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中油港燃能源集團控股有限公司

CHINA OIL GANGRAN ENERGY GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8132

(formerly known as Fairson Holdings Limited)

MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED INVESTMENT

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the SFO.

The Board is pleased to announce that on 7 August 2014 (after trading hours), the Company and the Target Company entered into the MOU pursuant to which the Company proposed to invest in the Target Company.

Pursuant to the MOU, the Target Company shall not (and shall procure his agents and advisers not to) during the Exclusivity Period directly or indirectly negotiate with any third party on any sale or transfer of any shares or material assets of the Target Companies. The Formal Agreement will be entered into by the relevant parties within 7 days upon completion of the DD Review by the Company and the result of which is to the satisfaction of the Company.

Pursuant to the MOU, the Company shall pay the Target Company the Deposit in the amount of HK\$8 million as earnest money. The Deed of Charge was signed by the Target Company Shareholders as the chargors in favour of the Company as the chargee on 7 August 2014 as collateral to the Deposit.

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

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the SFO.

MOU

Date: 7 August 2014 (after trading hours)

Parties: (i) the Company
(ii) the Target Company

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Target Company, Chen Xi Mining and its ultimate beneficial owners are third parties independent of the Company and connected person (as defined in the GEM Listing Rules) of the Company.

Subject matter of the MOU

The Company proposed to invest in the Target Company by way of subscription of new shares of the Target Company or the acquisition of shares of the Target Company from the Target Company Shareholders. The Company and the Target Company will negotiate the amount of investment and mode of investment on an arm's length basis. Pursuant to the MOU, one of the Target Company Shareholders is currently the legal owner of the entire issued capital of Chen Xi Mining and he is in the process of transferring the shares of Chen Xi Mining to the Target Company.

Pursuant to the MOU, the Target Company shall not (and shall procure its agents and advisers not to) during the Exclusivity Period directly or indirectly negotiate with any third party on any sale or transfer of any shares or material assets of the Target Company. The Formal Agreement will be entered into by the relevant parties within 7 days upon completion of the DD Review by the Company and the result of which is to the satisfaction of the Company.

Pursuant to the MOU, the Target Company shall provide to the Company all records and documents of the Target Companies forthwith upon request for DD Review purpose and to respond forthwith to the enquiries of the Company. The Company is in its absolute discretion to waive the above requirements of the DD Review.

Term

The MOU will be terminated (a) upon expiry of the Exclusivity Period; (b) upon the relevant parties entering into the Formal Agreement superseding the MOU; (c) by agreement of the parties to the MOU in writing; (d) if the Proposed Investment is not approved by the board of directors of the Target Company, Chen Xi Mining or the Company; or (e) the Proposed Investment fails to obtain approvals from the relevant authorities in the PRC.

Deposit

Pursuant to the MOU, the Company shall pay the Target Company the Deposit in the amount of HK\$8 million as earnest money within 7 days from the signing of the MOU. The Target Company has irrevocably instructed the Company to pay the Deposit to one of the Target Company Shareholders and the payment obligation of the Company under the MOU shall be deemed discharged upon the payment of the Deposit to the said Target Company Shareholder. The Deposit shall be returned to the Company without interest if, inter alia, (a) the Company is in its absolute discretion not satisfied with the results of the DD Review; (b) the Company is satisfied with the results of the DD Review but the Target Company (or party(ies) which the Target Company should procure) rejects or fails to enter into the Formal Agreement; (c) the relevant parties fail to enter into the Formal Agreement during the Exclusivity Period; or (d) by agreement of the parties to the MOU. Such repayment obligations of the Target Company are secured by a first-fixed charge over the entire issued share capital of the Target Company in favour of the Company. The Deed of Charge was signed by the Target Company Shareholders as the chargors in favour of the Company as the chargee on 7 August 2014 in this regard.

