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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
AND
RESUMPTION OF TRADING**

THE SUBSCRIPTION AGREEMENT

The Board is pleased to announce that on 7 December 2018, the Company and no less than six Subscribers entered into the Subscription Agreement, pursuant to which the Subscribers have agreed to subscribe for, and the Company has agreed to allot and issue to the Subscribers, an aggregate of 332,601,176 new Shares at the Subscription Price on the terms and subject to the condition set out in the Subscription Agreement.

The Subscribers are independent professional, institutional and/or corporate 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 5.49% of the total number of Shares in issue as at the date of this announcement; and (b) approximately 5.21% 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 of the Subscription Shares by the Company).

The Subscription Price is HK\$0.51 and represents:

- (i) a premium of approximately 4.08% over the closing price of HK\$0.49 per Share as quoted on the Stock Exchange on the Last Trading Date; and
- (ii) a premium of approximately 1.39% over the average closing price of approximately HK\$0.503 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to 6 December 2018, being the date on which the Subscription Price was fixed.

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 Agreement 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 Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:14 a.m. on 7 December 2018 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 10 December 2018.

THE SUBSCRIPTION

The Board is pleased to announce that on 7 December 2018, the Company and no less than six Subscribers entered into the Subscription Agreement, pursuant to which the Subscribers have agreed to subscribe for, and the Company has agreed to allot and issue to the Subscribers, an aggregate of 332,601,176 new Shares at the Subscription Price on the terms and subject to the condition set out in the Subscription Agreement.

THE SUBSCRIPTION AGREEMENT

Date

7 December 2018

Parties

The Company and the Subscribers

The Subscribers

There are no less than six Subscribers and they are independent professional, institutional and/or corporate investors. As at the date of this announcement, two of the Subscribers are existing Shareholders holding 100,000,000 Shares and 262,546,341 Shares respectively, and their respective beneficial owners are interested in 100,000,000 Shares (representing 1.65% shareholding interest in the Company) and 262,546,341 Shares (representing 4.34% shareholding interest in the Company) respectively. Save as disclosed above, none of the Subscribers (and their respective ultimate beneficial owners, if applicable) have any interest in the Shares except pursuant to the Subscription Agreement. 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 332,601,176 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 condition of the Subscription Agreement.

The number of the Subscription Shares represents: (a) approximately 5.49% of the total number of Shares in issue as at the date of this announcement; and (b) approximately 5.21% 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 2018 AGM to allot, issue and otherwise deal with Shares of the Company not exceeding 20% of the issued share capital of the Company as at the date of the 2018 AGM. Under the General Mandate, the Company is authorised to issue up to 1,182,569,077 new Shares.

As at the date of this announcement, 137,360,000 Shares have been issued and allotted under the General Mandate, details of such issue of Shares are set out in the section “Fund Raising Activities during the Past Twelve Months” below. In addition, 5,040,000 Shares were issued on 24 August 2018 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\$0.51 and represents:

- (i) a premium of approximately 4.08% over the closing price of HK\$0.49 per Share as quoted on the Stock Exchange on the Last Trading Date; and
- (ii) a premium of approximately 1.39% over the average closing price of approximately HK\$0.503 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to 6 December 2018, being the date on which the Subscription Price was fixed.

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 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\$33,260,117.60.

Condition of the Subscription

Completion of the Subscription 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 of the Subscription).

If any of the Subscribers fails to make payment for its part of the Subscription Shares on the completion date, the Company shall not proceed 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 Agreement has not provided for the right of the parties to waive the above conditions.

Completion of the Subscription

Completion of the Subscription with respect to all but not some of the Subscribers will take place on the fourth Business Day 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 31 January 2019 (or such later date as may be agreed between the Company and the Subscribers), the Subscription Agreement shall be terminated and the Company and the Subscribers will automatically be released from all obligations under the Subscription Agreement, save and except any liability for antecedent breaches by the Company and/or the Subscribers).

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 EVs and related components and provision of engineering services, exports and domestic trading, retail 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\$169.63 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\$169.20 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\$152.28 million, will be used for future potential acquisition or investment in EV-related businesses or technologies; and
- (2) Approximately 10%, representing approximately HK\$16.92 million, will be used for general working capital.

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 future investment opportunities to further cement its foothold in the EV industry.

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
17 December 2017	Issue of 250,904,000 Shares under a general mandate	Approximately HK\$376 million	The Company intended to use the net proceeds (i) for financing the consideration for the subscription of Divergent Technologies, Inc.; and (ii) for general working capital and future potential investment opportunities.	Used as intended
12 October 2018	Issue of 137,360,000 Shares under the 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.	Used as intended

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the total number of issued Shares is 6,055,245,386.

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 of the Subscription):

Shareholders	As at the date of this announcement		Immediately after completion of the Subscription	
	Number of shares	%	Number of shares	%
Mr. Ho King Man Justin (<i>Note 1</i>)	1,680,920,474	27.76	1,680,920,474	26.31
Mr. Ho King Fung, Eric (<i>Note 2</i>)	1,000,000	0.02	1,000,000	0.02
Mr. Zhang Jinbing (<i>Note 2</i>)	3,960,000	0.07	3,960,000	0.06
Mr. Tam Ping Kuen, Daniel (<i>Note 2</i>)	960,000	0.02	960,000	0.02
Subscribers (<i>Note 3</i>)	362,546,341	5.99	695,147,517	10.88
Other public shareholders	<u>4,005,858,571</u>	<u>66.16</u>	<u>4,005,858,571</u>	<u>62.71</u>
Total issued shares	<u>6,055,245,386</u>	<u>100.00</u>	<u>6,387,846,562</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 of the Company.*
- (3) *Two of the Subscribers are existing Shareholders holding 100,000,000 Shares and 262,546,341 Shares respectively.*
- (4) *The numbers in the above table have been subject to rounding adjustments. Any discrepancies in the numbers are due to roundings.*

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 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 of the Subscription is subject to fulfillment of the condition under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

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DEFINITIONS

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

“2018 AGM”	the annual general meeting of the Company held on 28 February 2018 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”	WE Solutions 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
“EV(s)”	Electric Vehicle(s)
“General Mandate”	the general mandate granted to the Directors by a resolution of the Shareholders passed at the 2018 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 2018 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”	6 December 2018, being the last trading day in the Shares immediately prior to the date of this announcement
“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
“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 set out in the Subscription Agreement
“Subscription Agreement”	the subscription agreement entered into by the Company and the Subscribers, dated 7 December 2018 in respect of the Subscription
“Subscription Monies”	such sum as is the aggregate of the Subscription Price multiplied by the number of Subscription Shares
“Subscription Price”	the price per Subscription Share payable by the Subscribers, being HK\$0.51 per Subscription Share
“Subscription Shares”	332,601,176 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
WE Solutions Holdings Limited
Ho King Fung, Eric
Chairman

Hong Kong, 7 December 2018

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Ho King Fung, Eric (Chairman), Mr. Ho Chi Kit; 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. Heung Chee Hang, Eric and Mr. Peter Edward Jackson.