

**ELEGANCE INTERNATIONAL HOLDINGS LTD:  
THE COMPANY FACES AN UNCLEAR FUTURE**

Elegance International Holdings Ltd ( ) (Code: 907, Main Board, The Stock Exchange of Hongkong Ltd) appears to be facing troubling times.

There is sufficient evidence to suggest that the present situation could well get much worse before the Current Financial Year, ending March 31, 2010, comes to a close.

Elegance International is principally engaged in the manufacture and trading of eyewear products.

For the Financial Year, ended March 31, 2009, the company reported that, on a Turnover of about \$HK510.08 million (2008: \$HK551.78 million), the Net Profit Attributable to Shareholders was about \$HK16.16 million (2008: \$HK51.37 million).

The Final Dividend was cut to about \$HK9.71 million, down from the 2008 Final Dividend of about \$HK29.13 million.

The 68.54-percent fall in the 2009 Bottom Line was due to a number of factors, no doubt, but it is only too clear that reduced sales of its goods in Europe was the major factor.

For the 2009-Year, on a Turnover in Europe of about \$HK297.12 million, the Gross Profit was about \$HK5.51 million (2008: About \$HK29 million).

In North America, the situation was, also, very bad, and, on a Turnover in North America of about \$HK167.90 million (2008: \$HK169.04 million), the Gross Profit was about \$HK3.11 million (2008: \$HK14.33 million).

Europe and North America are the most-important markets for Elegance International.

In fact, these are the only 2 markets of any materiality for Management of Elegance International.

Safilo S.p.A. a publicly listed company in Italy, owns 23.05 percent of the Issued and Fully Paid-Up Share Capital of Elegance International.

At Page 5 of the First Quarterly Report of this company, for the period, ended March 31, 2009, it is stated that the 33 major eyewear products that this Italian company produces and markets include:

*‘... Safilo, Oxydo, Carrera, Smith and Blue Bay while the licensed brands include Alexander McQueen, A/X Armani Exchange, Balenciaga, Banana Republic, BOSS – Hugo Boss, Bottega Veneta, Diesel, 55DSL, Dior, Emporio Armani, Fossil, Giorgio Armani, Gucci, HUGO – Hugo Boss, Jimmy Choo, J. Lo By Jennifer Lopez, Juicy Couture, Kate Spade, Liz Claiborne, Marc Jacobs, Marc by Marc Jacobs, Max Mara, Max & Co., Nine West, Pierre Cardin, Saks Fifth Avenue, Valentino and Yves Saint Laurent.’*

It goes without saying that Elegance International’s sales to Safilo S.p.A. are very important to this company, operating out of the Hongkong Special Administrative Region (HKSAR) of the People’s Republic

of China (PRC).

In respect of the financials of the First Quarter, Safilo S.p.A. ... [CLICK TO ORDER FULL ARTICLE](#)

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