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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)**

**VOLUNTARY ANNOUNCEMENT**

**NON-LEGALLY BINDING MEMORANDUM OF UNDERSTANDING  
IN RESPECT OF THE POSSIBLE DISPOSAL OF  
10% EQUITY INTEREST IN  
LUCKY DESSERT (CHINA) HOLDINGS LIMITED**

**NON-LEGALLY BINDING MEMORANDUM OF UNDERSTANDING IN  
RESPECT OF THE POSSIBLE DISPOSAL**

The Board is pleased to announce that the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the non-legally binding MOU with the Purchaser in relation to the Possible Disposal on 11 May 2015 (after trading hours of the Stock Exchange).

**GENERAL**

In the event that the Formal Agreement is entered into, the Possible Disposal may constitute a notifiable transaction of the Company under the GEM Listing Rules. Further announcement(s) will be made by the Company in accordance with all applicable requirements of the GEM Listing Rules as and when appropriate.

This announcement is made voluntarily by Gayety Holdings Limited (the “**Company**”).

**NON-LEGALLY BINDING MEMORANDUM OF UNDERSTANDING IN RESPECT  
OF THE POSSIBLE DISPOSAL**

The Board announces that on 11 May 2015 (after trading hours of the Stock Exchange), the Vendor, an indirect wholly-owned subsidiary of the Company and the Purchaser entered into the non-legally binding MOU in relation to the Possible Disposal.

## **THE MOU**

**Date:** 11 May 2015

### **Parties:**

**Vendor:** Brilliant Forever Limited, a wholly-owned subsidiary of the Company

**Purchaser:** Mr. Law Chi Si

As advised by the Purchaser, he is a PRC citizen holding 88% equity interest in Doreme. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Purchaser and his associates is not a connected person of the Company and is an Independent Third Party.

### **Major terms of the MOU**

#### ***Assets to be disposed***

Under the MOU, the Purchaser intends to acquire and the Vendor intends to sell the Sale Shares.

As at the date hereof, the Vendor is interested in 49% of the issued share capital of Lucky Dessert (BVI), which, in turn, is interested in directly or indirectly, as the case may be, 100% equity interest in each of (i) Lucky Dessert (HK) and (ii) Lucky Dessert (China) respectively.

#### ***Due diligence review***

Pursuant to the MOU, the Purchaser shall procure its consultants or agents to commence the due diligence review on the Lucky Dessert Group immediately after the execution of the MOU, and the Vendor shall procure its consultants or agents to provide all reasonable assistance and access as the Purchaser and its consultants or agents may require for the due diligence review in relation to the Possible Disposal.

### ***Exclusivity***

Under the MOU, in consideration of the expenses to be incurred by the Purchaser in the negotiation of the MOU and in conducting its due diligence review, the Vendor shall not, and shall procure the directors, officers, employees, representatives and agents of the Vendor not to, directly or indirectly, for a period of 60 days commencing from the date of the MOU, (i) solicit, initiate or encourage inquiries or offers from, or (ii) initiate or continue negotiations or discussions with or furnish any information to, or (iii) enter into any agreement or statement of intent or understanding with, any person or entity other than the Purchaser with respect to the Possible Disposal. The Lucky Dessert Group or the Vendor shall inform the Purchaser should it receive such inquiry or offer.

### ***Consideration***

The proposed consideration for the Possible Disposal shall be HK\$50,000,000, but shall be further negotiated by the Vendor and the Purchaser.

### ***Conditions precedent***

It is expected that completion of the Possible Disposal shall be conditional upon, the fulfillment of the following conditions precedent:

- (1) the Purchaser being satisfied with the results of the due diligence review on the Lucky Dessert Group;
- (2) all necessary consents and approvals for the Possible Disposal having been obtained on the part of the Vendor;
- (3) all necessary consents and approvals for the Possible Disposal having been obtained on the part of the Purchaser;
- (4) the representations and warranties to be given by the Vendor in the Formal Agreement remaining true and accurate;
- (5) if necessary, the Shareholders passing at an extraordinary general meeting of the Company of an ordinary resolution approving the Formal Agreement and the transactions contemplated thereunder; and
- (6) any other conditions which may be agreed by the Parties and included in the Formal Agreement.

### ***Formal agreement***

In the event that the MOU materialises, the Parties shall enter into a Formal Agreement. The Formal Agreement shall contain the conditions precedent as set out in the above and shall also contain a term, whereby the Purchaser shall procure Doreme to sign a cooperation agreement with the Lucky Dessert Group within 90 days from the execution of the Formal Agreement, pursuant to which Doreme shall set up counters in its chained restaurants to sell the desserts produced by the Lucky Dessert Group.

### ***Termination***

The MOU shall terminate (i) after 60 days from the signing of the MOU or (ii) such other date as the Parties may agree, whichever is later. The MOU shall have no further effect upon termination and the Parties shall not claim the other for any damages, costs or expenses as a result of such termination.

