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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 2024

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 2024 together with the comparative figures for 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 March 2024

	Notes	**2024** **HK$'000**	2023 *HK$'000*
Continuing operations			
Revenue	*5*	**23,989**	21,704
Cost of sales and services		**(19,115)**	(15,335)
Gross profit		**4,874**	6,369
Other income and gains	*5*	**13,338**	2,988
Selling and distribution expenses		**(128)**	(255)
Administrative expenses		**(23,724)**	(15,586)
Other operating expenses	*6*	**(46,395)**	(29,129)
Finance costs	*7*	**(599)**	(452)
Share of loss of associates		**(6,530)**	(997)
Share of (loss)/profit of a joint venture		**(195)**	236
Loss before tax	*8*	**(59,359)**	(36,826)
Income tax expense	*9*	**–**	–
Loss for the year from continuing operations		**(59,359)**	(36,826)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(continued)*
For the year ended 31 March 2024

	Notes	**2024** **HK$'000**	2023 *HK$'000*
Discontinued operations			
Loss for the year from discontinued operations	*10*	**–**	(8,842)
Loss for the year		**(59,359)**	(45,668)
Loss for the year attributable to owners of the Company:			
– from continuing operations		**(59,359)**	(36,826)
– from discontinued operations		**–**	(40,563)
Loss for the year attributable to owners of the Company		**(59,359)**	(77,389)
Profit for the year attributable to non-controlling interests:			
– from continuing operations		**–**	–
– from discontinued operations		**–**	31,721
Profit for the year attributable to non-controlling interests		**–**	31,721
Loss for the year		**(59,359)**	(45,668)

		2024 ***HK cents***	2023 *HK cents*
LOSS PER SHARE			
From continuing and discontinued operations	*12*		
Basic		**(6.80)**	(8.87)
Diluted		**N/A**	N/A
From continuing operations			
Basic		**(6.80)**	(4.22)
Diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

	2024	2023
	HK$'000	*HK$'000*
Loss for the year	**(59,359)**	(45,668)
Other comprehensive (expense)/income		
Items that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**403**	1,111
Reclassification of cumulative exchange fluctuation reserve upon disposal of foreign operations	**(9,173)**	(347)
Share of exchange differences on translation of a joint venture	**(11)**	69
Share of exchange differences on translation of associates	**(359)**	(1,355)
Other comprehensive expense for the year	**(9,140)**	(522)
Total comprehensive expense for the year	**(68,499)**	(46,190)
Total comprehensive (expense)/income for the year attributable to:		
Owners of the Company	**(68,499)**	(76,802)
Non-controlling interests	**–**	30,612
	(68,499)	(46,190)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2024

	Notes	2024 HK$'000	2023 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**4,987**	5,052
Investment properties		**32,121**	50,848
Investment in associates		**17,000**	29,000
Investment in a joint venture		**–**	–
Prepayments, deposits and other receivables		**–**	5,913
		54,108	90,813
CURRENT ASSETS			
Inventories		**209**	62
Films copyrights		**4,162**	–
Trade receivables	*13*	**4,082**	6,416
Prepayments, deposits and other receivables		**13,105**	26,323
Financial assets at fair value through profit or loss		**–**	17,333
Cash and cash equivalents		**7,054**	7,403
		28,612	57,537
Assets classified as held for sale		**9,100**	–
		37,712	57,537
CURRENT LIABILITIES			
Trade payables	*14*	**7,680**	6,341
Other payables, accruals and deposits received		**34,278**	36,712
Interest-bearing borrowings		**13,147**	–
Contract liabilities		**1,442**	1,912
Income tax payable		**15,327**	15,327
		71,874	60,292
Liabilities associated with assets classified as held for sale		**910**	–
		72,784	60,292
NET CURRENT LIABILITIES		**(35,072)**	(2,755)
TOTAL ASSETS LESS CURRENT LIABILITIES		**19,036**	88,058

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*
As at 31 March 2024

	Notes	**2024** **HK$'000**	2023 *HK$'000*
NON-CURRENT LIABILITIES			
Deposits received		**–**	483
Deferred tax liabilities		**1,133**	1,173
		(1,133)	(1,656)
NET ASSETS		**17,903**	86,402
EQUITY			
Share capital	*15*	**8,728**	8,728
Reserves		**9,175**	77,674
Equity attributable to owners of the Company		**17,903**	86,402
Non-controlling interests		**–**	–
TOTAL EQUITY		**17,903**	86,402

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 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.

During the prior year ended 31 March 2023, as detailed in note 10, the Group disposed of Gold Strong Industrial Limited ("**Gold Strong**"). Gold Strong and it subsidiaries are principally engaged in the manufacture and trading of optical frames and sunglasses and property investment. Following the completion of the disposal, the Group discontinued the business operations undertaken by Gold Strong and it subsidiaries, which are regarded as the discontinued operations of the Group.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA, the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange ("**Listing Rules**"). For the purpose of preparation of the consolidated financial statement, information is considered material if such information is reasonably expected to influence decisions made by primary users.

