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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)

**(I) MAJOR AND CONNECTED TRANSACTION
IN RELATION TO THE S&P AGREEMENT
AND
(II) POSSIBLE DISCLOSEABLE TRANSACTION
IN RELATION TO THE LOAN AGREEMENT**

THE S&P AGREEMENT

On 19 December 2014 (after trading hours of the Stock Exchange), the Vendor and Food Idea entered into the S&P Agreement pursuant to which Food Idea has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Share, representing the entire issued share capital of the Target Company and the Sale Loan for the maximum Consideration of HK\$100,000,000 which shall be payable by Food Idea to the Vendor in the following manner subject to adjustment according to the details as set out in the paragraph headed “Consideration” below:

- (a) the Initial Consideration of HK\$4,000,000 shall be satisfied by Food Idea in cash at Completion; and
- (b) the Final Consideration as determined in accordance with formula below, shall be payable by Food Idea to the Vendor by procuring the Company to issue the Promissory Note to the Vendor within ten Business Days after the issue of the Certificate:

$$\text{Final Consideration} = \text{Remaining Balance} \times \frac{\text{2015 Valuation}}{\text{2014 Valuation}}$$

In the event that 2015 Valuation exceeds 2014 Valuation, 2015 Valuation shall be deemed to be equal to 2014 Valuation.

Upon Completion, Food Idea will hold the entire issued share capital of the Target Company. As at the date of this announcement, the Target Company holds 49% of the entire issued share capital of Lucky Dessert (BVI), which directly holds the entire issued share capital of Lucky Dessert (HK), which, in turn, directly holds the entire equity interest in Lucky Dessert (China). As such, upon Completion, the Target Company will be an indirect wholly-owned subsidiary of the Company where Lucky Dessert (BVI) and its subsidiaries will be associated companies of the Company. Further details of the Target Group as at the date of this announcement and immediately after Completion are set out in the subparagraph headed “The Target Group structure” under paragraph headed “Information on the Target Group” of this announcement.

GEM LISTING RULES IMPLICATIONS

As certain applicable percentage ratios for the Proposed Acquisition are more than 25% but less than 100%, the Proposed Acquisition constitutes a major transaction on the part of the Company under the GEM Listing Rules. Given that the Vendor is the son of Mr. Wong Kwan Mo, who is the chairman of the Company, an executive Director and a controlling Shareholder, and Ms. Lau Lan Ying, who is the chief executive officer of the Company, an executive Director and a controlling Shareholder, the Vendor is connected person of the Company. The Proposed Acquisition constitutes a non-exempted connected transaction on the part of the Company under the GEM Listing Rules and is subject to reporting, announcement and Independent Shareholders’ approval requirements. Each of the Vendor, Mr. Wong Kwan Mo, Ms. Lau Lan Ying and their respective associates is regarded as having material interest in the Proposed Acquisition and is required to abstain from voting on the resolution(s) to approve the Proposed Acquisition at the EGM. As at the date of this announcement, the Vendor, Mr. Wong Kwan Mo, Ms. Lau Lan Ying and their respective associates are, in aggregate, interested in 1,783,040,000 Shares, representing approximately 55.70% of the issued share capital of the Company.

GENERAL

A circular containing, among other matters, further details of the Proposed Acquisition, the recommendation of the Independent Board Committee to the Independent Shareholders, the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, the business valuation report of the Target Group prepared by an independent valuer, the financial information of the Target Group and a notice to convene the EGM will be despatched to the Shareholders on or before 23 January 2015 as more time is required to prepare the information to be included in the circular.

References are made to the announcements of the Company dated 25 June 2014 and 29 September 2014 respectively in relation to the entering into of the memorandum of understanding dated 25 June 2014 and a supplemental memorandum of understanding dated 29 September 2014 respectively for the acquisition of the Target Company.

The Board is pleased to announce that on 19 December 2014 (after trading hours of the Stock Exchange), the Vendor and Food Idea entered into the S&P Agreement pursuant to which Food Idea has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Share, representing the entire issued share capital of the Target Company and the Sale Loan for a maximum Consideration of HK\$100,000,000 subject to adjustment according to the details as set out in the paragraph headed “Consideration” below.

