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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



東方滙財證券有限公司
ORIENT SECURITIES LIMITED

On 9 March 2015 (after the trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, up to 160,000,000 Placing Shares to the Placees who and whose ultimate beneficial owners will be Independent Third Parties at a price of HK\$0.125 per Placing Share.

The Placing Price of HK\$0.125 per Placing Share represents (i) a discount of approximately 19.35% to the closing price of HK\$0.155 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 11.59% to the average of the closing prices per Share of HK\$0.1414 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The maximum Placing Shares of up to 160,000,000 Shares represent 5% of the existing issued share capital of the Company as at the date of this announcement and approximately 4.76% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Shares are to be issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 16 May 2014.

The net proceeds of the Placing, after deduction of the placing commission and other related expenses of approximately HK\$500,000, will be approximately HK\$19,500,000. The Directors intend to use the net proceeds for providing shareholder's loan of HK\$15,000,000 contemplated under the Loan Agreement if the Proposed Acquisition materialised and the remaining proceeds will be used for general working capital of the Group. In the event that the Proposed Acquisition falls through, all the net proceeds will be used for general working capital of the Group.

The Completion is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date: 9 March 2015

Issuer: The Company

Placing Agent: Orient Securities Limited

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties. The Placing Agent will charge the Company a placing commission of 2% of the gross proceeds from the Placing. The Placing commission was negotiated on arm's length basis between the Company and the Placing Agent and determined with reference to, amongst other things, the prevailing commission rate charged by other placing agents and the price performance of the Shares. The Directors consider that the terms of the Placing, including the Placing commission, are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

Placees

The Placing Shares will be placed to not less than six (6) Placees which will be professional institutional or other investor independent of and not connected with the Company, the connected persons of the Company and their respective associates, and who and whose ultimate beneficial owners are Independent Third Parties. Upon Completion, it is expected that none of the Placees will become a substantial Shareholder. If any of the Placees will become a substantial Shareholder after Completion, further announcement will be made by the Company.

Number of Placing Shares

The maximum Placing Shares of up to 160,000,000 Shares represent 5% of the existing issued share capital of the Company as at the date of this announcement and approximately 4.76% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.125 per Placing Share represents (i) a discount of approximately 19.35% to the closing price of HK\$0.155 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 11.59% to the average of the closing prices per Share of HK\$0.1414 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined and negotiated on an arm's length basis between the Company and the Placing Agent with reference to the prevailing market price of the Shares. Given the size of the Placing Shares involved (which represent up to 5% of the existing Shares in issue) and the discount to the closing price as quoted on the Stock Exchange on the Last Trading Day and a discount to the average of the closing prices as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement, the Directors (including the independent non-executive Directors) consider that the Placing Price are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Ranking of Placing Shares

The Placing Shares shall rank pari passu in all respects among themselves and with the existing issued Shares as at the date of this announcement.

Condition of the Placing

The Placing is conditional upon

- (A) the Stock Exchange having granted or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and
- (B) the Placing Agreement not having been terminated in accordance with its terms.

If the above condition is not fulfilled by the Long Stop Date, the Placing Agreement will be terminated forthwith and cease to have any effect.

Completion

The Placing shall complete on the Completion Date, being the fourth Business Day after the satisfaction of the condition set out above (or such later date as may be agreed by the parties hereto).

Application for listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

General Mandate to issue the Placing Shares

The issue of the Placing Shares is not subject to Shareholders' approval.

The Placing Shares will be issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 16 May 2014, subject to the limit up to 640,000,000 Shares (representing 20% of the aggregate nominal amount of the share capital of the Company in issue on that date). The 160,000,000 Placing Shares to be allotted and issued utilises 25% of the General Mandate. As at the date of this announcement, the Company has not utilised the General Mandate.

Termination

- (A) The Placing Agent shall be entitled by notice to the Company given prior to 6:00 p.m. on the day immediately preceding the Completion Date to terminate the Placing Agreement if any Specified Event comes to the notice of the Placing Agent.
- (B) If notice is given pursuant to Clause (A) above, the Placing Agreement shall terminate and be of no further effect and no party shall be under any liability to any other in respect of the Placing Agreement save for any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

The Completion is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The changes of the shareholding structure of the Company as a result of the Placing are as follows:

