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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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

THE SUBSCRIPTION AGREEMENT

The Board is pleased to announce that on 8 July 2019, the Company and the Subscriber (a direct wholly-owned subsidiary of SAIL) entered into the Subscription Agreement, pursuant to which the Subscriber has agreed to subscribe for, and the Company has agreed to allot and issue to the Subscriber, an aggregate of 382,352,000 new Shares at the Subscription Price on the terms and subject to the condition set out in the Subscription Agreement.

The number of the Subscription Shares represents: (a) approximately 5.63% of the total number of Shares in issue as at the date of this announcement; and (b) approximately 5.33% of the enlarged total number of Shares in issue upon Completion (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 other than the issue of the Subscription Shares by the Company).

The Subscription Price is HK\$0.51 and represents:

- (i) a premium of approximately 32.47% over the closing price of HK\$0.385 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (ii) a premium of approximately 26.55% over the average closing price of HK\$0.403 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the Subscription Agreement.

The Subscription is not subject to Shareholders' approval as the Subscription Shares will be issued under the 2019 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

The Board is pleased to announce that on 8 July 2019, the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Subscriber has agreed to subscribe for, and the Company has agreed to allot and issue to the Subscriber, an aggregate of 382,352,000 new Shares at the Subscription Price on the terms and subject to the condition set out in the Subscription Agreement.

THE SUBSCRIPTION AGREEMENT

Date

8 July 2019

Parties

1. The Company; and
2. The Subscriber.

The Subscriber is an investment holding company and a direct wholly-owned subsidiary of SAIL. The Group and SAIL have formed a joint venture company in Shanghai, the PRC to engage primarily in technology development, transfer, consulting and other related services in the NEV sector. SAIL is a private equity and venture capital arm of the Shanghai Municipal Government. SAIL invests in high-tech, media, entertainment, financial services, telecommunication, healthcare, life science, and emerging low-carbon sectors such as clean energy,

new material and eco-environment protection. SAIL was founded in 1994 and is based in Shanghai, the PRC. For more information in relation to the above-mentioned joint venture company, please refer to the announcement of the Company dated 11 May 2018.

As at the date of this announcement, the Subscriber is an existing Shareholder holding 49,524,000 Shares, representing approximately 0.73% shareholding interest in the Company. Save as disclosed above, neither the Subscriber nor its ultimate beneficial owner has any interest in the Shares except pursuant to the Subscription Agreement. Neither the Subscriber nor its ultimate beneficial owner 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 Subscriber and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Details of the Subscription are set out below.

Subscription Shares

The Subscriber has agreed to subscribe as principal for, and the Company has agreed to issue to the Subscriber, an aggregate of 382,352,000 new Shares at the Subscription Price free from all encumbrances, in consideration for the payment of the Subscription Money by the Subscriber to the Company, subject to the terms and condition of the Subscription Agreement.

The number of the Subscription Shares represents: (a) approximately 5.63% of the total number of Shares in issue as at the date of this announcement; and (b) approximately 5.33% of the enlarged total number of Shares in issue upon Completion (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 other than the issue of the Subscription Shares by the Company).

Ranking of the Subscription Shares

The Subscription Shares shall, when issued and allotted, 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 2019 General Mandate granted to the Directors by a resolution of the Shareholders passed at the 2019 AGM to allot, issue and otherwise deal with Shares not exceeding 20% of the

issued share capital of the Company as at the date of the 2019 AGM. Under the 2019 General Mandate, the Company is authorised to issue up to 1,277,569,312 new Shares.

As at the date of this announcement, 400,000,000 Shares have been issued and allotted under the 2019 General Mandate, details of such issue of Shares are set out in the section “Fund Raising Activities During the Past Twelve Months” below.

Subscription Price

The Subscription Price is HK\$0.51 and represents:

- (i) a premium of approximately 32.47% over the closing price of HK\$0.385 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (ii) a premium of approximately 26.55% over the average closing price of HK\$0.403 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the Subscription Agreement.

The Subscription Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm’s length basis between the Company and the Subscriber. The Directors consider that the Subscription Price and the terms and condition of the Subscription Agreement 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\$38,235,200.

Condition of the Subscription

Completion is conditional upon the listing of, and permission to deal in, the Subscription Shares being granted by the Stock Exchange (and such listing and permission not subsequently revoked prior to Completion).

Application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in, the Subscription Shares.

Completion of the Subscription

Completion will take place within three (3) Business Days after fulfilment of the condition described above (or such other time, date or place as the Company and the Subscriber may agree in writing).

If the condition is not fulfilled on or before 31 July 2019 (or such later date as may be agreed between the Company and the Subscriber), the Subscription Agreement shall be terminated and the Company and the Subscriber will automatically be released from all obligations under the Subscription Agreement, save and except any liability for antecedent breaches.

Reasons for the Subscription and Use of Proceeds

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 gross proceeds from the Subscription are expected to be approximately HK\$195 million. The net proceeds from the Subscription (after deducting all fees, costs and expenses incurred by the Company, in connection with the Subscription) are expected to be approximately HK\$194 million. The net Subscription Price, after deducting such fees, costs and expenses, is therefore approximately HK\$0.51 per Subscription Share.

The Company intends to use the net proceeds from the Subscription for the following purposes:

- (1) Approximately 90%, representing approximately HK\$175 million, will be used for future potential acquisition or investment in NEV-related businesses or technologies; and
- (2) Approximately 10%, representing approximately HK\$19 million, will be used for general working capital.

The Directors are of the view that the Subscription will provide a good opportunity to raise additional funds to finance future investment opportunities to further cement the Group's foothold in the NEV industry and to establish a strategic partnership with SAIL and align the interests of the Company and SAIL.