Going concern basis

Notwithstanding that the Group incurred net losses amounted to approximately HK$59,359,000 and HK$45,668,000 for the years ended 31 March 2024 and 31 March 2023 respectively; and the current liabilities of the Group at 31 March 2024 exceed the Group's current assets at that date by approximately HK$35,072,000, the directors of the Company consider it appropriate for the preparation of the consolidated financial statements on a going concern basis after taking into account the following circumstances and measures:

(a) The Company entered into a loan agreement with an independent third party (the "**Lender**") on 30 June 2023, pursuant to which, the Lender has agreed to grant the Company a short term loan facility to an aggregate extent of HK$18,000,000, of which HK$13,147,000 has been drawn down as at 31 March 2024. The outstanding loan is wholly repayable on or before 20 March 2025.

(b) Subsequent to the end of the reporting period, the Company obtained a financial support from a wholly-owned subsidiary of the substantial shareholder of the Company (the "**Supporter**"), pursuant to which the Supporter provides the financial support to the Company to the extent of approximately HK$40,000,000 to ensure the Company's business continuity on a going concern basis. This financial support will last till 31 December 2025, and is not secured by any assets of the Company.

(c) The Group is implementing various measures, such as optimising its overall sales network and undergoing effective cost control to improve the profit margin and operating cash flows of its business.

(d) The Group will also continue to seek for other alternative financing and bank borrowings to finance its existing financial obligations and future operating and capital expenditures.

The directors of the Company are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for at least twelve months after the date of approval of these consolidated financial statements. Accordingly, the consolidated financial statements have been prepared on a going concern basis. Should the Group be unable to operate as a going concern, adjustments would have to be made to reduce the carrying amounts of the Group's assets to their net realisable amounts, to provide for further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

3. 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 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 Group's annual period beginning on 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to IFRS 17)	Insurance Contracts
Amendment to HKFRS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the new and other amendments to HKFRSs in the current year has 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.

Impacts on application of Amendments to HKAS 8 Definition of Accounting Estimates

The Group has applied the amendments for the first time in the current year. The amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 Presentation of Financial Statements is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the "**Practice Statement**") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the other amendments to HKFRSs in the current year has 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 financial statements.

*Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund ("**MPF**") – Long Service Payment ("**LSP**") offsetting mechanism in Hong Kong*

The Group has several subsidiaries operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee's accrued retirement benefits derived from employers' MPF contributions was allowed under the Employment Ordinance (Cap. 57). In June 2022, the Government of the HKSAR gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**") which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset severance payment and LSP (the "**Abolition**"). The Abolition will officially take effect on 1 May 2025 (the "**Transition Date**"). In addition, under the Amendment Ordinance, the last month's salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In light of this, the Group has implemented the guidance published by the HKICPA in connection with the LSP obligation retrospectively so as to provide more reliable and more relevant information about the effects of the offsetting mechanism and the Abolition.

The Group considered the accrued benefits arising from employer MPF contributions that have been vested with the employee and which could be used to offset the employee's LSP benefits as a deemed contribution by the employee towards the LSP. Historically, the Group has been applying the practical expedient in paragraph 93(b) of HKAS 19 to account for the deemed employee contributions as a reduction of the service cost in the period in which the related service is rendered.

Based on the HKICPA's guidance, as a result of the Abolition, mandatory contributions are no longer considered "linked solely to the employee's service in that period" since the mandatory employer MPF contributions after the Transition Date can still be used to offset the pre-transition LSP obligation. Therefore, it would not be appropriate to view the mandatory contributions as "independent of the number of years of service" and the practical expedient in paragraph 93(b) of HKAS 19 is no longer applicable. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit applying paragraph 93(a) of HKAS 19.

The change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong has had no material impact on the Company's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current[1]
Amendments to HKAS 1	Non-current Liabilities with Covenants[1]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[1]
Amendments to HKAS 21	Lack of Exchangeability[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

1 Effective for annual periods beginning on or after 1st January 2024
2 Effective for annual periods beginning on or after 1st January 2025
3 The effective date to be determined

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all the new and amendments to HKFRSs that are not yet effective in respect of the current year will have no material impact on the financial statements in the foreseeable future.

*Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "**2020 Amendments**") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "**2022 Amendments**")*

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- clarify that if a liability has terms that could, at the option of the counterpart, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 Financial Instruments: Presentation.

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if an entity classifies liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1st January 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1st January 2024, with early application permitted. If an entity applies the 2020 Amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

Based on the Group's outstanding liabilities as at 31st March 2024, the application of the 2020 Amendments and the 2022 Amendments will not result in reclassification of the Group's liabilities.

4. SEGMENT INFORMATION

For management purposes, the Group is organised into the following operating segments based on their products and services:

(a) the trading segment engaged in 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 copyrights 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 trading segments was organised following the cessation of the manufacturing and trading segment included in the discontinued operations (see below).