THE S&P AGREEMENT

Date: 19 December 2014

Parties: Vendor: Wong Tai Chun

Purchaser: Food Idea

The Vendor is the son of Mr. Wong Kwan Mo who is the chairman of the Company, an executive Director and a controlling Shareholder and Ms. Lau Lan Ying who is the chief executive officer of the Company, an executive Director and a controlling Shareholder. As such, the Vendor is regarded as a connected person of the Company.

Asset to be acquired

Pursuant to the S&P Agreement, Food Idea has conditionally agreed to purchase and the Vendor has conditionally agreed to sell, subject to the satisfaction (or waiver, where applicable) of the conditions precedent as set out in the paragraph headed “Conditions” below:

- (1) the Sale Share, being the entire issued share capital of the Target Company; and
- (2) the Sale Loan, representing all obligations, liabilities and debts owing by the Target Company to the Vendor on or at any time prior to Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion. As at the date of the S&P Agreement, the Target Company was indebted to the Vendor in the sum of approximately HK\$90,000,000.

Consideration

Subject to adjustment as provided in sub-paragraph (b) below, the maximum Consideration for the sale and purchase of the Sale Share and the Sale Loan is HK\$100,000,000, which shall be payable by Food Idea to the Vendor in the following manner:

- (a) the Initial Consideration of HK\$4,000,000 shall be satisfied by Food Idea in cash at Completion; and

- (b) the Final Consideration as determined in accordance with following formula, shall be payable by Food Idea to the Vendor by procuring the Company to issue the Promissory Note to the Vendor within ten Business Days after the issue of the Certificate:

$$\text{Final Consideration} = \text{Remaining Balance} \times \frac{\text{2015 Valuation}}{\text{2014 Valuation}}$$

In the event that 2015 Valuation exceeds 2014 Valuation, 2015 Valuation shall be deemed to be equal to 2014 Valuation.

The Vendor and Food Idea shall jointly appoint an independent valuer as nominated by Food Idea to conduct the 2015 Valuation as soon as reasonably practicable after 31 December 2015, and procure that a valuation report in respect of the 2015 Valuation shall be prepared and delivered to the Vendor and Food Idea as soon as reasonably practicable and in any event, on or before 31 March 2016. As soon as reasonably practicable and in any event within five Business Days following the delivery by such valuer to the Vendor and Food Idea of the valuation report with respect to the 2015 Valuation, Food Idea shall procure an independent practising accountant to review the 2015 Valuation and issue to and serve on the Vendor the Certificate confirming the calculation and the amount of the 2015 Valuation. The Certificate shall, in the absence of manifest error, be final and conclusive of the matters stated therein and binding on the Vendor and Food Idea.

The Consideration was determined after arm's length negotiations between the parties to the S&P Agreement, after taking into account a number of factors including the preliminary valuation of the 100% market value of the Target Group of not less than HK\$110,000,000 as at 31 October 2014 pursuant to the business valuation carried out by an independent professional valuer nominated by the Company for the purpose of the Proposed Acquisition and the business growth, prospects and profitability of the Lucky Dessert Group. The preliminary valuation carried out by the independent valuer was based on discounted cash flow method under the income-based approach and based on the following major assumptions, which include:

- (a) the projection of 15-year future cash flows of the Lucky Dessert Group and such projections are reasonable, reflecting market conditions and economic fundamentals, and will be materialized;
- (b) the Lucky Dessert Group will be operated and developed as planned;
- (c) the number of shops of the Lucky Dessert Group will remain constant after 2024;
- (d) the preliminary valuation was based on the unaudited consolidated management accounts of the Target Group as at the date of valuation;

- Maturity date:** The second anniversary from the date of issue of the Promissory Note. The Company shall have the absolute right and discretion to extend the maturity date to the fourth anniversary of the date of issue of the Promissory Note.
- Transferability:** The Promissory Note may be assigned or transferred to any transferee provided that such transferee is not a connected person of the Company.
- The Promissory Note may be assigned or transferred in whole or in part (in multiples of HK\$1,000,000) of its outstanding principal amount.
- Interest rate:** The prime rate from time to time quoted from The Hongkong and Shanghai Banking Corporation Limited plus 1% per annum on the outstanding principal amount and payable on the maturity date.
- Early redemption:** Any time from the Issue Date up to the date immediately prior to the maturity date or the extended maturity date (as the case may be) of the Promissory Note, provided that the Company has given to the holder of the Promissory Note not less than ten Business Days' prior notice in writing of its intention to repay any part of the outstanding principal amount of the Promissory Note. Save and except that the Company shall only repay the holder(s) of the Promissory Note up to 50% of the principal amount of the Promissory Note on or before the date falling on the first anniversary of the Issue Date, the Company may early repay any amount of the Promissory Note thereafter up to the date immediately preceding the maturity date or the extended maturity date (as the case maybe).
- Any amount of the Promissory Note which is redeemed by the Company will be forthwith cancelled.
- The holder(s) of the Promissory Note shall not have any early redemption right.

