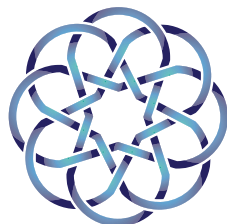


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力世紀有限公司
WE SOLUTIONS LIMITED

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

VOLUNTARY ANNOUNCEMENT FORMATION OF JOINT VENTURE

THE JOINT VENTURE AGREEMENT

The Board is pleased to announce that on 11 May 2018 (after trading hours), Lucky Ample entered into the Joint Venture Agreement with SAIL pursuant to which Lucky Ample and SAIL agreed to form the JV Co in Shanghai, the PRC to engage primarily in the design, development and assembling of electric vehicles for taxis, online hailing services and other related business-to-business services. The JV Co will be owned in equal shares by Lucky Ample and SAIL.

Under the Joint Venture Agreement, the parties shall contribute in aggregate US\$10 million (or the equivalent amount in RMB) in cash into the JV Co as registered capital in proportion to their proposed respective equity holdings by 30 September 2018 and may make further capital contributions or advances to the JV Co in the future as and when the capital need arises. The initial capital contribution of US\$5 million to be made by Lucky Ample will be funded by the internal resources of the Group.

As all the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the initial capital contribution to be made by Lucky Ample to the JV Co pursuant to the Joint Venture Agreement are below 5%, the entering into of the Joint Venture Agreement does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

This announcement is made by the Company on a voluntary basis. Reference is made to the announcement of the Company dated 25 April 2018 in respect of a non-legally binding memorandum of understanding entered into between the Company and SAIL with respect to the proposed establishment of the JV Co.

The Board is pleased to announce that on 11 May 2018 (after trading hours), Lucky Ample, a wholly-owned subsidiary of the Company, entered into the Joint Venture Agreement with SAIL in connection with the establishment of the JV Co. Set out below is a summary of the principal terms of the Joint Venture Agreement.

THE JOINT VENTURE AGREEMENT

Date

11 May 2018

Parties

(a) Lucky Ample; and

(b) SAIL

Lucky Ample is a company incorporated in Hong Kong with limited liability and is an investment holding company.

SAIL is a private equity and venture capital arm of the Shanghai Municipal Government. SAIL invests in high-tech, media, entertainment, infrastructure, 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. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, SAIL and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Ownership Structure

The JV Co will be owned by Lucky Ample and SAIL as to 50% and 50%, respectively.

The JV Co will be accounted for as a jointly-controlled entity of the Company. As such, the revenue, assets and liabilities of the JV Co will not be consolidated into the financial statements of the Group.

Initial Capital Commitment

The parties shall contribute in aggregate US\$10 million (or the equivalent amount in RMB) in cash to the JV Co as registered capital in proportion to their proposed respective equity holdings. Such capital contributions shall be payable by the parties on or before 30 September 2018.

The initial capital contribution of US\$5 million to be made by Lucky Ample will be funded by the internal resources of the Group.

Business scope of the JV Co

The JV Co is expected to implement the following business plans:

- (a) Assisting the ShanghaiTech University (上海科技大學) in establishing CASE, being a centre for adaptive system engineering (自適應系統工程中心).
- (b) Equipping the CASE with the ability to assemble automobiles. Assembled automobiles shall then be used for crash tests to be conducted at the China Automobile Technology and Research Centre (中國汽車技術研究中心) in Tianjin, the PRC. Data collected from such automobile assembly and crash tests shall be shared with the JV Co for business use. The parties shall procure that all necessary parts, including 3D printed nodes of vehicle chassis, other structural and non-structural parts of vehicle bodies, and non-body parts of the vehicles be supplied by a suitable company or companies with the relevant 3D printing technologies.
- (c) Taking the lead in forming a working group to explore with its supplier(s) of 3D printing technologies the Proposal (that is, a proposal for developing EVs for taxis, online hailing services and other related business-to-business services) with the goal to develop capabilities in producing white label products for business customers.
- (d) Implementing the Proposal and in due course, establishing a production line for EVs with a production capacity of not less than 10,000 EVs per annum, using 3D printing technologies. Once equipped with the capability of producing EVs, the JV Co will apply for the relevant licence for producing EVs, and SAIL will take the lead in such application process.

