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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)**

**NON-LEGALLY BINDING MEMORANDUM OF  
UNDERSTANDING IN RESPECT OF  
THE PROPOSED ACQUISITION OF  
THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY**

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board announces that on 9 June 2015 (after trading hours), the Purchaser and the Vendors entered into the MOU in relation to the Proposed Acquisition. The consideration for the Proposed Acquisition will be subject to further negotiation between the parties to the MOU and is expected to be satisfied by the Purchaser by way of cash or by procuring the Company to issue promissory notes or to allot and issue new Shares or to issue convertible bonds carrying rights to convert into new Shares or a combination of any of the above or any other kind of consideration as the parties to the MOU may agree in writing.

**Shareholders and potential investors of the Company shall be aware that the terms of the Proposed Acquisition are subject to further negotiation between the parties to the MOU. The Board wishes to emphasise that no legally binding agreement has been entered into by the parties to the MOU in relation to the Proposed Acquisition as at the date of this announcement. As such, the Proposed Acquisition may or may not proceed.**

**As the Proposed Acquisition may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If the Formal Agreement is entered into between the parties to the MOU and the Proposed Acquisition materialises, it will constitute a notifiable transaction of the Company under the GEM Listing Rules and further announcement will be made by the Company in compliance with the GEM Listing Rules.**

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

## **MOU**

Set out below are the principal terms of the MOU:

- Date** : 9 June 2015 (after trading hours)
- Purchaser** : Food Idea Group Limited, being the wholly-owned subsidiary of the Company
- Vendors** : (1) Wong Yat Cheung; and  
(2) Wong Yat Tung

The Vendors are the founders of Lucky Dessert (發記甜品), a renowned dessert catering restaurant in Hong Kong. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendors have beneficial interests in 49% of the entire issued share capital of an associated company of the Company.

## **Asset to be acquired**

Pursuant to the terms of the MOU, the Purchaser intends to acquire and the Vendors intend to sell the entire issued share capital of the Target Company.

As at the date of this announcement, the Vendors are the owners of the SG Franchise Right and the SG Trademark Right. Pursuant to the terms of the MOU, the Vendors will procure (i) the incorporation of the Target Company and (ii) the transfer of the SG Franchise Right and SG Trademark Right from the Vendors to the Target Company (the “**Reorganisation**”). Upon the completion of the Reorganisation, the Vendors will be the legal and beneficial owners of the entire issued share capital of the Target Company, which will be the sole legal and beneficial owner of the SG Franchise Right and the SG Trademark Right.

## **Formal Agreement**

Subject to the terms and conditions contained therein, the Formal Agreement may be entered into between the parties to the MOU pursuant to which:

- (1) the Vendors shall guarantee and warrant that the SG Franchise Right shall be valid and effective for a period of not less than 40 years;
- (2) the Vendors shall guarantee and warrant that the Target Company is the sole legal and beneficial owner of the Trademark and there is no encumbrance thereon;
- (3) the Vendors shall guarantee and warrant that all agreements, statements of intent or understanding entered into with any third party (other than the Purchaser and the Target Company) (if any) with respect to any grant, transfer or license of the SG Franchise Right and/or the SG Trademark Right have been duly terminated and that the Purchaser and/or the Target Company shall be the sole and absolute owner of the SG Franchise Right and the SG Trademark Right upon the completion of the Proposed Acquisition;
- (4) the Vendors agree to grant the Purchaser and/or the Target Company the first right of refusal to (i) the exclusive franchise right of setting up and operating certain dessert catering restaurants under the trademark of “發記甜品 Lucky Dessert” in Malaysia and Indonesia and (ii) the exclusive right to use the trademark of “發記甜品 Lucky Dessert” in Malaysia and Indonesia;
- (5) representations, warranties, undertakings and indemnities to be given by the Vendors which are usual for transactions similar to the Proposed Acquisition as contemplated by the MOU; and
- (6) the conditions precedent set out in the paragraph headed “Conditions precedent” below.

## **Consideration**

The consideration for the Proposed Acquisition will be subject to further negotiation between the parties to the MOU and is expected to be satisfied by the Purchaser by way of cash or by procuring the Company to issue promissory notes or to allot and issue new Shares or to issue convertible bonds carrying rights to convert into new Shares or a combination of any of the above or any other kind of consideration as the parties to the MOU may agree in writing.

