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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)

MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE ACQUISITION OF THE TARGET COMPANY

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE ACQUISITION

The Board is pleased to announce that on 16 June 2017 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Company, entered into the non-legally binding MOU with the Vendor in relation to the Possible Acquisition.

The Board wishes to emphasise that the MOU is not legally binding and the Possible Acquisition may or may not proceed. If the Possible Acquisition is materialised, it may constitute a notifiable transaction on the part of the Company pursuant to the Listing Rules. Shareholders and investors of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company as and when appropriate in compliance with the Listing Rules.

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THE MOU

Date: 16 June 2017 (after trading hours of the Stock Exchange)

Parties: (1) Wong Wai, David, as the Vendor
(2) Paramount Grand Holdings Limited, as the Purchaser

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is an Independent Third Party.

Assets intended to be acquired

Pursuant to the MOU, it is proposed that the Purchaser will acquire and the Vendor will sell the entire issued share capital of the Target Company.

The Target Company is principally engaged in property investment and owns the Property. The Property has a total gross floor area of approximately 4,200 square feet and is designated for residential use.

Consideration

The consideration payable for the Sale Share shall be in the aggregate sum of HK\$35,000,000, which shall be settled by the Purchaser by way of cash at Completion. The consideration, including the consideration amount and the way of settlement of the consideration, shall be subject to the terms and conditions of the Sale and Purchase Agreement.

Sale and Purchase Agreement

The Vendor and the Purchaser shall negotiate in good faith towards the other in ensuring that the Sale and Purchase Agreement be entered into as soon as possible and subject to the Purchaser's satisfaction of due diligence on the Target Company, on or before the end of 1 month from the date of the MOU or such later date as the Vendor and the Purchaser may agree in writing.

Due diligence

Upon signing of the MOU, the Purchaser shall and shall procure that its advisers and agents shall conduct such review of the assets, liabilities, operations and affairs of the Target Company as it may consider appropriate and the Vendor shall provide and procure the Target Company and its agents to provide such assistance as the Purchaser and its advisers and agents may require in connection with such review.

Exclusivity

The Vendor will not, and will procure that the Target Company and its directors, officers, employees, representatives and agents will not, directly or indirectly, for a period of 3 weeks from the date of the MOU (or such other date as the parties may agree in writing) (i) solicit, initiate or encourage inquiries or offers from, or (ii) initiate or continue negotiations or discussions with or furnish any information to, or (iii) enter into any agreement or statement of intent or understanding with, any person or entity other than the Purchaser with respect to the sale or other disposition of the Sale Share or any other shares of the Target Company.

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings given to them as below:

“Board”	board of Directors;
“Company”	Elegance Optical International Holdings Limited, a company incorporated in Bermuda with limited liability, whose issued Shares are listed on the main board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it in the Listing Rules;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party”	the independent third party who is, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MOU”	the memorandum of understanding dated 16 June 2017 and entered into between the Purchaser and the Vendor in relation to the Possible Acquisition;

“Possible Acquisition”	the possible acquisition by the Purchaser of the entire issued share capital of the Target Company;
“Property”	the property located at House No. 203 and Two Car Parking Spaces, Boulevard Du Lac, The Beverly Hills, No. 23 Sam Mun Tsai Road, Tai Po, New Territories, Hong Kong;
“Purchaser”	Paramount Grand Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company;
“Sale and Purchase Agreement”	agreement for the sale and purchase of the Sale Share (in form and substance satisfactory to the Purchaser) to be entered into between the Vendor and the Purchaser in relation to the Possible Acquisition;
“Sale Share(s)”	1 ordinary share of the Target Company, representing the entire issued share capital of the Target Company;
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Gold & Silver Holdings Limited, a company incorporated in Hong Kong with limited liability;
“Vendor”	Mr. Wong Wai, David, who is an Independent Third Party;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“%”	per cent.

By order of the Board
Elegance Optical International Holdings Limited
Hui Leung Wah
Chairman

Hong Kong, 16 June 2017

As at the date of this announcement, the executive Directors are Mr. Hui Leung Wah, Mr. Poon Sui Hong, Mr. Hui Chun Yuen, Ms. Wong Chi Yan and Mr. Chan Wai Kit, the independent non-executive Directors are Mr. Chan Wei, Mr. Chan Ming Kei and Mr. Wan Kit Man, Tony.