Discontinued operations

In addition, during the prior year ended 31 March 2023, the Group discontinued the following operations which were undertaken by the former subsidiaries, Gold Strong and its subsidiaries, which were disposed of by the Group during that year.

(f) the manufacturing and trading segment engaged in manufacture and trading of optical frames and sunglasses; and

(g) the property investment segment engaged in leasing of properties for rental income.

The disposed subsidiaries were considered by the management as separate major line of business of the Group. Accordingly, the entire manufacturing and trading segment and part of the property investment segment were accounted for as discontinued operations. Details about these discontinued operations and the disposal are set out in Note 10.

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 income and gains as well as corporate and other unallocated expenses are excluded from such measurement.

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

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

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

In respect of the year ended 31 March 2024

	Continuing operations						Discontinued operations			
	Trading *HK$'000*	Property investment *HK$'000*	Debts and securities investment *HK$'000*	Film investment and distribution *HK$'000*	Energy business *HK$'000*	Subtotal *HK$'000*	Property investment *HK$'000*	Manufacturing and trading *HK$'000*	Subtotal *HK$'000*	Total *HK$'000*
Segment revenue	12,907	1,398	–	9,684	–	23,989	–	–	–	23,989
Inter-segment revenue	–	–	–	–	–	–	–	–	–	–
Revenue from external customers	12,907	1,398	–	9,684	–	23,989	–	–	–	23,989
Segment loss	(7,493)	(15,593)	(1,200)	(4,336)**	(24,238)*	(52,860)	–	–	–	(52,860)
Bank interest income						15			–	15
Gain on disposal of subsidiaries						10,144			–	10,144
Corporate and other unallocated expenses						(9,334)			–	(9,334)
Finance costs						(599)			–	(599)
Share of loss of associates	–	–	–	(6,530)	–	(6,530)	–	–	–	(6,530)
Share of loss of a joint venture	(195)	–	–	–	–	(195)	–	–	–	(195)
Loss before tax						(59,359)			–	(59,359)
Segment assets	9,497	45,556	50	29,551	–	84,654	–	–	–	84,654
Corporate and other unallocated assets										7,166
Total assets										91,820
Segment liabilities	16,432	1,343	4,987	5,619	12,154	40,535	–	–	–	40,535
Corporate and other unallocated liabilities										33,382
Total liabilities										73,917
Other segment information:										
Share of loss of associates	–	–	–	(6,530)	–	(6,530)	–	–	–	(6,530)
Share of loss of a joint venture	(195)	–	–	–	–	(195)	–	–	–	(195)
Depreciation	363	24	–	2	–	389	–	–	–	389
Impairment loss on investment in associates	–	–	–	(5,111)	–	(5,111)	–	–	–	(5,111)
Impairment loss on investment in and loan to a joint venture reversed	(364)	–	–	–	–	(364)	–	–	–	(364)
Additions to items of property, plant and equipment	386	–	–	–	–	386	–	–	–	386

* Included impairment loss on prepayments, deposits and other receivables of approximately HK$24,238,000 as the corresponding assets were previously included in segment assets of energy business.

** Included impairment loss on investment in associates of approximately HK$5,111,000 as the corresponding assets are included in segment assets of film investment and distribution.

In respect of the year ended 31 March 2023

	Continuing operations						Discontinued operations			
	Trading	Property investment	Debts and securities investment	Film investment and distribution	Energy business	Subtotal	Property investment	Manufacturing and trading	Subtotal	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue	7,773	1,333	–	12,598	–	21,704	343	16,404	16,747	38,451
Inter-segment revenue	–	–	–	–	–	–	–	–	–	–
Revenue from external customers	7,773	1,333	–	12,958	–	21,704	343	16,404	16,747	38,451
Segment profit/(loss)	2,605	(6,990)	(3,623)	(8,447)**	(4,898)*	(21,353)	1,982	(17,804)	(15,822)	(37,175)
Bank interest income						–			96	96
Gain on disposal of subsidiaries						–			7,406	7,406
Bad debt recovery						350			–	350
Corporate and other unallocated expenses						(14,610)			–	(14,610)
Finance costs						(452)			(522)	(974)
Share of loss of associates	–	–	–	(997)	–	(997)	–	–	–	(997)
Share of profit of a joint venture	236	–	–	–	–	236	–	–	–	236
Loss before tax						(36,826)			(8,842)	(45,668)
Segment assets	25,893	39,636	222	37,576	21,085	124,412	–	–	–	124,412
Corporate and other unallocated assets										23,938
Total assets										148,350
Segment liabilities	12,007	366	3,964	14,277	12,154	42,768	–	–	–	42,768
Corporate and other unallocated liabilities										19,180
Total liabilities										61,948
Other segment information:										
Share of loss of associates	–	–	–	(997)	–	(997)	–	–	–	(997)
Share of profit of a joint venture	236	–	–	–	–	236	–	–	–	236
Depreciation	346	24	–	388	–	758	–	1,716	1,716	2,474
Impairment loss on investment in associates	–	–	–	(9,648)	–	(9,648)	–	–	–	(9,648)
(Reversal of)/impairment loss of inventories	(63)	–	–	–	–	(63)	–	76	76	13
Impairment of trade receivables reversed/ (recognised)	267	–	–	269	–	536	–	–	–	536
Impairment loss on investment in and loan to a joint venture reversed	351	–	–	–	–	351	–	–	–	351
Additions to items of property, plant and equipment	484	–	–	–	–	484	–	–	–	484

