

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in O Luxe Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**O LUXE HOLDINGS LIMITED**

**奧立仕控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 860)**

- (1) CONTINUING CONNECTED TRANSACTION  
UNDER THE RENEWED COOPERATION AGREEMENT;  
(2) PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT;  
(3) PROPOSED AMENDMENTS TO THE ARTICLES;  
(4) RE-ELECTION OF DIRECTOR;  
AND  
(5) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders**



Capitalised terms used on this cover shall have the same meanings as those defined in this circular, unless the context requires otherwise. A letter from the Board is set out on pages 4 to 14 of this circular. A letter from the Independent Board Committee is set out on pages 15 to 16 of this circular. A letter from New Spring Capital containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 17 to 25 of this circular.

A notice convening the EGM to be held on 23 December 2016 at 2:30 p.m. at Unit 329 & 330, 3/F, Hankow Centre, 5–15 Hankow Road, Tsimshatsui, Kowloon, Hong Kong is set out on pages EGM-1 to EGM-4 of this circular. A proxy form for use at the EGM is enclosed with this Circular. Whether or not the Shareholders are able to attend the EGM, the Shareholders are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for holding the EGM or any adjourned meeting thereof (as the case may be). Completion and return of the proxy form will not preclude the Shareholders from attending and voting in person at the EGM should the Shareholders so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

8 December 2016

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## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Annual Cap”	for the purpose of Chapter 14A of the Listing Rules, means the maximum annual consideration of the transactions contemplated under the Renewed Cooperation Agreement for the financial year ending 30 September 2017
“Articles”	the articles of association of the Company currently in force
“associates”	as defined in the Listing Rules
“Board”	the board of Directors
“Company”	O Luxe Holdings Limited, a company incorporated under the laws of the Cayman Islands, the shares of which are listed on the Stock Exchange (Stock Code: 860)
“Cooperation Agreement”	the agreement dated 19 August 2015 entered into between the Company and Hengdeli in relation to the supply of the timepieces and other products of international renowned brands by the Group to Hengdeli as per the terms and conditions stated therein for the period from 1 October 2015 to 30 September 2016
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix 14 to the Listing Rules
“Directors”	directors of the Company
“EGM”	extraordinary general meeting of the Company to be convened to (i) approve the Renewed Cooperation Agreement, the transactions contemplated thereunder and the Annual Cap; (ii) approve the refreshment of the Scheme Mandate Limit; (iii) approve the amendments to the Articles in the manner as set out in the special resolution included in the notice of EGM on pages EGM-1 to EGM-4 of this circular; and (iv) to re-elect Mr. Ho King Fung, Eric as Director
“Greater China Region”	includes the PRC, Hong Kong and Macau
“Group”	the Company and its subsidiaries
“Hengdeli”	Hengdeli Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 3389)
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

## DEFINITIONS

“Independent Board Committee”	a board committee comprising Mr. Tam Ping Kuen, Daniel, Dr. Li Yifei and Dr. Zhu Zhengfu, the independent non-executive Directors, which will make recommendations to the Independent Shareholders in respect of the Renewed Cooperation Agreement and the Annual Cap
“Independent Financial Adviser” or “New Spring Capital”	New Spring Capital Limited, a corporation licensed by the SFC to carry out type 6 (advising on corporate finance) regulated activity under the SFO, the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders with respect to the Renewed Cooperation Agreement and the Annual Cap
“Independent Shareholders”	Shareholders other than Hengdeli and its associates
“Latest Practicable Date”	8 December 2016, being the latest practicable date for ascertaining information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Model Code”	the Model Code for Securities Transaction by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, Macau and Taiwan
“Products”	timepieces and accessories of international renowned brands available for distribution by the Group to Hengdeli under the Renewed Cooperation Agreement
“Renewed Cooperation Agreement”	the agreement dated 21 November 2016 entered into between the Company and Hengdeli in relation to the supply of the Products by the Group to Hengdeli as per the terms and conditions stated therein for the period from 20 December 2016 to 30 September 2017
“Scheme Mandate Limit”	the maximum number of Shares which may be allotted and issued upon exercise of all share options to be granted under the Share Option Scheme and other such schemes of the Company which shall not in aggregate exceed 10% of the Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit by the Shareholders
“SFC”	the Securities and Futures Commission of Hong Kong

## DEFINITIONS

“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Shares(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	shareholders of the Company
“Share Option Scheme”	the share option scheme approved and adopted by the Company on 1 March 2013
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of PRC
“%”	per cent

LETTER FROM THE BOARD



**O LUXE HOLDINGS LIMITED**

**奧立仕控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 860)**

*Executive Directors:*

Mr. Zhang Jinbing (*Chairman*)  
Mr. Ho King Fung, Eric (*Co-chairman*)  
Mr. Wong Chi Ming, Jeffry (*Chief Executive Officer*)  
Mr. Yu Fei, Philip

*Non-executive Director:*

Mr. Xiao Gang

*Independent non-executive Directors:*

Mr. Tam Ping Kuen, Daniel  
Dr. Li Yifei  
Dr. Zhu Zhengfu

*Registered office:*

Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place  
of business:*

Room 302, 3rd Floor  
Lippo Sun Plaza  
28 Canton Road  
Tsim Sha Tsui  
Kowloon  
Hong Kong

8 December 2016

*To the Shareholders*

Dear Sir/Madam,

- (1) CONTINUING CONNECTED TRANSACTION  
UNDER THE RENEWED COOPERATION AGREEMENT;  
(2) PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT;  
(3) PROPOSED AMENDMENTS TO THE ARTICLES;  
(4) RE-ELECTION OF DIRECTOR;  
AND  
(5) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

**The Renewed Cooperation Agreement**

Reference is made to the announcement of the Company dated 21 November 2016 in relation to the Renewed Cooperation Agreement.

## **LETTER FROM THE BOARD**

This circular provides the Shareholders with (i) further information of the Renewed Cooperation Agreement; (ii) a letter from the Independent Board Committee containing its advice and recommendations to the Independent Shareholders in respect of the Renewed Cooperation Agreement; and (iii) a letter of advice from New Spring Capital to the Independent Board Committee and Independent Shareholders containing its advice in respect of the Renewed Cooperation Agreement and the Annual Cap.

### **Proposed refreshment of the Scheme Mandate Limit**

The Share Option Scheme was adopted by the Company on 1 March 2013. Apart from the Share Option Scheme, the Company has no other share option scheme currently in force.

The Board proposes to refresh the Scheme Mandate Limit so that the total number of Shares which may be allotted and issued upon the exercise of all Share Options to be granted under the Share Option Scheme or any other share option schemes of the Company on or after the date of the EGM will not exceed 10% of the issued share capital of the Company as at the date of passing of the resolution approving the refreshment of Scheme Mandate Limit. This circular provides the Shareholders with the information relating to the proposed refreshment of the Scheme Mandate Limit.

### **Proposed amendments to the Articles**

Reference is made to the announcement of the Company dated 10 November 2016. The Board proposes to the Shareholders to amend the Articles for the purpose of establishing and facilitating the operation of a co-chairman structure for the Company. The proposed amendments to the Articles are set out in the special resolution included in the notice of the EGM on pages EGM-1 to EGM-4 of this circular.

