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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)

FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021

The board of directors (the “**Board**” or “**Directors**”) of Elegance Optical International Holdings Limited (the “**Company**”) would like to announce the audited consolidated financial results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2021 together with the comparative figures for 2020 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2021

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
REVENUE	4	53,930	66,246
Cost of sales and services		<u>(46,173)</u>	<u>(58,635)</u>
Gross profit		7,757	7,611
Other income and gains	4	34,273	8,996
Selling and distribution expenses		(2,974)	(1,749)
Administrative expenses		(41,038)	(74,285)
Other operating expenses	5	(27,342)	(48,670)
Finance costs	6	(3,058)	(5,111)
Share of profit of a joint venture		44	103
Share of profit of an associate		<u>13,737</u>	<u>10,712</u>
LOSS BEFORE TAX	7	(18,601)	(102,393)
Income tax credit	8	<u>435</u>	<u>708</u>
LOSS FOR THE YEAR		<u>(18,166)</u>	<u>(101,685)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(continued)**For the year ended 31 March 2021*

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loss for the year attributable to:			
Owners of the Company		(15,274)	(98,399)
Non-controlling interests		(2,892)	(3,286)
		<u>(18,166)</u>	<u>(101,685)</u>
		2021 <i>HK cents</i>	2020 <i>HK cents</i>
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	<i>10</i>		
Basic		(2.15)	(22.24)
Diluted		N/A	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2021

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
LOSS FOR THE YEAR	(18,166)	(101,685)
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Items that may be reclassified to profit or loss in subsequent periods:		
Share of exchange differences on translation of a joint venture	101	73
Share of exchange differences on translation of an associate	1,456	(1,154)
Exchange differences on translation of foreign operations	2,744	(2,148)
Reclassification adjustment relating to foreign operations disposed of	2	–
	4,303	(3,229)
Items that may not be reclassified to profit or loss in subsequent periods:		
Gain on property revaluation, net of tax	–	1,012
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR	4,303	(2,217)
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	(13,863)	(103,902)
Total comprehensive expense for the year attributable to:		
Owners of the Company	(11,746)	(100,036)
Non-controlling interests	(2,117)	(3,866)
	(13,863)	(103,902)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

	Notes	2021 HK\$'000	2020 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		41,196	44,027
Right-of-use assets		22,868	20,387
Investment properties		63,181	69,382
Intangible assets		–	10,250
Investment in an associate		93,000	91,000
Investment in a joint venture		–	–
Prepayments and deposits		–	230
		<u>220,245</u>	<u>235,276</u>
CURRENT ASSETS			
Inventories		4,535	8,802
Trade receivables	11	14,155	8,338
Loan and interest receivables	12	–	11,129
Prepayments, deposits and other receivables		39,542	36,656
Financial assets at fair value through profit or loss		81,955	51,022
Cash and cash equivalents		40,078	28,441
		<u>180,265</u>	<u>144,388</u>
CURRENT LIABILITIES			
Trade payables	13	3,603	5,113
Contract liabilities		3,377	7,279
Other payables, accruals and deposits received	14	60,151	72,918
Interest-bearing bank and other borrowings		23,396	30,513
Lease liabilities		1,162	90
Income tax payable		15,327	15,528
		<u>107,016</u>	<u>131,441</u>
NET CURRENT ASSETS		<u>73,249</u>	<u>12,947</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>293,494</u>	<u>248,223</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)**As at 31 March 2021*

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
NON-CURRENT LIABILITIES			
Deposits received	<i>14</i>	125	67
Deferred tax liabilities		1,998	2,351
Interest-bearing other borrowings		–	8,262
Lease liabilities		18,879	16,985
		<hr/> 21,002	<hr/> 27,665
Net assets		<hr/> 272,492	<hr/> 220,558
EQUITY			
Share capital	<i>15</i>	8,728	60,655
Reserves		274,718	168,740
		<hr/> 283,446	<hr/> 229,395
Equity attributable to owners of the Company		283,446	229,395
Non-controlling interests		(10,954)	(8,837)
		<hr/> 272,492	<hr/> 220,558
Total equity		<hr/> 272,492	<hr/> 220,558

NOTES

1. GENERAL INFORMATION

The Company is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company acts as an investment holding company. The Company's subsidiaries are principally engaged in the manufacture and trading of optical frames and sunglasses, property investment, investment in debts and securities, film investment and distribution business and energy business.

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), except otherwise indicated.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the Amendments to References to the Conceptual Framework for Financial Reporting in HKFRS Standards and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

Except as described below, the application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKFRS 3 Definition of a Business

The Group has applied the amendments for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The gross assets under assessment exclude cash and bank balances, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis.

The Group acquired a set of activities and assets in February 2021 and did not elect to apply the concentration test to that transaction. Based on the assessment of elements of a business, the Group concluded that the acquired set of activities and assets is a business.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments ¹
Amendment to HKFRS 16	Covid-19-Related Rent Concessions ⁴
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 ⁵
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ¹
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ²
Amendments to HKFRS Standards	Annual Improvements to HKFRS Standards 2018-2020 ²

¹ Effective for annual periods beginning on or after 1 April 2023.

² Effective for annual periods beginning on or after 1 April 2022.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1 June 2020.

