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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 EXISTING SHARES
AND
SUBSCRIPTION FOR NEW SHARES UNDER GENERAL MANDATE**

Placing Agent



FP Sino-Rich Securities & Futures Limited

On 6 May 2015 (after the trading hours of the Stock Exchange), the Company entered into the Placing and Subscription Agreement with the Placing Agent and the Subscriber for (i) the Placing, on a best effort basis, up to 480,000,000 Placing Shares to the Placees at the Placing Price of HK\$0.193 per Placing Share and (ii) the Subscription for up to 480,000,000 new Subscription Shares by the Subscriber at the Subscription Price of HK\$0.193 per Subscription Share.

The Placing Price of HK\$0.193 per Placing Share is equivalent to the Subscription Price of HK\$0.193 per Subscription Share and represents (i) a discount of approximately 17.52% to the closing price of HK\$0.234 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 10.40% to the average of the closing prices per Share of approximately HK\$0.215 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing and Subscription Agreement.

The maximum number of 480,000,000 Placing Shares is equivalent to the maximum number of 480,000,000 Subscription Shares and represents, in aggregate, (i) approximately 14.29% of the existing issued share capital of the Company; and (ii) approximately 12.50% of the issued share capital of the Company as enlarged by the Subscription and the allotment and issue of the Subscription Shares as a result of the Subscription.

The allotment and issue of the Subscription Shares is not subject to Shareholders' approval. The Subscription Shares are to be issued under the General Mandate.

The maximum gross proceeds and net proceeds (after deducting the placing agent commission and other expenses incurred in the Placing and the Subscription) from the Subscription are expected to be HK\$92.64 million and approximately HK\$91.00 million, respectively. The Company intends to use the net proceeds from the Subscription for potential acquisition and general working capital of the Group.

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

THE PLACING AND SUBSCRIPTION AGREEMENT

Date: 6 May 2015

Issuer: the Company

Placing Agent: FP Sino-Rich Securities & Futures Limited

Subscriber: KMW Investments Limited, together with Strong Light, the controlling shareholders (as defined under the GEM Listing Rules) of the Company, jointly controlled by Mr. Wong Kwan Mo and Ms. Lau Lan Ying in equal shares, both the executive Directors

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owners is an Independent Third Party.

Pursuant to the Placing and Subscription Agreement, the Subscriber agreed to place, through the Placing Agent, up to 480,000,000 Placing Shares to the Placees at a price of HK\$0.193 per Placing Share and the Subscriber will subscribe for the Subscription Shares at a price of HK\$0.193 per Subscription Share. Details of the Placing and the Subscription are set out below:

A. PLACING

Placees

The Placing Shares will be placed to not less than six (6) Placees which will be professional Placees. The Placing Agent has agreed to place the Placing Shares on a best effort basis to not less than six Placees, each of whom (and its ultimate beneficial owners(s), where applicable) is an Independent Third Party.

It is expected that none of the Placees will become substantial Shareholder (as defined in the GEM Listing Rules) immediately after the Placing.

Placing Shares

The 480,000,000 Placing Shares represent, in aggregate, (i) approximately 14.29% of the existing issued share capital of the Company; and (ii) approximately 12.50% of the issued share capital of the Company as enlarged by the Subscription and the allotment and issue of the Subscription Shares as a result of the Subscription.

The Placing Shares rank pari passu among themselves and with the other Shares in issue as at the date of this announcement.

Placing Price

The Placing Price of HK\$0.193 per Placing Share represents:

- (i) a discount of approximately 17.52% to the closing price of HK\$0.234 per Share as quoted on the Stock Exchange on 6 May 2015, being the Last Trading Day; and
- (ii) a discount of approximately 10.40% to the average of the closing prices of approximately HK\$0.215 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing and Subscription Agreement.

The Placing Price was arrived at after arm's length negotiations among the Company, the Subscriber and the Placing Agent with reference to the liquidity and prevailing market prices of the Shares. The Directors consider that the Placing Price and the terms and conditions of the Placing and Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The net Placing Price, after deduction of the relevant expenses, is approximately HK\$91.00 million.

Placing commission

The Company shall pay to the Placing Agent the placing commission of 1% of the amount equal to the Placing Price multiplied by the number of the Placing Shares actually placed by the Placing Agent and all reasonable costs, fees and expenses in relation to the preparation and completion of the Placing and Subscription Agreement.

