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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)

DISCLOSEABLE TRANSACTION:

(1) ACQUISITION OF US\$10 MILLION CONVERTIBLE NOTE;

**(2) US\$50 MILLION SUBSCRIPTION OF DIVERGENT
PREFERRED SHARES;**

AND

(3) US\$40 MILLION INVESTMENT RIGHT

The Board is pleased to announce that on 13 November 2017 (Pacific Time) and 21 November 2017 (Pacific Time), the Company has made two investments into Divergent.

THE CONVERTIBLE NOTE

On 13 November 2017 (Pacific Time), the Company acquired the Convertible Note issued by Divergent for a principal amount of US\$10 million. The terms of the Convertible Note include an automatic conversion right into Divergent Preferred Shares in the event of a Qualified Financing within 12 months of the issue date of the Convertible Note.

On 21 November 2017, the Company assigned all of its rights and obligations under the Convertible Note to the Purchaser.

THE SUBSCRIPTION AGREEMENT

On 21 November 2017 (Pacific Time), the Purchaser entered into the Subscription Agreement with Divergent, pursuant to which the Purchaser subscribed for 3,447,705 Divergent Preferred Shares for aggregate consideration of US\$50 million, subject only to there being no material adverse change to Divergent or its business. The Subscription is financed by a combination of the Group's internal resources and borrowings. Closing is anticipated to be on or prior to 15 December 2017.

Upon Closing, the Automatic Conversion of the Convertible Note will be triggered and the Convertible Note will automatically convert into 690,349 Divergent Preferred Shares (assuming Closing on, and accrual of interest under the Convertible Note until, 15 December 2017), and the Purchaser will hold a total of approximately 27% of the fully diluted share capital of Divergent.

DIVERGENT PREFERRED SHARES

Right to appoint one director on the Divergent Board

Pursuant to the Voting Agreement, the Purchaser will be entitled, upon Closing, to nominate one (1) director out of seven (7) directors on the Divergent Board.

Investment Right

Pursuant to the Investors' Right Agreement, at any time on or prior to 31 December 2019, the Purchaser shall have the right (the "**Investment Right**") but not the obligation to purchase from Divergent 2,271,436 shares (subject to customary adjustments for stock splits, stock dividends, combinations, subdivisions, reverse stock splits, recapitalizations, and the like) of Series B-1 preferred stock of Divergent (the "**Investment Right Shares**") for an aggregate consideration of US\$40 million. The total consideration of the Investment Right will be financed by a combination of the Group's internal resources and borrowings.

Upon completing the purchase of the Investment Right Shares, the Purchaser will hold a total of 6,409,490 shares of Divergent Preferred Stock, based on the assumption that the Purchaser has not converted, transferred, assigned or otherwise disposed any of its Divergent Preferred Shares since Closing.

Restrictions on transfer of shares in Divergent

In addition to customary share transfer restrictions such as a right of first refusal, drag-along right and co-sale right, no investor in Divergent may transfer any of its securities in Divergent to an entity which materially competes with Divergent.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios calculated under Chapter 14 of the Listing Rules in relation to the Investment in the aggregate are more than 5% but less than 25%, the Investment constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the announcement requirements but is exempted from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 13 November 2017 (Pacific Time) and 21 November 2017 (Pacific Time), the Company has made two investments into Divergent. On 13 November 2017 (Pacific Time), the Company acquired the Convertible Note and subsequently assigned the Convertible Note to the Purchaser on 21 November 2017. On 21 November 2017 (Pacific Time), the Purchaser entered into the Subscription Agreement with Divergent, and at Closing, the Purchaser will enter into the Investors' Rights Agreement and the Voting Agreement.

The principal terms of the Investment are summarised as below.

THE CONVERTIBLE NOTE

Date

13 November 2017

Parties

- (i) the Company; and
- (ii) Divergent.