### **Re-election of Director**

In accordance with article 112 of the Articles, Mr. Ho King Fung, Eric shall be eligible for re-election at the EGM. This circular provides the details of Mr. Ho King Fung, Eric as required to be disclosed under the Listing Rules.

### **Notice of the EGM**

The notice of the EGM is set out on pages EGM-1 to EGM-4 of this circular in respect of the resolutions to be proposed at the EGM regarding (i) proposed approval of the Renewed Cooperation Agreement, the transactions contemplated thereunder and the Annual Cap; (ii) proposed refreshment of the Scheme Mandate Limit; (iii) proposed amendments to the Articles; and (iv) re-election of Director.

## **LETTER FROM THE BOARD**

### **THE RENEWED COOPERATION AGREEMENT**

On 21 November 2016, the Company and Hengdeli entered into the Renewed Cooperation Agreement for renewal of the Cooperation Agreement which has expired on 30 September 2016, with the principal terms and conditions as follows:

#### **Date**

21 November 2016

#### **Parties**

- (1) The Company
- (2) Hengdeli

Hengdeli and its associates hold and control 300,000,000 Shares representing approximately 12.24% of the entire issued share capital of the Company as at the Latest Practicable Date and is a connected person (as defined under the Listing Rules) of the Company.

#### **Term**

Subject to the approval by the Independent Shareholders, the Renewed Cooperation Agreement shall take effect on 20 December 2016 and will continue thereafter for a term expiring on 30 September 2017.

#### **Major Terms of the Renewed Cooperation Agreement**

Under the Renewed Cooperation Agreement, the Group shall sell to Hengdeli the Products of internationally renowned brands distributed by the Group at the wholesale prices which are 40% to 44% discount from the standard retail prices of the respective models of the Products for sale in the Greater China Region from time to time determined by the brand owners.

The rates of discount in the range of 37.5% to 51% are the standard rates of discount determined by the brand owners of the Products. The Company offers 40% to 44% discount from the standard retail prices to Hengdeli and 37.5% to 38% of discount from the standard retail prices to other independent retailers, taking into account the follows:

- (i) Hengdeli operates 397 retail outlets in the PRC and a total of 21 retail outlets in Hong Kong and Macau;
- (ii) Hengdeli was the largest customer of the Group (in terms of purchase value) of each of the past two financial years; and
- (iii) Hengdeli is the only customer, among the five largest customers of the Group of the past two financial years, which operates retail outlets in Hong Kong and Macau.

## LETTER FROM THE BOARD

The 40% to 44% discount from the standard retail prices offered by the Company to Hengdeli, which is in line with the discount offered by the Company to Hengdeli under the Cooperation Agreement expired on 30 September 2016, was agreed between the Company and Hengdeli after arm's length negotiation. The Directors (excluding the Independent Board Committee whose views have been set out in the "Letter from the Independent Board Committee" in this circular) are of the view that, notwithstanding a higher discount was offered to Hengdeli than to other independent retailers, the pricing under the Renewed Cooperation Agreement provides the Company a reasonable profit margin of comparable transactions, and that the transactions contemplated under the Renewed Cooperation Agreement shall bring in considerable revenue to the Company, based on the historical amount of sales to Hengdeli.

Hengdeli is not the exclusive retailer of the Group for the Products and there is no minimum purchase amount required under the Renewed Cooperation Agreement. Hengdeli shall place purchase orders to the Group from time to time according to the retail demands and the Group shall deliver the required models and numbers of the Products to Hengdeli within 7 business days from the date of issuance of the respective purchase order. The Company shall issue monthly sale invoices to Hengdeli which shall be settled in cash by Hengdeli within 30 days of the date of issue of the sale invoices.

The Renewed Cooperation Agreement was negotiated and determined on an arm's length basis and on normal commercial terms.

The Renewed Cooperation Agreement is conditional upon the approval of the Independent Shareholders at the EGM.

### **Proposed Annual Cap**

The Company proposes that the Annual Cap under the Renewed Cooperation Agreement (in respect of which Independent Shareholders approval is proposed to be sought at the EGM) for the financial year ending 30 September 2017 will be RMB50,000,000 (equivalent to approximately HK\$56,500,000). The original annual cap for the transactions contemplated under the Cooperation Agreement is RMB50,000,000 which covered the period from 1 October 2015 to 30 September 2016.

The actual transaction amounts of the respective transactions contemplated under the Cooperation Agreement for the period from 1 October 2015 to 30 September 2016 was approximately HK\$42,935,366 in aggregate, which represents approximately 70.8% of the annual cap under the Cooperation Agreement as approved by the Independent Shareholders.

The Annual Cap was determined by reference to (i) the anticipated demand of the transactions and the historical volume of the comparable transactions under the Cooperation Agreement; and (ii) the anticipated demand of the Products bearing the trademarks of GUCCI, GIRARD-PERREGAUX and JEANRICHARD.

The Directors (excluding the Independent Board Committee whose views have been set out in the "Letter from the Independent Board Committee" in this circular) are of the opinion that the Annual Cap is fair and reasonable.

## **LETTER FROM THE BOARD**

Shareholders and investors should note that the Annual Cap is prepared to enable the Company to comply with the requirements of Chapter 14A of the Listing Rules. In particular, the above factors for determining the Annual Cap is based on the reasonable assumptions of the Company only, no assurance is given as to whether or not, and the extent to which, the Group will be able to achieve the demands and to generate the revenues under the transactions contemplated under the Renewed Cooperation Agreement.

### **Reasons and benefits for the transactions under the Renewed Cooperation Agreement**

The Renewed Cooperation Agreement represents good opportunities for the Group to strengthen its collaboration with Hengdeli and make use of its extensive and quality distribution networks and its vast experiences in operating and managing retail outlets for luxury jewellery products in order to promote and distribute the products of the Group.

The Renewed Cooperation Agreement was entered into during the ordinary and usual course of business of the Group. The Directors (excluding the Independent Board Committee, whose views have been set out in the “Letter from the Independent Board Committee” in this circular) are of the opinion that the terms of the Renewed Cooperation Agreement, including the Annual Cap, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **Listing Rules implications**

Hengdeli and its associates hold and control 300,000,000 Shares representing approximately 12.24% of the entire issued share capital of the Company as at the Latest Practicable Date and is a connected person (as defined under the Listing Rules) of the Company. The Renewed Cooperation Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios for the Annual Cap exceeds 5% on an annual basis and the total consideration of the transactions contemplated under the Renewed Cooperation Agreement exceeds HK\$10,000,000, the Renewed Cooperation Agreement and the transactions contemplated thereunder and the Annual Cap are subject to reporting, announcement, annual review and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. Hengdeli and its associates will abstain from voting at the EGM to approve the Renewed Cooperation Agreement, the transactions contemplated therein and the Annual Cap.

None of the Directors is regarded as having a material interest in the transactions under the Renewed Cooperation Agreement and abstained from voting in the board resolutions approving the Renewed Cooperation Agreement, the Annual Cap and the transactions contemplated thereunder in accordance with the Listing Rules.

