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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Elegance Optical International Holdings Limited, you should at once hand this circular and accompanying form of proxy to the purchaser or transferee, or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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) DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO DISPOSAL OF ALL ISSUED SHARES IN
AND LOANS DUE BY THE DISPOSAL COMPANY
(2) RE-ELECTION OF RETIRING DIRECTORS
AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**

AMASSE CAPITAL
寶 積 資 本

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular, unless the context requires otherwise.

A letter from the board of directors of Elegance Optical International Holdings Limited is set out on pages 4 to 11 of this circular. A letter from the Independent Board Committee to the Independent Shareholders is set out on page 12 of this circular. A letter of advice from Amasse Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, is set out on pages 13 to 25 of this circular.

A notice convening a special general meeting of the Company (the "SGM") to be held at 11:00 a.m. on Wednesday, 21 March 2018 at 26/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong is set out on pages 39 to 40 of this circular. A form of proxy for use at the SGM is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk.

Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event no later than Monday, 19 March 2018 at 11:00 a.m. (Hong Kong Time). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

5 March 2018

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Announcement”	the announcement of the Company dated 25 January 2018 in relation to the disposal of all issued shares in and loans due by the Disposal Company
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Bye-law(s)”	the bye-law(s) of the Company
“Company”	Elegance Optical International Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange (Stock code: 907)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Disposal Agreement
“Completion Date”	within five Business Days after the fulfilment (or waiver as the case may be) of the conditions precedent under the Disposal Agreement or such later date as the Vendor and the Purchaser may agree in writing
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the total consideration to be satisfied by the Purchaser to the Vendor for the Disposal
“Deposits”	collectively, the First Deposit and Second Deposit
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of the Share Shares and the Sale Loan by the Vendor pursuant to the terms of the Disposal Agreement
“Disposal Agreement”	the agreement dated 25 January 2018 and entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Shares and the Sale Loan

DEFINITIONS

“Disposal Company”	Grand River Investment Limited, a company incorporated in Hong Kong with limited liability
“EOIL”	Elegance Optical Investments Limited, a company incorporated in Hong Kong with limited liability and a subsidiary of the Vendor
“EOML”	Elegance Optical Manufactory Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Vendor
“First Deposit”	the refundable first deposit in the sum of HK\$10,000,000 payable by the Purchaser to the Vendor in accordance with the terms and conditions of the Disposal Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board formed comprising all the independent non-executive Directors to advise the Independent Shareholders as to the fairness and reasonableness of the Disposal and the transactions contemplated thereunder
“Independent Financial Adviser” or “Amasse Capital”	Amasse Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the terms of the Disposal and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders which are not required to abstain from voting at the SGM to approve the Disposal Agreement and the transactions contemplated hereunder
“Latest Practicable Date”	1 March 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Mr. Hui”	Mr. Hui Leung Wah, a former executive Director
“Property”	the property located at House No. 17 of Deerhill Avenue of Deerhill Bay, No.4699 Tai Po Road, Tai Po Kau, Tai Po, New Territories, Hong Kong
“Purchaser”	Raising King Ventures Limited, a company incorporated in the British Virgin Islands with limited liability
“Remuneration Committee”	the remuneration committee of the Company
“Roma Appraisals”	Roma Appraisals Limited, a professional valuer
“Sale Loan”	all obligations, liabilities and debts owing or incurred by the Disposal Company to EOML on or at any time prior to Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion
“Sale Shares”	two ordinary shares of the Disposal Company, representing all issued shares in the Disposal Company
“Second Deposit”	the refundable second deposit in the sum of HK\$10,000,000 payable by the Purchaser to the Vendor in accordance with the terms and conditions of the Disposal Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	a special general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving, among other matters, the Disposal Agreement and the transactions contemplated thereunder, and the proposed re-election of Directors
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Elegance Group Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

LETTER FROM THE BOARD



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)

Executive Directors:

Ms. Wong Chi Yan
Mr. Chan Wai Kit
Ms. Liu Shufeng
Ms. Ma Yilin

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-executive Directors:

Mr. Chan Wei
Mr. Chan Ming Kei
Mr. Wan Kin Man, Tony
Mr. Chen Youchun

*Head office and principal place
of business in Hong Kong:*

26/F, COFCO Tower
262 Gloucester Road
Causeway Bay
Hong Kong

5 March 2018

To the Shareholders

Dear Sir or Madam,

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO
DISPOSAL OF ALL ISSUED SHARES IN AND LOANS DUE BY THE
DISPOSAL COMPANY**

**(2) RE-ELECTION OF RETIRING DIRECTORS
AND**

(3) NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the proposed disposal of the Sale Shares and the Sale Loan by the Vendor pursuant to the terms of the Disposal Agreement.

LETTER FROM THE BOARD

After the trading hours of the Stock Exchange on 25 January 2018, the Vendor, being a wholly-owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell the Sale Shares and procure EOML to sell the Sale Loan and the Purchaser has conditionally agreed to acquire the Sale Shares and Sale Loan for total consideration of HK\$79,000,000.

As one of the applicable percentage ratios exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

The Purchaser is wholly-owned by Mr. Hui, a former executive Director who had resigned in the last 12 months, and hence is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Disposal also constitutes a connected transaction on the part of the Company and are subject to, among others, the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The purpose of this circular is to provide you with, among other things, (i) details of the Disposal Agreement; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from Amasse Capital to the Independent Board Committee and the Independent Shareholders in relation to the Disposal; (iv) a valuation report on the Property; (v) re-election of Directors; and (vi) a notice to convene the SGM.

THE DISPOSAL AGREEMENT

Date: 25 January 2018 (after trading hours of the Stock Exchange)

Parties: (1) Elegance Group Limited, as the Vendor; and
(2) Raising King Ventures Limited, as the Purchaser

The Purchaser is an investment holding company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Mr. Hui, a former executive Director who had resigned in the last 12 months.

The Vendor is an investment holding company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company.

Assets to be disposed of

Pursuant to the Disposal Agreement, the Vendor has conditionally agreed to sell the Sale Shares and procure EOML to sell the Sale Loan and the Purchaser has conditionally agreed to acquire the Sale Shares and Sale Loan. As at the Latest Practicable Date, the Vendor beneficially owns the Sale Shares, representing all issued shares in the Disposal Company. Pursuant to a declaration of trust dated 6 October 1999 and executed by EOIL, the one share in the Disposal Company held by EOIL is held on trust for the Vendor.

LETTER FROM THE BOARD

The Sale Loan represents all obligations, liabilities and debts owing or incurred by the Disposal Company to EOML on or at any time prior to Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion. As at the date of the Disposal Agreement, the Sale Loan amounted to approximately HK\$17,718,700.

Consideration

The total consideration for the sale and purchase of the Sale Shares and the Sale Loan is HK\$79,000,000, which shall be satisfied in the following manner:

- (a) as to HK\$10,000,000 shall be paid by the Purchaser to the Vendor in cash within 10 Business Days after the signing of the Disposal Agreement as the First Deposit (which on Completion shall form part of the Consideration);
- (b) as to HK\$10,000,000 shall be paid by the Purchaser to the Vendor in cash within 20 Business Days after the signing of the Disposal Agreement as the Second Deposit (which on Completion shall form part of the Consideration); and
- (c) as to the remaining balance in the amount of HK\$59,000,000 shall be paid by the Purchaser to the Vendor in cash on the Completion Date.