The Directors are of the view that the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Fund Raising Activities During the Past Twelve Months

The Company has conducted the following fund raising activities 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
12 October 2018	Issue of 137,360,000 Shares under the 2018 General Mandate	Approximately HK\$125 million	The Company intended to use the net proceeds to set off against the consideration for the subscription by the Company of 65,240,000 ordinary shares of HK\$0.10 each in the share capital of TOM Group Limited	Fully utilized as intended
7 December 2018	Issue of 332,601,176 Shares under the 2018 General Mandate	Approximately HK\$169 million	The Company intended to use the net proceeds for the following purposes: (1) approximately 90%, representing approximately HK\$152 million, would be used for future potential acquisition or investment in EV-related businesses or technologies; and (2) approximately 10%, representing approximately HK\$17 million, would be used for general working capital	(1) Approximately 75% had been utilized for investment in EV-related businesses or technologies; and (2) approximately 10% had been utilized for general working capital
8 May 2019	Issue of 400,000,000 Shares under the 2019 General Mandate	Approximately HK\$203 million	The Company intended to use the net proceeds for the following purposes: (1) approximately 90%, representing approximately HK\$183 million, would be used for the proposed cooperation between the Company and Agile Property Land Co., Ltd. for the production, research and development of NEV-related technology and products in the PRC; and (2) approximately 10%, representing approximately HK\$20 million, would be used for general working capital	(1) None has been utilized for the proposed cooperation between the Company and Agile Property Land Co., Ltd. for the production, research and development of NEV-related technology and products in the PRC; and (2) approximately 10% had been utilized for general working capital

Effect on Shareholding Structure of the Company

As at the date of this announcement, the total number of issued Shares is 6,787,846,562.

For illustrative purpose only, the following table sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Subscription (assuming there is no other change in the shareholding structure of the Company before Completion):

Shareholders	As at the date of this announcement		Immediately after Completion	
	Number of Shares	%	Number of Shares	%
Mr. Ho King Man Justin (<i>Note 1</i>)	1,680,920,474	24.77	1,680,920,474	23.45
Mr. Ho King Fung, Eric (<i>Note 2</i>)	1,000,000	0.01	1,000,000	0.01
Mr. Zhang Jinbing (<i>Note 2</i>)	3,960,000	0.06	3,960,000	0.06
Mr. Tam Ping Kuen, Daniel (<i>Note 2</i>)	960,000	0.01	960,000	0.01
The Subscriber	49,524,000	0.73	431,876,000	6.02
Other public Shareholders	<u>5,051,482,088</u>	<u>74.42</u>	<u>5,051,482,088</u>	<u>70.45</u>
Total number of issued Shares	<u>6,787,846,562</u>	<u>100.00</u>	<u>7,170,198,562</u>	<u>100.00</u>

Notes:

- (1) Mr. Ho King Man Justin beneficially owned 1,680,920,474 Shares through Ruby Charm Investment Limited, a company directly wholly-owned by him.
- (2) Being Directors.
- (3) The numbers in the above table have been subject to rounding adjustments.

General

The Subscription is not subject to Shareholders' approval as the Subscription Shares will be issued under the 2019 General Mandate. Application will be made to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

The Subscription Agreement may be terminated pursuant to the termination provisions contained therein. In addition, Completion is subject to fulfillment of the condition under the Subscription Agreement.

As the Subscription may or may not proceed, Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

DEFINITIONS

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

- “2018 General Mandate” the general mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 28 February 2018 to allot, issue and otherwise deal with securities of the Company not exceeding 20% of the issued share capital of the Company as at 28 February 2018
- “2019 AGM” the annual general meeting of the Company held on 21 March 2019 at which, among other things, a resolution for the grant of the 2019 General Mandate to the Directors was duly passed by the Shareholders
- “2019 General Mandate” the general mandate granted to the Directors by a resolution of the Shareholders passed at the 2019 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 2019 AGM
- “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” WE Solutions Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 860)

“Completion”	completion of the Subscription
“connected person(s)”	has the meaning ascribed to this term under Chapter 14A of the Listing Rules
“Directors”	the directors of the Company
“EV(s)”	electric vehicle(s)
“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
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NEV(s)”	new energy vehicle(s)
“SAIL”	Shanghai Alliance Investment Ltd.* (上海聯和投資有限公司), a company incorporated in the PRC
“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
“Subscriber”	Sino-Alliance International, Ltd, a company incorporated in the Cayman Islands and a direct wholly-owned subsidiary of SAIL

“Subscription”	the subscription of the Subscription Shares by the Subscriber at the Subscription Price pursuant to the terms and condition set out in the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 8 July 2019 and entered into by the Company and the Subscriber in respect of the Subscription
“Subscription Money”	HK\$194,999,520, being the Subscription Price multiplied by the number of Subscription Shares
“Subscription Price”	the price per Subscription Share payable by the Subscriber, being HK\$0.51 per Subscription Share
“Subscription Shares”	382,352,000 new Shares in aggregate to be issued to the Subscriber by the Company under the Subscription
“substantial shareholder(s)”	has the meaning as ascribed to it under the Listing Rules
“%”	per cent

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

Hong Kong, 8 July 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 four independent non-executive Directors, namely Mr. Tam Ping Kuen, Daniel, Mr. Teoh Chun Ming, Mr. Peter Edward Jackson and Mr. Charles Matthew Pecot III.

** For reference purposes only, the Chinese name of the PRC entity has been translated into English in this announcement. In the event of any discrepancies between such Chinese name and its English translation, the Chinese name shall prevail.*