## **LETTER FROM THE BOARD**

### **Independent Board Committee**

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders as to the fairness and reasonableness of the Renewed Cooperation Agreement and the transactions contemplated thereunder, including the Annual Cap. A letter from the Independent Board Committee containing its advice and recommendation to the Independent Shareholders in respect of the Renewed Cooperation Agreement and the transactions contemplated thereunder, including the Annual Cap has been set out on pages 15 to 16 of this circular.

A letter from New Spring Capital to the Independent Board Committee and the Independent Shareholders containing its advice in respect of the Renewed Cooperation Agreement and the transactions contemplated thereunder, including the Annual Cap has been set out in pages 17 to 25 of this circular.

### **Information of the Company and Hengdeli**

The Group is principally engaged in distribution of watches, wholesale trading of jewellery products, mining, money lending and securities investments.

Hengdeli is a major retailer and distributor of imported medium and high-grade watches and jewellery items in the Greater China Region with a core presence in the PRC and Hong Kong. It operates extensive retail outlets and boutiques of watches, jewellery items and other related accessories in various major cities in the Greater China Region.

### **Recommendation**

The Board (excluding the Independent Board Committee whose views are set out in the “Letter from the Independent Board Committee” in this circular) is of the opinion that the terms of the Renewed Cooperation Agreement and the transactions contemplated thereunder, including the Annual Cap are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. The Board (excluding the Independent Board Committee whose views are set out in the “Letter from the Independent Board Committee” in this circular) recommends the Independent Shareholders to vote in favour of the relevant resolution proposed at the EGM.

### **PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT**

The Share Option Scheme was adopted by the Company on 1 March 2013. Apart from the Share Option Scheme, the Company has no other share option scheme currently in force.

Pursuant to the terms of the Share Option Scheme and in compliance with Chapter 17 of the Listing Rules, the maximum number of Shares that may be issued upon exercise of all the share options which may be granted under the Share Option Scheme shall not exceed 436,602,729 Shares, being 10% of the Shares in issue as at the date of approval and adoption of the Share Option Scheme. After the Company’s share consolidation (consolidating every ten

## LETTER FROM THE BOARD

Shares then in issue into one Share) conducted in March 2015, the share options which may be granted under the Share Option Scheme were accordingly adjusted and shall not exceed 43,660,272 Shares.

During the period from 1 March 2013 to the Latest Practicable Date, (i) 43,660,272 share options were granted to the eligible participants under the Share Option Scheme; and (ii) no share option was lapsed, exercised or cancelled. As at the Latest Practicable Date, a total of 43,660,272 outstanding share options entitle the holders thereof to subscribe for 43,660,272 Shares, representing 1.78% of the issued share capital of the Company. The Company has used up the existing Scheme Mandate Limit and as such, it may not grant any more share option pursuant to the Share Option Scheme unless the Scheme Mandate Limit is refreshed.

The Company conducted an open offer in March 2015, upon completion of which the issued share capital of the Company was increased. As at the Latest Practicable Date, there were totally 2,451,771,105 Shares in issue. Assuming no further Shares are issued or repurchased during the period from the Latest Practicable Date to the EGM, the number of Shares in issue as at the passing of the ordinary resolution will be 2,451,771,105 Shares. Accordingly it is expected that, upon the approval of the refreshment of the Scheme Mandate Limit at the EGM, and on the assumption that no further Shares will be issued or repurchased by the Company from the Latest Practicable Date to the EGM, the number of Shares in issue as at the date of passing of the ordinary resolution granting the refreshment of the Scheme Mandate Limit will be 2,451,771,105 and therefore, the refreshed Scheme Mandate Limit under the EGM would be 245,177,110 Shares, representing 10% of the number of shares in issue at the time of passing the ordinary resolution.

In order to provide the Company with greater flexibility in granting Options to eligible participants under the Share Option Scheme as incentives or rewards for their contributions to the Group, an ordinary resolution as set out in the notice of EGM is proposed to seek Shareholders' approval at the EGM to refresh the Scheme Mandate Limit of the Share Option Scheme to 10% of the Shares in issue as at the date of passing of the resolution.

Pursuant to the terms of the Share Option Scheme and in accordance with Chapter 17 of the Listing Rules, the Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company shall not exceed 30% of the Shares in issue from time to time. No share options shall be granted under any scheme(s) of the Company if this will result in the 30% limit being exceeded.

Assuming no further Shares will be issued or repurchased by the Company from the Latest Practicable Date to the EGM, the number of Shares in issue as at the date of passing of the ordinary resolution granting the refreshment of the Scheme Mandate Limit will be 2,451,771,105 and therefore, the refreshed Scheme Mandate Limit under the EGM would be 245,177,110 Shares, representing 10% of the number of shares in issue at the time of passing the ordinary resolution, in respect of which options may be granted under the Scheme Mandate Limit as refreshed together with all outstanding options granted and yet to be exercised as at the Latest Practicable Date for an aggregate of 288,837,382 Shares does not exceed the 30% limit as at the Latest Practicable Date.

## LETTER FROM THE BOARD

The Directors consider that it is in the interest of the Company to refresh the Scheme Mandate Limit to permit the grant of further share options under the Share Option Scheme so as to provide incentives to, and recognise the contributions of, the Group's employees and other selected grantees.

The adoption of the refreshment of the Scheme Mandate Limit is conditional upon:

- (a) the Shareholders passing an ordinary resolution to approve the refreshment of the Scheme Mandate Limit at the EGM; and
- (b) the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any options that may be granted pursuant to the Share Option Scheme under the Scheme Mandate Limit as refreshed.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares which may be issued pursuant to the exercise of the share options that may be granted under the Share Option Scheme under the Scheme Mandate Limit as refreshed.

### **Recommendation**

The Directors consider that the proposed refreshment of the Scheme Mandate Limit is in the interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolution to be proposed at the EGM.

### **PROPOSED AMENDMENTS TO THE ARTICLES**

At the EGM, a special resolution will be proposed to the Shareholders to amend the Articles for the purpose of establishing and facilitating the operation of a co-chairman structure for the Company.

The amendments to the Articles will:

- (a) allow the Board to elect one or more of the Directors to be co-chairmen of the Company; and
- (b) provide the mechanism for determining the chairman of each meeting of the Board and the chairman of each general meeting where the Company has one or more co-chairmen.

The proposed amendments to the Articles are set out in the special resolution included in the notice of the EGM on pages EGM-1 to EGM-4 of this circular.

Paragraph A.2 of the Corporate Governance Code sets out, among other things, certain roles and responsibilities of the chairman of a listed company for good corporate governance. In addition, Rule B.8 of the Model Code also designates the chairman of a listed company to receive and acknowledge a notification from a director of such company for his dealing in its securities.

## LETTER FROM THE BOARD

As mentioned in the announcement of the Company dated 10 November 2016, Mr. Zhang Jinbing (“**Mr. Zhang**”), being the chairman of the Company, and Mr. Ho King Fung, Eric (“**Mr. Ho**”), being the co-chairman of the Company, have been serving clearly delineated functions within the Group. Mr. Zhang has continued to be the responsible person providing leadership to and overseeing the management of the Board, along with the responsibilities of the Chairman under the Articles and the Listing Rules (including but not limited to the relevant provisions under the Model Code and the Corporate Governance Code abovementioned), while Mr. Ho is primarily responsible for providing the overall leadership in the strategic development of the business of the Group. There is also a clear understanding by and expectation from the Board and within the Group as to the separation of roles and responsibilities between Mr. Zhang and Mr. Ho.