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor having taken into account the preliminary valuation performed by Roma Appraisals Limited, a professional independent valuer, of the appraised market value of the Property as at 5 January 2018 of approximately HK\$79,000,000 under the direct comparison approach. The Directors have reviewed the valuation report of the Property and discussed with Roma Appraisals regarding the methodology, basis and assumptions adopted. The Directors considered that the direct comparison approach which makes reference to comparable sales transactions as available in the relevant market is a common valuation methodology adopted in appraising properties. The Directors also considered that the basis and assumptions adopted by Roma Appraisals are fair and reasonable. Taking into account the above, the Directors are of the view that the valuation of the Property of approximately HK\$79,000,000 is fair and reasonable.

The Directors have reviewed the recent comparable market transactions of similar properties (the "**Comparable Transactions**") as set out in the Appendix I to this circular and have discussed with Roma Appraisals on their criteria for selecting the Comparable Transactions. The Directors are given the understanding that the Comparable Transactions were selected due to their similar characteristics with the Property taking into account factors such as property type, date of transaction, location and quality of the properties. As further advised by Roma Appraisals, due adjustments were made to the unit rate per square feet of the Comparable Transactions in order to reflect the differences between the Property and the Comparable Transactions for certain factors, such as age, size, view and facilities of the properties. Roma Appraisals has confirmed that such adjustment parameters and factors adopted in the direct comparison approach are in line with the common practice and valuation standard for other similar properties. In view of the above, the Directors considered that the basis of selecting the Comparable Transactions is fair and reasonable.

LETTER FROM THE BOARD

The Directors (other than members of the Independent Board Committee, who will give their opinion after having considered the recommendation from the Independent Financial Adviser) consider that the entering into of the Disposal Agreement is on normal commercial terms and the terms of the Disposal including the Consideration are fair and reasonable and is in the interests of the Group and the Shareholders as a whole.

Conditions precedent

Completion shall be subject to the following conditions being satisfied (or waived, if applicable):

- (a) the Vendor having procured the Disposal Company to give and prove a good title to the Property in accordance with Sections 13A and 13 of the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong);
- (b) the Property is in vacant possession; and
- (c) the passing by the Independent Shareholders at a general meeting of the Company to be convened and held of an ordinary resolution to approve the Disposal Agreement and the transactions contemplated thereunder.

The Purchaser may at its absolute discretion at any time waive in writing conditions (a) and (b) above. Condition (c) above is not capable of being waived. If the above conditions have not been satisfied (or as the case may be, waived by the Purchaser) on or before 30 April 2018 (or such later date as the Vendor and the Purchaser may agree in writing), the Disposal Agreement shall cease and determine and the Vendor shall repay the Deposits (without interest) to the Purchaser and neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

As at the Latest Practicable Date, save for condition (a), none of the above conditions has been satisfied.

Completion

The completion of the Disposal shall take place at 5:00 p.m. on the Completion Date. Upon Completion, the Disposal Company will cease to be a subsidiary of the Company.

INFORMATION ON THE DISPOSAL COMPANY

The Disposal Company is a company incorporated in Hong Kong and is principally engaged in property investment. The Disposal Company's principal asset is the Property, which is a residential property located at House No. 17 of Deerhill Avenue of Deerhill Bay, No.4699 Tai Po Road, Tai Po Kau, Tai Po, New Territories, Hong Kong with a total gross floor area of approximately 3,361 square feet. The Property was originally acquired by the Disposal Company in December 1999 and the original acquisition cost of the Property to the Disposal Company was approximately HK\$27,538,000.

LETTER FROM THE BOARD

Set out below is the financial information of the Disposal Company for the two years ended 31 March 2017:

	For the year ended 31 March 2016	For the year ended 31 March 2017
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
	audited	audited
Revenue	900	900
Loss before taxation	(38)	(37)
Loss after taxation	(81)	(79)

The unaudited net liabilities of the Disposal Company as at 30 September 2017 was approximately HK\$1,300,000.

FINANCIAL EFFECT OF THE DISPOSAL

Upon completion of the Disposal, the Group is expected to record an unaudited gain before taxation on the Disposal of approximately HK\$80.3 million. Such unaudited gain before taxation is estimated based on the difference between the gross proceeds from the Disposal of HK\$79 million and the net liabilities of the Disposal Company as at 30 September 2017. The Board expects that the net proceeds from the Disposal of approximately HK\$78 million will be used as to approximately HK\$41 million for the acquisition by the Group of 60% of all issued shares of Filmko Culture Limited and its shareholder's loan (details of which are set out in the Company's announcement dated 22 January 2018) and the remaining balance of approximately HK\$37 million as general working capital of the Group and for potential acquisitions and investments. As at the Latest Practicable Date, save for the acquisition of Filmko Culture Limited, the Group has not identified any targets for potential acquisitions and investments. Upon Completion, the Disposal Company will cease to be a subsidiary of the Company and the financial results of the Disposal Company will no longer be consolidated into the Company's consolidated financial statements.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company, is an investment holding company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 907). Its subsidiaries are engaged in the manufacturing and trading of optical frames and sunglasses, property investment, investment in debt and securities, money lending and films distribution.

The Directors (including the independent non-executive Directors) are of the opinion that the recent thriving residential property market in Hong Kong provides a good opportunity for the Group to realise its investments in the Disposal Company and strengthen the Group's liquidity. The Directors considered that since the Property had been acquired by the Vendor, it had been occupied by Mr. Hui and his family for residential purpose and therefore the Disposal will not create any adverse material impact on the business operations of the Group. Further, if the Disposal is

LETTER FROM THE BOARD

completed, the net proceeds arising from the Disposal will make a positive contribution to the cashflow and financial position of the Group and will be used by the Group as general working capital and for potential acquisitions and investments.

Having considered the reasons for and the benefits of the Disposal set out above, the Directors (including the independent non-executive Directors) are of the opinion that the terms of the Disposal are fair and reasonable and in the interests of the Shareholders as a whole.

As none of the Directors have any material interest in the Disposal, none of them had abstained from voting on the Board resolutions for approving the Disposal Agreement and the transactions contemplated thereunder.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

The Purchaser is wholly-owned by Mr. Hui, a former executive Director who had resigned in the last 12 months, and hence is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Disposal Agreement also constitutes a connected transaction on the part of the Company and are subject to, among others, the reporting, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Chan Wei, Mr. Chan Ming Kei, Mr. Wan Kin Man, Tony and Mr. Chen Youchun, has been established by the Board to consider and advise the Independent Shareholders regarding the Disposal and the transactions contemplated thereunder, and as to whether the Disposal is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Your attention is drawn to the letter from the Independent Board Committee set out on page 12 of this circular, which contains its recommendation to the Independent Shareholders as to the voting at the SGM.

Amasse Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the fairness and reasonableness of the Disposal. Your attention is drawn to the letter from the Independent Financial Adviser set out on pages 13 to 25 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders as to voting at the SGM.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Bye-law 101, any Director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election. Hence, Ms. Ma Yilin, Ms. Liu Shufeng and Mr. Chen Youchun shall retire at the SGM. Being eligible, Ms. Ma Yilin and Ms. Liu Shufeng will offer themselves for re-election as executive Directors and Mr. Chen Youchun will offer himself for re-election as an independent non-executive Director.

To enable the Shareholders to make an informed decision on the re-election of the retiring Directors, details of the retiring Directors, as required under the Listing Rules, are set out in Appendix II to this circular for the information of Shareholders.