Conditions

Completion shall be conditional upon:

- (a) Food Idea being reasonably satisfied with the results of the due diligence review to be conducted under the S&P Agreement;
- (b) all necessary consents and approvals required to be obtained on the part of the Vendor and the Target Company in respect of the S&P Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (c) all necessary consents and approvals required to be obtained on the part of Food Idea in respect of the S&P Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (d) the passing by the Independent Shareholders at a general meeting of the Company to be convened and held of an ordinary resolution to approve the S&P Agreement and the transactions contemplated thereunder;
- (e) the obtaining of the legal opinion (in form and substance satisfactory to Food Idea) to be issued by a firm of PRC legal advisers acceptable to Food Idea covering such matters which are relevant to the S&P Agreement and the transactions contemplated thereunder;
- (f) warranties given by the Vendor remaining true and accurate in all respects; and
- (g) the obtaining of a valuation report (in form and substance satisfactory to Food Idea) from a firm of independent professional valuers appointed by Food Idea showing the 2014 Valuation of the Target Group to be not less than HK\$110,000,000.

None of the above conditions are capable of being waived. If the conditions have not been fulfilled on or before 4:00 p.m. on 13 February 2015, or such later date as the Vendor and Food Idea may agree in writing, the S&P Agreement shall cease and determine and neither party to the S&P Agreement shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Completion

Completion shall take place at 4:00 p.m. on the date falling on the third Business Day after the fulfilment (or waiver) of the conditions or such other date as may be agreed between the Vendor and Food Idea.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and Lucky Dessert Group will become the indirect associated companies of the Company. The results and assets and liabilities of Lucky Dessert Group will be incorporated in the consolidated financial statements of the Group using the equity method of accounting.

INFORMATION ON THE TARGET GROUP

The Target Company acquired 49% of the entire issued share capital of the Lucky Dessert (BVI) from Ample Chance Limited pursuant to the sale and purchase agreement dated 18 December 2014 at an acquisition cost of HK\$90,000,000. As at the date of this announcement, the Lucky Dessert (BVI) is owned as to 49% by Wealth Power, 2% by Ample Chance Limited and 49% by the Target Company. Each of Wealth Power, Ample Chance Limited and their ultimate beneficial owners is independent of the Vendor and its associates. Hence, each of Wealth Power, Ample Chance Limited and their ultimate beneficial owners is an Independent Third Party. The ultimate owners of Wealthy Power, namely Wong's Brothers, are the founders of “發記甜品”, a renowned dessert catering restaurant in Hong Kong.

The Target Company is principally engaged in investment holding. The Target Company is directly interested in 49% equity interests in Lucky Dessert (BVI), which directly holds the entire issued share capital of Lucky Dessert (HK), which, in turn, directly holds the entire equity interest in Lucky Dessert (China). Each of Lucky Dessert (BVI) and Lucky Dessert (HK) is principally engaged in investment holding.

Lucky Dessert (China) entered into a trademark licensing agreement dated 29 September 2014 (as supplemented and amended by a supplemental agreement dated 29 September 2014) with Wong's Brothers, the owners of the Trademark “發記甜品”, pursuant to which Wong's Brothers granted Lucky Dessert (China) an exclusive right to use and to grant licence to third parties to use the Trademark and conduct dessert businesses under the Trademark in the PRC for fifteen years. Thus, the Target Company will become the sole authorised franchisee of the Trademark in the PRC.

It is intended that the Lucky Dessert Group will, under the name of the Trademark “發記甜品”, set up and operate dessert catering restaurants by itself or cooperate with other parties to operate dessert catering restaurants in the PRC.

