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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)**

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

**Placing Agent**



**英皇證券(香港)有限公司  
Emperor Securities Limited**

**SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

On 19 January 2021 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 45,000,000 Subscription Shares at the Subscription Price of HK\$0.381 per Subscription Share.

The Subscription Shares represent approximately 6.18% of the existing issued share capital of the Company as at the date of this announcement and approximately 5.82% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming no issue or repurchase of Shares other than the issue of the Subscription Shares). The Subscription Shares to be subscribed under the Subscription Agreement will be issued under the General Mandate.

The Subscription Price represents (i) a discount of 19.79% to the closing price of HK\$0.475 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and (ii) a discount of approximately 6.62% to the average closing price of HK\$0.408 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Subscription Agreement.

The gross and net proceeds (after deducting the relevant expenses) of the Subscription will be approximately HK\$17.1 million and HK\$17.0 million respectively.

The Subscription is conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

**As completion of the Subscription is subject to fulfilment of the conditions under the Subscription Agreement, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

#### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 19 January 2021 (after the trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed to place, on a best efforts basis, a maximum of up to 100,000,000 Placing Shares to not less than six independent Placées at the Placing Price of HK\$0.381 per Placing Share.

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 Placing Shares representing approximately 13.74% of the existing issued share capital of the Company as at the date of this announcement and approximately 12.08% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Price of HK\$0.381 per Placing Share represents (i) a discount of 19.79% to the closing price of HK\$0.475 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 6.62% to the average closing price of HK\$0.408 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The gross proceeds from the Placing will be HK\$38.1 million and the net proceeds from the Placing (after deducting the placing commission for the Placing and other relevant expenses) will be approximately HK\$37.1 million.

The Placing is conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

**As completion of the Placing is subject to the satisfaction of the conditions in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

The Company intends to apply the net proceeds from the Subscription and Placing for (i) general working capital of the Group and/or (ii) any possible investments and potential business enhancement strategies in favour of the Company in the future, including but not limited to investment in debts and securities and other potential business development, when such opportunities arise.

**Shareholders and potential investors are reminded that the completion of the Subscription and completion of the Placing are not inter-conditional. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

On 19 January 2021 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 45,000,000 Subscription Shares at the Subscription Price of HK\$0.381 per Subscription Share.

Set out below is a summary of the principal terms of the Subscription Agreement:

### **THE SUBSCRIPTION AGREEMENT**

Date: 19 January 2021 (after trading hours)

Parties: (a) The Company  
(b) The Subscriber

The Subscriber is an energy enterprise that specializes in clean energy. To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner are independent third parties not connected with the Company.

It is expected that the Subscriber will not become a substantial shareholder of the Company immediately after the Subscription.

### **Number of Subscription Shares**

The Subscription Shares represent approximately 6.18% of the existing issued share capital of the Company as at the date of this announcement and approximately 5.82% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming no issue or repurchase of Shares other than the issue of the Subscription Shares). The Subscription Shares to be subscribed under the Subscription Agreement will be issued under the General Mandate. The aggregate nominal value of the Subscription Shares is HK\$450,000.

### **Ranking of the Subscription Shares**

The Subscription Shares, when issued and fully paid, will rank *pari passu* among themselves and with the Shares then in issue.

### **Subscription Price**

The Subscription Price for the Subscription Shares is HK\$0.381 per Subscription Share and represents:

- (i) a discount of approximately 19.79% to the closing price of HK\$0.475 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (ii) a discount of approximately 6.62% to the average closing price of approximately HK\$0.408 per Share as quoted on the Stock Exchange for the five consecutive trading days prior to the date of the Subscription Agreement.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber with reference to the prevailing market price of the Shares. The Directors consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Conditions of the Subscription Agreement**

Completion of the Subscription Agreement is conditional upon fulfillment of the following conditions:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked approval for the listing of, and permission to deal in the Subscription Shares to be issued under the Subscription;
- (ii) the compliance of any other requirements under the Listing Rules and the Takeovers Code or otherwise of the Stock Exchange and the Securities and Futures Commission which requires compliance in relation to the Subscription and the issue of the Subscription Shares;
- (iii) there being no material breach of the representations and warranties of the Company under the terms of the Subscription Agreement; and
- (iv) the Subscription Agreement not having been terminated in accordance with its terms.

If any of the above conditions is not fulfilled on or before 9 February 2021 (or such later date as may be agreed between the Company and the Subscriber in writing), the Subscription Agreement shall terminate and none of the parties shall have any claim against the other for costs, damages, compensation or otherwise apart from any antecedent breaches of any provisions thereof.

The completion of the Subscription is not inter-conditional to the completion of the Placing.

