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Fairson Holdings Limited

鈺皓控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8132)

SUPPLEMENTAL MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE ACQUISITION OF 3 DYNAMICS (ASIA) LIMITED

AND

ADVANCE TO AN ENTITY

Reference is made to the Company's announcement dated 15 August 2013.

The Board wishes to announce that on 25 October 2013, the Company and the Vendor entered into the Supplemental MOU, whereby the Company has agreed to pay within 7 days from the date of the Supplemental MOU, to the Vendor the Second Deposit as earnest money. A Share Charge was signed by the Vendor in favour of the Company on 25 October 2013 as collateral to the Deposits.

The aggregate payment of the Deposits by the Company to the Vendor constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under the GEM Listing Rules. Such payments also constitute an advance to an entity for the Company under the GEM Listing Rules.

The Board wishes to emphasise that the Proposed Acquisition may or may not materialise and shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.

INTRODUCTION

Reference is made to the announcement of the Company dated 15 August 2013 (the “**MOU Announcement**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the MOU Announcement unless defined otherwise.

In accordance with the terms of the MOU, on 19 August 2013, the Company has paid the Deposit in the amount of HK\$5 million to the Vendor (the “**First Deposit**”).

The Board wishes to announce that on 25 October 2013, the Company entered into a supplemental memorandum of understanding (the “**Supplemental MOU**”) with the Vendor to provide for the payment of the Second Deposit (as defined below) to the Vendor. A summary of the principal terms of the Supplemental MOU is set out below.

SUPPLEMENTAL MOU

Date: 25 October 2013

Parties: the Company as purchaser
the Vendor as vendor.

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the Vendor is a third party independent of the Company and connected persons of the Company.

PAYMENT OF FURTHER DEPOSIT:

In addition to the First Deposit, the Company has agreed to pay, within 7 days from the date of the Supplemental MOU, to the Vendor a sum of HK\$15 million (the “**Second Deposit**”) as refundable deposit for the Proposed Acquisition, and the First Deposit and the Second Deposit will be used to set off the consideration of the Proposed Acquisition if a formal share purchase agreement is entered into between the Company and the Vendor. The aggregate sum of the paid First Deposit and the payable Second Deposit is HK\$20 million (together, the “**Deposits**”).

The Deposits shall be returned to the Company (a) if the Company is in its absolute discretion not satisfied with the results of the DD Review; (b) if the Company is satisfied with the results of the DD Review but the Vendor rejects or fails to enter into the Formal agreement; (c) upon termination of the MOU; or (d) by agreement of the parties to the MOU. Such repayment obligations of the Vendor are secured by a charge over the entire share capital of the Target Company in favour of the Company. A deed of share charge (the “**Share Charge**”) was signed by the Vendor as the chargor in favour of the Company as the chargee on 25 October 2013 in this regard.

DIRECTORS' VIEWS AND REASONS FOR THE SUPPLEMENTAL MOU

The terms of the Supplemental MOU were arrived at after arm's length negotiations between the Company and the Vendor. The payment of the Second Deposit will be funded by the internal resources of the Company and its subsidiaries (collectively, the "**Group**"). The Directors consider that the transactions contemplated by the Supplemental MOU are on normal commercial terms and the terms of the Supplemental MOU are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

The payment of the Deposits by the Company represents the Company's gesture to show its interest to proceed with the Proposed Acquisition. **The Directors wish to emphasise that up to the date of this announcement, no detailed terms of the Proposed Acquisition, including the amount of the consideration and how it shall be satisfied, have been agreed upon by the Company and the Vendor.**

The Group is principally engaged in the manufacturing and sale of (i) power and data cords for mobile handsets and medical control devices and (ii) power cords and inlet sockets for household electric appliances. The Target Company is principally engaged in electronic game design.

The Directors consider that the Proposed Acquisition would provide an opportunity for the Group to participate in the electronic game design market and will further enhance the investment portfolio and future earnings of the Group.

IMPLICATIONS UNDER THE LISTING RULES

Discloseable transaction

The aggregate payment of the Deposits under the Supplemental MOU constitutes a discloseable transaction for the Company and will be subject to reporting and announcement requirements under the GEM Listing Rules.

Advance to entity

The aggregate payment of the Deposits also constitutes an advance to an entity for the Company under the GEM Listing Rules. Given that the amount of the Deposits exceeds 8% of the assets ratio of the Company as defined under Rule 19.07(1) of the GEM Listing Rules, the Company is required to make the relevant disclosures under Rule 17.17 of the GEM Listing Rules.

This announcement is also issued pursuant to Rule 17.15 of the GEM Listing Rules.

General

The Board wishes to emphasise that notwithstanding the payment of the First Deposit and the Second Deposit, the Proposed Acquisition may or may not be materialised and shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.

On behalf of the Board
Fairson Holdings Limited
Yeung Tin Hung
Chairman

Hong Kong, 25 October 2013

As at the date of this announcement, the executive Directors are Mr. Yeung Tin Hung, Mr. Yeung Shing Wai and Mr. Ho Chun Kit Gregory; the non-executive Director is Mr. Wong Chi Yung and the independent non-executive Directors are Mr. Li Hin Lung, Mr. Chua Hoon Chong, Ms. Eugenia Yang, Mr. Chan Lung Ming and Mr. Ng Ka Chung.

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 websites of the Company at <http://www.sunfairw.com.hk> and <http://www.irasia.com/listco/hk/fairson>.