On 18 December 2014, Lucky Dessert (China) has entered into the Cooperation Agreement with Tianjin Modern Group Company Limited# (天津現代集團有限公司) and Tianjin Beisitena Catering Management Company Limited# (天津貝思特納餐飲管理有限責任公司), both are Independent Third Parties. Pursuant to the Cooperation Agreement, parties to the Cooperation Agreement intend to either solely or jointly open chain dessert catering restaurants in Tianjin, the PRC for the initial 19 months from the date of the Cooperation Agreement. Commencing from the second anniversary of the Cooperation Agreement, the parties to the Cooperation Agreement intend to either solely or jointly open chain dessert catering restaurants in Beijing and other first tier cities in the northern part of the PRC, such as Shenyang, Qingdao, Dalian, Jinan, Shijiazhuang, Zhengzhou and so forth. It is expected that the first outlet will be set up in or about the first quarter of 2015 in Tianjin, the PRC.

The Lucky Dessert Group also plans to further grant to other franchisees the right to set up and operate dessert catering restaurants under the Trademark in exchange for franchising fees in the PRC. In order to maintain the food and service quality, the Lucky Dessert Group will set up centralised kitchens in various cities to support the operation and provide its franchisees with necessary equipment, raw materials and training.

Set out below is the financial information of (i) the Target Company for the period from the date of incorporation (being 2 January 2014) to 31 October 2014 based on the unaudited financial statements for the same period and prepared in accordance with generally accepted accounting principles in Hong Kong, as provided by the Vendor; and (ii) the Lucky Dessert Group based on the unaudited financial statements for the period from the date of incorporation of Lucky Dessert (BVI) (being 16 December 2013) to 31 October 2014 respectively and prepared in accordance with generally accepted accounting principles in Hong Kong, as provided by the Vendor:

(i) The Target Company

	For the period from the date of incorporation to 31 October 2014 Unaudited HK\$
Revenue	–
Loss before taxation	13,000
Loss after taxation	13,000

The unaudited net liability value of the Target Company as at 31 October 2014 was approximately HK\$13,000. As at the date of the S&P Agreement, the Sale Loan amounted to approximately HK\$90,000,000.

(ii) The Lucky Dessert Group

**For the period
from date of
incorporation to
31 October 2014**
HK\$

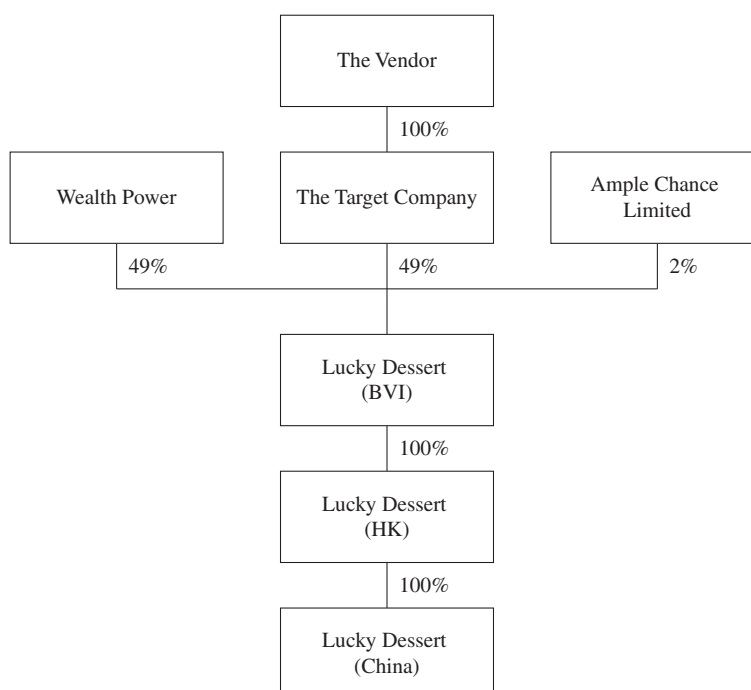
Revenue	–
Loss before taxation	251,000
Loss after taxation	251,000

The unaudited net liability value of the Luck Dessert Group as at 31 October 2014 was approximately HK\$249,000.

