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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)

**PLACING OF NEW SHARES
UNDER GENERAL MANDATE**

Placing Agent



The Board announces that on 3 October 2013, after trading hours, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to place, on behalf of the Company, a maximum of 66,000,000 Placing Shares in a maximum of two tranches (in which each tranche shall not be less than 10,000,000 Placing Shares), on a best efforts basis, to not less than six Places at the Placing Price of HK\$1.56 per Placing Share. The Placing Shares represent 10.00% of the existing issued share capital of the Company as at the date of this announcement and approximately 9.09% of the issued share capital of the Company as enlarged by the Placing.

The Placing Shares will be issued and allotted under the general mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 31 July 2013 pursuant to which the Directors are allowed to allot and issue up to 132,000,000 Shares. As at the date of this announcement, no Share has been issued pursuant to the said general mandate.

The maximum gross proceeds from the Placing will be approximately HK\$102.96 million. The maximum net proceeds from the Placing are estimated to be approximately HK\$100.39 million, which will be used as general working capital of the Group and/or for financing future investment opportunities.

Completion of the Placing is conditional upon, among others, the GEM Listing Committee granting the listing of, and permission to deal in the relevant tranche of the Placing Shares to be allotted and issued pursuant to the Placing.

As the Placing may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

PLACING

The Board announces that on 3 October 2013, after trading hours, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to place, on behalf of the Company, a maximum of 66,000,000 Placing Shares in a maximum of two tranches (in which each tranche shall not be less than 10,000,000 Placing Shares), on a best efforts basis. It is expected that none of the Placees will become a substantial shareholder of the Company as a result of the completion of the relevant tranche of the Placing.

THE PLACING AGREEMENT

The principal terms of the Placing Agreement are summarised below:

- Date:** 3 October 2013
- Parties:** (a) The Company; and
- (b) The Placing Agent

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Placing Shares

The Placing Shares represent 10.00% of the existing issued share capital of the Company as at the date of this announcement and approximately 9.09% of the issued share capital of the Company as enlarged by the Placing.

The aggregate nominal value of the Placing Shares is HK\$66,000 as at the date of this announcement.

Placing Price

The Placing Price of HK\$1.56 per Placing Share represents:

- (i) a discount of approximately 19.59% to the closing price of HK\$1.94 per Share quoted on the Stock Exchange on 3 October 2013, being the date of the Placing Agreement; and
- (ii) a discount of approximately 14.75% to the average closing price of HK\$1.83 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was arrived at after arm's length negotiations among the Company and the Placing Agent with reference to the prevailing market price of the Shares and the market condition. The Directors (including the independent non-executive Directors) are of the opinion that the Placing (including the Placing Price) are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Placing Agent will receive a placing commission of 2.5% of the amount equal to the Placing Price multiplied by the number of the Placing Shares placed by the Placing Agent. The placing commission was arrived at after arm's length negotiations among the Company and the Placing Agent.

Placees

The Placing Shares have been or will be offered by the Placing Agent to not less than six Placees. The Placees and their ultimate beneficial owners will be independent of the Company and the directors, chief executive and substantial shareholder the Company and its subsidiaries and/or any of their respective associates or any connected persons.

Condition of the Placing

The Placing is conditional upon the GEM Listing Committee of the Stock Exchange for granting the listing of and permission to deal in the relevant tranche of the Placing Shares.

If the above condition is not fulfilled by 13 December 2013, the rights, obligations and liabilities of the Company and the Placing Agent under the Placing Agreement shall cease and determine and no party shall have any claim against the other in respect of the Placing (save for any antecedent breach under the Placing Agreement).

Completion of the Placing

Completion of each tranche of the Placing will take place on the Placing Completion Date.

Completion of the Placing is subject to the satisfaction of the condition specified in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

Termination of the Placing Agreement

The Placing Agent reserves its right to terminate the arrangements set out in the Agreement by notice in writing at or prior to 9:30 a.m. on Placing Completion Date (or such later date as may be agreed between the Parties), if in its absolute opinion, the success of the Placing would be materially and adversely affected by any force majeure events (as defined below).

For this purpose, a “force majeure event” refers to

- (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which affect the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

If, at or prior to 9:30 a.m. on the Placing Completion Date;

- (a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (b) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of any announcement relating to the Agreement or circulars relating to the Placing and/or the sale and purchase agreement and the ancillary agreements thereto; or
- (c) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate, in material respects, if repeated the Placing Agent(s) shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing;

the Placing Agent shall be entitled by notice in writing to the Company to elect to treat such matter or event as releasing and discharging it from its obligations under the Placing Agreement.