Completion of the Placing

The Placing is unconditional and completion of the Placing will take place on 11 May 2015 (or such other date as may be agreed by the Subscriber and the Placing Agent).

Rescission

The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing and Subscription Agreement by notice in writing to the Company at any time up to 9:00 a.m. on the date of completion of the Placing if:

- (1) there is any introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group; or
- (2) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the placing of the Placing Shares to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Subscriber or the Company or the Placing Agent to proceed with the Placing; or

- (3) there is any material breach of the warranties, representations and undertakings given by the Company and/or the Subscriber in the Placing and Subscription Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (4) there is any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which affect the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing; or
- (5) any statement contained in this announcement has become or been discovered to be untrue, incorrect or misleading in any material respect which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing. Upon termination of the Placing and Subscription Agreement pursuant to the above mentioned force majeure factors, all liabilities of the parties thereto shall cease and no party of the Placing and Subscription Agreement shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing and Subscription Agreement save for any antecedent breach of any obligation under the Placing and Subscription Agreement.

B. SUBSCRIPTION

Subscription Shares

Up to 480,000,000 Subscription Shares, which is equivalent to the number of Placing Shares to be placed under the Placing, will be subscribed by the Subscriber under the Placing and Subscription Agreement and represent, in aggregate, (i) approximately 14.29% of the existing issued share capital of the Company; and (ii) approximately 12.50% of the issued share capital of the Company as enlarged by the Subscription and the allotment and issue of the Subscription Shares as a result of the Subscription. The Subscription Shares, when issued and fully paid, will rank pari passu among themselves and with the other Shares in issue as at the date of the allotment and issue of the Subscription Shares.

Subscription Price

The Subscription Price of HK\$0.193 per Subscription Share represents:

- (i) a discount of approximately 17.52% to the closing price of HK\$0.234 per Share as quoted on the Stock Exchange on 6 May 2015, being the Last Trading Date; and
- (ii) a discount of approximately 10.40% to the average of the closing prices of approximately HK\$0.215 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing and Subscription Agreement.

The Subscription Price was arrived at after arm's length negotiations among the Company, the Subscriber and the Placing Agent with reference to the liquidity and prevailing market prices of the Shares. The Directors consider that the Subscription Price and the terms and conditions of the Placing and Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The net Subscription Price, after deduction of relevant expenses, is approximately HK\$91.00 million.

Conditions precedent

The Subscription is conditional upon the following conditions being fulfilled:

- (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Subscription Shares;
- (ii) the completion of the Placing pursuant to the Placing and Subscription Agreement; and
- (iii) the Executive having granted to the Subscriber the waiver to make a mandatory general offer for all the Shares other than those already owned by the Subscriber and parties acting in concert with it under Note 6 on dispensations from Rule 26 of the Code.

In the event that the conditions of the Subscription are not fulfilled on or before 19 May 2015 (or such other date as the Company and the Subscriber shall agree), all rights, obligations and liabilities of the parties to the Placing and Subscription Agreement in relation to the Subscription shall cease and determine and none of the Placing Agent, the Company and the Subscriber shall have any claim against any other in respect of the Subscription save for rights and remedies accrued prior to such termination.

Completion of the Subscription

Completion of the Subscription will take place within the next Business Day (or such other date as may be agreed by the Company and the Subscriber) after the conditions of the Subscription have been fulfilled.

The Subscription shall be completed on or before 20 May 2015, being 14 days from the date of the Placing and Subscription Agreement. If the Subscription is to be completed thereafter, it will constitute a connected transaction under the GEM Listing Rules and require compliance with all the relevant requirements under Chapter 20 of the GEM Listing Rules, including but not limited to the issue of a separate announcement and approval by the independent Shareholders.

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

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares. Further announcement will be made by the Company upon completion of the Placing and the Subscription.

General Mandate to issue the Placing Shares

The allotment and issue of the Subscription Shares is not subject to Shareholders' approval.

