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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

MEMORANDUM OF UNDERSTANDING IN RELATION TO POTENTIAL ACQUISITION

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 MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 28 January 2021, Kelfred Optical Limited (the “**Subsidiary**, being a wholly-owned subsidiary of the Company), entered into a non-legally binding memorandum of understanding (the “**MOU**”) with 深圳康順新能源汽車有限公司 (Shenzhen Kangshun New Energy Vehicle Company Limited*) (the “**Vendor**”) and 龍愛國 (Long Aiguo*) (“**Mr. Long**”, together with the Subsidiary and the Vendor, the “**Parties**”), pursuant to which the Subsidiary has the intention to acquire (either by itself or another wholly-owned subsidiary of the Company), and the Vendor has the intention to sell, 51% of the equity interest of 湖南妙盛出行科技有限公司 (Hunan Miaosheng Mobility Science and Technology Company Limited*) (the “**Target Company**”) (the “**Potential Acquisition**”).

As at the date of this announcement, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor and Mr. Long are third parties independent of the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Due diligence

Within a period of three months from the date of the MOU, the Subsidiary (and its agents and advisers) shall be entitled to carry out due diligence investigations (“**Due Diligence**”) on the Target Company. The Vendor and Mr. Long shall, and/or shall procure its agents, to provide assistance in this regard.

Formal Agreement

The Parties will further negotiate for the entering into of a formal and binding agreement in respect of the Potential Acquisition (the “**Formal Agreement**”) within six months from the date of the MOU (or such other dates as may be agreed by the Parties). If the Formal Agreement is entered into which trigger disclosure obligations by the Company under the Listing Rules, the Company will publish further announcement(s) as and when appropriate.

Exclusivity Period

The Vendor and Mr. Long agreed that they shall not engage in any discussion, negotiation or reach any understanding or enter into any arrangement or agreement in relation to the disposal of 51% of the equity interest of the Target Company with any other party during the six months after the signing of the MOU (the “**Exclusivity Period**”).

Legal effect

Save for the provisions relating to the Exclusivity Period, Due Diligence, confidentiality and governing law, the MOU shall create no legal and binding obligations on the Parties.

INFORMATION ON THE TARGET COMPANY

The Target Company is established in the People’s Republic China and principally engaged in (i) the operation of charging stations for new energy vehicles; and (ii) the provision of internet booking vehicles services. Based on the information provided by the Vendor and Mr. Long, the Target Company developed an advanced and innovated re-chargeable battery with better durable on a single charge for new energy vehicles and motor and control systems. As at the date of this announcement, it is owned as to 80% by the Vendor, which is turn is wholly-owned by Mr. Long.

GENERAL

As at the date of this announcement, the Potential Acquisition may or may not proceed and that the Parties have not entered into any legally binding agreement in relation to the Potential Acquisition.

As the Potential Acquisition may or may not materialise, the 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, 28 January 2021

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.

** 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.*