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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)

**MEMORANDUM OF UNDERSTANDING
IN RELATION TO
THE FORMATION OF AN ALLIANCE FOR
THE COOPERATION ON
THE RESEARCH, DEVELOPMENT AND PRODUCTION OF
ELECTRIC VEHICLES
FOR TAXIS AND ONLINE HAILING SERVICES IN THE PRC**

This announcement is made by O Luxe Holdings Limited (the “**Company**”) on a voluntary basis.

MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**”) of the Company (together with its subsidiaries, the “**Group**”) is pleased to announce that on 23 February 2018 (after trading hours), the Company entered into a non-legally binding memorandum of understanding (the “**MOU**”) with Shenzhen Xihu New Energy Industrial (Hubei) Company Limited* (深圳西湖新能源產業(湖北)有限公司) (“**Xihu Industrial**”) and Shenzhen Xihu New Energy Transportation Development Company Limited* (深圳市西湖新能源交通發展有限公司) (“**Xihu Transportation**”) in relation the proposed formation of an alliance (the “**Alliance**”) between them (the “**Parties**”). The Alliance is expected to research, develop and produce electric vehicles for taxis and online hailing services in the People’s Republic of China (the “**PRC**”) (the “**Cooperation**”).

MAJOR TERMS OF THE MOU

The Parties have agreed to explore the Cooperation pursuant to the framework of arrangements set out in the MOU as follows:

1. the Alliance shall, as the first phase of the Cooperation, research, develop and produce (through an original equipment manufacturer to be engaged by the Alliance) a total of approximately 150,000 electric vehicles for taxis and online hailing services in the PRC. Subject to final production numbers and sales units, the total contract value of these 150,000 electric vehicles is estimated to be approximately Renminbi 30 billion. The actual production numbers and unit sale price shall be agreed and determined in definitive and legally binding agreements which may be entered into by the Parties;
2. Xihu Transportation is expected to purchase the electric vehicles to be produced by the Alliance for expanding its taxi business and establishing its online hailing service business in the PRC;
3. the Alliance plans to set up in the Hubei Wuhan New Energy Vehicle Industrial Park (湖北武漢新能源汽車之都產業園區) (which is where Xihu Industrial is based) facilities for the research, development and production of electric vehicles for taxis and online hailing services, where the Company shall establish a production line for the three-dimensional (“3D”) printing of vehicle chassis and deliver powered electric vehicles and engineering solutions including chassis, power systems and vehicle control units to the Alliance;
4. Xihu Industrial shall be responsible for providing electric vehicle assembling and parts production services to the Alliance;
5. Xihu Transportation shall be responsible for obtaining the relevant operational licences required for the production of electric vehicles for taxis and online hailing services by the Alliance;
6. the Alliance shall give priority to consider adopting the electric vehicle power systems and vehicle multimedia systems provided by Shenzhen Ruike New Energy Company Limited* (深圳瑞科新能源有限公司) (“**Shenzhen Ruike**”). Shenzhen Ruike is a company associated with Xihu Transportation; and
7. the Alliance shall give priority to consider adopting the vehicle related 3D printing technology of Divergent Technologies, Inc. (“**Divergent**”), in which the Company is indirectly interested and which principal business is research, design, development and manufacture of 3D printed structures for automobiles.

The formation of the Alliance and the Cooperation above are subject to the Parties entering into legally binding agreements, which are expected to be finalised within six months from the date of the MOU. The MOU is not legally binding save for primarily the terms regarding exclusivity in connection with any one of the Parties carrying out the Cooperation arrangement without the concurrent participation of the other Parties, the obligation to facilitate due diligence in relation to the Cooperation where applicable and confidentiality provisions.

BACKGROUND OF THE PARTIES

Xihu Industrial intends to engage in electric vehicle assembling and parts production and investment in new energy intelligent transportation in the PRC. Xihu Industrial is a company incorporated in the PRC and based in Wuhan, Hubei Province, the PRC.

Xihu Transportation operates a new energy vehicle business in the PRC and intends to purchase electric vehicles to expand its taxi business and establish its online hailing service business in the PRC. Xihu Transportation is a company incorporated in the PRC and based in Shenzhen, the PRC.

Each of Xihu Industrial and Xihu Transportation is a third party independent of the Company and the connected persons of the Company.

The Group's business expanded to include the electric vehicle business since 2017 through its respective investments in Divergent and acquisitions of the majority stake in GLM Co., Ltd, which operates in Japan with primary focus on delivering powered vehicles three electricals technology and engineering solutions to customers.

Leveraging on the Group's expertise on electric vehicles and engineering solutions, the Board believes that the Alliance and the Cooperation represent an opportunity for the Group to further cement its foothold in the electric vehicle industry.

As at the date of this announcement, no definitive and legally-binding agreement in relation to the formation of the Alliance and the Cooperation has been entered into by the Group. As the transactions contemplated under the MOU may or may not materialise, the shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company. The Company will make further announcement(s) on the formation of the Alliance and the Cooperation as and when appropriate in accordance with the Listing Rules.

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

Hong Kong, 23 February 2018

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.

** For reference purposes only, the Chinese names of the PRC entities have been translated into English in this announcement. In the event of any discrepancies between the Chinese names of the PRC entities and their English translation, the Chinese version shall prevail.*