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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 2026

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 2026 together with the comparative figures for 2025 as follows:

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2026

	Notes	2026 HK\$'000	2025 HK\$'000
Revenue	5	179,306	14,457
Cost of sales and services		(138,254)	(13,423)
Gross profit		41,052	1,034
Other income and gains	5	3,941	1,854
Selling and distribution expenses		(3,116)	(228)
Administrative expenses		(23,731)	(18,565)
Other operating expenses	6	(10,564)	(5,733)
Finance costs	7	(2,471)	(2,863)
Share of loss of associates		(152)	(10,954)
Share of loss of a joint venture		(91)	(77)
<b>Profit/(loss) before tax</b>	8	<b>4,868</b>	<b>(35,532)</b>
Income tax (expense)/credit	9	(5,524)	15,327
Loss for the year		<u>(656)</u>	<u>(20,205)</u>
<b>LOSS PER SHARE</b>	11		
Basic and diluted (HK\$ cents)		<u>(0.08)</u>	<u>(2.31)</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2026

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Loss for the year	<u>(656)</u>	<u>(20,205)</u>
<b>Other comprehensive income/(expense)</b>		
Items that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	776	(360)
Share of exchange differences on translation of associates	584	(395)
Share of exchange differences on translation of a joint venture	<u>31</u>	<u>(8)</u>
Other comprehensive income/(expense) for the year	<u>1,391</u>	<u>(763)</u>
Total comprehensive income/(expense) for the year	<u>735</u>	<u>(20,968)</u>
Total comprehensive income/(expense) for the year attributable to:		
Owners of the Company	<u>735</u>	<u>(20,968)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

		2026	2025
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		4,687	4,721
Right-of-use assets		545	—
Investment properties		26,426	27,526
Investment in associates		6,083	5,651
Investment in a joint venture		—	—
		<u>37,741</u>	<u>37,898</u>
<b>CURRENT ASSETS</b>			
Inventories		62,918	—
Films copyrights		—	25,400
Trade and bills receivables	12	93,218	747
Prepayments, deposits and other receivables		20,610	3,386
Financial assets at fair value through profit or loss (“FVTPL”)		21,249	—
Cash and cash equivalents		5,256	8,735
		<u>203,251</u>	<u>38,268</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	13	26,889	6,526
Other payables, accruals and deposits received		90,958	25,874
Interest-bearing borrowings		14,511	44,714
Contract liabilities		795	1,004
Income tax payables		5,524	—
Lease liabilities		50	—
Loans from a shareholder		102,965	—
		<u>241,692</u>	<u>78,118</u>
<b>NET CURRENT LIABILITIES</b>		<u>(38,441)</u>	<u>(39,850)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(700)</u>	<u>(1,952)</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(continued)**As at 31 March 2026*

	<i>Note</i>	<b>2026</b> <b>HK\$'000</b>	<b>2025</b> <b>HK\$'000</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		<b>500</b>	—
Deferred tax liabilities		<u><b>1,130</b></u>	<u>1,113</u>
		<u><b>1,630</b></u>	<u>1,113</u>
<b>NET LIABILITIES</b>		<u><b>(2,330)</b></u>	<u><b>(3,065)</b></u>
<b>EQUITY</b>			
<b>ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
Share capital	<i>14</i>	<b>8,728</b>	8,728
Reserves		<u><b>(11,058)</b></u>	<u>(11,793)</u>
<b>CAPITAL DEFICIENCY</b>		<u><b>(2,330)</b></u>	<u><b>(3,065)</b></u>

## 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, sunglasses and liquor, 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. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("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 loss amounted to approximately HK\$656,000 for the year ended 31 March 2026; and the current liabilities of the Group at 31 March 2026 exceed the Group's current assets at that date by approximately HK\$38,441,000, 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 Group is improving business performance and cost control: During the year, the Group successfully expanded its liquor trading business, which positively contributed to revenue and gross profit. Concurrently, management continues to implement effective cost control measures to enhance overall profit margins and operating cash flows;
- (b) 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; and
- (c) Subsequent to the end of the reporting period, on 26 June 2026, a shareholder of the Company entered into a deed of waiver with the Company, pursuant to which the entire outstanding loan principal of RMB90,000,000 (equivalent to approximately HK\$102,087,000) together with related accrued interest were waived. The waiver constitutes a capital contribution by the shareholder and has effectively released the Company from all repayment obligations, thereby substantially strengthening the Group's financial position and reducing its liabilities.

