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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)

PROFIT ALERT
REDUCTION IN LOSS

This announcement is made by Elegance Optical International Holdings Limited (the “**Company**” together with its subsidiaries collectively referred to as the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors (the “**Board**” or “**Directors**”) of the Company wishes to inform the shareholders of the Company (“**Shareholders**”) and potential investors that, based on the preliminary review on the latest available financial information of the Group, the Group expects to record a significant decrease in loss attributable to owners, close to breakeven, for the year ended 31 March 2021 (the “**Year**”), when compared to the loss attributable to the owners of approximately HK\$98.4 million for the year ended 31 March 2020 (the “**Previous Year**”).

The Board considers that the decrease in loss during the Year was mainly due to (i) the significant drop in net impairment loss being recognised (subject to further review and assessment) for the Year when compared to the Previous Year in respect of loan and interest receivable and investment in an associate; (ii) one-off gain on disposal of building of approximately HK\$14.7 million included in gain on items at disposal of property, plant and equipment; (iii) the decrease in general and administrative expenses because of effective cost control of our manufacturing and trading of optical frames and sunglasses business; and (iv) a fair value gain from the investment in film production of approximately HK\$11.9 million (subject to further review and assessment) while a fair value loss on investment in film production of approximately HK\$13.6 million was recorded for Previous Year.

The information contained in this announcement is only based on the Board's preliminary assessment after reviewing the unaudited consolidated management accounts of the Group for the Year. The annual results for the Year ("**Annual Results**") have not yet been finalised and are subject to review by the Board, the audit committee of the Board and the auditor of the Company, and may be subject to valuation of certain assets of the Group and adjustments such as provisions for impairment of assets. Therefore, the actual results of the Group for the Year may differ from the information contained in this announcement. Publication of the Annual Results announcement is scheduled to be made on 30 June 2021.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Elegance Optical International Holdings Limited
Yu Baodong
Chairman and Executive Director

Hong Kong, 24 June 2021

As at the date of this announcement, the executive Directors are Mr. Yu Baodong, Mr. Chung Yuk Lun and Mr. Wong Chong Fai; and the independent non-executive Directors are Mr. Man Wai Lun, Mr. Cheng Chun Man and Mr. Hui Man Ho, Ivan.