The Subscription 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). 160,000,000 Shares had been allotted and issued under the General Mandate and 480,000,000 new Shares are available to be allotted and issued under the General Mandate as at the date of the Placing and Subscription Agreement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

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

Name of Shareholders	As at the date of this announcement		Immediately after completion of the Placing and the Subscription	
	<i>Number of Shares held Shares</i>	<i>Approx. %</i>	<i>Number of Shares held Shares</i>	<i>Approx. %</i>
The Subscriber (<i>note</i>)	969,872,000	28.87	969,872,000	25.26
Strong Light (<i>note</i>)	250,000,000	7.44	250,000,000	6.51
The Placees	–	–	480,000,000	12.50
Public	<u>2,140,128,000</u>	<u>63.69</u>	<u>2,140,128,000</u>	<u>55.73</u>
Total	<u><u>3,360,000,000</u></u>	<u><u>100.00</u></u>	<u><u>3,840,000,000</u></u>	<u><u>100.00</u></u>

Note:

Each of the Subscriber and Strong Light 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 an aggregate of 1,219,872,000 Shares, being the sum of 969,872,000 Shares held by the Subscriber and 250,000,000 Shares held by Strong Light.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in (i) the operation of a chain of Chinese restaurants in Hong Kong; (ii) productions, sales and distribution of food products to chain supermarkets in Hong Kong; (iii) investment in the listed securities; and (iv) dessert catering business in the People's Republic of China.

The Board considers that the Placing and the Subscription represents an opportunity to raise additional funds for the Company while broadening the Shareholders and capital base of the Company.

The maximum gross proceeds and net proceeds (after deducting the placing agent commission and other expenses incurred in the Placing and the Subscription) from the Subscription are expected to be HK\$92.64 million and approximately HK\$91.00 million, respectively. The Board intends to apply the net proceeds for potential acquisition and general working capital of the Group.

FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST TWELVE MONTHS

The following are fund raising activities of the Company during the past 12 months immediately preceding the date of this announcement:

Date of announcement	Event	Estimated net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
9 March 2015	Placing of up to 160,000,000 new Shares	Approximately HK\$15 million	Use for the provision of shareholder's loan of HK\$15,000,000 contemplated under the loan agreement dated 29 April 2015	The loan has not yet been drawn

Save as disclosed, 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 thereunder the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday or public holiday) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Code”	Hong Kong Code on Takeovers and Mergers
“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
“connected persons”	has the meaning as ascribed thereunder the GEM Listing Rules
“Director(s)”	director(s) of the Company

“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director
“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, 160,000,000 Shares had been allotted and issued and 480,000,000 Shares are available to be allotted and issued under the General Mandate 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 executive, controlling shareholders and substantial Shareholders of the Company or any of its subsidiaries or their respective associates
“Last Trading Day”	6 May 2015, being the last trading day for the Shares prior to this announcement
“Placees”	any professional, institutional or other investors(s) procured by the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing and Subscription Agreement
“Placing”	the placing, on a best efforts basis, of up to 480,000,000 Shares pursuant to the terms of the Placing and Subscription Agreement

“Placing Agent”	FP Sino-Rich Securities & Futures Limited, a licensed corporation to carry on business in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Placing and Subscription Agreement”	the conditional placing agreement dated 6 May 2015 and entered into between the Company, the Placing Agent and the Subscriber in relation to the Placing and the Subscription
“Placing Price”	HK\$0.193 per Placing Share
“Placing Shares”	up to 480,000,000 Shares to be placed under the Placing
“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)
“Strong Light”	Strong Light Investments Limited, a company incorporated in Hong Kong, together with the Subscriber, the controlling shareholders (as defined under the GEM Listing Rules) of the Company, a corporation jointly owned by Mr. Wong Kwan Mo and Ms. Lau Lan Ying in equal shares, both the executive Directors
“Subscriber”	KMW Investments Limited, a company incorporated in the British Virgin Islands, together with Strong Light, the controlling shareholders (as defined under the GEM Listing Rules) of the Company, a corporation jointly owned by Mr. Wong Kwan Mo and Ms. Lau Lan Ying in equal shares, both the executive Directors
“Subscription”	the subscription for the Subscription Shares by the Subscriber at the Subscription Price pursuant to the Placing and Subscription Agreement
“Subscription Price”	HK\$0.193 per Subscription Share

“Subscription Shares”	up to 480,000,000 Shares to be allotted and issued by the Company to the Subscriber pursuant to the terms and conditions of the Placing and Subscription Agreement
“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, 6 May 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 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>.