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 NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

#### Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an HKFRS Accounting Standard 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.

#### New and amendments to HKFRS Accounting Standards in issue but not yet effective

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual improvements to HKFRS Accounting Standards – Volume 11 <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>1</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>2</sup>
HKFRS 19 and its amendments	Subsidiaries without Public Accountability: Disclosures <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

Except for new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all new and other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

## HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

### 4. SEGMENT INFORMATION

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

- (i) the trading segment engaged in trading of optical frames and sunglasses;
- (ii) the trading segment engaged in trading of liquor;
- (iii) the property investment segment engaged in leasing of properties for rental income;
- (iv) the debts and securities investment segment engaged in investments in financial instruments and quoted shares;
- (v) the film investment and distribution segment engaged in films copyrights and movie investments and distributions; and
- (vi) the energy business segment engaged in investments in energy sector related instrument and sale and trading of liquefied petroleum gas products.

Segment assets exclude unallocated head office and corporate assets, including certain cash and cash equivalents 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 interest-bearing borrowings, loans from a shareholder, 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 2026**

	Trading of liquor <i>HK\$'000</i>	Trading of optical frames and sunglasses <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>
<b>Segment revenue</b>	<u>89,645</u>	<u>58,104</u>	<u>1,166</u>	<u>–</u>	<u>30,391</u>	<u>–</u>	<u>179,306</u>
<b>Segment profit/(loss)</b>	10,642	2,765	(8,778)	(133)	5,630	(19)	10,107
Bank interest income							1
Corporate and other unallocated expenses							(2,526)
Finance costs							(2,471)
Share of loss of associates	–	–	–	–	(152)	–	(152)
Share of loss of a joint venture	–	(91)	–	–	–	–	(91)
	<u>–</u>	<u>(91)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(91)</u>
Profit before tax							<u>4,868</u>
<b>Segment assets</b>	86,031	102,486	20,518	–	31,636	–	240,671
Corporate and other unallocated assets							321
Total assets							<u>240,992</u>
<b>Segment liabilities</b>	36,304	43,629	2,447	2,773	22,962	12,173	120,288
Corporate and other unallocated liabilities							123,034
Total liabilities							<u>243,322</u>
<b>Other segment information:</b>							
Share of loss of associates	–	–	–	–	(152)	–	(152)
Share of loss of a joint venture	–	(91)	–	–	–	–	(91)
Depreciation of property, plant and equipment	–	(9)	(23)	–	(3)	–	(35)
Depreciation of right-of-use assets	(29)	–	–	–	–	–	(29)
Impairment loss on investment in and loan to a joint venture recognised	–	(93)	–	–	–	–	(93)
	<u>–</u>	<u>(93)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(93)</u>

**In respect of the year ended 31 March 2025**

	Trading of optical frames and sunglasses <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>
<b>Segment revenue</b>	<u>9,002</u>	<u>944</u>	<u>–</u>	<u>4,511</u>	<u>–</u>	<u>14,457</u>
<b>Segment loss</b>	(9,834)	(5,088)	(518)	(3,293)	(42)	(18,775)
Bank interest income						20
Corporate and other unallocated expenses						(2,883)
Finance costs						(2,863)
Share of loss of associates	–	–	–	(10,954)	–	(10,954)
Share of loss of a joint venture	<u>(77)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(77)</u>
Loss before tax						<u>(35,532)</u>
<b>Segment assets</b>	6,820	27,749	128	35,251	–	69,948
Corporate and other unallocated assets						<u>6,218</u>
Total assets						<u>76,166</u>
<b>Segment liabilities</b>	8,877	957	2,768	32,638	12,196	57,436
Corporate and other unallocated liabilities						<u>21,795</u>
Total liabilities						<u>79,231</u>
<b>Other segment information:</b>						
Share of loss of associates	–	–	–	(10,954)	–	(10,954)
Share of loss of a joint venture	(77)	–	–	–	–	(77)
Depreciation	(186)	(24)	–	(1)	–	(211)
Impairment loss on investment in and loan to a joint venture reversed	<u>100</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>100</u>

