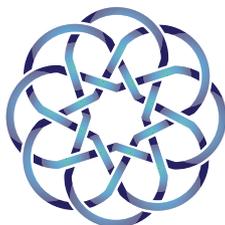


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力世紀有限公司
WE SOLUTIONS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 860)

DISCLOSEABLE TRANSACTION
DISPOSAL OF SHENZHEN QIJINGDA TRADING (HK)
COMPANY LIMITED

THE AGREEMENT

The Board is pleased to announce that on 29 May 2019 (after trading hours), the Seller (an indirect wholly-owned subsidiary of the Company) entered into the Agreement with the Buyer, pursuant to which the Seller has agreed to sell and the Buyer has agreed to acquire the Sale Interests, representing the entire issued share capital of the Target Company, for a total cash Consideration of HK\$11,000,000.

As at the date of this announcement, the Target Company is indirectly wholly-owned by the Company. Upon Completion, the Company will cease to hold any interest in the Target Company and the Target Company will cease to be a subsidiary of the Company.

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and therefore the Company is subject to reporting and announcement requirements but is exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 29 May 2019 (after trading hours), the Seller (an indirect wholly-owned subsidiary of the Company) entered into the Agreement with the Buyer, pursuant to which the Seller has agreed to sell and the Buyer has agreed to acquire the Sale Interests, representing the entire issued share capital of the Target Company, for a total cash Consideration of HK\$11,000,000.

As at the date of this announcement, the Target Company is indirectly wholly-owned by the Company. Upon Completion, the Company will cease to hold any interest in the Target Company and the Target Company will cease to be a subsidiary of the Company.

The principal terms of the Agreement are summarized as follows:

THE AGREEMENT

Date

29 May 2019 (after trading hours)

Parties

Buyer: Mount Noble Limited

Seller: Shenzhen Qijingda Trading Co., Ltd.

Assets to be disposed

Pursuant to the Agreement, the Seller has agreed to sell, and the Buyer has agreed to acquire the Sale Interests.

The Target Company is a company incorporated in Hong Kong with limited liability and is indirectly wholly-owned by the Company prior to Completion. Please refer to the section headed “Information on the Group and the Target Company” in this announcement below for details of the Target Company.

Conditions Precedent

Completion of the Agreement is subject to and conditional upon:

- (a) the transactions contemplated thereunder and the performance of the Seller’s obligations thereunder in compliance with the Listing Rules and all other applicable laws and regulations;

- (b) all other necessary consents and approvals required to be obtained on the part of the Seller, the Buyer and/or the Target Company in respect of the Agreement and the transactions contemplated thereunder having been obtained and such consents and approvals not having been revoked;
- (c) the Seller not having breached any of the warranties given in the Agreement; and
- (d) the Buyer not having breached any of the warranties given in the Agreement.

If any of the above conditions precedent are not satisfied or otherwise waived by the Long Stop Date, the Agreement shall terminate and cease to have effect on the Long Stop Date except for certain provisions referred to in the Agreement and any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination, including the right to claim damages in respect of any breach of the Agreement which existed at or before the date of termination.

Consideration

The total Consideration for the sale and purchase of the Sale Interests is HK\$11,000,000. The full payment of the Consideration should be made in cash upon Completion to such account as the Seller shall have specified in writing to the Buyer no fewer than three Business Days prior to the date of Completion.

The Consideration is determined based on arm's length negotiations between the parties to the Agreement with reference to, among other things: (a) the net asset value of the Target Company based on its management accounts; (b) the business development and future prospects of the jewellery business in Hong Kong and Macau; (c) the uncertain profitability of the Target Company; (d) the possibility of non-renewal of the wholesale distribution agreement by the licensor of the Target Company; and (e) the business strategies and asset allocation preference of the Seller and the Buyer.

Completion

Subject to the fulfilment (or, where applicable, waiver) of the conditions precedent, Completion shall take place on the third Business Day after fulfilment (or waiver) of all the conditions precedent or such other date as the Seller and the Buyer may agree in writing.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is principally engaged in investment holding and the principal activities of its subsidiaries are manufacturing and sales of NEVs and related components and provision of engineering services, trading, retailing and wholesale of jewellery products and watches, money lending, securities investments, property investment and mining.

The Target Company is principally engaged in wholesale and retailing of jewellery products and watches in Hong Kong and Macau, with a wholesale distribution agreement entered with its licensor which is valid until the end of 2020. There are guaranteed minimum purchase quantities required under the wholesale distribution agreement which the Target Company was unable to meet for the past two years. As a result, the licensor is entitled to terminate the wholesale distribution agreement at its discretion at anytime without providing the Target Company a chance for remedial action. In addition, the general outlook of the jewellery business in Hong Kong and Macau has been deteriorating and the Target Company incurred a loss for the financial year ended 30 September 2018. The Disposal would enable the Group to avoid risks of uncertainty in the operation and profitability of the Target Company.