### **Recommendation**

The Directors consider that the proposed amendments to the Articles are in the interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

### **RE-ELECTION OF DIRECTOR**

In accordance with article 112 of the Articles, Mr. Ho King Fung, Eric shall be eligible for re-election at the EGM. The details of Mr. Ho King Fung, Eric are set out as follows:

**Mr. Ho King Fung, Eric (“Mr. Ho”)** aged 39, was appointed as an executive director and co-chairman of the Company with effect from 1 November 2016. He has extensive experience in investment banking origination, capital markets and legal practice. He was an analyst at JP Morgan in 2000 and then was a solicitor at Linklaters between 2003 and 2006. Between 2007 and 2010, Mr. Ho worked at Deutsche Bank AG, Hong Kong Branch and his last position held was vice president and the head of Hong Kong and Macau Origination.

Mr. Ho is a committee member of the Chinese People’s Political Consultative Conference of Beijing, a role which he has been in since 2008. He is also the president of the Macau Money Exchangers’ Association. Mr. Ho was awarded the Chinese Economics Elite Award in 2009. From April 2011 and April 2012, Mr. Ho was the non-executive director of United Energy Group Limited (HKSE Stock Code: 467). He has been appointed as an independent non-executive director of Nature Home Holding Company Limited (HKSE Stock Code: 2083) since May 2011. And, Mr. Ho was the non-executive director of AGTech Holdings Limited (HKSE Stock Code: 8279) from 23 May 2013 to 10 August 2016. Mr. Ho was the non-executive director of EPI Holdings Limited (HKSE Stock Code: 689) on 4 April 2013 and was re-designated as the non-executive chairman on 30 July 2013, and he resigned both positions on 19 October 2016. In Macau, Mr. Ho is the chairman of P&W Money Changer Limited and Jing Yang Company Limited.

Mr. Ho graduated from the University of New South Wales, Australia with a Bachelor of Commerce degree, majoring in Finance. Mr. Ho has also obtained his Bachelor of Laws degree from the University of New South Wales. He is a practicing solicitor in Hong Kong.

## LETTER FROM THE BOARD

Save as disclosed above, he did not hold any directorship in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding his appointment nor has he held any other major appointment and qualifications.

Save as disclosed above, Mr. Ho does not hold any position with the Company and its subsidiaries. He does not have relationships with any directors, senior management, substantial or controlling shareholders of the Company for the purpose of the Listing Rules. As at the date hereof, Mr. Ho does not have any interests in shares of the Company within the meaning of Part XV of the SFO.

Mr. Ho has entered into a service agreement with the Company for a term of 3 years commencing from 1 November 2016 and his appointment will continue thereafter unless and until terminated by either party giving three months' written notice in accordance with his service agreement. As a director, Mr. Ho is subject to retirement by rotation and re-election in accordance with the articles of association of the Company.

Mr. Ho's remuneration is HK\$1,200,000 per annum in accordance with his service agreement which commensurates with his duties and responsibilities as executive director and the prevailing market situation.

Save as disclosed above, the Board is not aware of any other matters or information that need to be brought to the attention of the shareholders of the Company or to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules in relation to the aforesaid director proposed to be re-elected.

### **EGM**

The notice of the EGM is set out on pages EGM-1 to EGM-4 of this circular. A proxy form for use at the EGM is enclosed with this Circular. Whether or not the Shareholders are able to attend the EGM, the Shareholders are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for holding the EGM or any adjourned meeting thereof (as the case may be). Completion and return of the proxy form will not preclude the Shareholders from attending and voting in person at the EGM should the Shareholders so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions at the EGM will be voted on by way of poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

**LETTER FROM THE BOARD**

**ADDITIONAL INFORMATION**

The attention of the Shareholders is drawn to the additional information set out in the appendix to this circular.

By order of the board  
**O Luxe Holdings Limited**  
**Zhang Jinbing**  
*Chairman*



**O LUXE HOLDINGS LIMITED**

**奧立仕控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 860)**

8 December 2016

*To the Independent Shareholders*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTION  
UNDER THE RENEWED COOPERATION AGREEMENT**

We refer to the circular of the Company dated 8 December 2016 (the “**Circular**”) to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members to form the Independent Board Committee and to advise you the terms of the Renewed Cooperation Agreement and the transactions contemplated thereunder including the Annual Cap and whether such terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

New Spring Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the Renewed Cooperation Agreement were entered into on normal commercial terms; and the terms of the Renewed Cooperation Agreement and the transactions contemplated thereunder including the Annual Cap, are fair and reasonable so far as the Independent Shareholders are concerned, whether such terms are in the interests of the Company and the Independent Shareholders as a whole. Details of its advice, together with the principal factors taken into consideration in arriving at such advice, are set out on pages 17 to 25 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 4 to 14 of the Circular and the additional information set out in the appendix of the Circular.

Having considered the terms of the Renewed Cooperation Agreement and the transactions contemplated thereunder including the Annual Cap, and the advice of New Spring Capital, we are of the opinion that the Renewed Cooperation Agreement were entered into on normal commercial terms; and the terms of the Renewed Cooperation Agreement and the transactions contemplated thereunder including the Annual Cap are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the

**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

Independent Shareholders as a whole. We therefore recommend that you vote in favour of the resolutions to be proposed at the EGM to approve the Renewed Cooperation Agreement and the transactions contemplated thereunder including the Annual Cap.

Yours faithfully,  
For and on behalf of  
Independent Board Committee of  
**O Luxe Holdings Limited**

**Mr. Tam Ping Kuen, Daniel**

**Dr. Li Yifei**

**Dr. Zhu Zhengfu**

*Independent non-executive Directors*

## LETTER FROM NEW SPRING CAPITAL

*The following is the text of the letter of advice from New Spring Capital Limited, the Independent Financial Adviser, to the Independent Board Committee and the Independent Shareholders in respect of the Renewed Cooperation Agreement, which has been prepared for the purpose of inclusion in this circular.*



**NEW SPRING**  
CAPITAL LIMITED

Unit 2108, China Merchants Tower  
Shun Tak Centre  
168–200 Connaught Road Central  
Hong Kong

8 December 2016

*To: the Independent Board Committee and the Independent Shareholders  
of O Luxe Holdings Limited*

Dear Sir or Madam,

### CONTINUING CONNECTED TRANSACTION

#### INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Renewed Cooperation Agreement, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 8 December 2016 (the “**Circular**”) to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

Reference is made to the announcement of the Company dated 21 November 2016 in relation to the Renewed Cooperation Agreement. On 21 November 2016, the Company and Hengdeli entered into the Renewed Cooperation Agreement for renewal of the Cooperation Agreement which has expired on 30 September 2016. Subject to the approval by the Independent Shareholders, the Renewed Cooperation Agreement shall take effect on 20 December 2016 and will continue thereafter for a term expiring on 30 September 2017.