* Included impairment loss on prepayments, deposits and other receivables of approximately HK$5,764,000 as the corresponding assets were previously included in segment assets of energy business.

** Included impairment loss on investment in associates of approximately HK$9,648,000 as the corresponding assets are included in segment assets of film investment and distribution.

Geographical information

(a) Revenue from external customers

	2024	2023
	HK$'000	*HK$'000*
Continuing operations		
Europe	**5,809**	4,237
America	**5,044**	2,691
The People's Republic of China ("**PRC**") (including Hong Kong)	**11,619**	14,341
Others	**1,517**	435
	23,989	21,704
Discontinued operations		
Europe	**–**	6,946
America	**–**	8,707
The PRC (including Hong Kong)	**–**	808
Others	**–**	286
	–	16,747
Total revenue	**23,989**	38,451

The revenue information shown 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), film distribution income, net investment income from co-investment of films with copyrights, 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 non-current 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 in respect of the continuing operations of the corresponding years contributing over 10% of total revenue of the Group of the corresponding years is as follows:

		2024	2023
		HK$'000	*HK$'000*
	Revenue generated from		
Customer A	Film investment and distribution	**N/A**	4,000
Customer B	Film investment and distribution	**2,800**	3,000
Customer C	Film investment and distribution	**N/A**	2,600
Customer D	Film investment and distribution	**N/A**	2,300
Customer E	Film investment and distribution	**6,424**	N/A
Customer F	Trading	**4,400**	N/A

Revenue from each of the Customer A, Customer C and Customer D for the year ended 31 March 2024 did not contribute over 10% of the total revenue of the Group for the year.

Revenue from each of the Customer E and Customer F for the prior year ended 31 March 2023 did not contribute over 10% of the total revenue of the Group for that year.

Revenue from individual customers in respect of the discontinued operations for the prior year ended 31 March 2023 contributing over 10% of total revenue of the Group from the discontinued operations for that year is as follows:

		2024	2023
		HK$'000	*HK$'000*
	Revenue generated from		
Customer I	Manufacturing and trading	**–**	5,600
Customer II	Manufacturing and trading	**–**	3,200
Customer III	Manufacturing and trading	**–**	3,000
Customer IV	Manufacturing and trading	**–**	1,600

5. REVENUE AND OTHER INCOME

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:

	Continuing operations		Discontinued operations	
	2024	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Revenue:				
Sale of goods – at point in time	**12,907**	7,773	**–**	16,404
Film distribution agency and commission income – over time	**3,260**	12,598	**–**	–
Revenue from contracts with customers	**16,167**	20,371	**–**	16,404
Net investment income from co-investment of films with copyrights – at point in time	**6,424**	–	**–**	–
Rental income from lease of investment properties	**1,398**	1,333	**–**	343
Total revenue recognised	**23,989**	21,704	**–**	16,747
Other income and gains:				
Accounting service fee	**1,740**	900	**–**	875
Bank interest income	**15**	–	**–**	96
Bad debt recovery	**–**	350	**–**	–
Gain on change in fair value of financial assets at fair value through profit or loss				
– investments in convertible bond	**–**	846	**–**	–
– equity investments at fair value through profit or loss	**829**	–	**–**	–
Gain on disposal of subsidiaries	**10,144**	–	**–**	–
Gain on disposal of property, plant and equipment	**–**	39	**–**	–
Impairment loss on investment in and loan to a joint venture reversed	**364**	–	**–**	–
Rental income from lease of machineries	**–**	–	**–**	1,622
Government grants	**–**	260	**–**	23
Impairment loss on trade receivables reversed	**–**	536	**–**	–
Sales of scrap materials	**24**	–	**–**	723
Others	**222**	57	**–**	273
	13,338	2,988	**–**	3,612

6. OTHER OPERATING EXPENSES

	Continuing operations		Discontinued operations	
	2024	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Impairment loss on prepayment, deposits and other receivables	**30,033**	16,142	**–**	–
Impairment loss on investment in associates	**5,111**	9,648	**–**	–
Impairment loss on investment in and loan to a joint venture	**–**	351	**–**	–
Impairment loss on trade receivables *(note 13)*	**165**	–	**–**	–
Loss on change in fair value of investment properties	**9,590**	683	**–**	–
Loss on change in fair value of financial assets at fair value through profit or loss				
– investments in convertible bond	**1,496**	–	**–**	–
– equity investments at fair value through profit or loss	**–**	2,268	**–**	–
Others	**–**	37	**–**	–
	46,395	29,129	**–**	–