Mr. Chen Youchun, being an independent non-executive Director eligible for re-election at the SGM, has provided his annual written confirmation of independence pursuant to Rule 3.13 of the Listing Rules.

The Company is of the view that Mr. Chen Youchun meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is regarded as independent in accordance with the terms of the guidelines.

SGM

The SGM will be convened and held at 26/F., COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong at 11:00 a.m. on Wednesday, 21 March 2018 to consider and, if thought fit, approve by way of poll, the Disposal Agreement and the transactions contemplated thereunder, and the proposed re-election of Directors.

A notice convening the SGM is set out on pages 39 to 40 of this circular and a form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event no later than Monday, 19 March 2018 at 11:00 a.m. (Hong Kong Time). Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjournment thereof should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

As at the Latest Practicable Date, neither the Purchaser nor any of his associates holds any shares in the Company. In the event that the Purchaser or any of his associates holds any shares in the Company at the SGM, they will abstain from voting on the resolution regarding the Disposal Agreement. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder would be required to abstain from voting on the resolution with regard to the Disposal Agreement to be proposed at the SGM.

LETTER FROM THE BOARD

RECOMMENDATION RELATING TO THE DISPOSAL AGREEMENT

The Directors (including independent non-executive directors after taking into account the advice of Amasse Capital) are of the opinion that the terms of the Disposal Agreement and the transactions contemplated thereunder to be fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and recommend the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the SGM to approve the terms of the Disposal Agreement and the transactions contemplated thereunder.

You are advised to read carefully the letter from the Independent Board Committee on page 12 of this circular. The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, the text of which is set out on pages 13 to 25 of this circular, considers that the terms of the Disposal Agreement and the transactions contemplated thereunder are fair and reasonable insofar as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution to approve the Disposal Agreement and the transactions contemplated thereunder at the SGM.

RECOMMENDATION RELATING TO THE RE-ELECTION OF RETIRING DIRECTORS

The Directors consider that the proposed re-election of retiring Directors are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM.

FURTHER INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular. The English text shall prevail over the Chinese text in this circular.

Yours faithfully,
For and on behalf of the Board
Elegance Optical International Holdings Limited
Wong Chi Yan
Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

To the Independent Shareholders

5 March 2018

Dear Sir or Madam,

We refer to the circular (the “**Circular**”) dated 5 March 2018 issued by the Company to its Shareholders, of which this letter forms part. Unless the context otherwise requires, terms defined in the Circular shall have the same meaning when used in this letter.

We have been appointed to form the Independent Board Committee to advise the Independent Shareholders as to whether, in our opinion, the transactions contemplated under the Disposal Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Amasse Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the terms of the Disposal Agreement and the transactions contemplated thereunder.

We wish to draw your attention to (i) the letter of advice from Amasse Capital as set out on pages 13 to 25 of this circular; and (ii) the letter from the Board as set out on pages 4 to 11 of this circular, which set out information relating to, and the reasons for and benefits of the Disposal.

As the Company’s independent non-executive Directors, we have discussed with the management of the Company the reasons for and benefits of the Disposal, and the basis upon which their terms have been determined. We have considered the factors and reasons considered by, and the opinions and recommendations of, Amasse Capital as set out on pages 13 to 25 of this circular. We are of the opinion that the terms of the transactions contemplated under the Disposal Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to approve the Disposal Agreement and the transactions contemplated thereunder to be proposed at the SGM.

Yours faithfully,

For and on behalf of the
Independent Board Committee of

Elegance Optical International Holdings Limited

Chan Wei

Chan Ming Kei

Wan Kin Man, Tony

Chen Youchun

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Disposal, and is prepared for inclusion in this circular.

AMASSE CAPITAL
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5 March 2018

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF ALL ISSUED SHARES IN AND LOANS DUE BY THE DISPOSAL COMPANY

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 5 March 2018 (the “**Circular**”), of which this letter forms a part. Capitalized terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On 25 January 2018 (after trading hours of the Stock Exchange), the Vendor, being a wholly-owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell the Sale Shares and procure EOML to sell the Sale Loan and the Purchaser has conditionally agreed to acquire the Sale Shares and Sale Loan for a total consideration of HK\$79,000,000.

As one of the applicable percentage ratios exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

The Purchaser is wholly-owned by Mr. Hui, a former executive Director who had resigned in the last 12 months, and hence is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Disposal also constitutes a connected transaction on the part of the Company and are subject to, among others, the reporting, announcement, circular and the Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, neither the Purchaser nor any of his associates holds any shares in the Company. In the event that the Purchaser or any of his associates holds any shares in the Company at the SGM, they will abstain from voting on the resolution regarding the Disposal Agreement. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder would be required to abstain from voting on the resolution with regard to the Disposal Agreement to be proposed at the SGM.

As none of the Directors have any material interest in the Disposal, none of them had abstained from voting on the Board resolutions for approving the Disposal Agreement and the transactions contemplated thereunder.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Chan Wei, Mr. Chan Ming Kei, Mr. Wan Kin Man, Tony and Mr. Chen Youchun, has been formed to advise the Independent Shareholders regarding the Disposal and the transactions contemplated thereunder, and as to whether the Disposal is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole and how to vote in respect of the relevant resolution to be proposed at the SGM after taking into account our recommendation. We have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect, and such appointment has been approved by the Independent Board Committee.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to our independence. In the last two years, we have not acted as an independent financial adviser to the Independent Board Committee and the Independent Shareholders for any transaction.

With regard to our independence from the Company, it is noted that, apart from normal professional fees paid or payable to us in connection with the current appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors and the management of the Company (collectively, the "**Management**"). We have assumed that all information and representations that have been provided by the Management, for which the Directors are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any

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material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the representation and confirmation of the Management that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Disposal. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Directors have collectively and individually accepted full responsibility for the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Management, nor have we conducted any independent in-depth investigation into the business and affairs of any members of the Group, the counter party(ies) to the Disposal or their respective subsidiaries or associates. We also have not considered the taxation implication on the Group or the Shareholders as a result of the Disposal. We have not carried out any feasibility study on the past, and forthcoming investment decision, opportunity or project undertaken or to be undertaken by the Group. Our opinion has been formed on the assumption that any analysis, estimation, anticipation, condition and assumption provided by the Group are feasible and sustainable. Our opinion shall not be constructed as to give any indication to the validity, sustainability and feasibility of any past, existing and forthcoming investment decision, opportunity or project undertaken or to be undertaken by the Group.

Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company. We expressly disclaim any liability and/or any loss arising from or in reliance upon the whole or any part of the contents of this letter.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

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PRINCIPAL FACTORS TAKEN INTO CONSIDERATION

In formulating our opinion, we have taken into consideration the following principal factors and reasons:

1. Background information

(a) Information on the Group

The Company, is an investment holding company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 907). Its subsidiaries are engaged in the manufacturing and trading of optical frames and sunglasses, property investment, investment in debt and securities, money lending and films distribution.