As at the Latest Practicable Date, Hengdeli and its associates hold and control 300,000,000 Shares representing approximately 12.24% of the entire issued share capital of the Company. Accordingly, Hengdeli is a connected person (as defined under the Listing Rules) of the Company. As one of the applicable percentage ratios for the Annual Cap exceeds 5% on an annual basis and the total consideration of the transactions contemplated under the Renewed Cooperation Agreement exceeds HK\$10,000,000, the Renewed Cooperation Agreement and the transactions contemplated thereunder and the Annual Cap are subject to reporting,

## LETTER FROM NEW SPRING CAPITAL

announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Hengdeli and its associates will abstain from voting at the EGM to approve the Renewed Cooperation Agreement, the transactions contemplated therein and the Annual Cap.

The Independent Board Committee, comprising Mr. Tam Ping Kuen, Daniel, Dr. Li Yifei and Dr. Zhu Zhengfu, being all the independent non-executive Directors, has been established to advise the Independent Shareholders as to (i) the fairness and reasonableness of the Renewed Cooperation Agreement and the transactions contemplated thereunder, including the Annual Cap; and (ii) how to vote at the EGM, after taking into account the factors and reasons considered by the Independent Financial Adviser and its conclusion and advice.

In this connection, we, New Spring Capital, have been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Renewed Cooperation Agreement. We do not, by this letter, warrant the merits of the Renewed Cooperation Agreement and the transactions contemplated thereunder, other than to form an opinion, for the purpose of the Listing Rules. We are not associated with the Company, Hengdeli, and any of their respective associates who are interested or involved in the Renewed Cooperation Agreement, and accordingly, are considered eligible to give independent advice in respect of the Renewed Cooperation Agreement. Apart from normal professional fees payable to us for this appointment, no arrangement exists whereby we will receive any fees or benefits from any party abovementioned.

### **BASIS OF OUR OPINION**

In formulating our opinions and recommendations to the Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the information, opinions and representations contained or referred to in the Circular (or otherwise provided to us by the Directors and the management of the Company (the “**Management**”)), and have assumed that all information, opinions and representations contained or referred to in the Circular (or otherwise provided to us by the Directors and the Management) were true, accurate and complete in all respects at the time when they were made and up to the date of this letter. We have also assumed that all statements of belief, opinions and intention made by the Directors in the Circular (or otherwise provided to us by the Directors and the Management) are reasonably made after due enquiry. We have no reason to doubt that any relevant information has been withheld or omitted, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular (or otherwise provided to us by the Directors and the Management) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular (or otherwise provided to us by the Directors and the Management) have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading. We consider that we have received sufficient information to enable us to reach an informed view and to justify reliance on the accuracy of the information contained

## LETTER FROM NEW SPRING CAPITAL

in the Circular to provide a reasonable basis for our opinions and recommendations. We consider that we have performed all the necessary steps as required under Rule 13.80 of the Listing Rules to enable us to reach an informed view and to justify our reliance on the information provided and representations made to us so as to form a reasonable basis for our opinions including, among other things:

- (a) reviewed the announcement of the Company in relation to the Renewed Cooperation Agreement, the Letter from the Board, the annual report of the Company for the year ended 30 September 2015 (“**Annual Report 2015**”) and its interim report for the six months ended 31 March 2016 (“**Interim Report 2016**”);
- (b) reviewed the Renewed Cooperation Agreement and other relevant information and/or documents;
- (c) conducted market research to analyse the terms of the Renewed Cooperation Agreement; and
- (d) discussed with the Directors or the Management regarding, among other things, the reasons for and benefits of the Renewed Cooperation Agreement and the basis of the major terms of the Renewed Cooperation Agreement including the Annual Cap.

We have not, however, for the purpose of this exercise, conducted any independent detailed verification or audit into the businesses or future prospects of the Company, the connected person, or their respective subsidiaries or associates, nor have we investigated any liabilities against the subject matters relating to the Renewed Cooperation Agreement. Our opinion was necessarily based on financial, market and other conditions in effect, and the information made available to us as at the Latest Practicable Date.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinions and recommendations to the Independent Board Committee and the Independent Shareholders in respect of the Renewed Cooperation Agreement, we have considered the following principal factors and reasons:

#### **I. Background and reasons for entering into the Renewed Cooperation Agreement**

##### ***(i) Information of the Group and its domestic segment***

The Group is principally engaged in distribution of watches, wholesale trading of jewellery products, mining, money lending and securities investments.

Referring to the Interim Report 2016, the Group has four operating segments with continuing operations, namely (i) domestic segment; (ii) mining segment; (iii) money lending segment; and (iv) securities investments segment. The distribution and wholesale trading of watches and jewellery products are operated under its domestic segment, where the Group trades watches and jewellery products under two exclusive distribution rights of (a) a prestigious European luxury brand in connection with its marketing, distribution, advertising, promotion and sale of watches and jewellery products in Hong Kong, Macau

## LETTER FROM NEW SPRING CAPITAL

and the PRC, and (b) products of “GIRARD-PERREGAUX” and “JEANRICHARD” (Swiss’ luxury watch brands) in the PRC, Macau, Hong Kong and Taiwan; as well as conducts wholesale trading of other jewellery product brands in the PRC. Referring to the Annual Report 2015 and the Interim Report 2016, revenue derived under its domestic segment was approximately HK\$345.5 million and HK\$172.7 million, which accounted for approximately 94.6% and 92.6% of the Group’s revenue, for the year ended 30 September 2015 (“FY2015”) and the six months ended 31 March 2016 (“6M2016”) respectively. Such business represents the major revenue stream of the Group.

We are also given to understand that the Group had once undergone retail business of watches and jewellery products, but such business was ceased during the year ended 30 September 2014 (“FY2014”). Referring to the announcement of the Company dated 30 June 2014 in relation to a disposal of a subsidiary and its annual report for FY2014, it is noted that the Company disposed of its entire equity interest of a former subsidiary on 30 June 2014 which was principally engaged in the retails of watches in the PRC. From then on, the Group did not own retail network for its watches and jewellery business.

### *(ii) Information of Hengdeli and its business relationship with the Group*

Hengdeli is a major retailer and distributor of imported medium and high-grade watches and jewellery items in the Greater China Region with a core presence in the PRC and Hong Kong. It operates extensive retail outlets and boutiques of watches, jewellery items and other related accessories in various major cities in the Greater China Region. Referring to the interim report of Hengdeli for the six months ended 30 June 2016, the group of Hengdeli (“**Hengdeli Group**”) had 470 retail outlets in the PRC, Hong Kong, Macau and Taiwan as at 30 June 2016, where 397 outlets were dispread across key regions in the PRC including Beijing, Shanghai, Zhejiang, Jiangsu, Henan, Shanxi, Hubei, Northeastern and Southwestern China while 21 outlets were located in Hong Kong and Macau and 52 outlets were located in Taiwan.