On 21 November 2017, the Company assigned all of its rights and obligations under the Convertible Note to the Purchaser. As at the date of this announcement, the Purchaser is a directly wholly-owned subsidiary of the Company.

Principal amount

US\$10 million

Interest

- (i) 1.38% per annum until and including 15 December 2017; and
- (ii) 5% per annum thereafter.

Maturity date

10 November 2018

Conversion rights

- (i) *Automatic Conversion*: subject to the conditions of the Convertible Note, in the event of a Qualified Financing within 12 months of the issue date of the Convertible Note, the outstanding principal amount and all accrued and unpaid interest of the Convertible Note will automatically convert into fully paid preferred stock of Divergent issued in such Qualified Financing (“**Automatic Conversion**”), at a conversion price of the lower of (i) US\$14.5024; and (ii) the price per share paid by other investors in the Qualified Financing.
- (ii) *Voluntary conversion and non-Qualified Financing conversion*: if there is no Qualified Financing which triggers an Automatic Conversion, the holder is entitled to voluntary conversion rights into Divergent Common Shares, or into preferred stock of Divergent in connection with a financing other than a Qualified Financing.

Events of default

The Convertible Note contains customary event of default provisions entitling the holder to accelerate the Convertible Note so that the principal amount and all accrued interest thereunder becomes immediately due and payable.

THE SUBSCRIPTION AGREEMENT

Date

21 November 2017

Parties

- (i) the Purchaser; and
- (ii) Divergent.

Shares to be acquired

3,447,705 Divergent Preferred Shares.

At any time and at the option of the shareholder, each Divergent Preferred Share is convertible initially at a 1-to-1 ratio into Divergent Common Shares, subject to customary anti-dilution adjustments.

Consideration

The aggregate consideration of US\$50 million (being US\$14.5024 per Divergent Preferred Share) is payable upon Closing, and will be funded by a combination of the Group's internal resources and borrowings. The consideration for the Divergent Preferred Share(s) was determined after arm's length negotiation between the Purchaser and Divergent with reference to, among others, (i) the reasons for the Subscription as discussed in the section headed "Reasons for and benefits of the Investment" below; and (ii) the preliminary valuation of Divergent as at 31 October 2017 based on prices paid in actual sales or fundraising of comparable private 3D companies in a similar development stage as Divergent to derive the value of Divergent using the guideline transactions method under the market approach as appraised by an independent professional valuer.

Conditions precedent

The Closing of the Subscription Agreement and the issuance of the Divergent Preferred Shares thereunder is conditional upon no material adverse change arising from the date of the Subscription Agreement until Closing (which is anticipated to be on or before 15 December 2017).

Closing

Upon Closing, the Automatic Conversion of the Convertible Note will be triggered and the Convertible Note will automatically convert into 690,349 Divergent Preferred Shares (assuming Closing on, and accrual of interest under the Convertible Note until, 15 December 2017), and the Purchaser will hold a total of approximately 27% of the fully diluted share capital of Divergent.

Valuation adjustment

Pursuant to the Subscription Agreement, if certain agreed-to revenue targets of Divergent are not met for the fiscal year ending 31 December, 2020, an adjustment to the conversion price (to be applied in the conversion of Divergent Preferred Shares to Divergent Common Shares) may occur if the then-valuation of Divergent (which will be determined by a third-party valuer unless Divergent and the Purchaser agree on such valuation) is less than the pre-money valuation of Divergent underlying the Subscription.

DIVERGENT PREFERRED SHARES

The key terms of the Divergent Preferred Shares are as follows.

Right to appoint one director on the Divergent Board

The Purchaser will be entitled, upon Closing, to nominate one (1) director out of seven (7) directors on the Divergent Board. The Purchaser shall be entitled to such right so long as the Purchaser holds 10% of Divergent's capital stock.

