

Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the prospectus (the “Prospectus”) of Gayety Holdings Limited (the “Company”) dated 30 June 2011.

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This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. Potential investors should read the Prospectus for detailed information about the Placing described below before deciding whether or not to invest in the Shares thereby being offered.

Gayety Holdings Limited

喜尚控股有限公司

(incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING

Number of Placing Shares : 80,000,000 Shares
Placing Price : Not more than HK\$1.00 per Placing Share and expected to be not less than HK\$0.60 per Placing Share, plus brokerage of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal Value : HK\$0.01 per Share
Stock Code : 8179

Sponsor



Bookrunner and Lead Manager



Co-Lead Managers

Convoy Investment Services Limited

Goldin Equities Limited

Copies of the Prospectus are available, for information purposes only, at the office of Quam Capital Limited at Room 3208, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong, from 4:00 p.m. to 5:00 p.m. on Thursday, 30 June 2011, and from 9:00 a.m. to 5:00 p.m. from Monday, 4 July 2011 to Wednesday, 6 July 2011 (both dates inclusive).

Pursuant to the Underwriting Agreement, the Company is offering 80,000,000 Placing Shares for subscription by way of Placing at the Placing Price on and subject to the terms and conditions as set out in the Underwriting Agreement and the Prospectus. It is expected that the Underwriters, on behalf of the Company, will conditionally place 80,000,000 Placing Shares at the Placing Price to selected individual, professional and institutional investors in Hong Kong.

Applications for the Placing Shares will only be considered on the basis of the terms and conditions as set out in the Prospectus.

The Placing is conditional upon the fulfillment of the conditions as set out in the paragraph headed “Conditions of the Placing” in the section headed “Structure and Conditions of the Placing” in the Prospectus. If such conditions are not fulfilled (or, where applicable, waived) in accordance with the terms and conditions of the Underwriting Agreement on or before the dates and times as specified therein, the Placing will lapse and thereafter, all money received will be refunded to applicants of the Placing without interests and the Stock Exchange will be notified immediately. Notice of the lapse of the Placing will be published by the Company on the GEM Website at www.hkgem.com and the Company’s website at www.gayety.com.hk on the next business day immediately following the date of such lapse.

Prospective investors should note that the Lead Manager (for itself and on behalf of the Underwriters) is entitled to terminate the Underwriting Agreement by giving notice in writing to the Company upon the occurrence of any of the events set forth under the paragraph headed “Grounds for termination” in the section headed “Underwriting” in the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date, i.e. Friday, 8 July 2011.

Application has been made to the Listing Division of the Stock Exchange for the listing of, and permission to deal in, the Shares issued and to be issued pursuant to the Capitalisation Issue and the Placing. Subject to the granting of the listing of, and permission to deal in, the Shares on GEM as mentioned in the Prospectus and the compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date, or on any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made for the Shares to be admitted into CCASS.

The Placing Price is expected to be determined by agreement between the Company and the Lead Manager (for itself and on behalf of the Underwriters) on the Price Determination Date, which is currently expected to be on or before Tuesday, 5 July 2011 (Hong Kong time), or such later date as the parties may agree. If, for any reason, the Company and the Lead Manager (for itself and on behalf of the Underwriters) are unable to agree on the Placing Price on or before Tuesday, 5 July 2011, or such later date as may be agreed between the Company and the Lead Manager (for itself and on behalf of the Underwriters), or the Underwriting Agreement is not signed, the Placing will not become unconditional and will lapse. In such event, the Company will issue an announcement on the GEM Website at www.hkgem.com and the Company’s website at www.gayety.com.hk.

The Placing Price will not be more than HK\$1.00 per Placing Share and is expected to be not less than HK\$0.60 per Placing Share. Share certificates for the Placing Shares will only become valid documents of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its term prior to 8:00 a.m. (Hong Kong time) on the Listing Date. No temporary documents of title will be issued by the Company. No receipt will be issued for the subscription monies for the Placing Shares.

The announcement of the final Placing Price and the indication of level of interest in the Placing will be announced on the GEM Website at www.hkgem.com and the Company's website at www.gayety.com.hk on or before Thursday, 7 July 2011.

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Friday, 8 July 2011. Shares will be traded in board lots of 4,000 Shares. The GEM stock code for the Shares is 8179.

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

Hong Kong, 30 June 2011

As at the date of this announcement, the executive Directors are Mr. Wong Kwan Mo and Ms. Lau Lan Ying; and the independent non-executive Directors are Mr. Yu Ka Ho, Mr. Li Fu Yeung and Ms. Chiu Man Yee.

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, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; (ii) there are no other matters the omission of which would make any statement herein or in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement and a copy of the Prospectus will remain on the GEM Website at www.hkgem.com and, in the case of the announcement, on the "Latest Company Announcements" page for at least 7 days from the day of its posting. This announcement and a copy of the Prospectus will also be published on the Company's website at www.gayety.com.hk.