⁵ Effective for annual periods beginning on or after 1 April 2021.

The Directors of the Company anticipate that the application of the new and amendments to HKFRSs that are not yet effective will have no material impact on the consolidated financial statements in the foreseeable future.

3. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments (2020: four reportable operating segments) as follows:

- (a) the manufacturing and trading segment engaged in manufacture and trading of optical frames and sunglasses;
- (b) the property investment segment engaged in leasing of properties for rental income;
- (c) the debts and securities investment segment engaged in investments in financial instruments and quoted shares;
- (d) the film investment and distribution segment engaged in film right and movie investments and distributions; and
- (e) the energy business segment engaged in investments in energy sector related instrument and sale and trading of liquefied petroleum gas products.

The management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/ loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that bank and other interest income, finance costs and unallocated gains as well as corporate and other unallocated expenses are excluded from such measurement.

During the year, the Group commenced the energy business engaging in sale and trading of liquefied petroleum gas products following the completion of acquisition of Gulf Energy (China) Limited, and this business is regarded as a new operating and reportable segment by the management of the Group.

Segment assets exclude other unallocated head office and corporate assets, including cash and cash equivalents, investments in and balances with a joint venture, certain property, plant and equipment and loan and interest receivables, as these assets are managed on a group basis.

Segment liabilities exclude other unallocated head office and corporate liabilities, including interest-bearing bank and other borrowings, income tax payable, deferred tax liabilities and other payables, accruals and deposits received, as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

	Manufacturing and trading <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Debts and securities investment <i>HK\$'000</i>	Film investment and distribution <i>HK\$'000</i>	Energy business <i>HK\$'000</i>	Total <i>HK\$'000</i>
In respect of the year ended						
31 March 2021						
Segment revenue	49,012	2,425	-	3,046	-	54,483
Inter-segment revenue	-	(553)	-	-	-	(553)
Revenue from external customers	<u>49,012</u>	<u>1,872</u>	<u>-</u>	<u>3,046</u>	<u>-</u>	<u>53,930</u>
Segment profit/(loss)	2,571*	(1,612)**	(831)	(12,712)**	(434)	(13,018)
Bank interest income						11
Gain on disposal of subsidiaries						175
Bad debt recovery						2,000
Impairment loss on goodwill						(2,666)
Corporate and other unallocated expenses						(15,826)
Finance costs						(3,058)
Share of profit of a joint venture	44	-	-	-	-	44
Share of profit of an associate	-	-	-	13,737	-	13,737
Loss before tax						<u>(18,601)</u>
Segment assets	<u>92,857</u>	<u>63,569</u>	<u>5,307</u>	<u>155,025</u>	<u>34,436</u>	351,194
Corporate and other unallocated assets						49,316
Total assets						<u>400,510</u>
Segment liabilities	<u>66,713</u>	<u>696</u>	<u>357</u>	<u>26,732</u>	<u>2,019</u>	96,517
Corporate and other unallocated liabilities						31,501
Total liabilities						<u>128,018</u>

* Included gain on disposal of items of property, plant and equipment of approximately HK\$14,478,000 as the corresponding assets previously included in segment assets of manufacturing and trading.

** Included gain on disposal of intangible assets and change in fair value of financial assets at fair value through profit or loss – investments in film production of approximately HK\$4,263,000 and HK\$2,323,000 respectively as the corresponding assets previously included in segment assets of film investment and distribution.

*** Included gain on change in fair value of investment properties of approximately HK\$3,037,000 as the corresponding assets previously included in segment assets of property investment.

	Manufacturing and trading <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Debts and securities investment <i>HK\$'000</i>	Film investment and distribution <i>HK\$'000</i>	Energy business <i>HK\$'000</i>	Total <i>HK\$'000</i>
In respect of the year ended						
31 March 2021						
Other segment information:						
Share of profit of a joint venture	44	-	-	-	-	44
Share of profit of an associate	-	-	-	13,737	-	13,737
Depreciation and amortisation						
Segment expenses	(4,048)	(409)	-	(2,123)	(177)	(6,757)
Unallocated						(8)
Total						(6,765)
Impairment loss on investment in an associate	-	-	-	(13,193)	-	(13,193)
Impairment of inventories	(291)	-	-	-	-	(291)
Impairment of trade receivables	(30)	-	-	-	-	(30)
Written off of loan and interest receivables						
Segment expenses	-	-	-	-	-	-
Unallocated						(11,129)
Total						(11,129)
Provision for impairment loss on investment in and loan to a joint venture	(324)	-	-	-	-	(324)
Additions to items of property, plant and equipment	583	-	-	-	-	583