Set out below is a summary of the financial information of the Group as extracted from the interim report of the Company for the six months ended 30 September 2016 (the “**Interim Report 2016/2017**”), the annual report of the Company for the year ended 31 March 2017 (the “**Annual Report 2017**”) and the interim report of the Company for the six months ended 30 September 2017 (the “**Interim Report 2017/2018**”), details of which are as follows:

	For the year ended		For the six months	
	31 March		ended 30 September	
	2017	2016	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
		<i>(restated)</i>		<i>(restated)</i>
Revenue	136,248	211,527	55,061	88,700
Gross profit/(loss)	(2,300)	(9,772)	5,028	8,085
Profit/(loss) before taxation	20,798	(92,425)	(46,386)	(14,226)
Profit/(loss) attributable to owners of the parent	8,038	(86,729)	(46,164)	(14,958)
	As at 31 March		As at 30 September	
	2017	2016	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Cash and cash equivalents	161,973	44,965	113,110	19,038
Total assets	381,003	379,966	396,823	353,148
Total equity	266,699	267,141	321,795	247,489

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For the year ended 31 March 2017

As illustrated in the above table, revenue for the year ended 31 March 2017 was approximately HK\$136.2 million when compared to a revenue of approximately HK\$211.5 million for the corresponding period in 2016, representing a decrease of approximately 35.6%. Total revenue was comprised of 3 segments, the manufacturing and trading of optical frames and sunglasses; property investment and debts and securities investment. The lion's share of total revenue came from the sales of optical frames and sunglasses. This was reduced by approximately HK\$77.0 million to approximately HK\$129.6 million (2016: HK\$206.6 million) or approximately 37.3%. For property investment, rental income increased from approximately HK\$4.9 million in 2016 to approximately HK\$5.6 million in 2017, however, it remains relatively unimportant to the Group.

Profit attributable to owners of the parent for the year ended 31 March 2017 amounted to approximately HK\$8.0 million whereas to a loss attributable to owners of the parent for the corresponding period in 2016 of approximately HK\$86.7 million.

Cash and cash equivalents as at 31 March 2017 amounted to approximately HK\$162.0 million, which represented an increase of approximately 260.2% as compared to approximately HK\$45.0 million as at 31 March 2016, and represented approximately 42.5% of the total assets of the Group at the same date.

The total equity of the Group as at 31 March 2017 amounted to approximately HK\$266.7 million, which represented a decrease of approximately 0.2% as compared to approximately HK\$267.1 million as at 31 March 2016.

For the six months ended 30 September 2017

Revenue for the six months ended 30 September 2017 was approximately HK\$55.1 million when compared to a revenue of approximately HK\$88.7 million for the corresponding period in 2016, representing a decrease of approximately 37.9%. Total revenue was comprised of 4 segments, the manufacturing and trading of optical frames and sunglasses; property investment; debts and securities investment and money lending business. The lion's share of total revenue came from the sales of optical frames and sunglasses. This was reduced by approximately HK\$36.0 million to approximately HK\$49.4 million for the six months ended 30 September 2017 as compared with the figure of approximately HK\$85.4 million for the corresponding period last year. For property investment, rental income decreased from approximately HK\$3.3 million for the six months ended 30 September 2016 to approximately HK\$0.75 million for the six months ended 30 September 2017 as some of the investment properties were sold in last financial year.

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Loss attributable to owners of the parent for the six months ended 30 September 2017 amounted to approximately HK\$46.2 million when compared to a loss attributable to owners of the parent for the corresponding period in 2016 of approximately HK\$15.0 million, representing an increase of approximately 208.6%.

Cash and cash equivalents as at 30 September 2017 amounted to approximately HK\$113.1 million, which represented an increase of approximately 494.1% as compared to approximately HK\$19.0 million as at 30 September 2016, and represented approximately 28.5% of the total assets of the Group at the same date.

The total equity of the Group as at 30 September 2017 amounted to approximately HK\$321.8 million, which represented an increase of approximately 30.0% as compared to approximately HK\$247.5 million as at 30 September 2016.

(b) *Information on the Disposal Company*

The Disposal Company is a company incorporated in Hong Kong and is principally engaged in property investment. The Disposal Company's principal asset is the Property, which is a residential property located at House No. 17 of Deerhill Avenue of Deerhill Bay, No.4699 Tai Po Road, Tai Po Kau, Tai Po, New Territories, Hong Kong with a total gross floor area of approximately 3,361 square feet.

2. The Disposal Agreement

On 25 January 2018 (after trading hours of the Stock Exchange), the Vendor, being a wholly-owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell the Sale Shares and procure EOML to sell the Sale Loan and the Purchaser has conditionally agreed to acquire the Sale Shares and Sale Loan for total consideration of HK\$79,000,000.

The principal terms of the Disposal Agreement are set out below:

Date: 25 January 2018 (after trading hours of the Stock Exchange)

Parties: (1) Elegance Group Limited, as the Vendor; and
(2) Raising King Ventures Limited, as the Purchaser

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The Purchaser is an investment holding company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Mr. Hui, a former executive Director who had resigned in the last 12 months.

The Vendor is an investment holding company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company.

Assets to be disposed of

Pursuant to the Disposal Agreement, the Vendor has conditionally agreed to sell the Sale Shares and procure EOML to sell the Sale Loan and the Purchaser has conditionally agreed to acquire the Sale Shares and Sale Loan. As at the Latest Practicable Date, the Vendor beneficially owns the Sale Shares, representing all issued shares in the Disposal Company. Pursuant to a declaration of trust dated 6 October 1999 and executed by EOIL, the one share in the Disposal Company held by EOIL is held on trust for the Vendor.

The Sale Loan represents all obligations, liabilities and debts owing or incurred by the Disposal Company to EOML on or at any time prior to Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion. As at the date of the Disposal Agreement, the Sale Loan amounted to approximately HK\$17,718,700.

Consideration

The total consideration for the sale and purchase of the Sale Shares and the Sale Loan is HK\$79,000,000, which shall be satisfied in the following manner:

- (a) as to HK\$10,000,000 shall be paid by the Purchaser to the Vendor in cash within 10 Business Days after the signing of the Disposal Agreement as the First Deposit (which on Completion shall form part of the Consideration);
- (b) as to HK\$10,000,000 shall be paid by the Purchaser to the Vendor in cash within 20 Business Days after the signing of the Disposal Agreement as the Second Deposit (which on Completion shall form part of the Consideration); and
- (c) as to the remaining balance in the amount of HK\$59,000,000 shall be paid by the Purchaser to the Vendor in cash on the Completion Date.

We have discussed with the Management about the relevant basis of determination of the Consideration and we understand that the Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor having taken into account the preliminary

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valuation performed by Roma Appraisals Limited, a professional independent valuer of the appraised market value of the Property as at 5 January 2018 of approximately HK\$79,000,000 under the direct comparison approach.

We concur with the Director's view that the entering into of the Disposal Agreement is on normal commercial terms and the terms of the Disposal including the Consideration are fair and reasonable and is in the interests of the Group and the Shareholders as a whole.

Assessment of the Consideration

Set out below table are the details of the financial position of the Disposal Company and the valuation of the Property as at 5 January 2018 and the Consideration:

	Approximately HK\$
Consolidated net liabilities of the Disposal Company as at 30 September 2017	(1,300,000)
<i>Less:</i> Carrying amount of the Property as at 30 September 2017	(17,284,000)
<i>Add:</i> Fair value of the Property based on the valuation report	79,000,000
<i>Add:</i> the Sale Loan as at 30 September 2017 (<i>Note</i>)	<u>17,867,000</u>
Adjusted net assets of the Disposal Company (the " Adjusted NAV ")	<u><u>78,283,000</u></u>

Note: The Consideration includes the payment for the assignment of the Sale Loan to the Purchaser, as such the Sale Loan is excluded from the calculation on the Adjusted NAV for comparison purpose.