### **Completion of the Subscription**

Completion of the Subscription Agreement shall take place within seven (7) Business Days after the fulfilment of the conditions as set out in the Subscription Agreement or such other date as the Company and the Subscriber may agree in writing.

Application for listing will be made by the Company to the Listing Committee of the Stock Exchange for the grant of approval for the listing of, and permission to deal in, the Subscription Shares.

### **General Mandate to issue the Subscription Shares**

Under the General Mandate, the Company is authorized to issue up to 145,572,736 Shares. Up to the date of this announcement, no Shares have been issued under the General Mandate. Thus the maximum number of new Shares which could be issued by the Company under the General Mandate is 145,572,736. Accordingly, the Subscription Shares will be issued under the General Mandate and is not subject to approval of the Shareholders.

## **Application for listing**

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the Listing of, and permission to deed in, the Subscription Shares.

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

### **THE PLACING AGREEMENT**

Date : 19 January 2021 (after trading hours)

Issuer : The Company

Placing Agent : Emperor Securities Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

### **Placees**

The Placing Shares are to be placed to not less than six (6) Placees which will be professional, institutional and/or other investors, who and whose ultimate beneficial owners are Independent Third Parties. Upon completion of Placing, it is expected that none of the Placees will become a substantial Shareholder (as defined in the Listing Rules) immediately after the Placing.

### **Number of Placing Shares**

The Placing Agent has conditionally agreed to place a maximum of up to 100,000,000 Placing Shares on a best effort basis and in consideration thereof, it will receive a placing commission of 2.5% on the gross proceeds of the Placing upon completion of the Placing. The Directors are of the view that the placing commission accords with the market rate and is fair and reasonable.

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 (save for the allotment and issue of the Placing Shares), the maximum number of 100,000,000 Placing Shares represents approximately 13.74% of the existing issued share capital of the Company as at the date of this announcement and approximately 12.08% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

## **Placing Price**

The Placing Price of HK\$0.381 per Placing Share represents

- (i) a discount of approximately 19.79% to the closing price of HK\$0.475 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 6.62% to the average closing price of HK\$0.408 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined and negotiated on an arm's length basis between the Company and the Placing Agent with reference to the prevailing market price and conditions and liquidity of the Shares. The Directors consider that the Placing Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

## **Ranking of Placing Shares**

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the other Shares in issue as at the date of allotment and issue of the Placing Shares.

## **General Mandate**

Under the General Mandate, the Company is authorised to issue up to 145,572,736 Shares. Up to the date of this announcement, no Shares have been issued under the General Mandate. Taking into account of the Subscription Shares to be issued as mentioned in this announcement, the maximum number of new Shares which could be issued by the Company under the General Mandate is 100,572,736 Shares. As such, the General Mandate is sufficient for allotment and issue of the maximum of 100,000,000 Placing Shares. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders.

## **Conditions of the Placing**

The Placing is conditional upon the following conditions being fulfilled:

- (i) the passing by the Board of resolution(s) to approve the Placing Agreement and the transactions contemplated hereunder; and
- (ii) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares with or without conditions.

If any of the above conditions is not fulfilled on or before 9 February 2021, or such later date as the Company and the Placing Agent may agree in writing, the Placing Agreement shall be terminated and all rights, obligations and liabilities of the parties hereunder in relation to the Placing shall cease and determine and that both parties shall be released from all their respective obligations pursuant to the Placing Agreement and neither party shall have any claim against the other party in respect of the Placing save for any antecedent breach.

## **Application for listing**

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

## **Termination**

Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to 10:00 a.m. on the completion date of the Placing upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have a material 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 otherwise makes 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 hereof) 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 affect the success of the Placing; or
- (ii) the imposition of any moratorium, suspension (for more than 7 trading consecutive days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would 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 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 a material adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (v) 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 hereof and prior to the completion date of the Placing which if it had occurred or arisen before the date hereof 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 Placing Agreement in a material respect which would affect the success of the Placing; or

- (vi) 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.

Upon the giving of notice to the Company pursuant to the Placing Agreement, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation and liabilities under the Placing Agreement.

### **Completion of the Placing**

Completion of the Placing will take place at 4:00 p.m. (Hong Kong time) within seven (7) Business Days after the date on which all the conditions as set out in the paragraph headed “Conditions of the Placing” above are satisfied or such other date as the Company and the Placing Agent may agree in writing.

**As completion of the Placing is subject to the satisfaction of a number of conditions under the Placing Agreement and the Placing is on a best effort basis, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

### **REASONS FOR THE SUBSCRIPTION, THE PLACING AND USE OF PROCEEDS**

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacture and trading of optical frames and sunglasses, property investment, investment in debts and securities and film investment and distribution business.