We are given to understand that the Group’s business cooperation with Hengdeli in the watches and jewellery business could be traced back to 2012, and both parties have entered into several cooperation agreements in the consecutive years with this respect (while details are disclosed in the Company’s announcements in relation to continuing connected transactions dated 5 October 2012, 9 October 2013, 23 July 2014, 13 February 2015 and 19 August 2015). According to the Annual Report 2015 and the Interim Report 2016, sales of goods to Hengdeli Group amounted to approximately HK\$42.5 million and HK\$25.2 million for FY2015 and 6M2016, representing approximately 11.6% and 13.5% of the Group’s revenue during the same periods, respectively. During FY2015 and 6M2016, Hengdeli was the largest customer of the Group and hence, the Company considers Hengdeli as one of the major retailers and distributors of the Group’s watches and jewellery business under the domestic segment.

## LETTER FROM NEW SPRING CAPITAL

### *(iii) Reasons for entering into the Renewed Cooperation Agreement*

Under the Renewed Cooperation Agreement, the Group shall sell to Hengdeli the Products of internationally renowned brands distributed by the Group for sale in the Greater China Region. The Renewed Cooperation Agreement was entered on 21 November 2016 between the Company and Hengdeli for renewal of the Cooperation Agreement which has expired on 30 September 2016.

The Renewed Cooperation Agreement was entered in the ordinary and usual course of business of the Group. It is noted that the sale of the Products to Hengdeli under the Renewed Cooperation Agreement will be primarily timepieces and also accessories of a prestigious European luxury brand and two Swiss' luxury watch brands namely "GIRARD-PERREGAUX" and "JEANRICHARD".

As stated in the Letter from the Board, the Directors considered that the Renewed Cooperation Agreement represents good opportunities for the Group to strengthen its collaboration with Hengdeli and make use of its extensive and quality distribution networks and its vast experiences in operating and managing retail outlets for luxury jewellery products in the promotion and distribution of the Group's products. The Directors also advised that the Group intends to continue the cooperation with Hengdeli and leverage on its extensive distribution network in distributing the Products.

Having considered, as described above, (i) the Renewed Cooperation Agreement was entered in the ordinary and usual course of business of the Group for the distribution of the Products, while the domestic segment is the major revenue stream of the Group; (ii) the established business cooperation with Hengdeli in the watches and jewellery business since 2012 and Hengdeli is one of the major retailers and distributors of the Group's watches and jewellery business; and (iii) the Group, without its own retail network in distribution and wholesale trading of watches and jewellery products, could leverage on Hengdeli's extensive retail network in selling the Products in the Greater China Region, we concur with the Directors that the entering into the Renewed Cooperation Agreement is in the interests of the Company and the Shareholders as a whole.

## **II. Principal terms of the Renewed Cooperation Agreement**

Under the Renewed Cooperation Agreement, the Group shall sell to Hengdeli the Products of internationally renowned brands distributed by the Group at the wholesale prices which are 40% to 44% discount from the standard retail prices (the "**Standard Retail Prices**") of the respective models of the Products for sale in the Greater China Region from time to time determined by the brand owners.

The Company offers 40% to 44% discount from the Standard Retail Prices to Hengdeli and 37.5% to 38% discount from the Standard Retail Prices to other independent retailers. As stated in the Letter from the Board, the 40% to 44% discount from the Standard Retail Prices offered by the Company to Hengdeli, which is in line with the discount offered by the Company to Hengdeli under the Cooperation Agreement expired on 30 September 2016, was agreed between the Company and Hengdeli after arm's length negotiation. The Directors (excluding the Independent Board Committee whose views have been set out in the "Letter

## LETTER FROM NEW SPRING CAPITAL

from the Independent Board Committee” in the Circular) are of the view that, notwithstanding a higher discount was offered to Hengdeli than to other independent retailers, the pricing under the Renewed Cooperation Agreement provides the Company a reasonable profit margin of comparable transactions, and that the transactions contemplated under the Renewed Cooperation Agreement shall bring in considerable revenue to the Company, based on the historical amount of sales to Hengdeli.

Hengdeli is not the exclusive retailer of the Group for the Products and there is no minimum purchase amount required under the Renewed Cooperation Agreement. Hengdeli shall place purchase orders to the Group from time to time according to the retail demands and the Group shall deliver the required models and numbers of the Products to Hengdeli within 7 business days from the date of issuance of the respective purchase order. The Company shall issue monthly sale invoices to Hengdeli which shall be settled in cash by Hengdeli within 30 days of the date of issue of the sale invoices.

As stated in the Letter from the Board, the Renewed Cooperation Agreement was negotiated and determined on an arm’s length basis and on normal commercial terms.

### *(i) Pricing basis*

We understand from the Company that the sale of the Products to Hengdeli under the Renewed Cooperation Agreement will be primarily timepieces and also accessories of a prestigious European luxury brand and two Swiss’ luxury watch bearing the trademarks of “GIRARD-PERREGAUX” and “JEANRICHARD”. The brand owners of the Products will (i) issue standard or suggested retail price lists to the Group indicating the Standard Retail Prices of the respective models of the Products, and such prices are subject to change from time to time as determined by the brand owners; and (ii) offer the Company rates of discount in the range of 37.5% to 51% from the Standard Retail Prices, which are the standard rates of discount determined by the brand owners. After taking into consideration the profitability of the Group from the distribution of relevant Products and the historical transaction terms with Hengdeli, the Company offers 40% to 44% discount from the Standard Retail Prices to Hengdeli. We are advised by the Company that such basis is line with the historical practice between the Company and Hengdeli, while the Company has also adopted the pricing basis in such way to its independent retailers.

As advised by the Directors, the Group offers different ranges of discount rates to Hengdeli and other independent retailers, which are 40% to 44% discount from the Standard Retail Prices to Hengdeli and 37.5% to 38% discount from the Standard Retail Prices to other independent retailers. We are given to understand that better offers to Hengdeli is mainly due to (i) Hengdeli operates 397 retail outlets in the PRC and a total of 21 retail outlets in Hong Kong and Macau; (ii) Hengdeli was the largest customer of the Group (in terms of purchase value) of each of the past two financial years; and (iii) Hengdeli is the only customer, among the five largest customers of the Group of the past two financial years, which operates retail outlets in Hong Kong and Macau. We have obtained and reviewed sample sales documents with respect to watches and jewellery products distributed by the Group to Hengdeli Group and other retailers for FY2015 and 6M2016. It is noted that Hengdeli Group ranked as the largest customer of the Group and

## LETTER FROM NEW SPRING CAPITAL

slightly greater discounts were generally offered to it. We therefore consider it is commercially reasonable to give better offer to Hengdeli who is a major retailer and distributor of the Group's watches and jewellery business.

Having considered (i) the pricing basis under the Renewed Cooperation Agreement is in line with the historical practice between the Company and Hengdeli and was agreed between the Company and Hengdeli after arm's length negotiation; (ii) the similar pricing approach has also been adopted by the Group to other retailers; (iii) though the Group may offer slightly greater discounts to Hengdeli under the transactions contemplated under the Renewed Cooperation Agreement as previous, it will be commercially reasonable due to the historical transactions with Hengdeli who has been the top customer mentioned above; and (iv) as the standard rates of discount are given by brand owners to the Company and the Standard Retail Prices are subject to change from time to time by brand owners, the pre-agreed range of discounts to be offered to Hengdeli on the sale of the Products could enable the Group to maintain reasonable profits, we therefore are of the view that the pricing basis with respect to the Renewed Cooperation Agreement is fair and reasonable.