Name of Shareholders	As at the date		Immediately after completion	
	of this announcement		of the Placing assuming	
	<i>Number of</i>	<i>Approx.</i>	<i>Number of</i>	<i>Approx.</i>
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
KMW Investments Limited (<i>note</i>)	1,030,000,000	32.19	1,030,000,000	30.65
Strong Light Investments Limited (<i>note</i>)	250,000,000	7.81	250,000,000	7.44
The Placees	–	–	160,000,000	4.76
Public	<u>1,920,000,000</u>	<u>60.00</u>	<u>1,920,000,000</u>	<u>57.15</u>
Total	<u><u>3,200,000,000</u></u>	<u><u>100</u></u>	<u><u>3,360,000,000</u></u>	<u><u>100</u></u>

Note: Each of KMW Investments Limited and Strong Light Investments Limited is legally and beneficially owned as to 50% by Mr. Wong Kwan Mo, the chairman and an executive Director, and as to 50% by Ms. Lau Lan Ying, the chief executive officer and an executive Director. Mr. Wong Kwan Mo is the spouse of Ms. Lau Lan Ying. Each of Mr. Wong Kwan Mo and Ms. Lau Lan Ying is deemed to be interested in aggregate 1,280,000,000 Shares, being the sum of 1,030,000,000 Shares held by KMW Investments Limited and 250,000,000 Shares held by Strong Light Investments Limited.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the operation of a chain of Chinese restaurants and productions, sales and distribution of food products to chain supermarkets in Hong Kong.

The Board considers that the Placing represents an opportunity to raise additional funds for the Company while broadening the Shareholder and capital base of the Company. The net proceeds from the Placing, after the deduction of the placing commission and other related expenses, are estimated to be approximately HK\$500,000, representing a net issue price of approximately HK\$0.122 per Placing Share.

The Board will apply the net proceeds for providing shareholder's loan of HK\$15,000,000 contemplated under the Loan Agreement if the Proposed Acquisition materialised and the remaining proceeds will be used for general working capital of the Group. In the event that the Proposed Acquisition falls through, all the net proceeds will be used for general working capital of the Group.

FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company had not conducted any fund raising activities involving issue of its securities in the past twelve months immediately preceding the date of this announcement.

DEFINITIONS

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

“associates”	has the meaning as ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Company”	Gayety Holdings Limited, a company incorporated in the Cayman Islands with limited liability, which is principally engaged in the investment holding and whose issued Shares are listed on GEM
“Completion”	completion of the placing of the Placing Shares in accordance with the terms and conditions as set out in the Placing Agreement
“Completion Date”	the fourth Business Day following the day on which the conditions set out in the Placing Agreement are satisfied (or such later date as may be agreed between the Company and the Placing Agent)
“connected persons”	has the meanings as ascribed thereto under the GEM Listing Rules
“Director(s)”	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 GEM
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 16 May 2014, pursuant to which a maximum of 640,000,000 new Shares may fall to be allotted and issued as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and directors, chief executives, controlling shareholders and substantial Shareholders of the Company or any of its subsidiaries or their respective associates
“Last Trading Day”	9 March 2015, being the last trading day for the Shares prior to this announcement
“Loan Agreement”	a loan agreement to be entered into between Food Idea Group Limited, a wholly owned subsidiary of the Company, and Lucky Dessert (China) Holdings Limited, a 49% associate of Brilliant Forever Limited, upon completion of the Proposed Acquisition.
“Long Stop Date”	31 March 2015 or such later date as the Company and the Placing Agent may agree in writing
“Placees”	any professional institutional or other investor independent of and not connected with the Company, the connected persons of the Company and their respective associates procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing, on a best efforts basis, of up to 160,000,000 Shares pursuant to the terms of the Placing Agreement

“Placing Agent”	Orient Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 9 March 2015 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.125 per Placing Share
“Placing Shares”	up to 160,000,000 Shares to be placed under the Placing
“PRC”	People’s Republic of China
“Proposed Acquisition”	the acquisition of entire issued share capital of Brilliant Forever Limited as contemplated under the conditional sale and purchase agreement dated 19 December 2014, through which the Group can develop dessert catering business in the PRC under the trademarks of Lucky Dessert “發記甜品”, details of which are set out in the announcement of the Company dated 19 December 2014
“Share(s)”	ordinary issued share(s) of HK\$0.001 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specified Event”	means an event occurring or matter arising on or after the date hereof and prior to the date of Completion which if it had occurred or arisen before the date hereof would have rendered any of the undertakings, warranties and representations given by the Company in the Placing Agreement untrue or incorrect and such would have an adverse impact/ effect on the Placing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

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

Hong Kong, 9 March 2015

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 Rules Governing the Listing of Securities on GEM 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>.