As illustrated above, the Consideration of HK\$79,000,000 is at a slightly premium of approximately 0.9% to the adjusted net asset value of the Disposal Company of approximately HK\$78,283,000. In view of (i) the Consideration is at a slightly premium to the Adjusted NAV; and (ii) valuation methodologies and the bases and assumptions adopted by the Valuer in establishing the fair value of the Property are reasonable and acceptable as discussed below, we consider that the basis of determination and thus the Consideration are fair and reasonable.

Conditions precedent

Completion shall be subject to the following conditions being satisfied (or waived, if applicable):

- (a) the Vendor having procured the Disposal Company to give and prove a good title to the Property in accordance with Sections 13A and 13 of the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong);

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- (b) the Property is in vacant possession; and
- (c) the passing by the Independent Shareholders at a general meeting of the Company to be convened and held of an ordinary resolution to approve the Disposal Agreement and the transactions contemplated thereunder.

The Purchaser may at its absolute discretion at any time waive in writing conditions (a) and (b) above. Condition (c) above is not capable of being waived. If the above conditions have not been satisfied (or as the case may be, waived by the Purchaser) on or before 30 April 2018 (or such later date as the Vendor and the Purchaser may agree in writing), the Disposal Agreement shall cease and determine and the Vendor shall repay the Deposits (without interest) to the Purchaser and neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

As at the Latest Practicable Date, save for condition (a), none of the above conditions has been satisfied.

Completion

The completion of the Disposal shall take place at 5:00 p.m. on the Completion Date. Upon Completion, the Disposal Company will cease to be a subsidiary of the Company.

Valuation of the Property

We have considered and reviewed, among others, the valuation of the Property as of 5 January 2018 (the “**Valuation**”) as detailed in the valuation report (the “**Valuation Report**”) as prepared by Roma Appraisals Limited, a professional independent valuer (the “**Valuer**”), the texts of which are set out in Appendix I to the Circular and discussed with the Valuer regarding the methodology of and the principal bases and assumptions adopted for the Valuation.

As part of our due diligence, we have assessed the qualification and experience of the Valuer for its engagement. We have conducted an interview with the Valuer in charge of the Valuation and note that she has over 8 years’ experience in real estate industry and property and asset valuation in Hong Kong, Macau, the PRC, Singapore, Taiwan, United Kingdom, Australia, Japan and other overseas countries. We are of the view that the Valuer possesses sufficient experience in performing the Valuation. The Valuer also confirmed that (i) it is independent from the Group; (ii) all relevant material information provided by the Group had been incorporated in the Valuation Report; and (iii) they were not aware of any serious defects or other matters that would cause it to question the truthfulness or reasonableness of the information provided by the Group. We also understand that the Valuer has physically inspected the Property in January 2018. In addition, we have also reviewed the terms of the Valuer’s engagement and noted that the scope of work is appropriate to the opinion required to be given and we are not aware of any limitation on the scope of work which might have an adverse impact on the degree of assurance given by the Valuation Report.

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In valuing the Property, we note that the valuation methodology used in respect of the Property is direct comparison approach assuming sale of the property in its existing state with the benefit of vacant possession and by making reference to recent comparable sales transactions as available in the relevant market. We have discussed with the Valuer on the rationale of adopting the direct comparison approach for valuing the Property. According to the Valuer, the direct comparison approach is the most appropriate valuation method for assessing the market values of the real property interests and there are recent relevant transactions available in the market for reference. Also, we have discussed with the Valuer on the other methods (including the cost method and the income method) in valuing the Property. According to the Valuer, (i) the cost method is adopted only when there is no market parameter available; and (ii) income method is adopted only for rental/income generating properties such as commercial properties. Therefore, we concur with the view of the Valuer that the direct comparison method is appropriate in valuing the Property.

We have reviewed the recent comparable market transactions of similar properties (the “**Comparable Transactions**”) as set out in the Appendix I to the Circular and have discussed with the Valuer on their criteria for selecting the Comparable Transactions. In the course of our enquiry, we understand that the selection of the Comparable Transactions is based on their similar characteristics with the Property taking into account factors such as property type, date of transaction, location and quality of the properties. As further advised by the Valuer, due adjustments were made to the unit rate per square feet of the Comparable Transactions in order to reflect the differences between the Property and the Comparable Transactions for certain factors, such as age, size, view and facilities of the properties. The Valuer also confirmed that such adjustment parameters and factors adopted in the direct comparison approach are in line with the common practice and valuation standard for other similar properties. We are of the view that the basis of selecting the Comparable Transactions is reasonable and relevant for the purpose of establishing the appraised value. Moreover, the Valuer also advised that the Valuation is prepared in compliance with the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and in compliance with the HKIS Valuation Standards (2017 Edition) published by The Hong Kong Institute of Surveyors. After taken into account the above, we consider that the valuation methodology, together with its bases and assumptions, adopted by the Valuer for the valuation of the Property as discussed above are fair and reasonable.

The Valuation has been made on the assumption that the owner sells the property in the market in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the value of such property. We understand from the Valuer that such assumption are generally adopted in similar valuation activities and are necessary for the Valuer to arrive at a reasonable estimated value of the Property.

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We have (i) considered and reviewed, among others, the Valuation in the Valuation Report as prepared by the Valuer and discussed the methodology, bases and assumptions; (ii) interviewed the Valuer of its independency, qualification and experience for its engagement; (iii) reviewed the terms of the Valuer's engagement; and (iv) confirmed the independency of the Valuer. Accordingly, we consider ourselves having complied with the requirements under Rule 13.80(2) Note 1(d) of the Listing Rules.

Other information regarding the Valuation has been set out in the Valuation Report in Appendix I to the Circular. After considering the reasons for adopting the above valuation methodology for valuing the Property by the Valuer, we are of the opinion that such valuation methodology and the bases and assumptions used are reasonable and acceptable in establishing the fair values of the Property.

REASONS FOR AND BENEFITS OF THE DISPOSAL

As stated in the Letter from the Board, the Directors are of the opinion that the recent thriving residential property market in Hong Kong provides a good opportunity for the Group to realise its investments in the Disposal Company and strengthen the Group's liquidity. The Directors considered that since the Property had been acquired by the Vendor, it had been occupied by Mr. Hui and his family for residential purpose and therefore the Disposal will not create any adverse material impact on the business operations of the Group. Further, upon our enquiry with the Management, if the Disposal is completed, the net proceeds arising from the Disposal will make a positive contribution to the cashflow and financial position of the Group and will be used by the Group as general working capital and for potential acquisitions and investments.

Reference is made to the Company's announcement dated 22 January 2018. The total cash consideration for the acquisition of 60% of all issued shares of Filmko Culture Limited and its shareholder's loan is HK\$95 million (the "**Total Cash Consideration**"). Such acquisition is expected to complete in the first half of 2018.

According to the annual report of the Company for the year ended 31 March 2017, it recorded that the selling and distribution expenses, administrative expenses and finance cost for the year ended 31 March 2016 and 2017 were approximately HK\$71 million and approximately HK\$77 million, respectively, with an average of approximately HK\$74 million.