7. FINANCE COSTS

	Continuing operations		Discontinued operations	
	2024	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Interest on borrowings	**599**	452	**–**	–
Interest on lease liabilities	**–**	–	**–**	522
	599	452	**–**	522

8. LOSS BEFORE TAX

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

	Continuing operations		Discontinued operations	
	2024	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Cost of inventories sold *(note a)*	**12,575**	5,493	**–**	16,627
Depreciation of property, plant and equipment	**389**	758	**–**	501
Depreciation of right-of-use assets	**–**	–	**–**	1,215
Auditor's remuneration				
– audit service	**1,126**	993	**–**	200
Short-term leases expenses	**1,617**	1,084	**–**	1,459
Employee benefit expenses (including directors' remuneration):				
Wages, salaries and other benefits	**12,652**	8,136	**–**	6,872
Pension scheme contributions *(note b)*	**458**	243	**–**	435
Total employee benefit expenses	**13,110**	8,379	**–**	7,307
Impairment loss/(reversal of impairment loss) of inventories	**–**	63	**–**	(76)

Notes:

(a) Included in "cost of sales and services" on the face of the consolidated statement of profit or loss.

(b) 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 (2023: Nil).

9. INCOME TAX EXPENSE

No provision for the Hong Kong profits tax has been made as the Group does not generate any assessable profits subject to Hong Kong profits tax for both of the years presented. No provision for income tax elsewhere has been made as the Group has no profits assessable in other jurisdictions in which the Group operates.

10. DISCONTINUED OPERATIONS

During the prior year ended 31 March 2023, the Group entered into a sale agreement on 28 September 2022 with Mr. Hui Leung Wah, a director of a subsidiary of the Group, to dispose of a subsidiary, Gold Strong. Gold Strong and its subsidiaries carried out the Group's operations of manufacturing and trading of optical frames and sunglasses and property investment. The disposal was effected in order to give the Group better financial performance by cessation of cost inefficient business. The disposal was completed on 24 October 2022, the date on which the control of Gold Strong and its subsidiaries was passed to the acquirer and the Group discontinued the operations of manufacturing and trading of optical frames and sunglasses and part of property investment previously undertaken by Gold Strong and its subsidiaries.

The loss from discontinued operations is analysed as follows:

	2024 ***HK$'000***	2023 *HK$'000*
Loss of discontinued operations for the year (analysed below)	–	(16,248)
Gain of disposal of Gold Strong	–	7,406
Loss for the year from discontinued operations	–	(8,842)

The results of the discontinued operations for the period from 1 April 2022 to 24 October 2022 are analysed as below:

	Notes	**Period from 1 April 2022 to 24 October 2022** ***HK$'000***
Revenue	*5*	**16,747**
Cost of sales		**(18,118)**
Gross loss		**(1,371)**
Other income and gains	*5*	**3,612**
Selling and distribution expenses		**(290)**
Administrative expenses		**(17,677)**
Finance costs	*7*	**(522)**
Loss before tax	*8*	**(16,248)**
Income tax expense	*9*	**–**
Loss for the period		**(16,248)**

11. DIVIDEND

The Board does not recommend payment of any dividend for the year ended 31 March 2024 (2023: Nil).

12. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	Continuing and discontinued operations		Continuing operations	
	2024	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Loss for the purpose of basic loss per share				
Loss for the year attributable to owners of the Company	**(59,359)**	(77,389)	**(59,359)**	(36,826)
	2024	2023	**2024**	2023
	'000	*'000*	***'000***	*'000*
Number of shares for the purpose of basic loss per share				
Weighted average number of ordinary shares in issue	**872,864**	872,864	**872,864**	872,864

The computation of diluted loss per share does not assume the exercise of the Company's share options granted because the exercise prices of those share options granted were higher than the average market prices for shares of the Company for each of the years ended 31 March 2024 and 31 March 2023.

No diluted loss per share is presented as the Group had no other potential ordinary shares in issue during the years ended 31 March 2024 and 2023 or as at those dates.

13. TRADE RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Trade receivables, gross amount	**5,754**	7,923
Less: impairment loss recognised	**(1,672)**	(1,507)
	4,082	6,416

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 (2023: 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 impairment loss recognised, is as follows:

	2024	2023
	HK$'000	*HK$'000*
Within 90 days	**3,128**	5,554
91 to 180 days	**86**	–
181 to 360 days	**868**	862
	4,082	6,416

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

	2024	2023
	HK$'000	*HK$'000*
At beginning of the year	**1,507**	2,043
Impairment losses recognised/(reversed) during the year	**165**	(536)
At end of the year	**1,672**	1,507

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

	2024	2023
	HK$'000	*HK$'000*
Neither past due nor impaired	**2,986**	3,940
Less than one month past due	**142**	454
One to three months past due	**–**	1,160
More than three months past due	**954**	862
	4,082	6,416

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.