## Geographical information

### (a) Revenue from continuing operations from external customers

	<b>2026</b>	2025
	<b>HK\$'000</b>	HK\$'000
Europe	<b>1,544</b>	1,828
America	<b>393</b>	4,877
The People's Republic of China ("PRC") (including Hong Kong)	<b>175,540</b>	5,578
Others	<b>1,829</b>	2,174
	<hr/>	<hr/>
Total revenue	<b>179,306</b>	14,457
	<hr/> <hr/>	<hr/> <hr/>

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 liquor in Mainland China, the sales of eyewear products to agents and retailers located in PRC (including Hong Kong) and fair value gains on equity investments listed in Hong Kong. The directors of the Company 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:

		<b>2026</b>	2025
		<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
	<b>Revenue generated from</b>		
Customer A	Trading of liquor	<b>20,703</b>	N/A
Customer B	Trading of liquor	<b>17,327</b>	N/A
Customer C	Trading of optical frames and sunglasses	<b>N/A</b>	2,866
Customer D	Trading of optical frames and sunglasses	<b>N/A</b>	1,595
Customer E	Film investment and distribution	<b>N/A</b>	3,600
Customer F	Trading of optical frames and sunglasses	<b>N/A</b>	1,802
Customer G	Trading of liquor	<b>17,285</b>	N/A

Revenue from each of the Customer C, Customer D, Customer E and Customer F for the year ended 31 March 2025 did not contribute over 10% of the total revenue of the Group for the year.

For the year ended 31 March 2026, revenue from each of Customer A, Customer B and Customer G, all of which were newly added customers during the year.

## 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:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
<b>Revenue:</b>		
Sale of goods – at point in time	147,749	9,002
Film distribution service income – over time	<u>30,391</u>	<u>4,038</u>
Revenue from contracts with customers	178,140	13,040
Net investment income from co-investment of films with copyrights		
– at a point in time	–	473
Rental income from lease of investment properties	<u>1,166</u>	<u>944</u>
<b>Total revenue recognised</b>	<b><u><u>179,306</u></u></b>	<b><u><u>14,457</u></u></b>
<b>Other income and gains:</b>		
Accounting service fee	1,305	1,110
Bank interest income	1	20
Gain on change in fair value of financial assets at FVTPL		
– investment in a movie	1,249	–
Gain from waiver of interest payable on interest-bearing borrowings	1,386	–
Impairment loss on investment in and loan to a joint venture reversed	–	100
Others	<u>–</u>	<u>624</u>
	<b><u><u>3,941</u></u></b>	<b><u><u>1,854</u></u></b>

## 6. OTHER OPERATING EXPENSES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Impairment loss on prepayments, deposits and other receivables, net	2,805	583
Impairment loss on trade and bills receivables ( <i>note 12</i> )	4,468	149
Loss on change in fair value of investment properties	2,147	4,601
Impairment loss on investment in and loan to a joint venture	93	–
Others	1,051	400
	<u>10,564</u>	<u>5,733</u>

## 7. FINANCE COSTS

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Interest on lease liabilities	10	–
Interest on interest-bearing borrowings	2,461	2,863
	<u>2,471</u>	<u>2,863</u>

## 8. PROFIT/(LOSS) BEFORE TAX

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

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Cost of inventories sold ( <i>note a</i> )	116,186	7,914
Depreciation of property, plant and equipment	35	211
Depreciation of right-of-use assets	29	–
Auditor's remuneration	650	650
Short-term leases expenses	1,423	600
Employee benefit expenses (including directors' remuneration):		
Wages, salaries and other benefits	13,744	12,669
Pension scheme contributions	372	345
Total employee benefit expenses	<u>14,116</u>	<u>13,014</u>

*Note:*

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

## 9. INCOME TAX EXPENSE/(CREDIT)

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Hong Kong profits tax:		
Over provision in previous years	–	(15,327)
PRC Enterprise Income Tax:		
Current tax	<u>5,524</u>	<u>–</u>
	<u>5,524</u>	<u>(15,327)</u>

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries are 25%.

Pursuant to the rules and regulations of the BVI and the Bermuda, the Group is not subject to any income tax in the BVI and the Bermuda.

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.

## 10. DIVIDEND

The Board does not recommend payment of any dividend for the years ended 31 March 2026 and 2025.

