

Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the prospectus (the “Prospectus”) of Gayety Holdings Limited (the “Company”) dated 30 June 2011.

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

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. Potential investors should read the Prospectus for detailed information about the Placing described below before deciding whether or not to invest in the Placing Shares thereby being offered.

Gayety Holdings Limited

喜尚控股有限公司

(incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING

Number of Placing Shares : 80,000,000 Shares
Placing Price : HK\$1.00 per Placing Share, excluding
brokerage of 1%, SFC transaction levy
of 0.003% and Stock Exchange trading
fee of 0.005%
Nominal Value : HK\$0.01 per Share
Stock Code : 8179

Sponsor



Bookrunner and Lead Manager



Co-Lead Managers

Convoy Investment Services Limited

Goldin Equities Limited

- The Placing Price has been agreed at HK\$1.00 per Placing Share (excluding brokerage of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%). The net proceeds to be received by the Company from the Placing are estimated to be approximately HK\$62.1 million.
- The 80,000,000 Shares offered by the Company under the Placing were slightly over-subscribed. 80,000,000 Shares have been conditionally allocated to a total of 118 selected professional, institutional and other investors.
- The Directors confirm that all placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or significant shareholders as defined under the GEM Listing Rules of the Company or any of its subsidiaries, and their respective associates or any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the forgoing.
- Immediately after completion of the Placing and the Capitalisation Issue, the public float of the Company will be 25% of the issued share capital of the Company. No more than 50% of the Shares in public hands at the time of the Listing will be owned by the three largest public Shareholders at the time of the Listing.
- Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Friday, 8 July 2011.
- **Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

PLACING PRICE AND USE OF PROCEEDS

The Placing Price has been agreed at HK\$1.00 per Placing Share (excluding brokerage of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%). The net proceeds to be received by the Company from the Placing are estimated to be approximately HK\$62.1 million. The net proceeds from the Placing will be applied for such purposes as set forth in the Prospectus.

LEVEL OF INDICATIONS OF INTERESTS UNDER THE PLACING

The 80,000,000 Shares offered by the Company under the Placing were slightly over-subscribed.

RESULTS OF ALLOCATION

Pursuant to the Placing, 80,000,000 Shares have been conditionally allocated to a total of 118 selected professional, institutional and other investors. The distribution of the Placing Shares is set forth as below:–

	Aggregate number of Placing Shares allocated	Aggregate percentage of the total number of Placing Shares allocated	Approximate percentage of shareholding over the enlarged issued share capital of the Company immediately after completion of the Placing and the Capitalisation Issue
Top placee (<i>Note</i>)	13,300,000	16.63%	4.16%
Top 5 placees	53,680,000	67.10%	16.78%
Top 10 placees	69,380,000	86.73%	21.68%
Top 25 placees	77,800,000	97.25%	24.31%

Number of Placing Shares allocated	Number of placees
4,000 to 100,000	87
100,001 to 500,000	16
500,001 to 1,000,000	4
1,000,001 to 2,000,000	3
2,000,001 to 5,000,000	3
5,000,001 and above	5

Note: There were three top placees, each of whom was conditionally allocated 13,300,000 Placing Shares under the Placing.

The Directors confirm that all placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or significant shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective associates or any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of not less than 25% of its total issued share capital at the time when the Shares commence dealings on GEM and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public hands at the time of the Listing shall be owned by the three largest public Shareholders. Immediately after completion of the Placing and the Capitalisation Issue, the Directors confirm that the public float of the Company will be 25% of the issued share capital of the Company and no more than 50% of the Shares in public hands at the time of the Listing will be owned by the three largest public Shareholders at the time of the Listing.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM and the compliance by the Company with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the shares to be admitted into CCASS.

No receipt will be issued for application monies paid. The Company will not issue temporary documents of title.

Prospective investors should note that the Sponsor and/or the Lead Manager (for itself and on behalf of the Underwriters) are entitled to terminate the Underwriting Agreement by notice in writing to the Company at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date upon occurrence of any of the events set forth in the paragraphs under “Grounds for termination” in the section headed “Underwriting” of the Prospectus. In the event that the Underwriting Agreement is terminated, an announcement will be published by the Company on the GEM Website at www.hkgem.com and the Company’s website at www.gayety.com.hk accordingly.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Friday, 8 July 2011. If there is any change to the expected timetable, an announcement will be published immediately by the Company on the GEM Website at www.hkgem.com and the Company’s website at www.gayety.com.hk. The Shares will be traded in board lots of 4,000 Shares each. The GEM stock code for the Shares is 8179.

By order of the Board
Gayety Holdings Limited
Wong Kwan Mo
Chairman and executive Director

Hong Kong, 7 July 2011

As at the date of this announcement, the executive Directors are Mr. Wong Kwan Mo and Ms. Lau Lan Ying; and the independent non-executive Directors are Mr. Yu Ka Ho, Mr. Li Fu Yeung and Ms. Chiu Man Yee.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; (ii) there are no other matters the omission of which would make any statement herein or this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are reasonable.

This announcement will remain on the GEM Website at www.hkgem.com and in the case of this announcement, on the “Latest Company Announcements” page for at least 7 days from the date of its posting. This announcement will also be published on the Company’s website at www.gayety.com.hk.