	Manufacturing and trading <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Debts and securities investment <i>HK\$'000</i>	Film investment and distribution <i>HK\$'000</i>	Total <i>HK\$'000</i>
In respect of the year ended					
31 March 2020					
Segment revenue	62,609	2,768	–	1,529	66,906
Inter-segment revenue	–	(660)	–	–	(660)
Revenue from external customers	<u>62,609</u>	<u>2,108</u>	<u>–</u>	<u>1,529</u>	<u>66,246</u>
Segment loss	(35,360)*	(5,006)	(1,588)	(53,108)	(95,062)
Bank interest income					23
Interest income from loan receivables					2,187
Corporate and other unallocated expenses					(15,245)
Finance costs					(5,111)
Share of profit of a joint venture	103	–	–	–	103
Share of profit of an associate	–	–	–	10,712	10,712
Loss before tax					<u>(102,393)</u>
Segment assets	<u>109,925</u>	<u>69,865</u>	<u>5,967</u>	<u>154,316</u>	340,073
Corporate and other unallocated assets					<u>39,591</u>
Total assets					<u>379,664</u>
Segment liabilities	<u>74,233</u>	<u>795</u>	<u>35</u>	<u>24,625</u>	99,688
Corporate and other unallocated liabilities					<u>59,418</u>
Total liabilities					<u>159,106</u>

* Included gain on disposal of items of property, plant and equipment of approximately HK\$177,000 as the corresponding assets previously included in segment assets of manufacturing and trading.

	Manufacturing and trading <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Debts and securities investment <i>HK\$'000</i>	Film investment and distribution <i>HK\$'000</i>	Total <i>HK\$'000</i>
In respect of the year ended					
31 March 2020					
Other segment information:					
Share of profit of a joint venture	103	–	–	–	103
Share of profit of an associate	–	–	–	10,712	10,712
Depreciation and amortisation					
Segment expenses	(5,480)	(309)	–	(3,150)	(8,939)
Unallocated					(299)
					<hr/>
Total					(9,238)
Impairment loss on investment in an associate	–	–	–	(18,543)	(18,543)
Impairment of inventories	(66)	–	–	–	(66)
Impairment of trade receivables	(2,013)	–	–	–	(2,013)
Impairment of loan and interest receivables					
Segment expense	–	–	–	–	–
Unallocated					(9,480)
					<hr/>
Total					(9,480)
Reversal of impairment loss on investment in and loan to a joint venture	98	–	–	–	98
Additions to items of property, plant and equipment	1,087	–	–	279	1,366
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Geographical information

(a) Revenue from external customers

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Europe	4,071	14,485
America	38,025	40,586
The People's Republic of China ("PRC") (including Hong Kong)	9,139	8,884
Other Asian countries	2,695	2,091
Others	—	200
	<u>53,930</u>	<u>66,246</u>

The revenue information above is based on the locations of the customers. The PRC (including Hong Kong) segment mainly represents rental income from lease of the Group's properties located in the PRC (including Hong Kong), the sales of eyewear products to agents located in Hong Kong including sales made to local retailers and fair value gains on equity investments listed in Hong Kong. The Directors are of the opinion that the agents in Hong Kong export the Group's products mainly to ultimate customers located in Europe and America.

(b) Non-current assets

All significant operating assets of the Group are located in the PRC (including Hong Kong). Accordingly, no geographical information of segment assets is presented.

Information about major customers

Revenue from individual customers of the corresponding years contributing over 10% of total revenue of the Group is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Customer A	Revenue generated from manufacturing and trading <u>24,404</u>	<u>28,911</u>

4. REVENUE AND OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, gross rental income and agency and commission income from film distribution.

An analysis of the Group's revenue and other income is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue:		
Sale of goods – at a point in time	49,012	62,609
Film distribution agency and commission income – over time	3,046	1,529
	<hr/>	<hr/>
Revenue from contracts with customers	52,058	64,138
Rental income from lease of investment properties	1,872	2,108
	<hr/>	<hr/>
	53,930	66,246
	<hr/> <hr/>	<hr/> <hr/>
	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Other income and gains:		
Sale of scrap materials	1,038	323
Accounting service fee	1,320	1,080
Bank interest income	11	23
Bad debt recovery	2,000	–
Interest income from loan receivables	–	2,187
Rental income from lease of machineries	865	1,327
Gains on change in fair value of financial assets at fair value through profit or loss – investments in film production	2,323	–
Gains on change in fair value of equity investments at fair value through profit or loss, net	1,256	2,306
Gain on disposal of items of property, plant and equipment	14,478	177
Gain on disposal of intangible assets	4,263	–
Gain on disposal of subsidiaries	175	–
Gain on change in fair values of investment properties	3,037	–
Net foreign exchange gain	3,009	–
Government grants	364	–
Write-back of other payables	–	692
Reversal of impairment loss on investment in and loan to a joint venture	–	98
Others	134	783
	<hr/>	<hr/>
	34,273	8,996
	<hr/> <hr/>	<hr/> <hr/>

5. OTHER OPERATING EXPENSES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Impairment of trade receivables (<i>note 11</i>)	30	2,013
Impairment of loan and interest receivables (<i>note 12</i>)	–	9,480
Impairment of other receivables	–	127
Impairment loss on investment in an associate	13,193	18,543
Impairment loss on investment in and loan to a joint venture	324	–
Impairment loss on property, plant and equipment	–	2,706
Loss on changes in fair value of investment properties	–	2,088
Loss on changes in fair value of financial assets at fair value through profit or loss – investments in film production	–	13,647
Impairment loss on goodwill	2,666	–
Written off of loan and interest receivables	11,129	–
Others	–	66
	<u>27,342</u>	<u>48,670</u>

