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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)**

### **MEMORANDUM OF UNDERSTANDING AND ADVANCE TO AN ENTITY**

The Board is pleased to announce that on 10 January 2014 (after trading hours), the Company and the Vendor entered into the MOU pursuant to which the Vendor proposed to sell and the Company proposed to purchase the entire issued share capital of the Target Company, a company incorporated in Hong Kong.

Pursuant to the MOU, the Vendor 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 Company. The Formal Agreement will be entered into by the parties within 7 days upon completion of the DD Review on the Target Company by the Company and the result of which is to the satisfaction of the Company.

Pursuant to the MOU, the Company shall pay the Vendor the Deposit in the amount of HK\$15 million as earnest money. The Deed of Charge was signed by the Vendor as the chargor in favour of the Company as the chargee on 10 January 2014 as collateral to the Deposit.

The payment of the Deposit constitutes 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.**

## **MOU**

Date: 10 January 2014 (after trading hours)

Parties: (i) the Company

(ii) the Vendor

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor is an Independent Third Party not connected with the Company and its connected person (as defined in the GEM Listing Rules).

### **Subject matter of the MOU**

The Company proposed to purchase the entire issued share capital of the Target Company, a company incorporated in Hong Kong.

Pursuant to the MOU, the Vendor 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 Company. The Formal Agreement will be entered into by the parties within 7 days upon completion of the DD Review on the Target Company by the Company and the result of which is to the satisfaction of the Company.

The Vendor shall provide to the Company and/or procure the Company's access to all records and documents of the Vendor and the Target Company forthwith upon request for DD Review purpose and to respond forthwith to the enquiries of the Company.

### **Term**

The MOU shall be valid and effective upon its execution and shall be terminated (a) upon the expiry of the Exclusivity Period; (b) upon the execution of the Formal Agreement; or (c) by agreement of the parties to the MOU in writing.

## Deposit

Pursuant to the MOU, the Company shall pay the Vendor the Deposit in the amount of HK\$15 million as earnest money, which shall be paid within 14 days from the signing of the MOU. The Deposit shall be returned to the Company without interest (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 issued share capital of the Target Company in favour of the Company. The Deed of Charge was signed by the Vendor as the chargor in favour of the Company as the chargee on 10 January 2014 in this regard.

In the event that the Formal Agreement is entered into between the Vendor and the Company, the Deposit shall be applied as a deposit and partial payment of the consideration for the Proposed Acquisition in accordance with the terms of the Formal Agreement.

## INFORMATION OF THE TARGET COMPANY

The Target Company is an investment holding company. On 17 September 2013, the Target Company signed a framework agreement with the People's Government of Wangdu County, Hebei Province, pursuant to which the Target Company shall set up a project company in the PRC and the People's Government of Wangdu County, Hebei Province shall grant the project company the exclusive right to construct and operate centralized heating facilities in Wangdu County, Hebei Province for a term of 30 years. Upon the expiry of the term, the project company shall transfer the rights to the facilities to the People's Government of Wangdu County, Hebei Province without any consideration.

## REASON FOR ENTERING INTO THE MOU

The terms of the MOU were arrived at after arm's length negotiations between the Company and the Vendor. 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 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 (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; and (iii) development of digital applications, including but not limited to handheld electronic game consoles, mobile game applications and digital marketing solutions.

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

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

The payment of the Deposit constitutes an advance to an entity for the Company under the GEM Listing Rules. Given that the amount of the Deposit 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.

**The Board wishes to emphasise that notwithstanding the payment of the Deposit, 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.**

## **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
“Company”	Fairson Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the GEM (Stock Code: 8132)
“DD Review”	the business, legal and financial due diligence to be conducted by the Company on the Target Company pursuant to the MOU
“Deed of Charge”	the deed of share charge dated 10 January 2014 creating a charge over the entire issued share capital of the Target Company signed by the Vendor as the chargor in favour of the Company as the chargee
“Deposit”	a refundable deposit of HK\$15 million, which the Company agreed to pay to the Vendor pursuant to the MOU and shall be applied as partial payment of the Consideration

“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 between the Vendor and the Company setting forth in detail the terms, provisions and conditions for the Proposed Acquisition
“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
“Independent Third Party”	a party and, if applicable, the ultimate beneficial owner of the party who is not fallen into the definition of connected persons of the Company under Chapter 20 of the GEM Listing Rules and independent of the connected persons of the Company and their associates (as defined in the GEM Listing Rules)
“MOU”	the memorandum of understanding dated 10 January 2014 entered into between the Vendor and the Company in relation to the Proposed Acquisition
“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 Acquisition”	the proposed acquisition of the entire issued share capital of the Target Company by the Company from the Vendor
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Jian Long Da Holdings Limited, a company incorporated in Hong Kong with limited liability wholly owned by the Vendor
“Vendor”	Mr. Wu Zhi Qiang, the sole legal and beneficial owner of the entire issued share capital of the Target Company

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent

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

Hong Kong, 10 January 2014

*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. Tse Yee Hin, Tony; and the independent non-executive Directors are Ms. Eugenia Yang, Mr. Chan Lung Ming, 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 <http://www.sunfairw.com.hk> and <http://www.irasia.com/listco/hk/fairson>.*