## **Conditions precedent**

Completion of the Proposed Acquisition is conditional upon, inter alia:

- (1) the Purchaser being satisfied with the results of the due diligence review of (i) the assets, liabilities, operations and affairs of the Target Company and (ii) all information and documents relating to the SG Franchise Right and the SG Trademark Right;
- (2) the completion of the Reorganisation in such manner to the satisfaction of the Purchaser;
- (3) the obtaining of a legal opinion (in the form and substance satisfactory to the Purchaser) issued by a firm of Singapore legal advisers acceptable to the Purchaser on the legality, validity and enforceability of the grant of the SG Franchise Right and the SG Trademark Right and the transactions contemplated under the Formal Agreement;
- (4) if necessary, the passing by the Shareholders at an extraordinary general meeting of the Company to be convened and held of ordinary resolution(s) by way of poll to approve the Formal Agreement and the transactions contemplated thereunder in accordance with the GEM Listing Rules and the applicable laws and regulations; and
- (5) the fulfilment of any other conditions agreed by the Vendors and the Purchaser to be included in the Formal Agreement.

## **Long stop date**

The parties to the MOU shall negotiate in good faith towards one another in ensuring that the Formal Agreement be entered into as soon as possible and in any event, on or before the date falling three (3) months from the date of the MOU or such later date as the parties to the MOU may agree in writing.

## **Exclusivity**

The Vendors will not within a period of three (3) months from the date of the MOU (or such later date as the parties to the MOU may agree in writing) negotiate or discuss or enter into any agreement or statement of intent or understanding with any third party other than the Purchaser, its advisers and agents with respect to the Proposed Acquisition or the grant, transfer or license of the SG Franchise Right and/or the SG Trademark Right.

## **Legal effect**

Save for provisions relating to, among others, due diligence, exclusivity, right of access, confidentiality, costs, legal effect, joint and several liabilities of the Vendors and the governing law and jurisdiction of the MOU, all other terms of the MOU are non-legally binding.

**Shareholders and potential investors of the Company shall be aware that the terms of the Proposed Acquisition are subject to further negotiation between the parties to the MOU. The Board wishes to emphasise that no legally binding agreement has been entered into by the parties to the MOU in relation to the Proposed Acquisition as at the date of this announcement. As such, the Proposed Acquisition may or may not proceed.**

**As the Proposed Acquisition may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If the Formal Agreement is entered into between the parties to the MOU and the Proposed Acquisition materialises, it will constitute a notifiable transaction of the Company under the GEM Listing Rules and further announcement will be made by the Company in compliance with the GEM Listing Rules.**

## **DEFINITIONS**

Unless the context requires otherwise, capitalised terms in this announcement shall have the following meanings:

“Board”	the board of Directors
“Company”	Gayety Holdings Limited, a company incorporated in the Cayman Islands, the issued Shares of which are listed on GEM (Stock code: 8179)
“Directors”	the directors of the Company
“Formal Agreement”	the legally binding formal sale and purchase agreement which may or may not be entered into between the parties to the MOU in relation to the Proposed Acquisition
“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
“Indonesia”	The Republic of Indonesia
“MOU”	the non-legally binding memorandum of understanding dated 9 June 2015 and entered into between the Vendors and the Purchaser in relation to the Proposed Acquisition
“PRC”	the People’s Republic of China
“Proposed Acquisition”	the proposed acquisition by the Purchaser of the entire issued share capital of the Target Company from the Vendors
“Purchaser”	Food Idea Group Limited, a company incorporated in the British Virgin Islands with limited liability and the wholly-owned subsidiary of the Company
“SG Franchise Right”	the exclusive franchise right of setting up and operating certain dessert catering restaurants under the Trademark in Singapore
“SG Trademark Right”	the exclusive right to use the Trademark in Singapore
“Share(s)”	share(s) of HK\$0.001 each in the capital of the Company
“Shareholders”	the holders of the issued Shares
“Singapore”	The Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	a company to be incorporated in the British Virgin Islands with limited liability (or any other jurisdiction in which the parties to the MOU consider appropriate)

“Trademark”

the trademark of “發記甜品 Lucky Dessert” duly registered under the Trade Marks Act (Chapter 332, the Laws of Singapore)

“Vendors”

Wong Yat Cheung and Wong Yat Tung

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

Hong Kong, 9 June 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>.*