6. FINANCE COSTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest on bank and other borrowings	2,520	4,506
Interest on finance leases	–	30
Interest on lease liabilities	538	575
	<u>3,058</u>	<u>5,111</u>

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/ (crediting):

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Cost of inventories sold*	44,408	56,592
Depreciation of property, plant and equipment	4,525	6,077
Depreciation of right-of-use assets	990	1,411
Amortisation of intangible assets	1,250	1,750
Auditor's remuneration		
– audit service	1,225	1,225
– non-audit service	–	50
Short-term leases expenses	1,752	2,164
Directors' remuneration	1,077	932
Employee benefit expense (excluding Directors' and chief executive's remuneration):		
Wages, salaries and other benefits	19,163	32,928
Pension scheme contributions**	710	1,989
	<hr/>	<hr/>
Total employee benefit expense included in selling and distribution expenses and administrative expenses	20,950	35,849
	<hr/>	<hr/>
Impairment loss of inventories*	291	66
Foreign exchange losses, net	–	4,569
Gross rental income	(1,872)	(2,108)
Less: Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties*	224	294
	<hr/>	<hr/>
Net rental income	(1,648)	(1,814)
	<hr/> <hr/>	<hr/> <hr/>

* Included in “cost of sales and services” on the face of the consolidated statement of profit or loss.

** At the end of the reporting period, the Group had no forfeited pension scheme contributions available to reduce its contributions to the pension schemes in future years (2020: Nil).

8. INCOME TAX CREDIT

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current tax		
Hong Kong profits tax	–	–
Elsewhere	–	(1)
Overprovision in prior years	–	779
	<hr/>	<hr/>
	–	778
Deferred tax credit/(charge)	435	(70)
	<hr/>	<hr/>
Total tax credit for the year	435	708
	<hr/> <hr/>	<hr/> <hr/>

No provision for the Hong Kong profits tax has been made as the Group does not generate any assessable profits for the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

9. DIVIDEND

The Board does not recommend payment of any dividend for the year ended 31 March 2021 (2020: Nil).

10. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share amounts is based on the loss for the year attributable to owners of the Company amounted to HK\$15,274,000 (2020: HK\$98,399,000), and the weighted average of approximately 710,341,000 (2020: approximately 442,398,000) ordinary shares in issue during the year.

No diluted loss per share is presented as the Group had no potential dilutive ordinary shares in issue during the years ended 31 March 2021 and 2020 or as at those dates.

11. TRADE RECEIVABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade receivables, gross amount	16,518	10,671
Less: impairment loss recognised	<u>(2,363)</u>	<u>(2,333)</u>
	<u>14,155</u>	<u>8,338</u>

The Group's trading terms with its customers are mainly on credit, except for new customers where payment in advance is normally required. The credit period is generally ranging from 45 to 120 days (2020: 45 to 120 days). Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are regularly reviewed by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the end of each reporting period, based on the invoice date and net of provisions, is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 90 days	13,140	8,146
91 to 180 days	1,015	39
181 to 360 days	<u>–</u>	<u>153</u>
	<u>14,155</u>	<u>8,338</u>

Movements the impairment loss recognised on trade receivables are as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
At beginning of year	2,333	320
Impairment losses recognised (<i>note 5</i>)	<u>30</u>	<u>2,013</u>
At end of year	<u><u>2,363</u></u>	<u><u>2,333</u></u>

An aged analysis of the trade receivables that are not considered to be impaired is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Neither past due nor impaired	6,736	4,408
Less than one month past due	6,021	3,017
One to three months past due	1,398	876
Over three months past due	<u>–</u>	<u>37</u>
	<u><u>14,155</u></u>	<u><u>8,338</u></u>

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the Directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

12. LOAN AND INTEREST RECEIVABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Unsecured loan and interest receivables, gross amount	–	21,249
Less: impairment losses recognised	<u>–</u>	<u>(10,120)</u>
	<u><u>–</u></u>	<u><u>11,129</u></u>

These loan receivables are stated at amortised cost using effective interest rates ranging from 10% to 15%. Loan and interest receivables thereon will be settled by the borrowers at their respective maturity dates within one year. As these loan receivables relate to a number of different borrowers, the Directors of the Company are of the opinion that there is no concentration of credit risk over these loan receivables. The grants of these loans were approved and monitored by the Group's management. The Group does not hold any collateral or other credit enhancement over its loan receivable balances. The carrying amounts of these loan receivables approximate to their fair values.

Movements in the impairment loss of loan receivables are as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
At beginning of the year	10,120	28,844
Impairment losses recognised for the year (<i>note 5</i>)	–	9,480
Written off during the year (<i>note</i>)	(10,120)	(28,204)
	<hr/>	<hr/>
At end of the year	–	10,120
	<hr/> <hr/>	<hr/> <hr/>

Note: For the year ended 31 March 2021, the loan and interest receivables amounting to HK\$21,249,000 (2020: HK\$28,204,000) together with accumulated impairment losses of HK\$10,120,000 (2020: HK\$28,204,000) related to a number of different borrowers. The Group has taken up various actions, including litigation procedures for repayment against long past due borrowers, and considered that the recoverability of these loans is remote. Accordingly, such loan and interest receivables together with corresponding accumulated impairment loss were written off. However, continuous actions, where appropriate, will be taken by the Group for such loans repayments.