14. 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:

	2024	2023
	HK$'000	*HK$'000*
Within 90 days	**3,096**	6,325
91 to 180 days	**2,932**	3
181 to 360 days	**1,522**	–
Over 360 days	**130**	13
	7,680	6,341

Trade payables are non-interest-bearing and are normally settled on 90-day (2023: 90-day) terms.

15. SHARE CAPITAL

	2024	2023
	HK$'000	*HK$'000*
Authorised:		
10,000,000,000 shares of HK$0.01 each (2023: 10,000,000,000 shares of HK$0.01 each)	**100,000**	100,000
Issued and fully paid:		
872,863,684 shares of HK$0.01 each (2023: 872,863,684 shares of HK$0.01 each)	**8,728**	8,728

There are no movements in the Company's issued share capital during the years ended 31 March 2024 and 31 March 2023.

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the consolidated financial statements for the year ended 31 March 2024:

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Qualified Opinion

(1) Deposits paid for the acquisition of equity investment

As referred to in note 22 to the consolidated financial statements, the Group entered into an agreement (the "**Subscription Agreement**"), under which the Group agreed to subscribe for 50% equity interest in H. Sterling LNG Terminal Holding Limited ("**H. Sterling LNG**"), a company incorporated in the British Virgin Islands, for an aggregate consideration of RMB223 million, of which aggregate deposits amounted to HK$27,800,000 were paid by the Group up to 31 March 2023. Impairment loss on the deposits paid amounted to HK$16,350,000 was recognised in profit and loss of the Group in respect of the prior year ended 31 March 2023. The directors of the Company concluded that the conditions precedent as set out in the Subscription Agreement are not fully fulfilled or waived, accordingly, the proposed acquisition was cancelled and the Group has demanded the repayment of the deposits paid. The directors of the Company considered that it is likely that the deposits paid amounted to HK$27,800,000 are not recoverable, accordingly additional impairment loss amounted to HK$11,450,000 has been recognised in profit and loss of the Group in respect of the current year.

We are unable to obtain sufficient appropriate audit evidence to assess whether the aggregate deposits paid amounted to HK$27,800,000 are fully irrecoverable and whether the additional impairment loss for the deposits paid amounted to HK$11,450,000 recognised has been properly accounted for in profit and loss of the Group for the current year.

(2) Investments in convertible bond

As referred to in note 22 to the consolidated financial statements, during the prior year ended 31 March 2021, the Group subscribed convertible bond issued by a third party ("**the Issuer**") and the Group had investments in convertible bond with the carrying amount of HK$17,160,000 at 31 March 2023, being its fair value as at that date. The convertible bond, which carried interest at 8% per annum with the principal amount of US$2,000,000 (equivalent to HK$15,664,000), entitled the Group to convert the bond into approximately 2% of the issued capital of the Issuer (on full conversion). Under the terms of the convertible bond, at the expiration of the conversion period, the convertible bond, if not converted, will be redeemed by the Issuer at the principal amount of the bond. The convertible bond matured on 10 December 2023 and no redemption or conversion of the bond was made as at the maturity date and up to the date of approval of these consolidated financial statements, which resulted in the reclassification of the investments in convertible bond with the carrying amount of HK$15,664,000 to other receivables. The directors of the Company considered that it is likely that this receivable is not recoverable, accordingly impairment loss amounted to HK$15,664,000 has been recognised in profit and loss of the Group for the current year.

We are unable to obtain sufficient appropriate audit evidence to assess whether the convertible bond receivable amounted to HK$15,664,000 are fully irrecoverable and whether the impairment loss amounted to HK$15,664,000 recognised has been properly accounted for in profit and loss of the Group for the current year.

Any adjustments to the aforementioned impairment losses recognised on (1) the deposits paid for the acquisition of equity investment; and (2) the convertible bond receivable might have a consequential effect on the consolidated financial performance for the year ended 31 March 2024, the consolidated financial position as at 31 March 2024, and the related disclosures thereof in the consolidated financial statements.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 3 to the consolidated financial statements that the Group incurred net losses amounted to approximately HK$59,359,000 and HK$45,668,000 for the years ended 31 March 2024 and 31 March 2023 respectively; and the current liabilities of the Group at 31 March 2024 exceed the Group's current assets at that date by approximately HK$35,072,000. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. In light of all the measures and arrangements detailed in note 3 to the consolidated financial statements, the directors are of the opinion that the Group will be able to operate as a going concern so as to finance its future working capital and financial requirements. The consolidated financial statements do not include any adjustment that are required to be made should the Group be unable to operate as a going concern. Our opinion is not modified in respect of this matter.