As advised by the Management, the cash and cash equivalents was approximately HK\$105 million as at 31 December 2017. The Board expects that the Total Cash Consideration will be settled by part of the net proceeds from the Disposal of approximately HK\$41 million and the cash of the Group of approximately HK\$54 million. After having taken into account (i) the net proceeds of approximately HK\$78 million from the Disposal; (ii) the Total Cash Consideration of approximately HK\$95 million; and (iii) the cash position of the Group as at 31 December 2017, for illustrative purpose, the available cash of the Group after the Disposal and the settlement of the Total Cash Consideration will be amounted of approximately HK\$88 million, which will be used to cover the selling and distribution expenses, administrative expenses and finance cost of the Group and/or serve as general working capital and/or for potential acquisitions and investments.

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Furthermore, we have researched on information from the public domain as to the overall private domestic in Hong Kong. According to the statistics published by Rating and Valuation Department, the range of the price indices of the overall private domestic was between 61.6 and 333.9 during the years from 1997 to 2017 (source: www.rvd.gov.hk/tc/property_market_statistics/index.html). We note that it recorded the lowest price indices of the overall private domestic in 2003 and in 2017, there was a multiple increment of approximately 4.4 times of such price indices since 2003. On the other hand, we have made reference to the report, namely “UBS Global Real Estate Bubble Index”, issued by UBS Switzerland AG in September 2017 which is designed to track the risk of housing bubbles in global financial centers. In such report, the UBS Global Real Estate Bubble Index (the “**Index**”) traces the fundamental valuation of housing markets, the valuation of cities in relation to their country and economic distortions. The Index uses five risk-based classifications. According to the Index, the Hong Kong housing market in 2017 has been identified as bubble risk which is the highest risk classification, territory. After considering the above factors, we are of the view that the certain degree of risks and uncertainty in investing the properties in Hong Kong have also heightened. We consider that the Disposal provides a good opportunity for the Group to realise its investments in the Disposal Company and strengthen the Group’s liquidity.

Thus, we concur with the Directors’ view that the Disposal is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

Upon completion of the Disposal, the Group is expected to record an unaudited gain before taxation on the Disposal of approximately HK\$80.3 million. Such unaudited gain before taxation is estimated based on the difference between the gross proceeds from the Disposal of HK\$79 million and the net liabilities of the Disposal Company as at 30 September 2017. The Board expects that the net proceeds from the Disposal of approximately HK\$78 million will be used as to approximately HK\$41 million for the acquisition by the Group of 60% of all issued shares of Filmko Culture Limited and its shareholder’s loan (details of which are set out in the Company’s announcement dated 22 January 2018) and the remaining balance of approximately HK\$37 million as general working capital of the Group and for potential acquisitions and investments. As at the Latest Practicable Date, save for the acquisition of Filmko Culture Limited, the Group has not identified any targets for potential acquisitions and investments. Upon Completion, the Disposal Company will cease to be a subsidiary of the Company and the financial results of the Disposal Company will no longer be consolidated into the Company’s consolidated financial statements.

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RECOMMENDATION

Having considered the above principal factors and reasons, we consider that despite the Disposal is not conducted in the ordinary and usual course of business of the Group, the Disposal is on normal commercial terms and is fair and reasonable so far as the Independent Shareholders were concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend you to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Disposal Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Amasse Capital Limited
May Tsang
Director



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5 March 2018

Elegance Optical International Holdings Limited

26/F, COFCO Tower
262 Gloucester Road
Causeway Bay
Hong Kong

Dear Sir/Madam,

Re: Property Valuation of House No. 17 of Deerhill Avenue of Deerhill Bay, No.4699 Tai Po Road, Tai Po Kau, Tai Po, New Territories, Hong Kong

In accordance with your instructions for us to value the property held by Elegance Optical International Holdings Limited (the “**Company**”) and/or its subsidiaries (together with the Company referred to as the “**Group**”) in Hong Kong, we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property as at 5 January 2018 (the “**Date of Valuation**”) for the purpose of incorporation in the circular of the Company dated 5 March 2018.

1. BASIS OF VALUATION

Our valuation of the property is our opinion of the market value of the concerned property which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

2. VALUATION METHODOLOGY

We have valued the property by the direct comparison approach assuming sale of the property in its existing state with the benefit of vacant possession and by making reference to recent comparable sales transactions as available in the relevant market.

3. TITLE INVESTIGATION

We have carried out land searches at the Land Registry. However, we have not scrutinized all the original documents to verify ownership or to ascertain the existence of any lease amendments which may not appear on the copies handed to us.

4. VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the property in the market in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the value of such property. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property and no allowance has been made for the property to be sold in one lot or to a single purchaser.

5. SOURCE OF INFORMATION

In the course of our valuation, we have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us on such matters as location, time, floor areas, age of building and all other relevant matters which can affect the value of the property. All public documents/information or documents/information provided by the Group related to aforesaid matters such as building plans, land register, occupancy status, etc, have been used for reference only.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

6. VALUATION CONSIDERATION

We have inspected the exterior and, where possible, the interior of the property. No structural survey has been made in respect of the property. However, in the course of our inspection, we did not note any serious defects. We are not, however, able to report that the property is free from rot, infestation or any other structural defects. No tests were carried out on any of the building services.

We have not carried out on-site measurement to verify the floor areas of the property under consideration but we have assumed that the floor areas shown on the documents handed to us are correct. Except as otherwise stated, all dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us by the Company and are therefore approximations.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoing of an onerous nature which could affect its value.

Our valuations are prepared in compliance with the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and in accordance with the HKIS Valuation Standards (2017 Edition) published by the Hong Kong Institute of Surveyors.

7. REMARKS

In accordance with our standard practice, we must state that this report is for the use only of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents and neither the whole, nor any part of this report may be included in any published documents or statement nor published in any way without our prior written approval of the form and context in which it may appear.

Unless otherwise stated, all monetary amounts stated in our valuation are in Hong Kong Dollars (HK\$).

Our Valuation Certificate is attached.

Yours faithfully,
For and on behalf of
Roma Appraisals Limited
Nancy Chan
BSc (Hons)
MHKIS MRICS RPS(GP)
Director

Note: Ms. Nancy Chan is a Registered Professional Surveyor (General Practice), a member of Hong Kong Institute of Surveyors and a member of the Royal Institution of Chartered Surveyors. She has over 8 years' experience in real estate industry and property and asset valuation in Hong Kong, Macau, the PRC, Singapore, Taiwan, United Kingdom, Australia, Japan and other overseas countries.

VALUATION CERTIFICATE

Property held for investment to be disposed by the Company in Hong Kong

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 5 January 2018
House No. 17 of Deerhill Avenue of Deerhill Bay, No.4699 Tai Po Road, Tai Po Kau, Tai Po, New Territories, Hong Kong 268/74,777th equal and undivided shares of and in Tai Po Town Lot No.135	<p>The property comprises a 2-storey house for domestic use of Deerhill Bay, with a gross floor area of 3,361 sq.ft. (or about 312.24 sq.m.) and a saleable area of 2,908.43 sq.ft. (or about 270.2 sq.m.) as per Rating and Valuation Department. Other ancillary accommodations included swimming pool (384 sq.ft. or about 35.67 sq.m.), garden (3,996 sq.ft. or about 371.24 sq.m.), flat roof (376 sq.ft. or 34.93 sq.m.) and top roof (1,263 sq.ft. or 117.34 sq.m.). The property was completed in about 1998.</p> <p>Deerhill Bay is a residential development comprises ten domestic towers over basement carparks, twenty-two 2-storey domestic houses, a 3-level clubhouse and other ancillary facilities.</p> <p>The property is held under New Grant No.12790 for a term commencing on 17 November 1993 and expiring on 30 June 2047.</p>	<p>As advised by the Company, the property is occupied by Mr. Hui and his family for residential purpose.</p> <p>Mr. Hui is a former executive Director of the Company.</p>	HK\$79,000,000.

