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## **ELEGANCE OPTICAL INTERNATIONAL HOLDINGS LIMITED**

**高雅光學國際集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 907)**

### **DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTY**

The Board announces that on 19 May 2020 (after trading hours), the Vendor, being an indirect wholly-owned subsidiary of the Company, has entered into the Provisional Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor has agreed to dispose of and the Purchaser has agreed to purchase the Property at the consideration of approximately HK\$10,260,000.

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceed 5% but are under 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

#### **INTRODUCTION**

The Board announces that on 19 May 2020 (after trading hours), the Vendor, being an indirect wholly-owned subsidiary of the Company, has entered into the Provisional Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor has agreed to dispose of and the Purchaser has agreed to purchase the Property at the consideration of approximately HK\$10,260,000.

#### **THE PROVISIONAL SALE AND PURCHASE AGREEMENT**

Vendor: Elegance Optical Investments Limited, a company incorporated in Hong Kong with limited ability and an indirect wholly-owned subsidiary of the Company

Purchaser: Healthmark Medical Supply Co., Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser is principally engaged in medical equipment supplies and the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

### **Assets to be disposed**

Pursuant to the Provisional Sale and Purchase Agreement, the Vendor has agreed to dispose of the Property and the Purchaser has agreed to purchase the Property. Vacant possession of the Property will be delivered by the Vendor to the Purchaser on Completion.

### **Consideration and payment terms**

The Consideration of approximately HK\$10,260,000 shall be paid by the Purchaser to the Vendor in the following manner:

- (a) HK\$500,000 shall be paid upon signing of the Provisional Sale and Purchase Agreement as initial deposit;
- (b) HK\$525,500 shall be paid on or before 1 June 2020 as further deposit;
- (c) the remaining balance of approximately HK\$9,230,000 shall be paid on completion of the Disposal.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to the prevailing market value of the properties in the vicinity.

### **Formal agreement**

A formal agreement for sale and purchase of the Property will be signed by the Vendor and the Purchaser on or before 1 June 2020 or within 5 days after the date of the completion of quarantine by either party (if any) pursuant to the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Chapter 599G of the Laws of Hong Kong), whichever is later.

### **Completion**

Completion of the Disposal shall take place on or before 17 July 2020 or within 5 days after the date of the completion of quarantine by either party (if any) pursuant to the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Chapter 599G of the Laws of Hong Kong), whichever is later.

## **FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS**

The carrying value of the Property as shown in the audited consolidated accounts of the Company as at 31 March 2019 was approximately HK\$8,600,000. Subject to review and confirmation by the auditors, the Group is expected to record a gain of approximately HK\$1,660,000 from the Disposal, which is calculated based on the consideration received by the Group for the Disposal less the carrying value of the Property as at 31 March 2019 before any related expenses.

It is estimated that the net proceeds from the Disposal would be approximately HK\$10,000,000. The Company intends to use the net proceeds from the Disposal as general working capital of the Group.

## **REASONS FOR THE DISPOSAL**

The principal activity of the Company is investment holding. The Group was engaged in the manufacture and trading of optical frames and sunglasses, property investment, investment in debts and securities and film investment and distribution business. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the principal business of the Purchaser is investment holding.

Taking into account of the current financial position and business operation of the Group, the Directors believe that the Disposal represents a good opportunity for the Company to realise the value of the Property at a reasonable price and the proceeds from the Disposal will improve the financial position and increase the general working capital of the Group.

The Board considers that the terms and conditions of the Disposal are on normal commercial terms, which are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceed 5% but are under 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

## DEFINITIONS

The following terms have the following meanings in this announcement, unless the context otherwise requires:

“Board”	the board of directors of the Company
“Company”	Elegance Optical International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms and conditions of the formal agreement
“Consideration”	the consideration of approximately HK\$10,260,000, being the total consideration payable by the Purchaser to the Vendor for the Disposal
“Directors”	the directors of the Company
“Disposal”	the disposal of the Property by the Vendor pursuant to the Provisional Sale and Purchase Agreement
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Factory B7, 3/F, Block B, Mai Hing Industrial Building (of Hing Yip Industrial Centre, Phase I, Blocks A and B), Nos. 16–18 Hing Yip Street, Kwun Tong, Kowloon, Hong Kong
“Provisional Sale and Purchase Agreement”	the provisional sale and purchase agreement dated 19 May 2020 entered into between the Vendor and the Purchaser relating to the sale and purchase of the Property
“Purchaser”	Healthmark Medical Supply Co., Limited, a company incorporated in Hong Kong with limited liability whose ultimate beneficial owner is Mr. Wong Fung, being an Independent Third Party

“Shareholder(s)”	holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Elegance Optical Investments Limited, a company incorporated in Hong Kong with limited ability and an indirect wholly-owned subsidiary of the Company
“%”	per cent

By order of the Board  
**Elegance Optical International Holdings Limited**  
**Chung Yuk Lun**  
*Executive Director*

Hong Kong, 20 May 2020

*As at the date of this announcement, the executive Directors are Mr. Chung Yuk Lun and Mr. Chan Chung Yin, Victor and the independent non-executive Directors are Mr. Man Wai Lun, Mr. Cheng Chun Man and Mr. Hui Man Ho, Ivan.*