### *(ii) Payment terms*

It is noted that the payment terms under the Renewed Cooperation Agreement remained as previous under the Cooperation Agreement. Given such terms were negotiated based on normal commercial decision between the Company and Hengdeli, we concur with the Directors that the payment terms is fair.

### *(iii) Basis of the proposed Annual Cap*

As stated in the Letter from the Board, the Annual Cap under the Renewed Cooperation Agreement for the financial year ending 30 September 2017 will be RMB50,000,000 (equivalent to approximately HK\$56,500,000), which was determined by reference to (i) the anticipated demand of the transactions and the historical volume of the comparable transactions under the Cooperation Agreement; and (ii) the anticipated demand of the Products bearing the trademarks a prestigious European luxury brand and two Swiss' luxury watch brands namely "GIRARD-PERREGAUX" and "JEANRICHARD".

We note that the Renewed Cooperation Agreement shall take effect on 20 December 2016 (conditionally upon approval of the Independent Shareholders at the EGM) to a term expiring on 30 September 2017. The Company confirmed that since the expiry of the Cooperation Agreement and up to the Latest Practicable Date, it had yet conducted any sales of Products with Hengdeli mainly due to the Cooperation Agreement has not been renewed, while the Company understood from Hengdeli that Hengdeli remains the need for sourcing the Products. The Annual Cap was therefore determined on a full year basis to reflect potential orders from Hengdeli. Under such basis, the Annual Cap maintains at the same level as the annual consideration of the transactions contemplated under the Cooperation Agreement of RMB50,000,000 for the year ended 30 September 2016 (the "**Annual Cap 2016**").

## LETTER FROM NEW SPRING CAPITAL

### *(a) Market demand for watches*

According to the statistics released by Federation of the Swiss Watch Industry FH in November 2016, in relation to the world distribution of Swiss watch exports for the months of January to October 2016 (the “**Period**”), the value of Swiss watch exports to Hong Kong and China was CHF1,919.3 million and CHF1,037.0 million respectively for the Period, which decreased by 28.4% and 7.4% respectively comparing to the exports value to such jurisdictions for the corresponding period of last year. Despite the decreases in value, Hong Kong and China continued to rank the first and the fourth among countries, where they represented approximately 12.1% and 6.5% of the total world exports of Swiss watches respectively for the Period. Among which, the portion of exports to China in terms of the total world exports recorded a slight increase, by approximately 0.2%, from approximately 6.3% for the first ten months of 2015.

While looking into the performance of sales of watches in the PRC, an article titled “China’s watch market” published by Hong Kong Trade Development Council on 3 August 2016 revealed that the overall sales of watches in China recorded an increase of 2.3% to RMB64.2 billion in 2015. Based on the above, we concur with the Company’s view that the demand for the Products in the market shall continue to exist and remain generally stable in the PRC.

### *(b) Historical transactions with Hengdeli Group and utilisation rate in terms of the Annual Cap*

As stated in the Letter from the Board, the actual transaction amounts of the respective transactions contemplated under the Cooperation Agreement for the period from 1 October 2015 to 30 September 2016 was approximately HK\$42,935,366 in aggregate. In terms of the Annual Cap, such amount represents approximately 76.0%. It is also noted that the sales to Hengdeli Group for FY2015 were approximately HK\$42,501,000, which represents approximately 75.2% of the Annual Cap. The Company expected that its business cooperation with Hengdeli will remain stable in the forthcoming financial year.

Taking into account that (i) the market demand for the Products is expected to continue to exist and remain generally stable; (ii) the anticipated stable business cooperation with Hengdeli, while the Annual Cap shall able to support such similar amount of sales to Hengdeli in the forthcoming financial year and also provide the Group with certain buffer for unanticipated increase in demand from the market, in view of the utilisation rate when taking into account the historical sales to Hengdeli and the Annual Cap; and (iii) the Annual Cap was determined on a full year basis and maintains at the same level as the Annual Cap 2016, we are of the view that the Annual Cap is fair and reasonable.



## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accepts full responsibility, include particulars given in compliance with the 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 circular 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 circular misleading.

## 2. DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, the interests of the Directors and chief executives in the shares, underlying shares or debentures of the Company or any of our associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as contained in Appendix 10 to the Listing Rules, were as follows:

### Long positions in the Shares

Name of Director	Capacity	Number of Issued Existing Shares held	Number of Underlying Shares held	Total Interests	Approximate percentage of shareholding of the Company (%)
Zhang Jinbing	Interest of a controlled corporation	2,633,622,316 (Note)	2,448,000	2,636,070,316	107.52
Li Yifei	Beneficial owner	1,068,000	2,448,000	3,516,000	0.14
Wong Chi Ming, Jeffry	Beneficial owner	—	2,448,000	2,448,000	0.10
Yu Fei, Philip	Beneficial owner	—	2,448,000	2,448,000	0.10
Xiao Gang	Beneficial owner	—	2,448,000	2,448,000	0.10
Tam Ping Kuen, Daniel	Beneficial owner	—	2,448,000	2,448,000	0.10
Zhu Zhengfu	Beneficial owner	—	2,448,000	2,448,000	0.10

*Note:*

The interest disclosed represents the aggregate of (i) the 673,622,316 Shares held by Prestige Rich Holdings Limited, which is wholly owned by Mr. Zhang Jinbing; and (ii) the 1,960,000,000 consideration shares to be allotted and issued to Golden Mega Holdings Limited, subject to certain conditions set out in and upon the completion of a sale and purchase agreement dated 16 May 2016 (and as supplemented by a supplemental agreement dated 25 May 2016) entered into among Golden Mega Holdings Limited, the Company and Mr. Zhang Jinbing in respect of the acquisition of a 60% equity interest in Power Boom International Limited.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any beneficial or deemed interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as contained in Appendix 10 to the Listing Rules.

### **3. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

### **4. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors and their respective associates was considered to have interests in businesses apart from the Group's businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to Rule 8.10 of the Listing Rules.

### **5. DIRECTORS' INTERESTS IN ASSETS OF THE GROUP**

Up to the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which have been acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group since 30 September 2015 (being the date to which the latest published audited consolidated financial statements of the Group was made up).

### **6. DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENTS**

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which is significant in relation to the business of the Group.

## 7. EXPERT AND CONSENT

The following is the qualification of the expert who has been named in this circular or has given opinion or letter contained in this circular:

<b>Name</b>	<b>Qualifications</b>
New Spring Capital	a corporation licensed by the SFC to carry out type 6 (advising on corporate finance) regulated activity under the SFO

New Spring Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or references to its name, in the form and context in which it appears.

As at the Latest Practicable Date, New Spring Capital was not beneficially interested in the share capital of any member of the Group nor had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group. In addition, New Spring Capital did not have any interest, either directly or indirectly, in any assets which had been, since 30 September 2015 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to or was proposed to be acquired or disposed of by or leased to any member of the Group.

## 8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 30 September 2015, being the date to which the latest published audited consolidated financial statements of the Group were made up.

## 9. MISCELLANEOUS

The English version of this circular shall prevail over the Chinese text for the purpose of interpretation.