Notes:

1. The registered owner of the property is Grand River Investment Limited vide Memorial No.TP620580 dated 15 December 1999.
2. As advised by the Group, Grand River Investment Limited is a wholly owned subsidiary of the Company.
3. The property lies within an area zoned "Residential (Group C)5" under Tai Po Outline Zoning Plan No. S/TP/27 gazetted under Section 5 on 04/08/2017.
4. The property is subject to the following material encumbrances as at the Date of Valuation:
 - a. Modification Letter vide Memorial No. TP476105 dated 6 September 1995;
 - b. Modification Letter vide Memorial No. TP525372 dated 2 April 1997;
 - c. Occupation Permit No. NT81/98 vide Memorial No. TP586372 dated 14 August 1998;

- d. Occupation Permit No. NT91/98 vide Memorial No. TP586371 dated 30 September 1998;
- e. Certificate of Compliance vide Memorial No. TP588753 dated 15 December 1998 (Remarks: from director of lands);
- f. Deed of Mutual Covenant Incorporating Management Agreement vide Memorial No. TP592034 dated 28 December 1998; and
- g. Notice No. WC/TC01544/09/NT-E07 by the Building Authority under Section 24C(1) of the Buildings Ordinance vide Memorial No.12030902230098 dated 9 September 2009.
5. Our inspection was performed by Mr. Alex Ma, B. Bus. (Property), in January 2018.
6. As advised by the Group, the property is proposed to be disposed to a connected party in January 2018.
7. Details of recent comparable market transactions of similar properties are listed as below:

Address	Instrument Date	Consideration	Unit Rate (on Saleable Area)
House 6, Deerhill Avenue, Deerhill Bay	7 November 2017 (ASP)	HK\$120,000,000	HK\$26,480/sq.ft.
Unit 10, Peak House, Peak One Phase 3	1 December 2017 (ASP)	HK\$70,000,000	HK\$25,821/sq.ft.
Unit J, Block 7, Marina Cove Phase 1, Hebe Haven	30 November 2017 (ASP)	HK\$28,280,000	HK\$18,450/sq.ft.

Set out below are the biographical details of Ms. Ma Yilin, Ms. Liu Shufeng and Mr. Chen Youchun:

(1) Ms. Ma Yilin (“Ms. Ma”), an executive Director

Ms. Ma, aged 33, holds a Bachelor degree in broadcasting and hosting from the Shanghai Theater Academy. She has several years of experience and very extensive network of human resources in media industry. Since 2007, she has worked in Shanghai Media Group Limited, and hosted a number of well-known television programs. She has been a member of Zhongyue Technology Co., Ltd. (a company listed on National Equities Exchange and Quotations, stock code: 834772) since October 2016. She is experienced in corporate strategy planning and corporate governance. Since October 2014, Ms. Ma served as a member of the Shanghai Youth Federation. Since October 2016, she has served as Deputy Secretary-General of the Changning Youth Federation.

Save as disclosed above, Ms. Ma has advised that she has not held any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding the Latest Practicable Date.

The Company has not entered into any service contract with Ms. Ma. Under the letter of appointment entered into between Ms. Ma and the Company, there was no fixed term of service. Her directorship in the Company is subject to retirement and re-election at general meetings of the Company in accordance with the Bye-laws. Ms. Ma is entitled to receive a remuneration of HK\$80,000 per month. Other discretionary bonuses and benefits may be awarded subject to the approval of the Remuneration Committee. Her remuneration package is determined by the Board with recommendation of the Remuneration Committee after considering a range of factors including her experience, her duties and responsibilities in the Group, the remuneration structure of the Group and levels of remuneration for peers in the market.

At as the Latest Practicable Date, Ms. Ma has interests in 94,199,123 Shares which is required to be disclosed under Part XV of the SFO. Save as disclosed above, Ms. Ma does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Save as disclosed above, there is no other information or no other matters which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules that need to be brought to the attention of the Shareholders relation to the re-election of Ms. Ma.

(2) Ms. Liu Shufeng (“Ms. Liu”), an executive Director

Ms. Liu, aged 40, served as a chief project development officer of China Eco-Farming Limited (Stock Code: 8166) (“**China Eco-Farming**”), a company listed on the GEM of the Stock Exchange and general manager of a subsidiary in Shenzhen of China Eco-Farming. Prior to joining China Eco-Farming, Ms. Liu worked as chief ecology development officer and general manager of the

subsidiary in Shanxi and Beijing of China Agrotech Holdings Limited (stock code: 1073), (a company listed on the Main Board of the Stock Exchange) from 2010 to 2014. Ms. Liu has extensive experience in corporate business development, project investment and management. Ms. Liu also obtained a doctorate degree of Business Administration from the Victoria University (Switzerland).

Save as disclosed above, Ms. Liu has advised that she did not hold any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding the Latest Practicable Date.

The Company has not entered into any service contract with Ms. Liu. Under the letter of appointment entered into between Ms. Liu and the Company, there was no fixed term of service. Her directorship in the Company is subject to retirement and re-election at general meetings of the Company in accordance with the Bye-laws.

Ms. Liu is entitled to receive a remuneration of HK\$80,000 per month. Other discretionary bonuses and benefits may be awarded subject to the approval of the Remuneration Committee. Her remuneration package is determined by the Board with recommendation of the Remuneration Committee after considering a range of factors including her experience, her duties and responsibilities in the Group, the remuneration structure of the Group and levels of remuneration for peers in the market.

At as the Latest Practicable Date, Ms. Liu has confirmed to the Company that she has no interests in the Shares which is required to be disclosed under Part XV of the SFO and does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Save as disclosed above, there is no other information which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders relation to the re-election of Ms. Liu.

(3) Mr. Chen Youchun (“Mr. Chen”), an independent non-executive Director

Mr. Chen, aged 41, holds degree of Bachelor of Laws from Southwest University of Political Science and Law in 2000 and from the University of Northumbria in 2011, and a Master degree in Laws from Wuhan University in 2007. Mr. Chen is a foreign lawyer registered with The Law Society of Hong Kong. Mr. Chen has extensive experience in corporate financing, private equity, venture capitals, initial public offering and listing, and mergers and acquisitions. Mr. Chen has been a partner of the Shenzhen office of JunZeJun Law Offices since 2006. Mr. Chen is an independent director of Hainan Honz Pharmaceutical Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 300086). He has been an independent director of Shenzhen Qixin Construction Group Co. Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 002781) since December 2015 to September 2017. Mr. Chen is also an independent non-executive

director of China Tangshang Holding (stock code: 674), a company listed on the Main Board of the Stock Exchange and China Soft Power Group (stock code: 139), a company listed on the Main Board of the Stock Exchange.

Save as disclosed above, Mr. Chen has advised that he has not held any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years preceding the Latest Practicable Date and that he does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

There is no service contract between Mr. Chen and the Company. Under the letter of appointment entered into between Mr. Chen and the Company, there was no fixed term of service. His directorship in the Company is subject to retirement and re-election at general meetings of the Company in accordance with the Bye-laws.

