may specify), to require Mr. Chung to sell up to all the remaining Qualifresh Shares held by Mr. Chung after the Completion (i.e. up to 30% of the entire issued share capital of Qualifresh as at the date of the Sale and Purchase Agreement, and which represents 1,005,000 Qualifresh Shares in total) for an aggregate amount of up to HK\$1,500,000.

The Purchaser may exercise the Qualifresh Call Option in whole or in part, on one or more occasions at any time during the Qualifresh Call Option Period, provided that the number of Qualifresh Shares to be acquired by the Purchaser pursuant to an exercise of the Qualifresh Call Option shall be either 335,000 Qualifresh Shares, 670,000 Qualifresh Shares or 1,005,000 Qualifresh Shares (i.e. representing 10%, 20% and 30% respectively of the total issued share capital of Qualifresh as at the date of the Sale and Purchase Agreement).

Qualifresh Call Option Price

The Qualifresh Call Option Price payable by the Purchaser or its nominee(s) for the number of Qualifresh Shares to be purchased by the Purchaser or its nominee(s) pursuant to an exercise of the Qualifresh Call Option shall be determined in accordance with the following schedule:

- (a) for such number of Qualifresh Shares representing the first 335,000 Qualifresh Shares to be acquired from Mr. Chung, the relevant Qualifresh Call Option Price shall be HK\$500,000;
- (b) for such number of Qualifresh Shares representing the second 335,000 Qualifresh Shares to be acquired from Mr. Chung, the relevant Qualifresh Call Option Price shall be HK\$500,000; and
- (c) for such number of Qualifresh Shares representing the third 335,000 Qualifresh Shares to be acquired from Mr. Chung, the relevant Qualifresh Call Option Price shall be HK\$500,000.

The Qualifresh Call Option Price was determined between the Purchaser and Mr. Chung after arm's length negotiation with reference to the unaudited net asset value of Qualifresh as at 31 March 2011 which is in the sum of approximately HK\$3.1 million.

The Purchaser shall pay the relevant Qualifresh Call Option Price for such number of Qualifresh Shares to be purchased by the Purchaser or its nominee(s) (as the Purchaser may direct) pursuant to an exercise of the Qualifresh Call Option in cash on the Qualifresh Call Option Completion Date.

Adjustment to Qualifresh Call Option Price

The Qualifresh Call Option Price shall be subject to adjustment as calculated in the following schedule:

- (a) If at the time of exercise of the Qualifresh Call Option: (i) the amount of net profit after tax but before the Management Fees represents a sum which is not less than HK\$1,500,000 pursuant to the coming audited accounts of Qualifresh, being either the 2012 Audited Accounts or 2013 Audited Accounts (as the case may be) and (ii) the net profit after tax but before the Management Fees pursuant to the coming audited accounts of Qualifresh is not less than 10% of the 2012 Total Sales or is not less than 10% of the 2013 Total Sales (as the case may be), the relevant Qualifresh Call Option Price shall not be adjusted;
- (b) If at the time of exercise of the Qualifresh Call Option: (i) the amount of net profit after tax but before the Management Fees represents a sum which is less than HK\$1,500,000 pursuant to the coming audited accounts of Qualifresh, being either the 2012 Audited Accounts or the 2013 Audited Accounts (as the case may be) and/or (ii) the net profit after tax but before the Management Fees is less than 10% of the 2012 Total Sales or is less than 10% of the 2013 Total Sales (as the case may be), any shortfall in respect of (i) or (ii) above in this sub-paragraph (b), whichever is higher, shall be referred to as the **"2012 Shortfall"** or **"2013 Shortfall"** respectively, and the relevant Qualifresh Call Option Price shall be reduced by such 2012 Shortfall or 2013 Shortfall (as the case may be) in the following manner:

- (A) If the Qualifresh Call Option is exercised at the time before the 2012 Audited Accounts is available and subsequently the 2012 Audited Accounts shows that there is a 2012 Shortfall, then the relevant Qualifresh Call Option Price shall be reduced by such 2012 Shortfall and Mr. Chung shall repay such 2012 Shortfall to the Purchaser within 30 days after the date when 2012 Audited Accounts is issued.
- (B) If the Qualifresh Call Option is exercised at the time after the issue of the 2012 Accounts but before the 2013 Audited Accounts is available and the 2012 Audited Accounts shows that there is a 2012 Shortfall, then the relevant Qualifresh Call Option Price shall be reduced by such 2012 Shortfall upon exercise of the Qualifresh Call Option.
- (C) If the Qualifresh Call Option is exercised at the time after the issue of the 2012 Accounts but before the 2013 Audited Accounts is available and the 2012 Audited Accounts does not show that there is any 2012 Shortfall but subsequently the 2013 Audited Accounts shows that there is a 2013 Shortfall, then the relevant Qualifresh Call Option Price shall be reduced by such 2013 Shortfall and Mr. Chung shall repay such 2013 Shortfall to the Purchaser within 30 days after the date when 2013 Audited Accounts is issued.
- (D) If the Qualifresh Call Option is exercised at the time after the issue of the 2013 Accounts and the 2013 Audited Accounts shows that there is a 2013 Shortfall, then the relevant Qualifresh Call Option Price shall be reduced by such 2013 Shortfall upon exercise of the Qualifresh Call Option.

Other terms

Pursuant to the terms of the Sale and Purchase Agreement, the following documents, among other things, shall be entered into by the relevant parties upon Completion:

- (a) Qualifresh and Mr. Chung shall enter into the Chung Service Agreement, pursuant to which Qualifresh shall appoint Mr. Chung as the general manager of Qualifresh for a period of two (2) years commencing from 1 June 2011; and
- (b) Qualifresh and Mr. Tong shall enter into the Tong Service Agreement, pursuant to which Qualifresh shall appoint Mr. Tong as the business development manager of Qualifresh for a period of two (2) years commencing from 1 June 2011.

Implications under the GEM Listing Rules

As the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition under the Sale and Purchase Agreement constitutes a discloseable transaction for the Company under the GEM Listing Rules.

Immediately after Completion, Qualifresh will become a subsidiary of the Company. Mr. Chung will remain to be a shareholder of Qualifresh holding 1,005,000 Qualifresh Shares (or 30% of the entire issued capital of Qualifresh) immediately after Completion. As such, Mr. Chung will be a substantial shareholder of Qualifresh and a connected person of the Company immediately after Completion.

Upon Completion, Mr. Chung will enter into the Chung Service Agreement with Qualifresh. The services to be provided by Mr. Chung to Qualifresh pursuant to the Chung Service Agreement will constitute continuing connected transactions for the Company under the GEM Listing Rules.

Pursuant to the Chung Service Agreement, the aggregate amount of the salaries and fees payable to Mr. Chung on an annual basis will be less than 5% for the applicable percentage ratios (as defined under the GEM Listing Rules) and the annual consideration will be less than HK\$1,000,000. As such, the transactions contemplated under the Chung Service Agreement will be exempted from the reporting, announcement and independent shareholders' approval requirements applicable to continuing connected transactions under Chapter 20 of the GEM Listing Rules on the basis that such transactions fall under the de minimis threshold as stipulated under rule 20.33(3) of the GEM Listing Rules.

B. KOSMO OPTION DEED

The principal terms of the Kosmo Option Deed are set out below:

Date

30 May 2011 (after trading hours)

Parties to the Kosmo Option Deed

- (a) Mr. Chung Hoi Shuen
- (b) Mr. Ma Hing Ho Stephen
- (c) Robust Asia Limited, a wholly-owned subsidiary of the Company

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Mr. Chung (who is the ultimate beneficial owner of Kosmo Chung Option Shares), Mr. Ma (who is the ultimate beneficial owner of Kosmo Ma Option Shares) and Mr. Schreiner Hartwig (who is the trustee of both Kosmo Chung Option Shares and Kosmo Ma Option Shares) are all Independent Third Parties.

Grant of the Kosmo Options

In consideration of payment of HK\$10 by Robust Asia to Mr. Chung, Mr. Chung granted to Robust Asia the Kosmo Chung Option, exercisable at the discretion of Robust Asia at any time during the Kosmo Option Period to require Mr. Chung as beneficial owner and to procure the Trustee as legal owner to sell the Kosmo Chung Option Shares to Robust Asia or its nominee(s) at a price in the range of HK\$150,000 to HK\$750,000, subject to the terms and conditions of the Kosmo Option Deed.