THE VIEW OF THE MANAGEMENT OF THE COMPANY, THE BOARD, AND THE AUDIT COMMITTEE OF THE BOARD ON THE AUDITORS' OPINION

The auditor of the Company have qualified their audit opinion regarding the deposit paid for the acquisition of equity investment and convertible bonds. The management of the Company has made concerted efforts to recover the deposit and convertible bonds, and has taken further actions to pursue the recovery by due legal process. Due to the uncertainty of the recoverability, the management believes that the full impairment made in relation to the deposit and the convertible bonds is appropriate. The Board and the Audit Committee did not express different views from that of the auditor on the basis of the qualifications.

Subsequent to the end of the year ended 31 March 2024, the Company has engaged legal advisors to recover the deposit paid and the convertible bonds. The management of the Company expects that this qualified opinion could be uplifted and adjustments, if any, to the relevant impairment could be made once the outcome of the legal action, whether favourable or not, is received by the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Year, the Group's revenue generated from its continuing operations increased to HK$24.0 million (2023: HK$21.7 million), representing an increase of 10.5% as compared to the year ended 31 March 2023. A loss of HK$59.4 million from its continuing operations was recorded (2023: HK$36.8 million). The widening of the loss was attributable to the impairment loss on prepayment, deposits and other receivables of HK$30.0 million (2023: HK$16.1 million) and increase in investment properties fair value diminution of HK$9.6 million (2023: HK$0.7 million).

The Group's continuing operations comprised of five segments, namely (i) trading of optical frames and sunglasses, (ii) film investment and distribution, (iii) property investment, (iv) debts and securities investment, and (v) energy business.

Revenue from trading of optical frames and sunglasses increased from HK$7.8 million in the prior year to HK$12.9 million in the Year. This segment recorded a loss of HK$7.5 million in the Year (2023: segment profit of HK$2.6 million).

During the Year, the Group has made 3 investments, including "The Brotherhood of Rebel" (《紮職2》) and "Ready or Rot" (《不日成婚2》) which were released during the Year. Revenue from film investment and distribution dropped from HK$12.6 million in the prior year to HK$9.7 million in the Year, while the segment loss narrowed down to HK$4.3 million (2023: HK$8.4 million), resulted from a decrease in impairment loss on investment in associates from HK$9.6 million in the prior year to HK$5.1 million in the Year.

Rental income from property investment business remained stable at HK$1.4 million (2023: HK$1.3 million).

For debts and securities investment segment, the Group did not generate any revenue in both years.

The Group did not generate any revenue from energy business in both years. In the Year, an impairment loss on prepayment, deposits and other receivables of HK$24.2 million (2023: HK$5.8 million) was recognised, resulting in an increase in segment loss from HK$4.9 million in the prior year to H$24.2 million in the Year.

PROSPECT

For Eyewear Business, while the strategic shift as a procurement and sourcing service provider aimed to create a more flexible and cost-efficient platform, the anticipated benefits have been hampered by the deteriorating macroeconomic conditions.

The Company's expectation of steady macroeconomic conditions, which underpinned the target of progressively restoring the Eyewear Business to pre-transition levels, has unfortunately not materialized. Instead, the global economic landscape has presented formidable challenges that have impeded the recovery trajectory initially observed.

Approaching to the year ending 31 March 2025, the eyewear industry in Hong Kong, including the Group, faces unprecedented challenges in an increasingly volatile global market. The sector is grappling with significant pressures that threaten its longstanding market position and profitability. The persistent inflationary pressures, particularly in key markets such as Europe and the United States, have led to a more severe decline in consumer purchasing power than anticipated. This has resulted in a marked decrease in demand for eyewear products, as consumers increasingly prioritize essential goods over discretionary items like fashion eyewear.

On the other hand, the Company, with its primary production connections in Mainland China, is experiencing severe strain due to rising costs and eroding price competitiveness. The emergence of lower-cost manufacturing hubs in Southeast Asia has created a challenging environment, significantly impacting the pricing advantage and profit margins. This shift in the competitive landscape has made it increasingly difficult for the Company to maintain profitability while adhering to high-quality standards.

In response to these challenges, the management of the Company are embarking on a long-term strategy to diversify our supply chain. The Company is actively exploring partnerships with reliable yet cost-competitive suppliers in the Southeast Asia region. However, it is crucial to note that this is not a quick fix. The process of identifying, vetting, and building relationships with new suppliers who can meet the standards for quality and reliability will take considerable time. During this transition period, it is anticipating potential impacts on our short-term performance.

For Film Investment Business, the Hong Kong film industry is showing encouraging signs of recovery and growth. The Company maintains a positive and optimistic outlook on the Hong Kong film market, supported by recent industry developments and the strategic moves of the Group within the sector.

The film exhibition market in China, including Hong Kong and Macau, has regained significant momentum recently, with a noticeable trend of increased enthusiasm among movie-goers. This resurgence provides a solid foundation for the long-term development of the industry.

