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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 IN RELATION TO PLACING OF NEW SHARES UNDER GENERAL MANDATE

References are made to the announcements of Elegance Optical International Holdings Limited (the “**Company**”) dated 20 June 2017 (the “**Announcement**”) and 4 July 2017, 18 July 2017, 1 August 2017, 15 August 2017 and 29 August 2017 in relation to the Placing. Unless the context requires otherwise, capitalised terms used herein shall have the same meaning as those defined in the Announcement.

AMENDMENT ON THE TERMS OF THE PLACING

As additional time is required to fulfil the condition precedent of the Placing Agreement, on 1 September 2017 (after trading hours of the Stock Exchange), the Company and the Placing Agent, after arm’s length negotiation, entered into a sixth supplemental agreement in relation to the Placing, pursuant to which the Company and the Placing Agent had agreed to further extend the deadline for fulfilment of the conditions of the Placing Agreement (the “**Long Stop Date**”) from 12 September 2017 to 22 September 2017 (or such later date as may be agreed between the parties to the Placing Agreement in writing).

The Company and the Placing Agent had also agreed that the Placing Price shall be adjusted from HK\$1.50 per Placing Share to HK\$1.55 per Placing Share. The adjusted Placing Price of HK\$1.55 per Placing Share represents: (i) a discount of approximately 15.30% to the closing price of HK\$1.83 per Share as quoted on the Stock Exchange on 1 September 2017, being the date of the sixth supplemental agreement; and (ii) a discount of approximately 17.99% to the average closing price of approximately HK\$1.89 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the sixth supplemental agreement.

The adjusted Placing Price was arrived at after arm’s length negotiations between the Company and the Placing Agent with reference to the prevailing market price and the recent trading performance of the Shares. The Directors consider that the adjusted Placing Price and the terms of the Placing Agreement (as supplemented by six supplemental agreements) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

THE REVISED AMOUNT OF PROCEEDS

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$100.3 million. The net proceeds, after deduction of all

relevant expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing of approximately HK\$2.9 million, are estimated to be approximately HK\$97.4 million, representing a net issue price of approximately HK\$1.50 per Placing Share. The Company intends to apply the net proceeds from the Placing as to: (i) as to approximately HK\$31.5 million to finance the balance of the consideration for the potential acquisition of a property as announced by the Company on 16 June 2017 and 8 August 2017; and (ii) as to approximately HK\$65.9 million as general working capital of the Group and/or money lending business and/or for future possible investment opportunities.

OTHER MAJOR TERMS OF THE PLACING AGREEMENT

Save and except for the aforesaid, all other terms of the Placing Agreement remained unchanged, of which the major terms are as follows.

Parties: (i) the Company (as issuer); and
(ii) Kingston Securities Limited (as placing agent).

Pursuant to the terms of the Placing Agreement, the Placing Agent will receive a placing commission of 2.5% of the amount which is equal to the Placing Price multiplied by the number of Placing Shares actually placed by the Placing Agent. The placing commission in respect of the Placing was negotiated on arm's length basis between the Company and the Placing Agent and was determined with reference to, among other things, the prevailing market conditions. The Directors consider that the placing commission in respect of the Placing are fair and reasonable based on the current market conditions.

Placees

The Placing Shares will be placed to currently expected to be not less than six Placees, who shall be professional, institutional or other investors, and who and whose ultimate beneficial owners are Independent Third Parties. Upon completion of the Placing, it is expected that none of the Placees will become a substantial Shareholder. If any of the Placees will become a substantial Shareholder after completion of the Placing, further announcement will be made by the Company.

Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum of 64,720,000 Placing Shares represent (i) approximately 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.66% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares. The aggregate nominal value of the maximum of 64,720,000 Placing Shares is HK\$6,472,000.

Ranking of the Placing Shares

The Placing Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

Conditions of the Placing

The Placing is conditional upon the fulfilment of the following conditions:

1. the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Placing Shares; and

2. all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained.

In the event that any of the above conditions is not fulfilled on or before 22 September 2017 (or such later date as may be agreed between the parties to the Placing Agreement in writing), all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and terminate and neither of the parties thereto shall have any claim against the other save for any antecedent breach under the Placing Agreement prior to such termination.

Completion of the Placing

Completion of the Placing shall take place on a date falling within four Business Days after the day on which all the conditions set out in the Placing Agreement have been fulfilled (or such later date as may be agreed between the parties to the Placing Agreement in writing).

Application for listing

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

General Mandate to issue the Placing Shares

The Placing Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 64,729,824 Shares. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. The General Mandate is sufficient for the allotment and issue of all the Placing Shares. As such, the issue of the Placing Shares is not subject to further Shareholders' approval. The General Mandate will be utilised as to approximately 99.98% upon the allotment and issue of all the Placing Shares.

Termination

The Placing Agent may terminate the Placing Agreement without any liability to the Company save for antecedent breach under the Placing Agreement prior to such termination, by notice in writing given to the Company at any time prior to 8:00 a.m. on the date of completion of the Placing upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or has or may otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (ii) the imposition of any moratorium, suspension (for more than seven (7)

trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would adversely affect the success of the Placing; or

- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may adversely affect the business or financial prospects of the Group and or the success of the Placing; or
- (iv) any litigation or claim being instigated against any member of the Group, which has or may have an adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (v) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (vi) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of completion of the Placing which if had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement; or
- (vii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

If notice is given pursuant to the above, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement prior to such termination.

Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the conditions set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

By Order of the Board
Elegance Optical International Holdings Limited
Wong Chi Yan
Executive Director

Hong Kong, 1 September 2017

As at the date of this announcement, the executive Directors are Mr. Hui Leung Wah, 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 Kin Man, Tony.