Upon giving of notice pursuant to the paragraphs above, all obligations of the Placing Agent who has given such notice hereunder shall cease and determine and no Party shall have any claim against any other Parties in respect of any matter or thing arising out of or in connection with the Agreement, save for any antecedent breaches.

GENERAL MANDATE TO ISSUE NEW SHARES

The Placing Shares will be issued and allotted under the general mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 31 July 2013 pursuant to which the Directors are allowed to allot and issue up to 132,000,000 Shares. As at the date of this announcement, no Share has been issued pursuant to the said general mandate.

APPLICATION FOR LISTING

An application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal, in the Placing Shares.

REASONS FOR THE PLACING

The Group is engaged in the manufacturing and sales of power and data cords. The Group's products may be divided into two principal categories, namely (i) power and data cords for mobile handsets and medical control devices; and (ii) power cords and inlet sockets for household electric appliances.

The maximum gross proceeds from the Placing will be approximately HK\$102.96 million. The maximum net proceeds from the Placing are estimated to be approximately HK\$100.39 million, as a result, the net price per Placing Share will be approximately HK\$1.52. They will be used as general working capital of the Group and/or for financing future investment opportunities.

The Directors consider that the Placing will provide the Company with an opportunity to raise further capital for the Company while broadening its shareholders' base and capital base of the Company. The Directors (including the independent non-executive Directors) consider that the Placing Agreement was entered into on normal commercial terms following arm's length negotiations between the Company and the Placing Agent and that the terms of the Placing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

RANKING OF PLACING SHARES

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST TWELVE MONTHS

Save for the proposed placing of 66,000,000 Shares as announced by the Company dated 2 August 2013 which was subsequently lapsed and save as disclosed below, the Company has not undertaken any other equity fund raising activities in the past twelve months immediately preceding the date of this announcement:

Date of announcement	Method of fund raising	Net proceeds received	Intended use of proceeds	Actual use of proceeds	Intended use of any amount not yet utilized
26 April 2013	Placing of 110,000,000 Shares	Approximately HK\$13.2 million	General working capital of the Group and/or for financing future investment opportunities of the Group	Used as intended	To be applied as general working capital of the Group
30 May 2013	Placing of promissory notes – Principal amount of HK\$50 million	Approximately HK\$27.51 million	General working capital and/or for financing future investment opportunities of the Group	Used as intended	To be applied as general working capital of the Group
5 September 2013	Placing of warrants	Not yet completed	General working capital and/or for financing future investment opportunities of the Group	Not yet completed	Not yet completed

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company before and after the Placing (assuming the Placing Shares are fully placed) are summarised as follows:

Shareholder	As at the date of this announcement		Immediately after completion of the Placing	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Fairson Holdings (BVI) Limited	385,000,000	58.33	385,000,000	53.03
Placees	–	–	66,000,000	9.09
Other Shareholders	<u>275,000,000</u>	<u>41.67</u>	<u>275,000,000</u>	<u>37.88</u>
Total	<u><u>660,000,000</u></u>	<u><u>100.00</u></u>	<u><u>726,000,000</u></u>	<u><u>100.00</u></u>

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Board”	the board of directors of the Company;
“Business Day(s)”	means a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours;
“Company”	Fairson Holdings Limited (鈺皓控股有限公司), a company incorporated in the Cayman Islands whose shares are listed on the GEM;
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules;

“Director(s)”	the director(s) of the Company;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Committee”	the GEM listing committee of the Stock Exchange;
“GEM Listing Rules”	The Rules Governing the Listing of Securities on the GEM;
“Group”	the Company and its subsidiaries;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Placees”	any professional, institutional or other investors whom the Placing Agent has agreed to procure to purchase any of the Placing Shares pursuant to the Placing Agreement;
“Placing”	the conditional placing of the Placing Shares in a maximum of two tranches (in which each tranche shall not be less than 10,000,000 Placing Shares) by the Placing Agent pursuant to the Placing Agreement;
“Placing Agent”	RHB OSK Securities Hong Kong Limited, a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) permitted to engage in Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities, being the placing agent for the Placing
“Placing Agreement”	the placing agreement dated 3 October 2013 and entered into among the Company and the Placing Agent in respect of the Placing;
“Placing Completion Date”	five Business Days after fulfillment of the condition of the Placing or such other date as the Company and the Placing Agent may agree in writing;
“Placing Price”	HK\$1.56 per Placing Share;

“Placing Share(s)”	66,000,000 new Shares to be placed pursuant to the Placing Agreement;
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the meaning ascribed to it under the GEM Listing Rules;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

By order of the Board
Fairson Holdings Limited
Yeung Tin Hung
Chairman

Hong Kong, 3 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>.