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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)

CONTINUING CONNECTED TRANSACTION

The Board announces that on 12 December 2014, RS Corporation, an indirectly wholly-owned subsidiary of the Company, entered into the Renewed Shatin Lease with U Investments for the renewal of the Existing Shatin Lease in relation to the Shatin Property. RS Corporation has occupied and used the Shatin Property for restaurant operation since 1 January 2010 and the Existing Shatin Lease will expire on 31 December 2014. The Renewed Shatin Lease between RS Corporation as tenant and U Investments as landlord, is made on normal commercial terms and in the ordinary and usual course of business of the Group, constitutes a continuing connected transaction for the Company under the GEM Listing Rules.

Mr. Wong KM and Ms. Lau LY, both the Directors and the Controlling Shareholders, are connected persons of the Company under the GEM Listing Rules. As each of Mr. Wong KM and Ms. Lau LY holds 50% of the issued share capital of U Investments, U Investments is an associate of each of Mr. Wong KM and Ms. Lau LY and is a connected person of the Company. The Renewed Shatin Lease is only subject to the reporting, announcement and annual review requirements but is exempt from the independent shareholders' approval requirement under the GEM Listing Rules since each of the relevant percentage ratios (other than profits ratio) (as defined in Rule 19.07 of the GEM Listing Rules) in respect of the Renewed Shatin Lease is, on an annual basis, less than 25 percent and the annual consideration is less than HK\$10,000,000.

The Group is principally engaged in (i) the operation of a chain of Chinese restaurants; and (ii) the production, sales and distribution of food products to supermarkets in Hong Kong. The Board announces that on 12 December 2014, RS Corporation, an indirectly wholly-owned subsidiary of the Company, entered into the Renewed Shatin Lease with U Investments for the renewal of the Existing Shatin Lease in respect of the Shatin Property.

PRINCIPAL TERMS

Tenant:	RS Corporation
Landlord:	U Investments
Premises:	the Shatin Property
Terms:	commencing from 1 January 2015 and expiring on 31 December 2017
Rent:	HK\$350,000 per month, excluding management fee, government rent and rate and utilities expenses. The monthly rent was determined based on arm's length negotiations with reference to the prevailing market prices for premises of comparable size and location.
Deposit:	three months of the applicable monthly rent
Payment:	the monthly rent should be paid in advance on or before the first day at the commencement of each month

The Company intends to settle the rent and deposit payable under the Renewed Shatin Lease by its internal resources.

EXPECTED ANNUAL CAPS

The Board estimates that the annual rent payable under the Renewed Shatin Lease by RS Corporation to U Investments for the Shatin Property for each of the three years ending 31 December 2017 will not exceed HK\$4,200,000.

REASONS FOR AND BENEFITS OF THE TRANSACTION

RS Corporation has occupied and used the Shatin Property for the operation of a Chinese restaurant under the trade name of Red Seasons Aroma Restaurant (季季紅風味酒家) since 1 January 2010. The Existing Shatin Lease will expire on 31 December 2014. The Renewed Shatin Lease is the renewal of the Existing Shatin Lease.

The Shatin Property is located at Shop No. 33, Level 1 and Level 2, Garden Rivera, Nos. 20-30 Tai Chung Kiu Road, Shatin, New Territories, Hong Kong and a covered carparking space. In consideration of (i) the location and the flow of customer traffic of the Shatin Property; (ii) the Shatin Property has fully equipped kitchen and is well furnished for operating restaurant business; and (iii) additional costs and time involved if the Group moves the restaurant to other premises in nearby vicinity, the Directors (including the independent non-executive Directors) consider the entering into the Renewed Shatin Lease is in the interests of the Company and its Shareholders as a whole.

The terms of the Renewed Shatin Lease have been negotiated on arm's length basis between the parties with reference to prevailing rentals of the premises in the nearby location and on normal commercial terms and are considered by the Directors (including the independent non-executive Directors) to be fair and reasonable and in the interests of the Company and its Shareholders as a whole. This continuing connected transaction is conducted in the ordinary course of business of the Company in accordance with terms of the Renewed Shatin Lease.

Mr. Wong KM and Ms. Lau LY, being the common directors of the Company and U Investments, have a material interest under the Renewed Shatin Lease and have abstained from voting on the relevant resolutions at the board meeting for approving the Renewed Shatin Lease.

GEM LISTING RULES IMPLICATION

U Investments is principally engaged in property investment in Hong Kong. Mr. Wong KM and Ms. Lau LY, both the Directors and the Controlling Shareholders, are connected persons of the Company under the GEM Listing Rules. As each of Mr. Wong KM and Ms. Lau LY holds 50% of the issued share capital of U Investments, U Investments is an associate of each of Mr. Wong KM and Ms. Lau LY and is a connected person of the Company. Therefore, the Renewed Shatin Lease constitutes a continuing connected transaction of the Company under the GEM Listing Rules.

The Renewed Shatin Lease is only subject to the reporting, announcement and annual review requirements but is exempt from the independent shareholders' approval requirement under the GEM Listing Rules since each of the relevant percentage ratios (other than profits ratio) (as defined in Rule 19.07 of the GEM Listing Rules) in respect of the Renewed Shatin Lease is, on an annual basis, less than 25 percent and the annual consideration is less than HK\$10,000,000.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“associate”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Company”	Gayety Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the GEM
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules and, in the context of this announcement, means the controlling shareholders of the Company, namely KMW Investments Limited, Mr. Wong KM and Ms. Lau LY
“Director(s)”	the director(s) of the Company
“Existing Shatin Lease”	a tenancy agreement dated 1 January 2010 and entered into between RS Corporation and U Investments in relation to the lease of the Shatin Property by RS Corporation from U Investments for a term of 5 years which expires on 31 December 2014
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as amended, supplemented or otherwise modified from time to time
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Mr. Wong KM”	Mr. Wong Kwan Mo, the chairman of the Company, an executive Director, one of the Controlling Shareholders and the spouse of Ms. Lau LY

“Ms. Lau LY”	Ms. Lau Lan Ying, the chief executive officer of the Company, an executive Director, one of the Controlling Shareholders and the spouse of Mr. Wong KM
“Renewed Shatin Lease”	the tenancy agreement dated 12 December 2014 entered into between RS Corporation and U Investments relating to the renewal of the Existing Shatin Lease
“RS Corporation”	Red Seasons Corporation Limited (季季紅集團有限公司), a company incorporated in Hong Kong with limited liability on 15 December 2009, and an indirect wholly-owned subsidiary of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shatin Property”	Shop No. 33, Level 1 and Level 2, Garden Rivera, Nos. 20-30 Tai Chung Kiu Road, Shatin, New Territories, Hong Kong and a covered carparking space with a total saleable area of approximately 879.41 square meters leased to RS Corporation for the operation of a Chinese restaurant under the trade name of Red Seasons Aroma Restaurant (季季紅風味酒家)
“subsidiary” or “subsidiaries”	has the meaning ascribed to it in section 15 of the Companies Ordinance (Cap 622 of laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“U Investments”	U Investments Limited (御投資有限公司), a company incorporated in Hong Kong with limited liability on 8 December 2009, and is owned as to 50% by Mr. Wong KM and 50% by Ms. Lau LY, U Investments is an associate of each of Mr. Wong KM and Ms. Lau LY, and is a connected person of the Company
“HK\$”	Hong Kong dollars

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

Hong Kong, 12 December 2014

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>.