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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)

**DISCLOSEABLE TRANSACTION
PROVISION OF FINANCIAL ASSISTANCE TO
INDEPENDENT THIRD PARTIES**

PROVISION OF FINANCIAL ASSISTANCE

The Board announces that, on 19 June 2015, the Lender entered into the Loan Agreement with the Borrowers, pursuant to which the Lender agreed to grant to the Borrowers, the Independent Third Parties, a loan facility up to HK\$32,000,000, bearing interest at a rate of 8% per annum, for a period of 12 months from the date of the Loan Agreement. The Loan Facility is secured by the Property.

GEM LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the making of the Loan Facility exceeds 5% but all the percentage ratios are less than 25%, the advance of the Loan Facility constitutes a discloseable transaction of the Company pursuant to Chapter 19 of the GEM Listing Rules and is subject to notification and announcement requirements pursuant to Chapter 19 of the GEM Listing Rules.

As the amount of the financial assistance granted to the Borrowers exceeds 8% under the assets ratio as defined under Rule 17.15 of the GEM Listing Rules, the grant of the Loan Facility is also subject to the general disclosure obligations under Rule 17.17 of the GEM Listing Rules.

It is required under Rule 17.17(3) of the GEM Listing Rules to disclose the identities of the Borrowers. As the Borrowers are unwilling to disclose their identities to public and also for other commercial considerations, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 17.17(3) of the GEM Listing Rules.

The Board announces that on 19 June 2015, the Lender entered into the Loan Agreement with the Borrowers, pursuant to which the Lender agreed to grant to the Borrowers, the Independent Third Parties, a loan facility up to HK\$32,000,000, bearing interest at a rate of 8% per annum for a period of 12 months from the date of the Loan Agreement.

The principal terms of the Loan Agreement are summarised as follows:

THE LOAN AGREEMENT

Date: 19 June 2015

Lender: Happy Credit Limited, a wholly-owned subsidiary of the Company and a licensed money lender in Hong Kong under the Money Lenders Ordinance

Borrowers: Three individuals, namely the Customer A, the Customer B and the Customer C

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Borrowers is an Independent Third Party. The Borrowers are principally engaged in property investment. Each of the Borrowers has no past business relationship with the Group nor has the Group provided previous financial assistance of any kind to each of them

Security: A first legal mortgage in respect of a commercial property (the "**Property**") located in Shatin, New Territories jointly owned by the Customer A and the Customer B, with a current market value of approximately HK\$40,000,000 as at June 2015 (the "**Market Value**")

Facility principal amount: HK\$32,000,000

Term: Twelve months from the date of the Loan Agreement

Interest: 8% per annum, interest shall be computed on daily basis, payable on the last business day of each calendar month (excluding Saturday)

Repayment: Upon expiration of the Term, the Borrowers must fully repay to the Lender the loan drawn under the Loan Facility together with all interests as herein unless and until a demand for early repayment has been made by the Lender

The Loan Facility is funded by internal resources of the Group. The terms of the Loan Agreement (including the interest rate) were arrived at by the parties after arm's length negotiation, with reference to the commercial practice and the amount of the Loan Facility.

INFORMATION ON THE GROUP AND THE LENDER

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. Since June 2015, the Group has commenced its money lending business.

The Lender is an indirect wholly-owned subsidiary of the Company and is licensed to conduct money lending business in Hong Kong through the provision of unsecured and secured loans to customers under the Money Lenders Ordinance. The Lender obtained its money lender business in about September 2012 and has commenced its money lending business since June 2015.

REASONS FOR AND BENEFITS OF THE PROVISION OF FINANCIAL ASSISTANCE

The terms of the Loan Agreement were negotiated on an arm's length basis between the Lender and the Borrowers. The Directors consider that the granting of the Loan is a financial assistance provided by the Company within the meaning of the GEM Listing Rules.

One of the director of the Lender has profound experience in money lending business and he has extensive business network. The Borrowers were referred to the Group by a business associate of that director. The Borrowers are in need of the loan of approximately HK\$32,000,000 for their business development and they are willing to use the Property as collateral to secure the Loan Facility. The interest rate of 8% per annum is determined after the arm's length negotiation between the Lender and the Borrowers.

The Directors are of the view that the terms of the Loan Agreement were entered into on normal commercial terms based on the Group's credit policy and the grant of the Loan Facility is in the ordinary and usual course of the Group's money lending business. Prior to granting the Loan Facility, the Lender had made background and bankruptcy search on each of the Borrowers in accordance with its credit policy. The Directors, having taken into account (i) the Market Value of the Property; (ii) the financial background of each of the Borrowers; (iii) no bankruptcy petition against each of the Borrowers, and (iv) no credit default history in respect of each of the Borrowers was found, consider the credit risk relating to the entering into of the Loan Agreement is relatively low. Based on the foregoing and a stable revenue and cash flow stream from the interest income being expected, the Directors consider that the terms of the Loan Agreement are fair and reasonable and the entering into of the Loan Agreement is in the interests of the Company and its shareholders as a whole.

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DEFINITIONS

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

“Board”	the board of Directors
“Borrowers”	collectively the Customer A, the Customer B and the Customer C
“Company”	Gayety Holdings Limited, a company incorporated in the Cayman Islands, the issued shares of which are listed on GEM (Stock code: 8179)
“Customer A”	one of the Borrowers being an individual, a family member of the Customer B and the Customer C and an Independent Third Party, entered into of the Loan Agreement with the Lender
“Customer B”	one of the Borrowers being an individual, a family member of the Customer A and the Customer C and an Independent Third Party, entered into of the Loan Agreement with the Lender

“Customer C”	one of the Borrowers being an individual, a family member of the Customer A and the Customer B and an Independent Third Party, entered into of the Loan Agreement with the Lender
“Directors”	directors of the Company
“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
“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
“Lender”	Happy Credit Limited, an indirect wholly-owned subsidiary of the Company, being the lender under the Loan Agreement
“Loan Facility”	a loan facility of HK\$32,000,000 granted by the Lender to the Borrowers pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 19 June 2015 entered into between the Lender and the Borrowers in respect of the Loan
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong) as amended, supplemented or otherwise modified from time to time

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent.

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

Hong Kong, 19 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>.