In consideration of payment of HK\$10 by Robust Asia to Mr. Ma, Mr. Ma granted to Robust Asia the Kosmo Ma Option, exercisable at the discretion of Robust Asia at any time during the Kosmo Option Period to require Mr. Ma as beneficial owner and to procure the Trustee as legal owner to sell the Kosmo Ma Option Shares to Robust Asia or its nominee(s) at a price in the range of HK\$150,000 to HK\$750,000, subject to the terms and conditions of the Kosmo Option Deed.

Conditions precedent relating to the Kosmo Chung Option

Completion of the sale and purchase of the Kosmo Chung Option Shares is conditional upon the fulfilment of the following conditions:

- (a) Mr. Chung shall facilitate Robust Asia to undertake a legal, financial, operational, tax, accounting and business due diligence investigation in respect of Kosmo, and the results of which are satisfactory to Robust Asia; and
- (b) Mr. Chung and Robust Asia shall within thirty (30) Business Days after the date on which Robust Asia exercises the Kosmo Chung Option (or such other later day as Mr. Chung and Robust Asia may agree in writing) enter into a formal agreement setting out the detailed terms and conditions for the sale and purchase of the Kosmo Chung Option Shares. The actual price payable by Robust Asia for the purchase of the Kosmo Chung Option Shares shall be within the price range of HK\$150,000 to HK\$750,000 and is to be further agreed by Robust Asia and Mr. Chung, having regard to the business operations, business prospect, financial performance and book value of Kosmo at the time of exercise of the Kosmo Chung Option.

If the conditions precedent as set out in paragraphs (a) and (b) above cannot be fulfilled by 30 November 2011, the rights and obligations of Mr. Chung and Robust Asia relating to the sale and purchase of the Kosmo Chung Option Shares shall cease immediately, but without prejudice to any rights and obligations of either party existing before such cessation.

Conditions precedent relating to the Kosmo Ma Option

Completion of the sale and purchase of the Kosmo Ma Option Shares is conditional upon the fulfilment of the following conditions:

- (a) Mr. Ma shall facilitate Robust Asia to undertake a legal, financial, operational, tax, accounting and business due diligence investigation in respect of Kosmo, and the results of which are satisfactory to Robust Asia; and
- (b) Mr. Ma and Robust Asia shall within thirty (30) Business Days after the date on which Robust Asia exercises the Kosmo Ma Option (or such other later day as Mr. Ma and Robust Asia may agree in writing) enter into a formal agreement setting out the detailed terms and conditions for the sale and purchase of the Kosmo Ma Option Shares. The actual price payable by Robust Asia for the purchase of the Kosmo Ma Option Shares shall be within the price range of HK\$150,000 to HK\$750,000 and is to be further agreed by Robust Asia and Mr. Ma, having regard to the business operations, business prospect, financial performance and book value of Kosmo at the time of exercise of the Kosmo Ma Option.

If the conditions precedent as set out in paragraphs (a) and (b) above cannot be fulfilled by 30 November 2011, the rights and obligations of Mr. Ma and Robust Asia relating to the sale and purchase of the Kosmo Ma Option Shares shall cease immediately, but without prejudice to any rights and obligations of either party existing before such cessation.

Other terms

Pursuant to the terms of the Kosmo Option Deed, among others,

- (a) Robust Asia shall not be obliged to exercise either the Kosmo Chung Option or Kosmo Ma Option to purchase the Kosmo Chung Option Shares or Kosmo Ma Option Shares respectively or any part thereof, nor to enter into the formal agreement with either Mr. Chung or Mr. Ma for the sale and purchase of the Kosmo Chung Option Shares or Kosmo Ma Option Shares respectively;
- (b) the exercise of the Kosmo Chung Option and Kosmo Ma Option by Robust Asia is at the discretion of Robust Asia;
- (c) Mr. Chung and Mr. Ma agreed and undertook with Robust Asia that at any time during the Kosmo Option Period, Mr. Chung and Mr. Ma (whether by themselves or through their respective agents, representatives or the Trustee) will not, directly or indirectly, be involved in any discussion or negotiation with or enter into any agreement or arrangement with any person except Robust Asia relating to the sale of any of the Kosmo Option Shares, and/or any business or assets of Kosmo or any subsidiary of Kosmo.