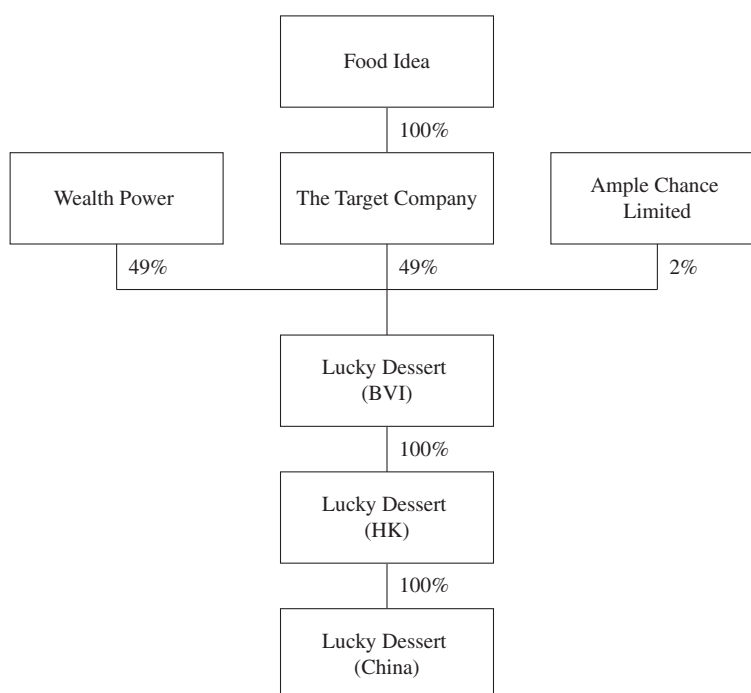
The Target Group structure

The following charts set forth the group structure of the Target Group as at the date of this announcement and immediately after Completion:

As at the date of this announcement



Immediately after Completion



SHAREHOLDERS' AGREEMENT

Upon Completion, the shareholders of Lucky Dessert (BVI), namely Wealth Power, Ample Chance Limited and the Target Company will enter into the Lucky Dessert (BVI) Shareholders Agreement with Lucky Dessert (BVI), to record the respective rights and obligations as shareholders of Lucky Dessert (BVI) with respect to finance, management and operations of Lucky Dessert (BVI) and its subsidiaries.

Under the Lucky Dessert (BVI) Shareholders Agreement, among other things, Wealth Power, Ample Chance Limited and the Target Company shall be entitled to appoint two directors, one director and two directors to the board of Lucky Dessert (BVI) respectively. Any transfer of shares or interest in shares by a shareholder thereafter will be subject to the first right of refusal of the other shareholders.

LOAN AGREEMENT

Upon Completion, Food Idea as lender and Lucky Dessert (BVI) as borrower will enter into the Loan Agreement, pursuant to which Food Idea shall advance a loan up to HK\$15,000,000 to Lucky Dessert (BVI) for a term of 24 months from the loan draw down date at an interest rate the best lending rate of the Hong Kong and Shanghai Banking Corporation plus 1% per annum for the purpose of funding the general capital of the Lucky Dessert Group.

As certain applicable percentage ratios for the loan are more than 5% but less than 25%, the Loan Agreement when materialised will constitute a discloseable transaction on the part of the Company under the GEM Listing Rules.

REASONS FOR THE PROPOSED ACQUISITION

The Group is principally engaged in: (i) the operation of a chain of Chinese restaurants; and (ii) production, sales and distribution of food products to chain supermarkets in Hong Kong.

The Directors have been reviewing the Company's existing businesses and strived to improve its business operations and financial position by proactively seeking potential investment opportunities that could diversify the Company's existing business portfolio and broaden its source of income, and enhance value to the Shareholders. The Board believes that the expansion into the dessert business will enhance and enrich the Group's business scope and product line, and thus bring an additional stream of income to the Group. In addition, the Proposed Acquisition will help the Group to tap in the dessert market in the first tier cities in the PRC, and explore the opportunities for further development of the Group's catering business in the PRC, which will ultimately enhance the awareness and reputation of the Group's brand in the PRC.

The Directors (excluding the independent non-executive Directors who will give their view on the terms of the S&P Agreement after reviewing the advice from the independent financial adviser) believe that the Trademark “發記甜品” is one of the most well-known dessert brand in Hong Kong. Given that the customers in the PRC will usually prefer the brand name products from Hong Kong more than the local brand, the Trademark will easily arouse awareness from the local market in the PRC. Furthermore, the Directors consider that the cooperation with Wong's Brothers will enable the Group to leverage the expertise of Wong's Brothers, who are the ultimate beneficial owners of 49% equity interests in Lucky Dessert (BVI), the shareholders of Wealth Power and the founders of “發記甜品” in Hong Kong, in dessert business and provide a turnkey solutions for the Company to develop dessert business in the PRC. As such, the Board believes that the Proposed Acquisition is in line with the development strategies of the Group and it will bring long-term and strategic benefits to the Group.

