

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**KELFRED HOLDINGS LIMITED**

**恒發光學控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1134)**

**VOLUNTARY ANNOUNCEMENT**  
**STRATEGIC COOPERATION AGREEMENT ON FORMATION OF**  
**JOINT VENTURE**

This announcement is made by Kelfred Holdings Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) on a voluntary basis to keep its shareholders and potential investors of the Company abreast of the latest business development of the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 21 December 2020, Tokyo Universe Technology Limited (東宇科技有限公司) (the “**Subsidiary**”), a wholly-owned subsidiary of the Company, entered into a strategic cooperation agreement (the “**Strategic Agreement**”) with Shenzhen Intelligent Vehicle Technology Company Limited\* (深圳市智搭車科技有限公司) (“**Party B**”) and Gongqingcheng Hechengyi Centre Asset Management Company Limited\* (共青城合盛壹中心資產管理有限公司) (“**Party C**”) on the formation of a joint venture (the “**Joint Venture**”) in Jiangxi, the People’s Republic of China.

As at the date of this announcement, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, Party B, Party C and their respective beneficial owners are all third parties independent of the Company and its connected persons.

## THE STRATEGIC AGREEMENT

Pursuant to the Strategic Agreement, the principal business activity of the Joint Venture shall be the operation of new energy vehicles business (新能源汽車營運) (the “**Business**”). The Joint Venture shall be owned as to 35% by the Subsidiary, 35% by Party B and 30% by Party C. The registered capital of the Joint Venture shall be RMB10 million (equivalent to approximately HK\$11.8 million), and as such, the capital contribution payable by the Subsidiary shall be RMB3.5 million (equivalent to approximately HK\$4.1 million) (the “**Contribution**”) The Group will finance the Contribution by its internal financial resources.

In relation to the management of the Joint Venture, the Subsidiary shall be responsible for the financial management of the Joint Venture and the nomination of the chairman and financial controller of the Joint Venture, while Party B shall be responsible for the daily operations and technical support of the Business and Party C shall be responsible for the business development of the Business.

## REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE STRATEGIC AGREEMENT

As disclosed in the interim report for the six months ended 30 June 2020, it is expected the continuous COVID-19 pandemic will lead to slower overall growth in eyewear value and volume sales in 2020 is likely to, and would bring adverse impacts on the Group’s annual financial performance. As a considerable portion of the Group’s eyewear products are sold to the European market, the Group believes that the formation of the Joint Venture represents a new opportunity for the Group to achieve diversification in its business and income streams and mitigate the impact of any potential decrease in revenue of the Group due to decreased sales to its customers in Europe (if any). In addition, Party B and Party C’s experience and expertise in the new energy vehicle industry facilitates the operation of and brings synergy to the Joint Venture.

Therefore, the Board believes the entering into of the Strategic Agreement would be conducive the Group’s financial performance and is in the interests of the Company and the shareholders as a whole. Notwithstanding the formation of the Joint Venture, the existing principal business of the Group in the manufacturing and sales in eyewear products, will continue to remain as the core business of the Group.

## GENERAL

As none of the applicable percentage ratios (as defined in the Listing Rules) calculated under Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in respect of the Contribution exceeds 5%, the formation of the Joint Venture under the Strategic Agreement does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

Should there be any future development of the formation of the Joint Venture which trigger disclosure obligations by the Company under the Listing Rules, the Company will publish further announcement(s) as and when appropriate.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**Kelfred Holdings Limited**  
**Kwok Kwan Fai**  
*Chairman and executive Director*

Hong Kong, 21 December 2020

*As at the date of this announcement, the executive Directors are Mr. Kwok Kwan Fai and Mr. Kwok Kwan Yu, the non-executive Directors are Mr. Kwok Mau Kwan and Ms. Chan Yin Wah, and the independent non-executive Directors are Mr. Hong Sze Lung, Mr. Chu Kin Ming and Mr. Chan Hon Wah.*

*For the purpose of this announcement, translations of Renminbi into Hong Kong dollars or vice versa have been calculated by using an exchange rate of HK\$1 equal to RMB1.18. Such exchange rates have been used, where applicable, for the purpose of illustration only and do not constitute a representation that any amounts were, may have been or will be exchanged at such rate or any other rates or at all.*

\* *The English translation of the Chinese name of the relevant entity included in this announcement is for identification and reference only, and such translation may not be accurate and such entity may not have an official English translation/version of its Chinese name.*