The Group uses four categories to reflect the credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit ratings, where possible.

An aged analysis of the loan and interest receivables that are not considered to be impaired is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Neither past due nor impaired	–	11,129
	<hr/>	<hr/>

Receivables that were neither past due nor impaired relate to diversified customers. Based on past experience, the Directors are of the opinion that except for the impairment loss made based on the expected credit loss provision, no additional provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality.

13. TRADE PAYABLES

An aged analysis of the trade payables as at the end of each reporting period, based on the payment due date, is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 90 days	3,181	4,592
91 to 180 days	20	157
181 to 360 days	25	245
Over 360 days	377	119
	<hr/>	<hr/>
	3,603	5,113
	<hr/> <hr/>	<hr/> <hr/>

Trade payables are non-interest-bearing and are normally settled on 90-day (2020: 90-day) terms.

14. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Amounts due to related parties	19,692	15,319
Other payables (<i>note a</i>)	7,254	16,492
Accruals	12,076	11,920
Deposits received (<i>note b</i>)	21,254	29,254
	<u>60,276</u>	<u>72,985</u>
Less: Non-current portion	(125)	(67)
	<u><u>60,151</u></u>	<u><u>72,918</u></u>

Notes:

- (a) As at 31 March 2020, included in other payables is consideration payable for the acquisition of film distribution rights (classified under intangible asset) amounted to HK\$12,000,000. This consideration payable, which was unsecured, interest free and payable on demand, was settled by the Group during the current year.
- (b) Included in deposits received is payment received for the disposal of a subsidiary in prior years amounted to RMB17,000,000 (2020: RMB26,000,000). Such balance was paid by the purchaser to another subsidiary of the Group. These deposits received could not be offset with disposal receivable amounting to RMB17,000,000 (2020: RMB26,000,000) included in prepayments, deposits and other receivables until the foreign currency remittance procedures are completed.

15. SHARE CAPITAL

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Authorised:		
10,000,000,000 shares of HK\$0.01 each (2020: 1,000,000,000 shares of HK\$0.1 each)	<u>100,000</u>	<u>100,000</u>
Issued and fully paid:		
872,863,684 shares of HK\$0.01 each (2020: 606,533,684 shares of HK\$0.1 each)	<u>8,728</u>	<u>60,655</u>

Movements in the Company's issued share capital are as follows:

	Number of shares in issue	Issued share capital HK\$'000
At 1 April 2019	404,369,123	40,437
Issue of new shares pursuant to rights issue (<i>note a</i>)	202,184,561	20,218
	<hr/>	<hr/>
At 31 March 2020 and 1 April 2020	606,553,684	60,655
	<hr/>	<hr/>
Issue of new shares by placing arrangement (<i>notes b and c</i>)	221,310,000	13,131
Issue of new shares under subscription agreement (<i>note d</i>)	45,000,000	450
Capital reorganisation (<i>note e</i>)	–	(65,508)
	<hr/>	<hr/>
At 31 March 2021	872,863,684	8,728
	<hr/> <hr/>	<hr/> <hr/>

Notes:

- (a) On 18 February 2020, the Company completed its rights issue and issued 202,184,561 rights shares on the basis of one rights share for every two existing shares, at the subscription price of HK\$0.14 per rights share (the “**rights issue**”). The net cash proceeds received from the rights issue amounted to approximately HK\$26,012,000, after share issue expenses of approximately HK\$2,293,000, are intended for the repayment of the Group's indebtedness and for the general working capital for the Group. The rights issue has increased the share capital and share premium of the Company by approximately HK\$20,218,000 and HK\$5,794,000 respectively. Those rights shares rank pari passu in all respects with the ordinary shares of the Company in issue on that date. Please refer to the announcement of the Company dated 17 February 2020.
- (b) On 29 July 2020, the Company entered into a placing agreement with the placing agent, pursuant to which the placing agent has conditionally agreed to place, on a best efforts basis, a maximum of up to 121,310,000 placing shares (at par value of HK\$0.1) to not less than six independent placees at the placing price of HK\$0.1 per placing share. The net cash proceeds from the placing, after deducting the related placing commission, professional fees and other related expenses, amounted to approximately HK\$11,630,000 (at HK\$0.096 per placing share), which is intended by the Company to utilise for general working capital of the Group and any possible investments in the future when opportunities arise. Those placing shares issued by the Company rank pari passu in all respects with the ordinary shares of the Company on the date of issue. Please refer to the announcements of the Company dated 15 July 2020 and 29 July 2020.
- (c) On 3 February 2021, the Company completed the placing of 100,000,000 shares (at par value of Hk\$0.01) to not less than six independent placees at the placing price of HK\$0.381 per shares. The Company intends to apply the net proceeds from the placing for general working capital of the Group and any possible investments and potential business enhancement strategies in favour of the Company in the future, including but not limited to investment in debts and securities and other potential business development, when such opportunities arise. Those placing shares rank pari passu in all respects with the issued ordinary shares of the Company on the date of issue. Please refer to the announcements of the Company dated 20 January 2021, 28 January 2021 and 8 February 2021.