In the event that the Formal Agreement is entered into by the relevant parties, the Deposit shall be applied as partial payment of the consideration for the Proposed Investment in accordance with the terms of the Formal Agreement.

INFORMATION OF THE TARGET COMPANY

The Target Company is an investment holding company. The Target Company will enter into a sale and purchase agreement with one of the Target Company Shareholders to purchase the entire equity interest of Chen Xi Mining, a PRC established company principally engaged in the mining and sales of quartz stone and the production of float glass.

REASON FOR ENTERING INTO THE MOU

The terms of the MOU were arrived at after arm's length negotiations between the Company and the Target Company. The payment of the Deposit will be funded by the internal resources of the Company. The Directors consider that the transactions contemplated by the MOU are on normal commercial terms and the terms of the MOU are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

The payment of the Deposit by the Company represents the Company's gesture to show its interest to proceed with the Proposed Investment. The Directors wish to emphasise that up to the date of this announcement, no detailed terms of the Proposed Investment have been agreed upon by the Company and the Target Company, including the amount of the consideration and mode of the Proposed Investment.

The Group is principally engaged in the (i) manufacturing and sale of power and data cords for mobile handsets and medical control devices; (ii) manufacturing and sale of power cords and inlet sockets for household electric appliances; (iii) development of digital applications, including but not limited to handheld electronic game consoles, mobile game applications and digital marketing solutions; and (iv) conversion of traditional diesel utilization to liquid natural gas utilization by vessels in the water transportation industry.

The Directors consider that the Proposed Investment would provide an opportunity for the Group to participate in the quartz stone mining and sales of quartz stone industry and float glass industry in the PRC and will further enhance the investment portfolio and future earnings of the Group.

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

DEFINITIONS

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

“Board”	the board of Directors
“Chen Xi Mining”	Luo Yang Chen Xi Mining Company Limited* (洛陽晨曦礦業有限公司), a company incorporated in the PRC with limited liability, wholly owned by one of the Target Company Shareholders
“Company”	China Oil Gangran Energy Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on GEM (Stock Code: 8132)
“DD Review”	due diligence to be conducted by the Company on, inter alia, the business, legal and financial aspects of the Target Companies pursuant to the MOU
“Deed of Charge”	the deed of share charge dated 7 August 2014 creating a charge over the entire issued share capital of the Target Company signed by the Target Company Shareholders as the chargors in favour of the Company as the chargee

“Deposit”	a refundable deposit of HK\$8 million payable to the Target Company pursuant to the MOU
“Director(s)”	the director(s) of the Company
“Exclusivity Period”	the period of 9 months from the date of the MOU
“Formal Agreement”	the formal agreement to be entered into by the relevant parties setting forth in detail the terms, provisions and conditions for the Proposed Investment
“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 PRC
“MOU”	the memorandum of understanding dated 7 August 2014 entered into between the Target Company and the Company in relation to the Proposed Investment
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Investment”	the proposed investment in the Target Company by the Company contemplated under the MOU
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Sino Grandway International Investment Limited, a company incorporated in Hong Kong with limited liability

"Target Companies"	Target Company and Chen Xi Mining
"Target Company Shareholders"	Two independent third parties who are the legal and beneficial owners of the entire issued share capital of the Target Company, each holding 50% of the entire issued share capital of the Target Company
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent

By order of the Board
China Oil Gangran Energy Group Holdings Limited
Fok Joyce Sing Yan
Company Secretary

Hong Kong, 7 August 2014

As at the date of this announcement, the executive Directors are Mr. Yeung Shing Wai and Mr. Ho Chun Kit Gregory; the non-executive Directors are Mr. Tse Yee Hin, Tony and Mr. Chan Lung Ming and the independent non-executive Directors are Ms. Eugenia Yang, Mr. Ng Ka Chung and Mr. Lau Sung Tat, Vincent.

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 www.chinaoilgangran.com and <http://chinaoilgangran.todayir.com>.