Based on the above reasons, the Directors (excluding the independent non-executive Directors who will give their view on the terms of the S&P Agreement after reviewing the advice from the independent financial adviser) are of the view that the terms of the Proposed Acquisition are fair and reasonable and the Proposed Acquisition is in the interests of the Company and the Shareholders as a whole.

Mr. Wong Kwan Mo and Ms. Lau Lan Ying, who are the associates of the Vendor, have a material interest under the S&P Agreement and have abstained from voting on the relevant issues at the Board meeting for approving the S&P Agreement.

GEM LISTING RULES IMPLICATIONS

As certain applicable percentage ratios for the Proposed Acquisition are more than 25% but less than 100%, the Proposed Acquisition constitutes a major transaction on the part of the Company under the GEM Listing Rules. Given that the Vendor is the son of Mr. Wong Kwan Mo who is the chairman of the Company, an executive Director and a controlling Shareholder and Ms. Lau Lan Ying who is the chief executive officer of the Company, an executive Director and a controlling Shareholder, the Vendor is connected person of the Company. The Proposed Acquisition constitutes a non-exempted connected transaction on the part of the Company under the GEM Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirements.

The Proposed Acquisition is subject to, among others, the approval by the Independent Shareholders at the EGM. Each of the Vendor, Mr. Wong Kwan Mo, Ms. Lau Lan Ying and their respective associates is required to abstain from voting on the resolution(s) at the EGM to approve the Proposed Acquisition. As at the date of this announcement, the Vendor, Mr. Wong Kwan Mo, Ms. Lau Lan Ying and their respective associates are, in aggregate, interested in 1,783,040,000 Shares, representing approximately 55.70% of the issued share capital of the Company.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders as to the fairness and reasonableness in respect of the Proposed Acquisition. The Company has appointed New Spring Capital Limited as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regards.

GENERAL

A circular containing, among other matters, further details of the Proposed Acquisition, the recommendation of the Independent Board Committee to the Independent Shareholders, the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, the business valuation report of the Target Group prepared by an independent valuer, the financial information of the Target Group and a notice to convene the EGM will be despatched to the Shareholders on or before 23 January 2015 as more time is required to prepare the information to be included in the circular.

DEFINITIONS

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

“2014 Valuation”	the 100% market value of the Target Group as at 31 October 2014 shown in the valuation report to be included in the circular of the Company relating to the Proposed Acquisition, such valuation shall be prepared in compliance with the requirements of the GEM Listing Rules, on a discounted cash flow method under the income-based approach and such basis and assumptions as may be agreed by the Vendor and Food Idea
“2015 Valuation”	the 100% market value of the Target Group as at 31 December 2015, such valuation shall be prepared in compliance with the requirement of the GEM Listing Rules, on the methodology, basis and assumptions which are consistent with those adopted and used for 2014 Valuation
“associates”	has the meaning ascribed to it in the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Certificate”	the written certificate to be issued by a practicing accountant to be appointed by Food Idea showing the actual 2015 Valuation
“Company”	Gayety Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM
“Completion”	completion of the sale and purchase of the Sale Share and the Sale Loan in accordance with the terms and conditions of the S&P Agreement

“Completion Date”	the date of Completion
“connected person”	has the meaning ascribed to it in the GEM Listing Rules
“Consideration”	the consideration to be satisfied by Food Idea to the Vendor for the sale and purchase of the Sale Share and the Sale Loan
“Cooperation Agreement”	a cooperation agreement dated 18 December 2014 and entered into between Lucky Dessert (China), Tianjin Modern Group Company Limited# (天津現代集團有限公司) and Tianjin Beisitena Catering Management Company Limited# (天津貝思特納餐飲管理有限責任公司) in relation to the cooperation of conducting dessert catering business under the Trademark in the PRC
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be held and convened for the purpose of considering and, if thought fit, approving the S&P Agreement and the transactions contemplated thereunder
“Final Consideration”	the part and final consideration payable by Food Idea procuring the Company to issue the Promissory Note to the Vendor
“Food Idea”	Food Idea Group Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly owned subsidiary of the Company and the purchaser to the S&P Agreement
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors formed to advise the Independent Shareholders as to the fairness and reasonableness of the Proposed Acquisition