Mr. Chen is entitled to an annual director's fee of HK\$120,000. Other discretionary bonuses and benefits may be awarded subject to the approval of the Remuneration Committee. His remuneration package is determined by the Board with recommendation of the Remuneration Committee after considering a range of factors including his experience, duties and responsibilities in the Group, the remuneration structure of the Group and levels of remuneration for peers in the market.

As at the Latest Practicable Date, Mr. Chen has confirmed to the Company that he has no interests in the Shares which are required to be disclosed under Part XV of the SFO.

Save as disclosed above, Mr. Chen has confirmed that he has met the independent criteria as set out in Rule 3.13 of the Listing Rules and neither is there any other information nor is there any other matter which needs to be disclosed pursuant to Rule 13.51(2) of the Listing Rules that needs to be brought to the attention of the Shareholders in relation to the appointment of Mr. Chen.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. INTERESTS OF DIRECTORS

As at the Latest Practicable Date, the interests and short positions, of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

Long position

Name of Director	Number of Shares held	Capacity and nature of interest	Percentage of issued share capital of the Company
Ms. Ma Yilin (<i>Note</i>)	94,199,123	Interest in a controlled corporation	24.26%

Note: Wealth China Worldwide Limited is a company incorporated in the British Virgin Islands with limited liability and beneficially owned by Ms. Sin Yuk Hong and Ms. Ma Yilin. Therefore, Ms. Sin Yuk Hong and Ms. Ma Yilin are deemed to be interested in the number of Shares held by Wealth China Worldwide Limited under the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

As at the Latest Practicable Date, none of the Directors or a proposed Director is a director or employee of a company which had, or was deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as the Directors are aware of and having made due enquiries, the interest or short positions of the persons, other than directors and chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO and/or were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, were as follows:

Long position

Name of substantial shareholder	Number of Shares held	Capacity and nature of interest	Percentage of issued share capital of the Company
Wealth China Worldwide Limited (<i>Note</i>)	94,199,123	Beneficial owner	24.26%

Note: Wealth China Worldwide Limited is a company incorporated in the British Virgin Islands with limited liability and beneficially owned by Ms. Sin Yuk Hong and Ms. Ma Yilin. Therefore, Ms. Sin Yuk Hong and Ms. Ma Yilin are deemed to be interested in the number of Shares held by Wealth China Worldwide Limited under the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the persons, other than directors and chief executive of the Company, had any interest or short position in the shares or underlying shares of the Company according to the register required to be kept by the Company pursuant to Section 336 of the SFO and/or were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

4. COMPETING INTEREST

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or their respective associates had any interest in a business which competes or may compete, either directly or indirectly, with the business of the Group, or have or may have any other conflicts of interest with the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group which would not expire or was not determinable within one year without payment of compensation, other than statutory compensation.

6. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, none of the Directors were materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group. As at the Latest Practicable Date, save as disclosed in this circular, none of the Directors had any interest, directly or indirectly, in any assets which have been, since 31 March 2017 (being the date to which the latest published audited consolidated accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors have confirmed that they were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2017, being the date to which the latest published audited accounts of the Company were made up to.

8. LITIGATION

As at the Latest Practicable Date, none of the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and there was no litigation, arbitration or claim of material importance known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

9. EXPERTS AND CONSENTS

The following are the qualifications of the experts, who have given opinions, letter or advice contained in and referred to in this circular:

Name	Qualification
Roma Appraisals Limited	Professional valuer
Amasse Capital Limited	A corporation licensed to carry Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, each of Roma Appraisals and Amasse Capital did not have any interests, either direct or indirect, in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2017, the date to which the latest published audited consolidated financial statements of the Group were made up.

As at the Latest Practicable Date, each of Roma Appraisals and Amasse Capital was not interested beneficially or non-beneficially in any Shares in the Company or any of its subsidiaries or any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of Roma Appraisals and Amasse Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or report and/or reference to its name in the form and context in which it respectively appears.

10. GENERAL

- (a) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The head office and principal place of business in Hong Kong of the Company is situated at 26/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong.
- (c) The branch share registrar of the Company in Hong Kong is Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The company secretary of the Company is Mr. Yeung Man Chit, Daniel, who is a member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.
- (e) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text thereof.

11. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business of the Company in Hong Kong from 9:00 a.m. to 6:00 p.m. on any business day from the date of this circular up and including the date of the SGM:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the letter from Independent Board Committee, the text of which is set out on page 12 of this circular;
- (c) the letter from Amasse Capital, the text of which is set out on pages 13 to 26 of this circular;
- (d) the valuation report from Roma Appraisals on the Property, the text of which is set out on pages 26 to 30 of this circular;
- (e) the written consents as referred to under the section headed “Experts and Consents” in this appendix;
- (f) the Disposal Agreement;
- (g) the declaration of trust dated 6 October 1999;
- (h) this circular; and
- (i) the annual reports of the Company for the two financial years ended 31 March 2016 and 31 March 2017.



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)

NOTICE IS HEREBY GIVEN that the special general meeting (the “**Meeting**”) of Elegance Optical International Holdings Limited (the “**Company**”) will be held at 11:00 a.m. on Wednesday, 21 March 2018 at 26/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the disposal agreement dated 25 January 2018 (the “**Disposal Agreement**”) (a copy of which has been tabled at the meeting marked “A” and signed by the chairman of the Meeting for the purpose of identification), entered into between Elegance Group Limited (the “**Vendor**”), a wholly-owned subsidiary of the Company, as vendor, and Raising King Ventures Limited as purchaser in relation to the sale and purchase of all issued shares in Grand River Investment Limited (the “**Disposal Company**”) and all obligations, liabilities and debts owing or incurred by the Disposal Company to Elegance Optical Manufactory Limited on or at any time prior to completion of the Disposal at a total consideration of HK\$79,000,000, and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and
- (b) any one director (“**Director**”) of the Company be and is hereby authorised to do all such further acts and things and execute all such further documents and take all steps which in his/her opinion may be necessary, desirable or expedient to implement and/or give effect to the Disposal Agreement and the transactions contemplated thereunder, and to approve any changes and amendments thereto as he/she may consider to be necessary, desirable or expedient for and on behalf of the Company.”

NOTICE OF SGM

2. “**THAT:**

- (a) to re-elect Ms. Ma Yilin as executive Director;
- (b) to re-elect Ms. Liu Shufeng as executive Director; and
- (c) to re-elect Mr. Chen Youchun as independent non-executive Director.”

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

Hong Kong, 5 March 2018

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office of business in
Hong Kong:*
26/F, COFCO Tower
262 Gloucester Road
Causeway Bay
Hong Kong

Notes:

1. A member entitled to attend and vote at the Meeting may appoint a proxy to attend and, on a poll, vote on his behalf and such proxy need not be a member of the Company. A form of proxy for use at the Meeting is enclosed.
2. In order to be valid, the form of proxy, together with any power of attorney or authority under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited with the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong no later than Monday, 19 March 2018 at 11:00 a.m. (Hong Kong Time) or any adjournment thereof.
3. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the Meeting convened or any adjournment thereof and in such event, the authority of the proxy shall be deemed to be revoked.
4. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
5. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she/it were solely entitled thereto. If more than one of such joint holders are present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
6. The record date for determining the entitlement of the shareholders of the Company to attend and vote at the Meeting will be Friday, 16 March 2018. All transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 15 March 2018.