- (d) On 8 February 2021, the Company entered into the subscription agreement with a third party (the “**Subscriber**”), pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 45,000,000 shares (at par value of HK\$0.01) at the subscription price of HK\$0.381 per share. The Company intends to apply the net proceeds from the subscription for general working capital of the Group and any possible investments and potential business enhancement strategies in favour of the Company in the future, including but not limited to investment in debts and securities and other potential business development, when such opportunities arise. Those subscription shares issued by the Company rank pari passu in all respects with the issued ordinary shares of the Company on the date of issue. Please refer to the announcements of the Company dated 20 January 2021, 28 January 2021 and 8 February 2021.
- (e) Pursuant to a special resolution passed at the Annual General Meeting by the Company’s shareholders on 30 September 2020, the Company has implemented the capital reorganisation which comprises the following:
- (i) the par value of each of the existing shares of HK\$0.1 each of the Company (the “**Existing Shares**”) in issue be and is hereby reduced from HK\$0.1 each to HK\$0.01 each (“**New Shares**”) by cancelling the capital paid-up thereon to the extent of HK\$0.09 on each of the issued Existing Shares, such that the par value of each issued Existing Share be reduced from HK\$0.1 to HK\$0.01 (the “**Capital Reduction**”);
 - (ii) each of the authorised but unissued Existing Shares of HK\$0.1 each be and is hereby sub-divided into ten (10) New Shares of HK\$0.01 each (the “**Share Subdivision**”);
 - (iii) the credits arising from the Capital Reduction be transferred to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda (the “**Contributed Surplus Account**”) (items (i) to (iii) collectively referred to as the “**Capital Reorganisation**”);

The Capital Reorganisation was effective on 6 October 2020. Please refer to the announcements of the Company dated 28 August 2020 and 30 September 2020.

DIVIDEND

The Board of the Company does not recommend the payment of any dividend for the year ended 31 March 2021 (“**Year**”) (2020: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the Year, the Group recorded a loss before tax of approximately HK\$18.6 million. The loss attributable to the owners of the Company for the Year was approximately HK\$15.3 million (2020: approximately HK\$98.4 million).

Total revenue for the Year was approximately HK\$53.9 million. Compared to approximately HK\$66.2 million recorded for the year ended 31 March 2020, it represents a decrease of approximately 18.6%. The Group’s operations comprised of 5 segments, namely, (i) manufacturing and trading of optical frames and sunglasses, (ii) property investment, (iii) debts and securities investment, (iv) film investment and distribution and (v) energy business (2020: comprised of 4 segments, namely, (i) manufacturing and trading of optical frames and sunglasses, (ii) property investment, (iii) debts and securities investment and (iv) film investment and distribution). The largest part of total revenue came from the sales of optical frames and sunglasses. This decreased by approximately 21.7% or approximately HK\$49.0 million (2020: HK\$62.6 million). The decrease in revenue was mainly attributable to the outbreak of COVID-19 pandemic (the “**Pandemic**”), which has adversely affected the export sales of the Group’s optical frames and sunglasses, especially in European countries.

For property investment, rental income decreased slightly from approximately HK\$2.1 million in 2020 to approximately HK\$1.9 million in 2021. However, it remained relatively insignificant to the Group’s operation.

For debts and securities investment segment, the Group did not record any revenue for both years. The fair value of the Group’s securities investment amounted to approximately HK\$5.3 million as at 31 March 2021. The management will continue to adopt prudent approach under the volatile financial market.

For film investment and distribution segment, Filmko Culture Limited, the holding company of a major film distributor in the People’s Republic of China (“**PRC**”), whose 25% interest was acquired by the Group in July 2018, showed good performance in its film distribution business in the PRC. That company issued five films this Year and recorded a profit after tax of approximately HK\$54.9 million, which had exceeded the profit guarantee.

For the energy business, the Group acquired a company engaged in sale and trading of liquefied petroleum gas products in the Year. The business is yet to generated revenue to the Group in the Year.

PROSPECT

For the Year, the outbreak of the Pandemic together with subsequent lockdown measures had substantial and profound impact on the global economy. Although, with the introduction of the vaccine, the Pandemic is expected to be gradually under control in long run, it is expected that the business of the Group will still face certain challenges in the short term. Therefore, the Group will carefully assess the business environment in which the Group is engaging and adjust its resources allocation accordingly.

For the manufacturing and trading of optical frames and sunglasses business, the cost control measure has shown initial achievements. The Group will continue to optimise its cost effectiveness so as to mitigate any uncertainty and influence brought by the Pandemic.

For the film investment and distribution business, on the first half of 2020, the film industry in the PRC faced a devastating blow due to the Pandemic. However, with the ease of Pandemic in PRC and series of favorable policies on the film industry being issued by the PRC government, the PRC box office has shown remarkable progress. The total PRC box office recorded RMB20.4 billion, surpassing North America as the largest film market in the world for the first time. The number of screens in PRC kept a growth trend, with 5,794 newly increased screens to a total of 75,581 screens in 2020, ranking first in the world in movie screens for years. As the PRC film market has quickly emerged from the doldrums, the Group believes in the comprehensive strength and resilience of the PRC film market and expects its continuing growth in long term.