Investment Right

Pursuant to the Investors' Right Agreement, at any time on or prior to 31 December 2019, the Purchaser shall have the right (the "**Investment Right**") but not the obligation to purchase from Divergent 2,271,436 shares (subject to customary adjustments for stock splits, stock dividends, combinations, subdivisions, reverse stock splits, recapitalizations, and the like) of Series B-1 preferred stock of Divergent (the "**Investment Right Shares**") for an aggregate consideration of US\$40 million. The total consideration of the Investment Right will be financed by a combination of the Group's internal resources and borrowings.

Upon completing the purchase of the Investment Right Shares, the Purchaser will hold a total of 6,409,490 shares of Divergent Preferred Stock, based on the assumption that the Purchaser has not converted, transferred, assigned or otherwise disposed any of its Divergent Preferred Shares since Closing.

Restrictions on transfer of shares in Divergent

Under the Investors' Right Agreement, in addition to customary share transfer restrictions, no investor in Divergent may transfer any of its securities in Divergent to an entity which materially competes with Divergent.

INFORMATION RELATING TO DIVERGENT

Divergent is a private company incorporated in Delaware and based in Los Angeles, principally engaged in the business of research, design, development and manufacture of three-dimensional (“3D”) printed structures for automobiles. Divergent uses its proprietary software-hardware platform enabled by laser-based 3D metal printing (“3D Printing Technology”) to create the chassis and body structures of automobiles. Employing its 3D Printing Technology, Divergent has developed a modular, multi-material architecture, that employs printed metal alloy Nodes™ that provide structure and join together standardized spanning materials including honeycomb panels, carbon fibre tubes and low-cost extrusions to form complex structures. The resulting vehicle structures enable lighter, more fuel-efficient, structurally safe, cost-effective and environmentally responsible automobiles. The 3D Printing Technology replaces metal-stamping and other technologies utilised in the traditional automobile manufacturing industry and significantly reduces the capital investment in automobile manufacturing plants and tooling and the automobile development cycle, which could significantly reduce the cost of vehicle production.

Divergent's current investors include, amongst others, Horizons Ventures (a private investment vehicle of Mr. Li Ka-shing), Shanghai Alliance Investment Limited (the private equity and venture capital arm of the Shanghai Municipal Government), as well as Altran (a global major player in engineering and research and development services).

Founded in 2014, like most early stage technology companies, Divergent has no net profits for its two most recent fiscal years. The following information is extracted from the 2015 annual report and 2016 annual report of Divergent:

| | For the year ended 31 December 2016 | For the year ended 31 December 2015 |
|--------------------------|--|--|
| | <i>US\$ (Audited)</i> | <i>US\$ (Audited)</i> |
| Net loss before taxation | (12,510,925) | (3,152,639) |
| Net loss after taxation | (12,511,725) | (3,153,439) |

| | As at 31 December 2016 | As at 31 December 2015 |
|--------------|-----------------------------------|-----------------------------------|
| | <i>US\$ (Audited)</i> | <i>US\$ (Audited)</i> |
| Total equity | 10,514,542 | (926,750) |

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, save for the shareholding of the Company (through the Purchaser) in Divergent after the Investment, each of Divergent and its ultimate beneficial owners (including, but not limited to, its controlling and substantial shareholders) is a third party independent of the Company and its connected persons.

INFORMATION RELATING TO THE PURCHASER

The Purchaser is an investment holding company incorporated in the Cayman Islands with limited liability and is a direct wholly-owned subsidiary of the Company. The Group is principally engaged in distribution of watches, wholesale trading of jewellery products, mining, money lending and securities investments.

REASONS FOR AND BENEFITS OF THE INVESTMENT

As disclosed in the annual report of the Company for the year ended 30 September 2016, the Board has been constantly reviewing its business strategy and continued to explore sound investment opportunities for the Group to diversify its source of income, strengthen its core competencies and to contribute sustainable growth for the Group and the shareholders as a whole.