The gross proceeds from the Subscription will be HK\$17.1 million and the net proceeds from the Subscription (after deducting the relevant expenses) will be approximately HK\$17.0 million. The gross proceeds from the Placing will be HK\$38.1 million and the net proceeds from the Placing (after deducting the placing commission for the Placing and other relevant expenses) will be approximately HK\$37.1 million. The Company intends to apply the net proceeds for (i) general working capital of the Group and/or (ii) any possible investments and potential business enhancement strategies in favour of the Company in the future, including but not limited to investment in debts and securities and other potential business development, when such opportunities arise.

The Board is of the view that the Subscription and the Placing will enlarge the shareholder base and the capital base of the Company. In addition, the net proceeds of the Subscription and the Placing will strengthen the Group’s financial position for its future development. Accordingly, the Board considers that the Subscription and the Placing are in the interests of the Company and the Shareholders as a whole.



## EFFECT ON SHAREHOLDING STRUCTURE

The changes of the shareholding structure of the Company as a result of the Subscription and Placing are as follows:

Name of Shareholders	As at the date of this announcement		Immediately after completion of the Subscription		Immediately after completion of the Placing		Immediately after completion of the Subscription and the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
<b>Substantial Shareholder:</b>								
Osman Bin Kitchell	142,297,719	19.55	142,297,719	18.41	142,297,719	17.19	142,297,719	16.30
<b>Public Shareholders:</b>								
The Subscriber	-	-	45,000,000	5.82	-	-	45,000,000	5.16
Placees	-	-	-	-	100,000,000	12.08	100,000,000	11.46
Others	585,565,965	80.45	585,565,965	75.77	585,565,965	70.73	585,565,965	67.08
<b>Total</b>	<b>727,863,684</b>	<b>100.00</b>	<b>772,863,684</b>	<b>100.00</b>	<b>827,863,684</b>	<b>100.00</b>	<b>872,863,684</b>	<b>100.00</b>

## EQUITY FUND RAISING ACTIVITIES DURING THE PAST 12 MONTHS

The Company has conducted the following fundraising activity in the past twelve (12) months immediately preceding the date of this announcement:

Date of announcement/prospectus	Fundraising activity	Net proceeds	Intended use of net proceeds	Actual use of the net proceeds as at the date of this announcement
23 December 2019/ 23 January 2020	Rights issue on the basis of 1 rights share for every two Shares held on 22 January 2020 and completed on 17 February 2020	Approximately HK\$26.3 million	<ul style="list-style-type: none"> <li>- approximately HK\$23.0 million for repayment of the Group's indebtedness; and</li> <li>- approximately HK\$3.3 million for general working capital of the Group.</li> </ul>	- used as intended
15 July 2020	Placing under general mandate	Approximately HK\$11.6 million	- approximately HK\$11.6 million for the general working capital of the Group and/or any possible investment in the future when opportunities arise.	- approximately HK\$4.72 million was utilized as general working capital of the Group and the remaining will be used as intended

Save as abovementioned, the Company has not conducted any other fundraising activities during the past twelve months immediately preceding the date of this announcement.

## WARNING OF THE RISKS OF DEALING IN THE SHARES

**Shareholders and potential investors are reminded that completion of the Subscription and completion of the Placing are not inter-conditional. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, the following terms shall have the meanings ascribed to them below unless the context otherwise requires:

“Board”	board of Directors
“Business Day(s)”	any day (other than a Saturday or Sunday or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are open for general banking business
“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 (Stock Code: 907)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 30 September 2020 to allot, issue and deal with new shares of the Company up to 20% of the issued Shares as at the date thereof
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any persons or company(ies) and their respective ultimate beneficial owners, to the best of the Director’s knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules

“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any institutional, professional and/or other investors, who shall be Independent Third Parties and whom the Placing Agent or its sub-agent(s) procure(s) to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	placing of a maximum of up to 100,000,000 new Shares by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement
“Placing Agent”	Emperor Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) and type 4 regulated activity (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	a placing agreement dated 19 January 2019 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.381 per Placing Share
“Placing Shares”	a maximum of up to 100,000,000 new Shares to be allotted and issued under the Placing Agreement and “Placing Share” means any one of them
“Share(s)”	ordinary share(s) at par value of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	POLY-GCL Petroleum Group Holdings Limited, a company incorporated in Hong Kong, the subscriber under the Subscription Agreement, being an independent third party to the Company

“Subscription”	the subscription of the Subscription Shares pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement entered into between the Company and the Subscriber on 19 January 2021 in respect of the Subscription
“Subscription Price”	HK\$0.381 per Subscription Share
“Subscription Shares”	the 45,000,000 new Shares to be allotted and issued by the Company to the Subscriber or its nominees pursuant to the terms and conditions of the Subscription Agreement
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeover code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

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

Hong Kong, 19 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.*