Moreover, the Company will from time to time examine its existing business and investments and look for appropriate business and investment opportunities with the aim of diversifying the Company's business and income streams. With the view that along with the recovery of the economy activities, the demand of energy resources, particularly in liquefied petroleum gas, will surge in future. Thus, the Group started to do the layout for the energy industry by setting up Oasis City Group Limited as a foothold to capture any opportunity arose. The Group is reviewing its existing resources, including the experience, expertise and network of the Company's directors and management, with the aim of exploring and developing its energy business.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 March 2021, the Company had no capital commitments, which were contracted but not provided for, in respect of acquisition of property, plant and equipment (2020: Nil). As at 31 March 2021, the Company had no contingent liabilities (2020: Nil) in respect of corporate guarantees given to banks for the general banking facilities granted to its subsidiaries.

MATERIAL ACQUISITION AND DISPOSAL

- (i) On 19 May 2020, Elegance Optical Investments Limited (“**Elegance Optical Investments**”), an indirect wholly-owned subsidiary of the Company, entered into the provisional sale and purchase agreement with Healthmark Medical Supply Co., Limited (“**Healthmark**”) to dispose the property located at Factory B7, 3/F, Block B, Mai Hing Industrial Building (of Hing Yip Industrial Centre, Phase I, Blocks A and B), Nos. 16-18 Hing Yip Street, Kwun Tong, Kowloon, Hong Kong at a consideration of HK\$10.26 million (the “**First Disposal**”). Healthmark is principally engaged in the business of medical equipment supplies. Further details of the First Disposal is set out in the Company’s announcement dated 20 May 2020.
- (ii) On 9 September 2020, Elegance Optical Investments entered into the provisional sale and purchase agreement with Power Keen (Hong Kong) Limited (“**Power Keen**”) to dispose the property located at B4, 8/F, Block B, Mai Hing Industrial Building, 16-18 Hing Yip Street, Kwun Tong, Kowloon, Hong Kong at a consideration of approximately HK\$16 million (the “**Second Disposal**”). Power Keen is principally engaged in investment holding and the ultimate beneficial owner of the Power Keen is a connected person at subsidiary level of the Company. Upon the completion of the Second Disposal, the Company has leased back the property for the Group’s use as office. Further details of the Second Disposal is set out in the Company’s announcement dated 9 September 2020.
- (iii) On 4 February 2021, Evergreen Palm Limited, a wholly-owned subsidiary of the Company entered into sale and purchase agreement, pursuant to which Evergreen Palm Limited agreed to acquire 100% equity interest of Gulf Energy (China) Limited (“**Gulf Energy**”) at a consideration of HK\$20 million. Gulf Energy is principally engaged in the sale and trading of liquefied petroleum gas products. Upon Completion, Gulf Energy has become a wholly-owned subsidiary of the Company since then.

EQUITY FUND RAISING ACTIVITIES AND USE OF PROCEEDS

Placing of new shares under general mandate

On 15 July 2020, the Company conducted a placing of 121,310,000 new ordinary shares to not less than six independent placees at a price of HK\$0.1 each to raise a gross proceeds of approximately HK\$12.1 million (the “**2020 Placing**”). The net proceeds from the 2020 Placing (after deducting the placing commission for the 2020 Placing and other relevant expenses) were approximately HK\$11.63 million, which were intended to be applied for (i) general working capital of the Group and/or (ii) any possible investments in the future when opportunities arise. The 2020 Placing was completed on 29 July 2020. As at 31 March 2021, HK\$7.8 million was utilised. The remaining amount has been fully utilised as at the date of this result announcement.

For further details of the 2020 Placing, please refer to the announcements of the Company dated 15 July 2020 and 29 July 2020.

Placing and subscription of new shares under general mandate

On 20 January 2021 the Company entered into a subscription and placing agreement with the controlling shareholder and a placing agent in relation to the subscription of a maximum number of 45,000,000 new shares of the Company (the “**Subscription**”) and placing of 10,000,000 new shares of the Company (the “**2021 Placing**”) respectively, at the price of HK\$0.381 per share. The net proceeds from the Subscription and 2021 Placing (after deducting the placing commission for the 2021 Placing and other relevant expenses) were approximately HK\$54.1 million and were intended to be applied for (i) approximately HK\$39.1 million for possible investments and potential business enhancement strategies in favour of the Company in future, including but not limited to investment in debts and securities, film investment projects, energy related business and other potential business development, when such opportunities arise; and (ii) the remaining approximately HK\$15.0 million for general working capital of the Group.

As at 31 March 2021, HK\$35.5 million had been used for investment and acquisition. No proceed from the 2021 Placing was applied for the general working capital of the Group. As at the date of this result announcement, approximately HK\$1.0 million has used as general working capital. The unutilized amount is expected to be utilized as intended in the coming 12 months subject to future market developments.

For further details of the Subscription and 2021 Placing, please refer to the announcements of the Company dated 20 January 2021, 28 January 2021 and 8 February 2021.