Implications under the GEM Listing Rules

Pursuant to rule 19.75 of the GEM Listing Rules, only the price paid by Robust Asia for the acquisition of the Kosmo Chung Option and Kosmo Ma Option will be taken into consideration for the purpose of classification of notifiable transactions under the GEM Listing Rules.

According to the applicable percentage ratios (as defined under the GEM Listing Rules), the price paid by Robust Asia for acquisition of the Kosmo Chung Option and Kosmo Ma Option does not constitute a discloseable transaction for the Company under the GEM Listing Rules. In accordance with the requirements under the GEM Listing Rules, the Company will make further announcement(s) in respect of the sale and purchase of the Kosmo Chung Option Shares and Kosmo Ma Option Shares under the Kosmo Option Deed as and when appropriate.

C. MASTER AGREEMENT

Principal terms of the Master Agreement

The Board has been informed that on 30 May 2011 (after trading hours), Qualifresh and ITHK entered into the Master Agreement with the principal terms set out as follows:

- (a) Qualifresh shall provide the Services to ITHK from time to time for a period of three (3) years commencing from the Completion Date subject to the terms and conditions of the Master Agreement;
- (b) the provision of the Services by Qualifresh to ITHK shall be conditional upon the Completion having taken place;
- (c) the fees to be charged by Qualifresh for the Services shall be determined on normal commercial terms on a case by case basis and on an arm's length basis.

Implications under the GEM Listing Rules

As at the date of this announcement, ITHK is a company indirectly wholly-owned by Mr. Tang, an executive Director and the sole beneficial owner of First Glory Holdings Limited, the controlling shareholder of the Company. As such, ITHK is a connected person of the Company. In addition, upon Completion, Qualifresh will become a 70%-owned subsidiary of the Company. In such circumstances, the transactions contemplated under the Master Agreement will, after Completion, constitute continuing connected transactions of the Company under the GEM Listing Rules.

The Board has also been informed by ITHK that prior to the entering into of the Master Agreement between Qualifresh and ITHK, Qualifresh had provided the Services to ITHK on fees payable to Qualifresh on normal commercial terms and on arm's length basis; and that such fees on the Services previously provided by Qualifresh to ITHK were in the total amounts of approximately HK\$30,000 and HK\$40,000 for the two years ended 31 December 2009 and 2010, respectively, which is less than 5% for the applicable percentage ratios (as defined under the GEM Listing Rules) and the annual consideration is less than HK\$1,000,000 if such transactions constitute continuing connected transactions under the GEM Listing Rules. The Directors are of the view that with reference to the historical figures on the fees paid for the Services previously provided by Qualifresh, the transactions contemplated under the Master Agreement will be exempted from the reporting, announcement and independent shareholders' approval requirements applicable to continuing connected transactions under Chapter 20 of the GEM Listing Rules on the basis that such transactions fall under the de minimis threshold as stipulated under rule 20.33(3) of the GEM Listing Rules. If the fees to be payable by ITHK under the Master Agreement exceed the de minimis threshold as stipulated under rule 20.33(3) of the GEM Listing Rules, the Company will make further announcement(s) in respect of the proposed continuing connected transactions under the Master Agreement as and when appropriate.

D. INFORMATION OF QUALIFRESH

Qualifresh was incorporated on 24 January 2006 with limited liability in Hong Kong, having an issued share capital of 3,350,000 ordinary shares, all of which have been issued and fully paid up. As at the date of this announcement, Qualifresh is owned as to 50% by Mr. Chung as legal and beneficial owner and as to the remaining 50% by Mr. Tong as beneficial owner and Ms. Tong as the legal owner.

Qualifresh is principally engaged in the provision of food processing solutions and catering services to the food industry.

For the financial year ended 31 March 2009, Qualifresh's audited net profit both before and after taxation was approximately HK\$128,000. For the financial year ended 31 March 2010, Qualifresh's audited net loss both before and after taxation was approximately HK\$662,000. The audited net asset value of Qualifresh as at 31 March 2009 and 31 March 2010 was approximately HK\$2.2 million and HK\$1.9 million respectively.

Upon Completion, Qualifresh will become an indirect 70%-owned subsidiary of the Company and its financial statements will be consolidated into the Group.