Following the Group's acquisition in September 2017 of the majority stake in GLM Co., Ltd, which operates in Japan with primary focus on delivering powered electric vehicles and engineering solutions including chassis, power systems and vehicle control units to customers, the Group continues to explore business opportunities that would complement the newly acquired business.

Divergent has entered into strategic partnerships with Altran, SLM Solutions, and PSA Group (Peugeot, Citroën, and DS). Divergent aims to profitably license its 3D Printing Technology and know-how to automotive and technology companies.

The Company believes that the Investment has the potential to create substantial synergies with, and complement the Company's recent acquisition of the majority stake in GLM Co., Ltd. Divergent's technology will be especially applicable and important in the rapidly expanding Chinese electric vehicle market.

The Board considers that the terms of the Convertible Note and the Subscription Agreement have each been entered into on normal commercial terms, and are fair and reasonable and the Investment is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated under Chapter 14 of the Listing Rules in relation to the Investment in the aggregate are more than 5% but less than 25%, the Investment constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the announcement requirements but is exempted from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

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

- “Automatic Conversion” the automatic conversion provision under the Convertible Note in connection with a Qualified Financing;
- “Board” the board of Directors of the Company;
- “Closing” closing of the Subscription;
- “Company” O Luxe Holdings Limited (Stock Code: 860), a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
- “Convertible Note” the convertible note acquired by the Company and issued by Divergent on 13 November 2017 in principal amount of US\$ 10 million;
- “Director(s)” the director(s) of the Company;
- “Divergent” Divergent Technologies, Inc., a corporation incorporated in Delaware;

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|-------------------------------|--|
| “Divergent Board” | the board of directors of Divergent; |
| “Divergent Common Shares” | the class A common stock of Divergent; |
| “Divergent Preferred Shares” | the Series B convertible preferred stock of Divergent; |
| “Group” | the Company and its subsidiaries; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China; |
| “Investment” | the investment proposed to be made in accordance with the Subscription Agreement, the Convertible Note and the Investment Right in aggregate; |
| “Investment Right Shares” | the Series B-1 preferred stock of Divergent; |
| “Investors’ Rights Agreement” | the agreement to be entered into between Divergent, the Purchaser and existing investors of Divergent at Closing, pursuant to which the Purchaser shall be entitled to the Investment Right; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Preferred Stock” | the Series Seed preferred stock, Series A preferred stock, Series B preferred stock and Series B-1 preferred stock of Divergent; |
| “Purchaser” | Global 3D Printing Co. Ltd., a company established in the Cayman Islands with limited liability, which is a direct wholly-owned subsidiary of the Company; |
| “Qualified Financing” | the sale and issuance by Divergent of preferred stock for aggregate gross proceeds of at least US\$60 million (including all proceeds from the incurrence of indebtedness that is converted into such preferred stock, including, but not limited to, the Convertible Note); |
| “Shareholder(s)” | shareholder(s) or member(s) of the Company; |

| | |
|--------------------------|---|
| “Subscription” | the subscription by the Purchaser of the Divergent Preferred Shares pursuant to the Subscription Agreement; |
| “Subscription Agreement” | the subscription agreement entered into between the Purchaser and Divergent on 21 November 2017; |
| “US\$” | United States Dollar, the lawful currency of the United States; and |
| “Voting Agreement” | the voting agreement to be entered into between Divergent, the Purchaser and existing investors of Divergent at Closing, pursuant to which the Purchaser shall have a right to appoint a director to the Divergent Board. |

By order of the Board
O Luxe Holdings Limited
Zhang Jinbing
Chairman

Hong Kong 22 November 2017

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Zhang Jinbing (Chairman), Mr. Ho King Fung, Eric (Co-Chairman) and Mr. Wong Chi Ming, Jeffrey; one non-executive Director, namely Mr. Xiao Gang; and three independent non-executive Directors, namely Mr. Tam Ping Kuen, Daniel, Dr. Li Yifei and Dr. Zhu Zhengfu.