The recent strategic cooperation with Emperor Motion Pictures ("**EMP**") marks a significant milestone in the diversification strategy of the Group. It allows the Group to invest in a slate of multiple film projects, offering the Group as path sharing the momentum of industry. The Group believes such approach of portfolio investment will generate more sustainable returns over time, mitigating risks associated with individual film performances.

The Hong Kong film industry has demonstrated remarkable resilience and adaptability, gradually rebounding from the challenges posed by the COVID-19 pandemic. The Hong Kong Government's supportive policies, focused on encouraging investment projects and facilitating film production, are expected to further enhance the industry's development. Additionally, the international recognition of Hong Kong cinema remains strong.

Building on the success of our collaboration with EMP, the Company is actively and confidently pursuing further cooperation and investment opportunities with other major production houses in Hong Kong. The determination of the Group to expand the presence in the film industry is unwavering, and it is committed to fostering strong partnerships across the industry.

CAPITAL COMMITMENTS

As at 31 March 2024, the Group did not have any material capital commitment (2023: Nil).

CONTINGENT LIABILITIES

As at 31 March 2024, the Group had no significant liabilities (2023: Nil).

MATERIAL ACQUISITION AND DISPOSAL

On 4 January 2024, the Group entered into the Provisional Sale and Purchase Agreement (the "**Agreement**") with the Purchaser, pursuant to which the Group agreed to dispose of and the Purchaser agreed to purchase the Property at the consideration of HK$9.1 million. Completion took place on/before 3 May 2024 in accordance with the Agreement. For details, please refer to the announcement of the Company dated 4 January 2024.

LIQUIDITY, FINANCIAL RESOURCE AND GOING CONCERN

As at 31 March 2024, the Group had cash and cash equivalents of approximately HK$7.1 million (2023: HK$7.4 million). To finance its operations and investments, the Group utilises cash flows generated from operations and from a loan facility granted by an independent third party. As at 31 March 2024, the Group had total borrowings of HK$13.1 million (2023: HK$Nil). The loan facility is unsecured, interest-bearing and repayable within one year. Gearing ratio of the Group (expressed as a percentage of total borrowings over total assets) was 14.3% as at 31 March 2024 (2023: Zero). As at 31 March 2024, the Group's current liabilities exceeded its current assets by HK$35.1 million (2023: HK$2.8 million).

A series of plans and measures have been taken to mitigate liquidity pressure and to improve the financial position of the Group. In order to enhance the liquidity and improve the financial position of the Group, the Group has obtained external financial support.

Details regarding uncertainties on the going concern of the Group and the respective plans and measures are set out in the section headed "Going concern basis" in Note 3 to the notes to the consolidated financial statements.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2024, the Group employed 26 (2023: 40) full time employees in Mainland China and Hong Kong. Salaries, bonuses and benefits are determined with reference to market terms and performance, qualifications and experience of each individual employee, and are subject to review from time to time.

DIVIDEND

The Board does not recommend the payment of any dividend for the year (2023: Nil).

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 recognised 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 C1 of the Listing Rules as its own code of corporate governance practices. The Directors of the Company consider that the Company has complied with the Code throughout the year ended 31 March 2024 ("**Year**"), except for the following deviations:

Code provision C.2.1

Code provision C.2.1 stipulates that there should be a clear division of responsibilities between management of the Board and the day-to-day management of business. The Board did not appoint any Director as its Chairman during the Year. The Board will review the present situation in the coming regular meetings as appropriate.

Code provision D.2.5

Code provision D.2.5 stipulates that a listed company should have an internal audit function. For the Year, 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 on film investment segment to independent professional firm(s).

Listing Rules 3.10(1), 3.21 and 3.05

Following the resignation of Mr. Cheng Chun Man as an independent non-executive Director, chairman and a member of Audit Committee, a member of Remuneration Committee and a member of Nomination Committee on 8 February 2024, the Company failed to meet the requirements of (i) having at least three independent non-executive Directors on the Board under Rule 3.10(1) of the Rules Governing the Listing of Securities on Stock Exchange (the "**Listing Rules**"); and (ii) having a minimum of three non-executive directors in the audit committee under Rule 3.21 of the Listing Rules.

Following the resignation of Mr. Man Wai Lun as an authorised representative (the "**Authorised Representative**") of the Company under Rule 3.05 of the Listing Rules, the Company failed to comply with the requirement of having two authorised representatives under Rule 3.05 of the Listing Rules.

Following the appointment of Mr. Law, Michael Ka Ming and Ms. Lai Pik Chi Peggy as announced by the Company on 10 May 2024, the Company has complied with Rules 3.10(1), 3.21 and 3.05 of the Listing Rules.

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 C3 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 2024 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 2023-2024 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
Chung Yuk Lun
Executive Director

Hong Kong, 28 June 2024

As at the date of this announcement, the executive Director is Mr. Chung Yuk Lun; and the independent non-executive Directors are Mr. Chan Chi Wai, Mr. Law, Michael Ka Ming and Ms. Lai Pik Chi Peggy.