E. INFORMATION OF KOSMO

Kosmo was incorporated on 30 July 2010 with limited liability in Hong Kong, having an authorised share capital of HK\$10,000 divided into 10,000 ordinary shares with nominal value of HK\$1.00 each. As at the date of this announcement, Kosmo is owned as to 50% by Mr. Chung as the beneficial owner (through the Trustee as the legal owner) and as to the remaining 50% by Mr. Ma as the beneficial owner (through the Trustee as the legal owner).

Kosmo is principally engaged in the provision of catering services.

F. 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.

G. REASONS FOR AND BENEFIT OF THE TRANSACTIONS

While the Board is optimistic on the future prospects of the Group's business, the Board believes that the proposed transactions under the Sale and Purchase Agreement, Kosmo Option Deed and the Master Agreement offer business opportunities to the Group to diversify the source of income and enhance the future development of the Group particularly in food and beverage business.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Sale and Purchase Agreement, the Kosmo Option Deed, the Master Agreement, the Chung Service Agreement, the Tong Service Agreement, the Deed of Tax Indemnity and the respective transactions contemplated thereunder were negotiated on an arm's length basis between the relevant parties and are on normal commercial terms and fair and reasonable and in the interests of the Company and its shareholders as a whole.

Shareholders of the Company and potential investors should note that any exercise of the Kosmo Options are subject to the fulfilment of certain conditions precedent and may or may not proceed. Shareholders of the Company and potential investors are advised to exercise extreme caution when dealing in the shares of the Company.

H. DEFINITIONS

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

“2012 Audited Accounts”	the audited accounts of Qualifresh for the financial year ending 31 March 2012, together with the notes thereto
“2012 Total Sales”	the total sales of Qualifresh as shown in the 2012 Audited Accounts
“2013 Audited Accounts”	the audited accounts of Qualifresh for the financial year ending 31 March 2013, together with the notes thereto
“2013 Total Sales”	the total sales of Qualifresh as shown in the 2013 Audited Accounts

“Acquisition”	the acquisition of the Qualifresh Sale Shares by the Purchaser pursuant to the Sale and Purchase Agreement
“Board”	the board of Directors
“Business Day”	a day (excluding Saturdays, Sundays and public holidays) on which banks are generally open for business in Hong Kong
“Chung Consideration”	HK\$1,000,000, being the consideration payable for acquiring Chung Qualifresh Sale Shares under the Sale and Purchase Agreement
“Chung Qualifresh Sale Shares”	670,000 Qualifresh Shares legally and beneficially owned by Mr. Chung, representing 20% of the entire issued share capital of Qualifresh as at Completion Date
“Chung Service Agreement”	the service agreement to be entered into between Qualifresh and Mr. Chung on the Completion Date
“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
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Completion”	the completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date on which the Completion takes place
“Conditions Fulfillment Date”	30 September 2011 or such later date as may be agreed in writing by the Parties
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Deed of Tax Indemnity”	the deed of tax indemnity to be executed by Mr. Chung and Mr. Tong in favour of the Purchaser and Qualifresh on the Completion Date
“Director(s)”	the director(s) of the Company
“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)
“ITHK”	I. T. H. K. Limited, a company incorporated in Hong Kong with limited liability
“Kosmo”	Kosmo Delight Limited, a company incorporated in Hong Kong with limited liability
“Kosmo Chung Option”	the option granted by Mr. Chung to Robust Asia in respect of the Kosmo Chung Option Shares pursuant to the terms of the Kosmo Option Deed
“Kosmo Chung Option Shares”	such number of Kosmo Shares representing 50% of the total issued share capital of Kosmo from time to time which is beneficially owned by Mr. Chung
“Kosmo Ma Option”	the option granted by Mr. Ma to Robust Asia in respect of the Kosmo Ma Option Shares pursuant to the terms of the Kosmo Option Deed
“Kosmo Ma Option Shares”	such number of Kosmo Shares representing 50% of the entire issued share capital of Kosmo from time to time which is beneficially owned by Mr. Ma
“Kosmo Options”	Kosmo Chung Option and Kosmo Ma Option
“Kosmo Option Deed”	the option deed dated 30 May 2011 entered into among Mr. Chung, Mr. Ma and Robust Asia
“Kosmo Option Period”	a period of six (6) months from the date of the Kosmo Option Deed
“Kosmo Option Shares”	Kosmo Chung Option Shares and Kosmo Ma Option Shares
“Kosmo Share(s)”	the ordinary share(s) with nominal value of HK\$1.00 each in the share capital of Kosmo
“Management Fees”	the service fees receivable by Epicurean Management (Asia) Limited (a wholly-owned subsidiary of the Company) as the manager from Qualifresh pursuant to the terms of the management agreement to be entered into between Qualifresh and Epicurean Management (Asia) Limited (as the manager), pursuant to which Epicurean Management (Asia) Limited shall provide management and consultancy services to Qualifresh

