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**喜尚控股有限公司**  
**GAYETY HOLDINGS LIMITED**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 8179)**

## **TERMINATION OF CONNECTED AND DISCLOSEABLE TRANSACTION**

This announcement is made pursuant to Rule 19.36 of the GEM Listing Rules. Reference is made to the announcement of Gayety Holdings Limited (the “**Company**”) dated 18 January 2012 in relation to (i) the entering into of the Loan Agreement by the Company, KMW and the Guarantors, pursuant to which, the Company agreed to provide the Loan in the principal amount of HK\$9,900,000 to KMW; and (ii) the grant of a Call Option by KMW to the Company to purchase the entire issued share capital of the Project Company (the “**Previous Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Previous Announcement.

### **REPAYMENT OF THE LOAN**

The Board is pleased to announce that on 17 December 2013, more than thirteen months prior to the expiry of the term of the Loan, KMW voluntarily repaid the Loan in full (together with all interests, at the rate of 1.0% above Prime Rate, accrued up to the date of repayment). The Loan was originally made to KMW to expand the Group’s business by investing in the New Business. The Project Company set up by KMW carried out further works for the preparation of the New Business (including, among others, engaging a brand designer to formulate an action plan to develop the New Business, formulating a public relation and marketing strategy for the New Business and searching for suitable shops for lease for the New Business since February 2012), and the Group has been monitoring the progress of development of the New Business.

Based on the Group’s research, monitoring of catering industry trends and in particular, in view of (i) the rapidly increasing rent in Hong Kong since 2012; and (ii) the high number of ramen shops and establishments with ramen offerings already in Hong Kong, the Group’s management and the Project Company have, as a matter of caution, decided that the New Business was not viable in the current catering business environment and that they should not continue to develop the New Business. For this reason, KMW is no longer in need of the Loan and has decided to repay the Loan in full. Accordingly, the Option Deed shall be terminated and the Guarantors shall be released from the Guarantee.

## **TERMINATION OF THE OPTION DEED**

The Board announces that on 17 December 2013, the Company and KMW entered into a deed of termination (the “**Deed of Termination**”), pursuant to which the Option Deed shall be terminated. All of the terms therein shall cease to have any further binding and legal effect upon the parties and all rights and obligations of the parties under the Option Deed shall cease with effect from the date of the Deed of Termination.

## **RELEASE OF THE GUARANTEE**

The Board further announces that on 17 December 2013, the Company and the Guarantors entered into a deed of release (the “**Deed of Release**”), pursuant to which the Guarantors shall be released and discharged from any and all liability, actions, claims and demands under the Deed of Guarantee with effect from the date of the Date of Release.

The Directors believe that the repayment of the Loan and the entering into of the Deed of Termination and the Deed of Release will not have any material adverse impact on the interests of the Company and the Shareholders as well as the existing business and financial position of the Group.

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

Hong Kong, 17 December 2013

*As at the date of this announcement, the Board comprises Mr. Wong Kwan Mo and Ms. Lau Lan Ying as executive Directors, and Mr. Li Fu Yeung, Ms. Chiu Man Yee and Mr. Kwan Wai Yin, William as independent non-executive Directors.*

*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 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 “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the website of the Company at <http://www.gayety.com.hk>.*