### ***Non legally-binding effect***

Save for the provisions relating to due diligence review, exclusivity, right to use, confidentiality, notice, fees, legal effect, counterpart and governing law of the MOU, which are legally binding on the Parties, the MOU is intended to record preliminary understanding in principle agreed between the Parties and, therefore, is not intended to create legal obligations on the Parties.

## **REASONS FOR THE POSSIBLE DISPOSAL**

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 PRC.

The Group has recently completed the acquisition of the entire equity interest and sale loan in the Vendor, in order to develop dessert catering business in the PRC.

In the event that the Possible Disposal materialises, the Purchaser shall procure Doreme to cooperate with the Lucky Dessert Group. As advised by the Purchaser, Doreme is currently operating about 85 chained restaurants under the trade name of Do & Me in the PRC through direct operations, joint operations and franchise. The Board anticipates that the Group can leverage on Doreme's extensive business locations and network to further develop its dessert catering business in the PRC, which shall, in turn, generate more business to the Group and enhance value to the Shareholders.

To allow time for the due diligence to be performed and for negotiating the terms of the Formal Agreement, the Parties have entered into the MOU as the initial step for the potential cooperation between the Group and Doreme.

## Information on the Lucky Dessert Group

The Lucky Dessert Group is currently operating dessert catering restaurants in Tianjin, the PRC, under the name of the trademarks “發記甜品”. Lucky Dessert (China) entered into a trademark licensing agreement dated 29 September 2014 (as supplemented and amended by two supplemental agreements dated 29 September 2014 and 27 January 2015 respectively) with the owners of the trademarks “發記甜品”, pursuant to which Lucky Dessert (China) was granted an exclusive right to use and to grant licence to third parties to use the trademarks and conduct dessert catering businesses under the trademarks in the PRC for fifteen years commencing from 29 September 2014 and ending on 28 September 2029 (both dates inclusive). Thus, the Lucky Dessert Group is the sole authorised franchisee of the trademarks in the PRC.

## GENERAL

In the event that the Formal Agreement is entered into, the Possible Disposal may constitute a notifiable transaction of the Company under the GEM Listing Rules. Further announcement(s) will be made by the Company in accordance with all applicable requirements of the GEM Listing Rules as and when appropriate.

**Shareholders and/or investors should note that the Possible Disposal may or may not materialise as no formally binding documentation has been executed between the Parties and negotiations are still in progress. Shareholders and/or investors are advised to exercise caution when dealing in the Company’s securities.**

## DEFINITIONS

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

“associates”	has the meaning ascribed to it in the GEM Listing Rules
“Board”	the board of Directors
“Company”	Gayety Holdings Limited, a company incorporated in the Cayman Islands with limited liability the issued shares of which are listed on GEM
“connected person”	has the meaning ascribed to it in the GEM Listing Rules

“Consideration”	the consideration to be satisfied by the Purchaser to the Vendor for the sale and purchase of the Sale Shares
“Director(s)”	the director(s) of the Company
“Doreme”	Doreme Catering Management Limited# (廣州多美麗飲食管理有限公司), a company established in the PRC on 8 March 2001, an operator of about 85 chained restaurants under the trade name of Do & Me in the PRC through direct operations, joint operations and franchise
“Formal Agreement”	the formal sale and purchase agreement which may or may not be entered into in relation to the Possible Disposal
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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
“Lucky Dessert (BVI)”	Lucky Dessert (China) Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which is owned as to 2% by Ample Chance Limited, 49% by Wealth Power Group Limited and 49% by the Vendor

“Lucky Dessert (HK)”	Lucky Dessert (China) Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Lucky Dessert (BVI)
“Lucky Dessert (China)”	Lucky Dessert Catering Management (Shenzhen) Limited# ( 幸運甜品餐飲管理 ( 深圳 ) 有限公司 ) , a company established in the PRC, a wholly-owned subsidiary of Lucky Dessert (HK)
“Lucky Dessert Group”	together, Lucky Dessert (BVI), Lucky Dessert (HK) and Lucky Dessert (China)
“MOU”	the non-legally binding memorandum of understanding dated 11 May 2015 and entered into between the Vendor and the Purchaser in relation to the Possible Disposal
“Parties”	collectively, the Vendor and the Purchaser
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excluding Hong Kong, Taiwan and Macau Special Administrative Region
“Possible Disposal”	the possible disposal of the Sale Shares by the Vendor subject to and upon the terms and conditions of the Formal Agreement
“Purchaser”	Mr. Lo Chi Si, an Independent Third Party
“Sale Shares”	10 shares in the share capital, representing 10% of the equity interest, of Lucky Dessert (BVI), which is legally and beneficially owned by the Vendor
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor” Brilliant Forever Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of the Company

“%” per cent.

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

Hong Kong, 11 May 2015

# *In 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>.*