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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)

SUPPLEMENTAL ANNOUNCEMENT

(1) SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE; AND (2) PLACING OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of Elegance Optical International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 19 January 2021 in relation to subscription and placing of new shares under general mandate (the “**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcement.

The Board wishes to provide the Shareholders and potential investors of the Company with additional information in relation to the Subscription and the Placing.

FURTHER INFORMATION OF SUBSCRIBER

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Subscriber, POLY-GCL Petroleum Group Holdings Limited, is a limited liability company incorporated in Hong Kong. The Subscriber is indirectly held as to 45.9% by Mr. Zhu Yufeng and as to 44.1% by a discretionary trust of which the beneficiaries are Mr. Zhu Gongshan, a director of the Subscriber, and his family (including his son, Mr. Zhu Yufeng, who is also a director of the Subscriber) respectively.

FURTHER INFORMATION ON REASONS FOR THE SUBSCRIPTION, THE PLACING AND USE OF PROCEEDS

The Company wishes to provide the Shareholders and the potential investors with the following additional information in relation to (i) the amount of the cash and cash equivalents and short-term investments of the Group as at 31 December 2020; and (ii) the reasons for and the use of net proceeds from the Subscription and the Placing.

The Group is from time to time exploring suitable fund raising opportunities. As there is abundant money supply in the market, the Group considers that it is the appropriate time to undergo the Subscription and the Placing. Besides, the Directors consider that the Subscription is a good opportunity to introduce new investor which is advantageous to the Group not only for the fund raised therefrom but also the Group could leverage on the Subscriber for possible synergic effects to the Group in future. Furthermore, the Directors consider that the Subscription and the Placing represent good opportunities to enhance its capital structure, decrease the gearing ratio and reserve its available banking facilities for any potential future shortfalls in working capital and future investment when suitable opportunities arise. Taking into consideration of the merits to the Group, the Group considers that both the Subscription and the Placing are beneficial to the Company and its shareholders as a whole.

As shown in the unaudited management account of the Group at 31 December 2020, the Group had approximately HK\$22.8 million cash and approximately HK\$50.5 million short-term investments which comprised of approximately HK\$45.3 million investments in film production and approximately HK\$5.2 million investments in listed securities in Hong Kong.

As disclosed in the Announcement, the estimated net proceeds from the Subscription and the Placing will be approximately HK\$54.1 million in aggregate.

The Company intends to use the net proceeds from the Subscription and the Placing as to:

- (i) approximately HK\$39.1 million for possible investments and potential business enhancement strategies in favour of the Company in future, including but not limited to investment in debts and securities, film investment projects, energy related business and other potential business development, when such opportunities arise; and
- (ii) the remaining approximately HK\$15.0 million for general working capital of the Group.

As at the date of this announcement, the Company does not have any arrangements and/or agreements on any investment. In the event that any investment is crystalized, the Company will inform the Shareholders and make announcement in accordance with the Listing Rules as and when appropriate.

By order of the Board
Elegance Optical International Holdings Limited
Chung Yuk Lun
Executive Director and Company Secretary

Hong Kong, 28 January 2021

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.