The Directors believe and consider that the Disposal can optimize the operation management of the Group, and at the same time, enable the Group to focus its capital and management resources to develop the more promising business segment of manufacturing and sales of NEVs and related components and provision of engineering services of the Group. In this regard, the Disposal represents an opportunity for the Group to realise its investment in the Target Company at a reasonable price and allow the Group to streamline its business direction with a view to providing growth potential of the Group and bringing higher returns to the Shareholders.

The Directors consider that the terms of the Agreement are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

Subject to audit, it is expected that the Company will record a net loss of approximately HK\$3,782,000 arising from the Disposal, being the difference between the amount of Consideration and the net carrying value of the Target Company.

The Company intends to use the proceeds from the Disposal to further develop its business segment of manufacturing and sales of NEVs and related components and provision of engineering services, and for the general working capital of the Group.

INFORMATION ON THE GROUP AND THE TARGET COMPANY

The Company is principally engaged in investment holding and the principal activities of its subsidiaries are manufacturing and sales of NEVs and related components and provision of engineering services, trading, retailing and wholesale of jewellery products and watches, money lending, securities investments, property investment and mining.

The Target Company is a company incorporated in Hong Kong with limited liability and is principally engaged in wholesale and retailing of watches and jewellery products in Hong Kong and Macau.

Set out below are certain audited financial information of the Target Company (prepared in accordance with generally accepted accounting principles in Hong Kong) for each of the two financial years ended 30 September 2017 and 30 September 2018:

	Year ended 30 September 2017 HK\$	Year ended 30 September 2018 HK\$
Net profit/(loss) before taxation	706,247	(9,757,236)
Net profit/(loss) after taxation	597,235	(9,798,648)

As at 31 March 2019, the unaudited net asset value of the Target Company (prepared in accordance with generally accepted accounting principles in Hong Kong) was approximately HK\$14,782,000.

INFORMATION ON THE BUYER

The Buyer is a company incorporated in the BVI with limited liability. To the best knowledge of the Directors, the Buyer is principally engaged in investment holding and its ultimate beneficial owner is Mrs. Xiao Ye.

To the Directors' best knowledge, information and belief having made all reasonable enquiry, the Buyer and its ultimate beneficial owner are third parties independent of the Company and connected persons (as defined under Chapter 14A of the Listing Rules) of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As one or more applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and therefore the Company is subject to reporting and announcement requirements but is exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

Shareholders and potential investors should note that completion of the Disposal is subject to the satisfaction of various conditions precedent and therefore there is no assurance that the Disposal will be implemented as contemplated or at all. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Agreement”	the conditional sale and purchase agreement dated 29 May 2019 and entered into by the Seller and the Buyer in respect of the Disposal
“Board”	the board of Directors
“Business Day(s)”	a day other than a Saturday, Sunday or public holiday in Hong Kong, when banks in Hong Kong are generally open for business
“Buyer”	Mount Noble Limited, a company incorporated in the BVI with limited liability
“BVI”	the British Virgin Islands

“Company”	WE Solutions Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 860)
“Completion”	completion of the sale and purchase of the Sale Interests in accordance with the provisions of the Agreement
“Consideration”	HK\$11,000,000 to be fully paid in cash by the Buyer to the Seller for the Disposal
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Interests by the Seller to the Buyer pursuant to the Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 June 2019 or such other date the Seller and the Buyer may agree in writing
“Macau”	the Macau Special Administrative Region of the PRC
“NEV(s)”	new energy vehicle(s)
“PRC”	the People’s Republic of China
“Sale Interests”	the entire issued share capital of the Target Company
“Seller”	深圳市琪晶達貿易有限公司(Shenzhen Qijingda Trading Co., Ltd.), a wholly-foreign-owned enterprise established in the PRC and an indirect wholly-owned subsidiary of the Company

“Share(s)”	share(s) of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Shenzhen Qijingda Trading (HK) Company Limited, a company incorporated in Hong Kong with limited liability and is wholly-owned by the Seller prior to the Completion
“%”	per cent

By order of the Board
WE Solutions Limited
Ho King Fung, Eric
Chairman

Hong Kong, 29 May 2019

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Ho King Fung, Eric (Chairman) and Mr. Sung Kin Man; 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. Peter Edward Jackson.