EVENTS AFTER THE REPORTING PERIOD

Grant of Share Options

On 19 March 2021, the Company has resolved to grant share options (the “**Share Options**”) to eligible participants, subject to the acceptance by the grantees, to subscribe for a total of 60,000,000 Shares pursuant to the share option scheme adopted by the Company. Subsequent to the end of the reporting period, the grantees have accepted the grant of share options on the dates in April 2021, the date on which the share options became effective, and thereafter the grantees are eligible to exercise the share options immediately.

The fair value of the relevant share options at these effective dates is estimated to be approximately HK\$50.0 million in aggregate, which has been charged to profit or loss in respect of the year ended 31 March 2022.

Further details regarding the grant of share options are set out in the announcements of the Company dated 19 March 2021 and 25 March 2021.

LIQUIDITY AND FINANCIAL RESOURCES

The Group’s financial position with cash and cash equivalents of approximately HK\$40.1 million (2020: HK\$28.4 million), short-term borrowings of approximately HK\$23.4 million (2020: HK\$30.5 million) and the debt to equity ratio (expressed as a percentage of non-current liabilities over equity attributable to owners of the Company) is approximately 7.4% as at 31 March 2021 (2020: 12.1%). The non-current liabilities of the Company mainly comprised of deferred tax liabilities, deposit received, interest bearing other borrowings and lease liabilities amounting to approximately HK\$2.0 million, HK\$0.1 million, HK\$Nil and HK\$18.9 million respectively (2020: HK\$2.4 million, HK\$0.1 million, HK\$8.3 million and HK\$17.0 million) which came up a total amount of approximately HK\$21.0 million as at 31 March 2021 (2020: HK\$27.7 million). The Group’s equity attributable to owners of the Company as at 31 March 2021 amounted to approximately HK\$283.4 million (2020: HK\$229.4 million).

CORPORATE GOVERNANCE

Corporate Governance Code

The Board is committed to ensuring and maintaining high standard of corporate governance practices and procedures in fulfilling its responsibilities. It is the belief of the Board that shareholders can maximize their benefits from good corporate governance. The Company has always recognized the importance of transparency and accountability. The Group has adopted the code provisions as set out in the Corporate Governance Code (the “**Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange as its own code of corporate governance practices. The Directors consider that the Company has complied with the Code throughout the Year, except for the following deviations:

Code provision A.2

Code provision A.2 stipulates that there should be a clear division of responsibilities between management of the Board and the day-to-day management of business. During the Year, the Board did not appoint any Director as its Chairman. Following the appointment of new Chairman of Mr. Yu Baodong to the Board on 23 February 2021, such deviation from Code provision A.2 had been rectified.

Code provision A.4.1

Code provision A.4.1 stipulates that non-executive Directors should be appointed for a specific term, subject to re-election. Other than Mr. Hui Man Ho, Ivan who has been appointed for an initial term of two years which is renewed automatically for successive terms of one year, the other existing independent non-executive Directors of the Company do not have any specific term of appointment. All of them are subject to retirement by rotation and re-election at the annual general meetings pursuant to the Bye-laws of the Company. The Bye-laws require that every Director will retire from office no later than the third annual general meeting of the Company after he was last elected or re-elected. Further, any person appointed by the Board to fill a casual vacancy or as an additional director (including non-executive Director) will hold office only until the next general meeting and will then be eligible for re-election. As such, the Board considers that such requirements are sufficient to meet the underlying objectives of the relevant code provision.

Code provision C.2.5

Code provision C.2.5 stipulates that a listed company should have an internal audit function. Prior to the year ended 31 March 2020, the Company has outsourced the internal audit function on analysis and independent appraisal of the adequacy and effectiveness of its risk management and internal control systems to independent professional firm(s).

For the Year, the Audit Committee has performed such function itself by carrying out walk through tests on the Company’s risk management and internal control systems with reference to the policy and procedures manuals of the Company, interviewed and discussed with the management on their effectiveness and followed up on the rectifications of any findings from their work. The Board considers that compliance with Code provision C.2.5 has been fulfilled by the Audit Committee for the Year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix 10 of the Listing Rules. Having made specific enquiry to all Directors of the Company, all of them confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the Year.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

The audit committee of the Company (the “**Audit Committee**”), which comprises the three independent non-executive Directors of the Company, had reviewed the Group's audited consolidated financial statements for the Year in conjunction with the Group's auditors, CCTH CPA Limited (“**CCTH**”). Based on this review and discussion with the management of the Company, the Audit Committee was satisfied that the audited consolidated financial statements were prepared in accordance with applicable accounting standards and fairly presented the Group's financial position as at 31 March 2021 and results for the Year.

SCOPE OF WORK OF CCTH CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto as set out in this preliminary announcement have been agreed by the Group's auditor, CCTH, to the amounts set out in the Group's consolidated financial statements for the financial year. The work performed by CCTH in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by CCTH on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed shares during the Year.

PUBLICATION OF ANNUAL REPORT

The 2020-2021 annual report of the Company and the notice of the annual general meeting will be despatched to the shareholders of the Company and published on the websites of the Stock Exchange at <https://www.hkexnews.hk> and the Company at <http://www.irasia.com/listco/hk/eleganceoptical> in due course.

On behalf of the Board
Elegance Optical International Holdings Limited
Yu Baodong
Chairman and Executive Director

Hong Kong, 30 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.