“Master Agreement”	the master agreement dated 30 May 2011 entered into between Qualifresh and ITHK
“Material Adverse Change”	any change, the consequence of which is to materially and adversely affect the financial and business position, prospects or assets of Qualifresh
“Mr. Chung”	Mr. Chung Hoi Shuen
“Mr. Ma”	Mr. Ma Hing Ho Stephen
“Mr. Tang”	Mr. Tang Sing Ming Sherman, an executive Director and the chairman of the Board
“Mr. Tong”	Mr. Tong Hei Wah Aro
“Ms. Tong”	Ms. Tong Shuk Yin Eliza
“Parties”	the Purchaser and the Warrantors, and each of them a “Party”
“Purchaser” or “Robust Asia”	Robust Asia Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Qualifresh”	Qualifresh Catering Limited (優鮮食品有限公司), a company incorporated in Hong Kong with limited liability
“Qualifresh Call Option”	the option granted by Mr. Chung to the Purchaser for the Purchaser or any of its nominees (as the Purchaser may specify) to require Mr. Chung to sell and transfer up to such number of Qualifresh Shares equivalent to all the remaining Qualifresh Shares held by Mr. Chung after the Completion (i.e. up to 30% of the entire issued share capital of Qualifresh as at the date of signing of the Sale and Purchase Agreement) for an aggregate amount of up to HK\$1,500,000
“Qualifresh Call Option Completion Date”	the date on which completion takes place in respect of the relevant transaction pursuant to an exercise of the Qualifresh Call Option
“Qualifresh Call Option Period”	the period commencing from Completion Date and ending on the date that falls on the third (3rd) anniversary of the Completion Date
“Qualifresh Call Option Price”	the price payable by the Purchaser or its nominee(s) (as the Purchaser may direct) to Mr. Chung for the relevant number of Qualifresh Shares to be purchased by Purchaser or its nominee(s) (as Purchaser may direct) upon an exercise by Purchaser of the Qualifresh Call Option which shall be determined and adjusted pursuant to the terms and conditions in the Sale and Purchase Agreement

“Qualifresh Sale Shares”	Chung Qualifresh Sale Shares and Tong Qualifresh Sale Shares
“Qualifresh Share(s)”	the ordinary share(s) with nominal value of HK\$1.00 each in the share capital of Qualifresh
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 30 May 2011 entered into among the Vendors, Ms. Tong and the Purchaser in respect of the Acquisition
“Services”	the provision of food and catering services (including but not limited to the food processing services) by Qualifresh to ITHK
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tong Consideration”	HK\$2,500,000, being the consideration payable for the acquisition of Tong Qualifresh Sale Shares under the Sale and Purchase Agreement
“Tong Qualifresh Sale Shares”	1,675,000 Qualifresh Shares legally owned by Ms. Tong and beneficially owned by Mr. Tong, representing 50% of the entire issued share capital of Qualifresh as at the Completion Date
“Tong Service Agreement”	the service agreement to be entered into between Qualifresh and Mr. Tong on the Completion Date
“Total Consideration”	Chung Consideration and Tong Consideration
“Transaction Documents”	the Sale and Purchase Agreement, the Deed of Tax Indemnity and any other document which the Parties agree in writing to constitute a Transaction Document
“Trustee”	Mr. Schreiner Hartwig, who as at the date of the Kosmo Option Deed held the Kosmo Chung Option Shares and Kosmo Ma Option Shares as legal owner on trust for Mr. Chung and Mr. Ma respectively
“Vendors”	Mr. Chung and Mr. Tong, and each of them, a “Vendor”
“Warrantors”	Mr. Chung, Mr. Tong and Ms. Tong, and each of them, a “Warrantor”
“%”	per cent.

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

Hong Kong, 30 May 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.