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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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 16 and 17 December 2017, the Company and no less than six Subscribers entered into the Subscription Agreements, pursuant to which the Subscribers have agreed to subscribe for, and the Company has agreed to issue to the Subscribers, an aggregate of 250,904,000 new Shares at the Subscription Price on the terms and subject to the conditions set out in the Subscription Agreements.

The Subscribers are independent professional, institutional and/or individual investors. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Subscribers (and their respective ultimate beneficial owners, if applicable) are third parties independent of the Company and its connected persons.

The number of the Subscription Shares represents: (a) approximately 4.43% of the total number of Shares in issue as at the date of this announcement; and (b) approximately 4.24% of the enlarged total number of Shares in issue upon the completion of the Subscription (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the completion of the Subscription other than the issue by the Company of the Subscription Shares).

The Subscription Price is HK\$1.50 and represents:

- (i) a discount of approximately 6.25% to the closing price of HK\$1.60 per Share as quoted on the Stock Exchange on the Last Trading Date; and
- (ii) a discount of approximately 4.21% to the average closing price of approximately HK\$1.57 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to and including the Last Trading Date.

The Subscription is not subject to Shareholders' approval as the Subscription Shares will be issued under the General Mandate. Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

The Subscription Agreements may be terminated pursuant to the termination provisions contained therein. In addition, completion of the Subscription is subject to fulfillment of the condition under the Subscription Agreements. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE SUBSCRIPTION

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THE SUBSCRIPTION AGREEMENTS

Date

16 and 17 December 2017

Parties

The Company and the Subscribers

The Subscribers

There are no less than six Subscribers and they are independent professional, institutional and/or individual investors. As at the date of this announcement, none of the Subscribers (and their respective ultimate beneficial owners, if applicable) have any interest in the Shares except pursuant to the Subscription Agreements and save for the Shares held by some of the Subscribers (and/or their respective ultimate beneficial owners) as at the date of this announcement the shareholdings of which do not make the relevant Subscribers (and/or their respective ultimate beneficial owners) substantial Shareholders. None of the Subscribers (and their respective ultimate beneficial owners, if applicable) will become a substantial Shareholder as a result of the Subscription.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Subscribers (and their respective ultimate beneficial owners, if applicable) are third parties independent of the Company and its connected persons.

Details of the Subscription are set out below.

Subscription Shares

The Subscribers have agreed to subscribe as principal for, and the Company has agreed to issue to the Subscribers, an aggregate of 250,904,000 new Shares at the Subscription Price free from all charge, mortgage, security, lien, option, equity, power of sale or hypothecation or other third party rights, retention of title, right of pre-emption, right of first refusal or security interest of any kind, in consideration for the payment of the Subscription Monies by the Subscribers to the Company, subject to the terms and conditions of the Subscription Agreements.

The number of the Subscription Shares represents: (a) approximately 4.43% of the total number of Shares in issue as at the date of this announcement; and (b) approximately 4.24% of the enlarged total number of Shares in issue upon completion of the Subscription (assuming there will be no change to the total

number of Shares in issue from the date of this announcement to the date of completion of the Subscription other than the issue by the Company of the Subscription Shares).

Ranking of the Subscription Shares

The Subscription Shares shall, when fully paid, rank pari passu in all respects with all the other Shares in issue or to be issued by the Company on or prior to the date of allotment of the Subscription Shares.

General Mandate to issue the Subscription Shares

The Subscription Shares will be issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the 2017 AGM to allot, issue and otherwise deal with securities of the Company not exceeding 20% of the issued share capital of the Company as at the date of the 2017 AGM. Under the General Mandate, the Company is authorised to issue up to 490,354,221 new Shares. As at the date of this announcement, no securities of the Company have been issued under the General Mandate save for 8,520,000 Shares issued on 19 July 2017 pursuant to the exercise of share options granted under the share option scheme of the Company adopted on 1 March 2013.

Subscription Price

The Subscription Price is HK\$1.50 and represents:

- (i) a discount of approximately 6.25% to the closing price of HK\$1.60 per Share as quoted on the Stock Exchange on the Last Trading Date; and
- (ii) a discount of approximately 4.21% to the average closing price of approximately HK\$1.57 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to and including the Last Trading Date.