## 10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any weekdays other than public holidays at the principal place of business of the Company in Hong Kong from the date of this circular up to including the date of the EGM:

- (a) the Cooperation Agreement;
- (b) the Renewed Cooperation Agreement;
- (c) the letter from the Board, the text of which is set out in pages 4 to 14 of this circular;

- (d) the letter from New Spring Capital, the text of which is set out in pages 17 to 25 of this circular;
- (e) the letter from the Independent Board Committee, the text of which is set out in pages 15 to 16 of this circular;
- (f) the written consent referred to in the paragraph above headed “Expert and consent” in this appendix; and
- (g) this circular.

## NOTICE OF EGM



### **O LUXE HOLDINGS LIMITED**

**奧立仕控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 860)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**Meeting**”) of O Luxe Holdings Limited (the “**Company**”) will be held at 2:30 p.m. on 23 December 2016 at Unit 329 & 330, 3/F, Hankow Centre, 5–15 Hankow Road, Tsimshatsui, Kowloon, Hong Kong for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolutions of the Company (unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 8 December 2016):

#### **SPECIAL RESOLUTION**

1. “**THAT:**

the existing Articles of Association of the Company (the “**Articles**”) be and are hereby amended in the following manner:

- (i) That the existing definition of “the Chairman” in Article 1(A) of the Articles of the Company be and is deleted and replaced in its entirety therewith the new definition of “the Chairman” in Article 1(A) as set out below:

““the Chairman” shall mean, except in Articles 125 and 132, the Chairman presiding at any meeting of shareholders or of the Directors and where any reference is made to “the Chairman of the Company” or “the Chairman of the Board” in these Articles, it means such Chairman of the Company elected pursuant to Article 132 and where there is more than one Chairman of the Company elected pursuant to Article 132, each such person(s) may be referred to or construed as Chairman or Co-Chairman of the Company or the Board, as the context shall require;”

- (ii) That the existing Article 70 of the Articles of the Company be and is deleted and replaced in its entirety therewith the new Article 70 as set out below:

“70. The Chairman of the Board or if there is more than one Chairman of the Board, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as Chairman at a general meeting. If at any meeting no Chairman of the Board is present within fifteen (15) minutes after the time appointed for holding the meeting, or is willing to act as Chairman of the meeting, the Deputy or Vice

## NOTICE OF EGM

Chairman of the Company or if there is more than one Deputy Chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as Chairman of the meeting. If no Chairman or Deputy or Vice Chairman is present or is willing to act as Chairman of the meeting, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as Chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the Chairman chosen shall retire from the chair, the Members present in person or (in the case of a Member being a corporation) by its duly authorised representative or by proxy and entitled to vote shall elect one of their number to be Chairman of the meeting.”

- (iii) That the existing Article 125 of the Articles of the Company be and is deleted and replaced in its entirety therewith the new Article 125 as set out below:

“125. The Directors may from time to time entrust to and confer upon one or more Chairman, Deputy Chairman, Vice Chairman, Managing Director, Joint Managing Director, Deputy Managing Director or Executive Director all or any of the powers of the Directors that they may think fit provided that the exercise of all powers by such Director shall be subject to such regulations and restrictions as the Directors may from time to time make and impose, and, subject to the terms thereof, the said powers may at any time be withdrawn, revoked or varied, but no person dealing in good faith and without notice of such withdrawal, revocation or variation shall be affected thereby.”

- (iv) That the existing Article 132 of the Articles of the Company be and is deleted and replaced in its entirety therewith the new Article 132 as set out below:

“132. The Directors may from time to time elect or otherwise appoint one or more of them to the office of Chairman of the Company (and where more than one Chairman of the Company is elected, each such Chairman of the Company may also be referred to as a Co-Chairman of the Company) and another to be the Deputy or Vice Chairman (or two or more Deputy or Vice Chairman) and determine the period for which each of them is to hold office. The Chairman of the Company or if there is more than one Chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as Chairman at meetings of the Directors, or in the absence of any Chairman of the Company, the Deputy or Vice Chairman or if there is more than one Deputy or Vice Chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as Chairman at meetings of the Directors but if no Chairman or Deputy or Vice Chairman has been elected or appointed, or if at any meeting a Chairman or Deputy or Vice Chairman is not present within five (5) minutes after the time appointed for holding the same and willing to act, the Directors present shall choose one of their number to be Chairman of such meeting. All the provisions of Articles

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103, 123, 124 and 125 shall mutatis mutandis apply to any Directors elected or otherwise appointed to any office in accordance with the provisions of this Article.””

### ORDINARY RESOLUTIONS

2. To re-elect Mr. Ho King Fung, Eric as Director.

3. “**THAT:**

the performance by the Group of the transactions contemplated under the Renewed Cooperation Agreement dated 21 November 2016 entered into between the Company and Hengdeli (a copy of which has been produced at this Meeting and marked “A” and initiated by the chairman of this Meeting for the purpose of identification) be and is hereby approved and confirmed and that the directors of the Company be and are hereby authorised to do all such acts and things and to take such steps as they may consider necessary, desirable or expedient to give effect to or in connection with the Renewed Cooperation Agreement or any of the transactions contemplated thereunder.”

4. “**THAT:**

subject to and conditional upon the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of share options which may be granted under the Refreshed Scheme Mandate Limit (as defined below), the existing limit on the grant of share options under the share option scheme adopted by the Company on 1 March 2013 (the “**Share Option Scheme**”) be refreshed provided that the total number of Shares which may be allotted and issued upon exercise of any options to be granted under the Share Option Scheme and any other schemes of the Company (excluding share options previously granted, outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme or such other scheme(s) of the Company), shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution (the “**Refreshed Scheme Mandate Limit**”) and the Directors be and are hereby authorised to do such acts and things and execute such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the Refreshed Scheme Mandate Limit and to grant share options up to the Refreshed Scheme Mandate Limit and to exercise all powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such share options.”

By order of the board  
**O Luxe Holdings Limited**  
**Zhang Jinbing**  
*Chairman*

Hong Kong, 8 December 2016

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*Registered Office:*

Cricket Square, Hutchins Drive  
P.O. Box 2681, Grand Cayman  
KY1-1111, Cayman Islands

*Head office and principal place of business:*

Room 302, 3rd Floor  
Lippo Sun Plaza  
28 Canton Road, Tsim Sha Tsui  
Kowloon, Hong Kong

*Notes:*

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the Memorandum of Association and Articles of Association of the Company, to vote on his/her behalf. A proxy need not be a member of the Company but must be present in person at the Meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number of the shares of the Company (the “**Share**”) in respect of which each such proxy is so appointed.
2. Where there are joint holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
3. A proxy form for use at the Meeting is enclosed. Whether or not you intend to attend the Meeting in person, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hands of any officer or attorney duly authorised.
5. In order to be valid, the proxy form, together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority must be deposited at the Company’s Hong Kong branch share registrar and transfer office, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the Meeting.
6. Completion and return of a proxy form shall not preclude a member from attending and voting in person at the Meeting or any adjournment thereof (as the case may be) and, in such event, the proxy form appointing a proxy shall be deemed to be revoked.