“Independent Shareholders”	Shareholders (other than the Vendor, Mr. Wong Kwan Mo, Ms Lau Lan Ying and their associates) which are not required to abstain from voting at the extraordinary general meeting of the Company to approve the S&P Agreement and the transactions contemplated hereunder
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Initial Consideration”	part of the Consideration, in the sum of HK\$4,000,000 payable by Food Idea in cash at Completion
“Issue Date”	the date of issue of the Promissory Note
“Loan Agreement”	a loan agreement to be entered into between Food Idea and Lucky Dessert (BVI) upon Completion in relation to the advance of HK\$15,000,000 by Food Idea to Lucky Dessert (BVI)
“Lucky Dessert (BVI)”	Lucky Dessert (China) Holdings Limited, a company incorporated in the British Virgin Islands on 16 December 2013 with limited liability, which is owned as to 2% by Ample Chance Limited, 49% by Wealth Power and 49% by the Target Company
“Lucky Dessert (HK)”	Lucky Dessert (China) Limited, a company incorporated in Hong Kong on 6 January 2014 with limited liability, a wholly-owned subsidiary of Lucky Dessert (BVI)
“Lucky Dessert (China)”	Lucky Dessert Catering Management (Shenzhen) Limited, a company established in the PRC on 10 April 2014, a wholly-owned subsidiary of Lucky Dessert (HK)
“Lucky Dessert Group”	together, Lucky Dessert (BVI), Lucky Dessert (HK) and Lucky Dessert (China)

“Lucky Dessert (BVI) Shareholders Agreement”	a shareholders’ agreement entered into among Ample Chance Limited, Wealth Power, the Target Company and Lucky Dessert (BVI), which records the respective rights and obligations as shareholders of Lucky Dessert (BVI) with respect to finance, management and operations of Lucky Dessert (BVI) and its subsidiaries
“PRC”	the People’s Republic of China
“Promissory Note”	an interest bearing promissory note with the principal amount equal to the Final Consideration to be issued by the Company to satisfy the Final Consideration payable by Food Idea to the Vendor
“Proposed Acquisition”	the proposed acquisition of the Sale Share and the Sale Loan by Food Idea subject to and upon the terms and conditions of the S&P Agreement
“Remaining Balance”	HK\$96,000,000, being the difference between the Consideration for the Sale Share and the Sale Loan and the Initial Consideration
“S&P Agreement”	the sale and purchase Agreement dated 19 December 2014 and entered into between the Vendor and Food Idea in relation to the sale and purchase of the Sale Share and the Sale Loan
“Sale Loan”	all obligations, liabilities and debts owing by the Target Company to the Vendor on or at any time prior to the Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion which as at the date of the S&P Agreement, amounted to approximately HK\$90,000,000
“Sale Share”	1 share in the share capital of the Target Company, which is legally and beneficially owned by the Vendor
“Shareholder(s)”	holder(s) of the Shares
“Shares”	ordinary shares of HK\$0.001 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Brilliant Forever Limited, a company incorporated in the British Virgin Islands on 2 January 2014 with limited liability

“Target Group”	together, the Target Company and its associated companies, namely the Lucky Dessert Group
“Trademark”	the trademark of “發記甜品”
“Vendor”	Mr. Wong Tai Chun, son of Mr. Wong Kwan Mo and Ms. Lau Lan Ying, who are the executive Directors, the vendor to the S&P Agreement
“Wealth Power”	Wealth Power Group Limited, a company incorporated in the British Virgin Islands and the 49% shareholder of Lucky Dessert (BVI), and the entire issued share capital of which is owned as to 50% by Mr. Wong Yat Cheung and 50% by Mr. Wong Yat Tung
“Wong’s Brothers”	Mr. Wong Yat Cheung and Mr. Wong Yat Tung, the founders of “發記甜品” and the shareholder of Wealth Power, both are Independent Third Parties
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 19 December 2014

this announcement, translated English names of Chinese entities for which no official English translation exists are unofficial translations for identification purposes only, and in the event of any inconsistency between the Chinese names and their English translation, the Chinese names shall prevail.

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>.