The Subscription Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis among the Company and the Subscribers. The Directors consider that the Subscription Price and the terms and conditions of the Subscription Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The aggregate nominal value of the Subscription Shares is HK\$25,090,400.

Condition of the Subscription

Completion of the Subscription is conditional upon the listing of, and permission to deal in, all the new Shares to be issued by the Company under the Subscription Agreements being granted by the Stock Exchange (and such listing and permission not subsequently revoked prior to completion of the Subscription).

Application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in, the Subscription Shares. The Subscription Agreements has not provided for the right of the parties to waive the above conditions.

Completion of the Subscription

Completion of the Subscription will take place on various dates in respect of the relevant Subscribers, and in any event within seven (7) Business Days after fulfilment of the condition described above (or such other time, date or place as the Company and the Subscribers may agree in writing).

If the condition is not fulfilled on or before 19 January 2018 (or such later date as may be agreed between the Company and the Subscribers), the Subscription Agreements shall be terminated and the Company and the Subscribers will automatically be released from all obligations under the Subscription Agreements, save and except any liability for antecedent breaches by the Company and/or the Subscribers).

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

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

The gross proceeds from the Subscription are expected to be approximately HK\$376,356,000. The net proceeds from the Subscription (after deducting all fees, costs and expenses properly incurred by the Subscribers to be borne by the Company, and other expenses incurred by the Company, in connection with the Subscription) are expected to be approximately HK\$376 million. The net Subscription Price, after deducting such fees, costs and expenses, is therefore approximately HK\$1.50 per Subscription Share.

The Company intends to use the net proceeds from the Subscription for financing the aggregate consideration of US\$35 million (equivalent to approximately HK\$273 million) (the “**Consideration**”) payable under the subscription agreement dated 21 November 2017 entered into between a direct wholly-owned subsidiary of the Company and Divergent Technologies, Inc. and as amended by agreement between the parties dated 15 December 2017, details of which are disclosed in the announcements of the Company dated 22 November 2017 and 15 December 2017 respectively. The remaining net proceeds from the Subscription of approximately HK\$103 million is intended to be used for general working capital and for future potential investment opportunities.

The Directors (including the independent non-executive Directors) are of the view that the Subscription will provide a good opportunity to raise additional funds to finance the Consideration and future investment opportunities (if any). The Directors are of the view that the terms of the Subscription Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITY DURING THE PAST TWELVE MONTHS

The Company has conducted the following fund raising activity in the twelve months immediately preceding the date of this announcement:

Date of announcement	Event	Net Proceeds	Intended use of proceeds	Actual use of proceeds
7 July 2017	Issue of 570,731,706 Shares under a specific mandate in the aggregate nominal value of HK\$57,073,170.60	Approximately HK\$468,000,000	The Company intended to use 100% of the net proceeds to finance the cash consideration for the acquisition of the entire issued share capital and outstanding share options in GLM Co., Ltd.	Use as intended

In addition to the fund raising activity stated above, the Company (i) issued 1,960,000,000 Shares under a specific mandate in the aggregate nominal value of HK\$196,000,000 on 11 May 2017 as consideration for the Company's acquisition of 60% of the total issued share capital of Power Boom International Limited at the time; and (ii) issued 670,918,575 Shares under a specific mandate in the aggregate nominal value of HK\$67,091,857.50 on 29 September 2017 as consideration for the Company's acquisition of 85.5% of the total issued share capital of GLM Co., Ltd. and all of the issued and outstanding share options of GLM Co., Ltd. at the time.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that there will be no change to the total number of Shares in issue and the number of Shares held by each of the Directors, substantial Shareholder and Subscribers from the date of this announcement to the date of completion of the Subscription other than the issue by the Company of the Subscription Shares, the shareholdings in the Company (a) as at the date of this announcement; and (b) immediately after the completion of the Subscription are and will be as follows:

	As at the date of this announcement		Immediately after the completion of the Subscription	
	<i>Number of Shares</i>	<i>Approximate % (Note 2)</i>	<i>Number of Shares</i>	<i>Approximate % (Note 2)</i>
Directors				
Ho King Fung, Eric <i>(Note 1c)</i>	Nil	Nil	Nil	Nil
Ho Chi Kit <i>(Note 1c)</i>	Nil	Nil	Nil	Nil
Hiroyasu Koma	230,573,070	4.07	230,573,070	3.90
Zhang Jinbing <i>(Note 1a and 1c)</i>	169,230,000	2.99	169,230,000	2.86
Tam Ping Kuen, Daniel <i>(Note 1c)</i>	480,000	0.01	480,000	0.01
Teoh Chun Ming	Nil	Nil	Nil	Nil
Heung Chee Hang, Eric	Nil	Nil	Nil	Nil
Substantial Shareholder				
Ho King Man Justin <i>(Note 1b)</i>	1,672,920,474	29.55	1,672,920,474	28.29
Subscribers	291,632,510	5.15	542,536,510	9.18
Other public Shareholders	3,297,105,332	58.23	3,297,105,332	55.76
Total:	<u>5,661,941,386</u>	<u>100</u>	<u>5,912,845,386</u>	<u>100</u>

Notes:

1. According to the disclosure of interests published on the website of the Stock Exchange:
 - a. Mr. Zhang Jinbing beneficially owned 168,750,000 Shares through Prestige Rich Holdings Limited, a company directly wholly-owned by Mr. Zhang Jinbing;
 - b. Mr. Ho King Man Justin beneficially owned 1,672,920,474 Shares through Ruby Charm Investment Limited, a company directly wholly-owned by him; and
 - c. Mr. Ho King Fung, Eric, Mr. Ho Chi Kit, Mr. Zhang Jinbing and Mr. Tam Ping Kuen, Daniel are interested in options granted under the share option scheme adopted by the Company on 1 March 2013 to subscribe for 20,000,000, 50,000,000, 1,968,000 and 1,968,000 Shares respectively.
2. The percentages in the above table may not add up to 100% due to rounding off of numbers.

GENERAL

The Subscription is not subject to Shareholders' approval as the Subscription Shares will be issued under the General Mandate. Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

The Subscription Agreements may be terminated pursuant to the termination provisions contained therein. In addition, completion of the Subscription is subject to fulfillment of the condition under the Subscription Agreements. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“2017 AGM”	the annual general meeting of the Company held on 3 March 2017 at which, among other things, a resolution for the grant of the General Mandate to the Directors was duly passed by the Shareholders
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday or public holidays or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are generally open for banking business
“Company”	O Luxe Holdings Limited (Stock Code: 860), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by a resolution of the Shareholders passed at the 2017 AGM to allot, issue and otherwise deal with securities of the Company not exceeding 20% of the issued share capital of the Company as at the date of the 2017 AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Last Trading Date”	15 December 2017, being the last trading day in the Shares immediately prior to the dates of the Subscription Agreements
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFC”	the Securities and Futures Commission of Hong Kong
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	the subscribers of the Subscription Shares
“Subscription”	the subscription of the Subscription Shares by the Subscribers at the Subscription Price pursuant to the terms and conditions of the Subscription Agreements
“Subscription Agreements”	the subscription agreements entered into by the Company and each of the Subscribers respectively, each dated 16 or 17 December 2017 in respect of the Subscription
“Subscription Monies”	such sum as is the aggregate of the Subscription Price multiplied by the number of Subscription Shares less the relevant expenses pursuant to the terms of the Subscription Agreements
“Subscription Price”	the price per Subscription Share payable by the Subscribers, being HK\$1.50 per Subscription Share
“Subscription Shares”	250,904,000 new Shares in aggregate to be issued to the Subscribers by the Company under the Subscription

“substantial
shareholder(s)” has the same meaning as ascribed to it under the
Listing Rules

“%” per cent

By order of the Board
O Luxe Holdings Limited
Ho King Fung, Eric
Chairman

Hong Kong, 17 December 2017

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Ho King Fung, Eric (Chairman), Mr. Ho Chi Kit and Mr. Hiroyasu Koma; one non-executive Director, namely Mr. Zhang Jinbing (Co-Chairman); and three independent non-executive Directors, namely Mr. Tam Ping Kuen, Daniel, Mr. Teoh Chun Ming and Mr. Heung Chee Hang, Eric.

* *The USD: HKD exchange rate adopted in this announcement is 1:7.8*