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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 TO
THE ANNUAL REPORT FOR THE YEAR ENDED
31 MARCH 2022**

Reference is made to the annual report (the “**2022 Annual Report**”) of Elegance Optical International Holdings Limited (the “**Company**” together with its subsidiaries collectively referred to as the “**Group**”) for the year ended 31 March 2022 published on 29 July 2022. Unless the context otherwise defined, capitalized terms used herein shall have the same meanings as defined in the 2022 Annual Report and the Announcement.

SHARE OPTION SCHEME

In addition to the information disclosed in the 2022 Annual Report, the Company would like to provide the following information pursuant to Rules 17.07 and 17.08 of the Listing Rules in relation to the movements of share options under the Share Option Scheme held by the Directors, employee of the Group and consultant of the Group (the “**Consultant**”) as at 31 March 2022:

Name of category of participant	Date of grant	Exercisable period	Closing price of the securities immediately before the grant date (HK\$)	Exercise price per share (HK\$)	As at 31 March 2021	Number of Share Options ^{1,2}			Outstanding as at 31 March 2022
						Granted during the reporting period	Cancelled/ Lapsed during the reporting period	Exercised during the reporting period	
Director									
Mr. Yu Baodong ³	1/4/2021	1/4/2021 – 31/3/2031	1.52	1.33	–	8,000,000	–	–	8,000,000
Mr. Chung Yuk Lun	1/4/2021	1/4/2021 – 31/3/2031	1.52	1.33	–	8,000,000	–	–	8,000,000
Mr. Wong Chong Fai ⁴	4/4/2021	4/4/2021 – 3/4/2031	1.52	1.33	–	8,000,000	–	–	8,000,000
Other eligible participants									
Employee	7/4/2021	7/4/2021 – 6/4/2031	1.52	1.33	–	8,000,000	–	–	8,000,000
Mr. Xiao Junwei, independent Consultant	1/4/2021	1/4/2021 – 31/3/2031	1.52	1.33	–	8,000,000	–	–	8,000,000
Mr. Lien Wai Hon, independent Consultant	7/4/2021	7/4/2021 – 6/4/2031	1.52	1.33	–	8,000,000	–	–	8,000,000
Mr. Miao Ki Kong, independent Consultant	7/4/2021	7/4/2021 – 6/4/2031	1.52	1.33	–	8,000,000	–	–	8,000,000
Mr. Huang wei, independent Consultant	7/4/2021	7/4/2021 – 6/4/2031	1.52	1.33	–	4,000,000	–	–	4,000,000
Total					–	60,000,000	–	–	60,000,000

Notes:

1. Number of shares in the Company over which Share Options granted under the Share Option Schemes are exercisable.
2. The Share Options are granted without any vesting conditions/period.
3. Mr. Yu Baodong and Mr. Wong Chong Fai resigned as Executive Directors on 11 October 2022.

The fair value of 60,000,000 Share Options under the Share Option Scheme was calculated using the binomial tree model. The inputs into the model were as follow:

Grant date	1 April 2021	4 April 2021	7 April 2021
No. of share options	24,000,000	8,000,000	28,000,000
Share price (closing share price)	HK\$1.52	HK\$1.52	HK\$1.52
Exercise price		HK\$1.33	
Time to maturity		10 years	
Risk free rate	1.36%	1.36%	1.28%
Dividend Yield		0.00%	
Volatility	54.18%	54.18%	54.24%
Fair Value	HK\$20,648,000	HK\$6,312,000	HK\$26,352,000

The aggregate fair value of the share options granted during the period was HK\$53,312,000 (2021: Nil). The Group recognised a share-based payment of HK\$53,312,000 (2021: Nil) for the year ended 31 March 2022.

Reason of granting the Share Options

According to the Share Option Scheme, the purpose of the Share Option Scheme is to, among others, (i) motivate eligible participants, including but not limited to the directors, employees and consultants of the Company and/or the Group, and optimise their performance and efficiency for the benefit of the Group; (ii) attract and retain or otherwise maintain on-going business relationships with the eligible participants whose contributions are, will or expected to be beneficial to the Group; and (iii) align the interests of the eligible participants and shareholders of the Company.

The Board considered that the grant of the Share Options to the relevant Directors and the employee of the Group would provide them with (i) financial incentives to contribute to the Group's future business operation and development; and (ii) an opportunity to have a personal stake in the Company and to align such grantees' interest with long-term performance of the Group.

In respect of the Consultants, pursuant to the consultancy agreements (the "**Consultancy Agreements**") entered into between each of the Consultants and the Company, the Consultants shall provide services on referring potential investment to the Group, and referring potential investors to participate in developing the potential investment of the Group.

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

Hong Kong, 6 December 2022

As at the date of this announcement and after the above appointment, the executive Director is Mr. Chung Yuk Lun; and the independent non-executive Directors are Mr. Man Wai Lun, Mr. Cheng Chun Man and Mr. Hui Man Ho, Ivan.