Future Financing

The total investment to be made in the JV Co is expected to be US\$25 million. The difference between the initial registered capital of US\$10 million and the total investment may be satisfied by further capital injection, loans from shareholder(s) or financial institution(s) and/or issue of debt securities by the JV Co as the parties may agree when the capital need arises. If the parties wish to increase the registered capital of the JV Co, the parties may agree to do so by contributing further capital into the JV Co in proportion to their respective holdings of paid up registered capital in the JV Co. If either party fails to contribute part or all of its proportionate capital commitment, the other party is entitled, but not obliged, to take up the unpaid portion. Alternatively, the JV Co may invite a third party other than Lucky Ample and SAIL to take up the registered capital which remains unpaid.

Composition of the Board

Each of Lucky Ample and SAIL is entitled to appoint three directors, and SAIL is entitled to appoint the chairman of the board of the JV Co whilst Lucky Ample is entitled to appoint the vice-chairman. The chairman does not have a casting vote.

REASONS FOR AND BENEFITS OF ENTERING INTO THE JOINT VENTURE AGREEMENT

The Group is an integrated EV solutions provider. Its business expanded to include the EV business since 2017 through its investments in Divergent Technologies, Inc. which is principally engaged in the research, design, development and manufacture of 3D printed structures for automobiles and its acquisitions of the majority stake in GLM Co., Ltd, which operates in Japan with a primary focus on delivering EV powertrain technology (i.e. motor, battery packs and battery management system) and engineering packaged solutions (i.e., chassis, and vehicle control units) to customers. In addition, the Group acquired 20.51% of EV Power in March 2018. EV Power and its subsidiaries are principally engaged in the provision of electric vehicle charging solutions and standards in Hong Kong and the PRC. In 2017, the Group had also introduced new investors, including Mr. Ho King Man Justin, Mr. Li Ka Shing, Ms. Solina Chau Hoi Shuen and T.C.L. Industries Holdings (H.K.) Limited, and brought in new management team to lead the development of the EV business.

Leveraging on the Group's expertise on EVs and engineering solutions, the Board believes the establishment of the JV Co represents an opportunity for the Group to further cement its foothold in the EV industry.

The Company believes that the establishment of the JV Co will be an important step for the Group to expand into its target market in the PRC. It will also help integrate the EV related businesses that the Group previously acquired or invested in, and form a platform extending to critical parts of the EV value chain, such as producing and supplying EVs for taxis, online hailing services and other related business-to-business services, on top of EV production, which represents part of the Group's strategy of building a full EV value chain.

The Group proactively adopts a comprehensive approach to develop its EV business to capture the emerging market opportunities. With the strong support from the new long-term investors, the Group is well-prepared to devote more resources to the development of EV business, and strives to implement its vision of becoming a world leading EV solutions provider.

In view of the above, the Directors are of the view that the terms of the Joint Venture Agreement are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As all the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the initial capital contribution to be made by Lucky Ample to the JV Co pursuant to the Joint Venture Agreement are below 5%, the entering into of the Joint Venture Agreement does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“3D”	three-dimensional
“Board”	the board of Directors of the Company
“CASE”	the centre for adaptive system engineering (自適應系統工程中心)
“Company”	WE Solutions Limited, a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EVs”	electric vehicle(s)
“EV Power”	EV Power Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JV Co”	a company to be established in Shanghai, the PRC under the Joint Venture Agreement and is to be owned by Lucky Ample and SAIL as to 50% and 50%, respectively
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lucky Ample”	Lucky Ample Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China
“Proposal”	the proposal for developing EVs for taxis, online hailing services and other related business-to-business services
“Joint Venture Agreement”	the joint venture agreement dated 11 May 2018 entered into between Lucky Ample and SAIL in relation to the formation and management of the JV Co
“SAIL”	Shanghai Alliance Investment Ltd.* (上海聯和投資有限公司), a company incorporated in the PRC

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

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

Hong Kong, 11 May 2018

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Ho King Fung, Eric (Chairman) and 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.

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