## 11. LOSS PER SHARE

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

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
<b>Loss for the purpose of basic loss per share</b>		
Loss for the year attributable to owners of the Company	<u>(656)</u>	<u>(20,205)</u>
	<b>2026</b>	<b>2025</b>
	<i>Number'000</i>	<i>Number'000</i>
<b>Number of shares for the purpose of basic loss per share</b>		
Weighted average number of ordinary shares in issue	<u>872,864</u>	<u>872,864</u>

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 the year ended 31 March 2026.

No diluted loss per share is presented as the Group had no other potential ordinary shares in issue during the years ended 31 March 2026 and 2025 or as at those dates.

## 12. TRADE AND BILLS RECEIVABLES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Receivables from third-party customers	87,642	2,568
Receivables from related parties	<u>11,865</u>	<u>—</u>
	99,507	2,568
Less: impairment loss recognised	<u>(6,289)</u>	<u>(1,821)</u>
	<u><u>93,218</u></u>	<u><u>747</u></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 (2025: 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. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade and bills receivables are non-interest bearing.

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

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Within 90 days	87,237	747
91 to 180 days	5,784	—
181 to 360 days	<u>197</u>	<u>—</u>
	<u><u>93,218</u></u>	<u><u>747</u></u>

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

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
At beginning of the year	1,821	1,672
Impairment loss recognised during the year	<u>4,468</u>	<u>149</u>
At end of the year	<u><u>6,289</u></u>	<u><u>1,821</u></u>

### 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:

	<b>2026</b> <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Within 90 days	<b>19,104</b>	2,931
91 to 180 days	<b>501</b>	918
181 to 360 days	<b>1,630</b>	2,445
Over 360 days	<b>5,654</b>	232
	<u><b>26,889</b></u>	<u>6,526</u>

Trade payables are non-interest-bearing and are normally settled on 90-day (2025: 90-day) terms.

### 14. SHARE CAPITAL

	<b>2026</b> <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Authorised: 10,000,000,000 shares of HK\$0.01 each (2025: 10,000,000,000 shares of HK\$0.01 each)	<u><b>100,000</b></u>	<u>100,000</u>
Issued and fully paid: 872,863,684 shares of HK\$0.01 each (2025: 872,863,684 shares of HK\$0.01 each)	<u><b>8,728</b></u>	<u>8,728</u>

There are no movements in the Company's issued share capital during the years ended 31 March 2026 and 2025.

### 15. EVENTS AFTER THE REPORTING PERIOD

On 26 June 2026, the Company entered into a waiver agreement with the relevant shareholder, pursuant to which the loan principal of RMB90,000,000 (equivalent to HK\$102,087,000) and related accrued interest previously recognised under "Loans from a shareholder" were waived. The agreement was effective from 26 June 2026.

## **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 2026:

### **OPINION**

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **MATERIAL UNCERTAINTY RELATED TO GOING CONCERN**

We draw attention to the section headed “Going concern basis” in note 2 to the consolidated financial statements that the Group incurred net loss amounted to approximately HK\$656,000 for the year ended 31 March 2026; and the current liabilities of the Group at 31 March 2026 exceed the Group’s current assets at that date by approximately HK\$38,441,000. 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 the section headed “Going concern basis”, the directors of the Company 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.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

During the Year, the Group's revenue increased significantly to approximately HK\$179.3 million (2025: HK\$14.5 million), representing a substantial growth of 1,136.6%. The Group recorded a net loss of approximately HK\$0.7 million for the year (2025: loss of HK\$20.2 million), representing a significant improvement of 96.5% compared to the prior year.

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

The primary driver of revenue growth was the newly established liquor trading business, which contributed approximately HK\$89.6 million, representing 50.0% of total revenue. This segment's strong performance underscores the success of the Group's strategic diversification into the liquor market.

The trading of optical frames and sunglasses segment remained a core business, generating approximately HK\$58.1 million (2025: HK\$9.0 million). The segment returned to profitability during the year, recording a segment profit of approximately HK\$2.8 million (2025: segment loss of HK\$9.8 million), reflecting the effectiveness of management's strategic refocus and cost control measures.

The film investment and distribution segment recorded revenue of approximately HK\$30.4 million (2025: HK\$4.5 million), driven by film distribution service income and co-investment returns. The Group's strategic cooperation with Emperor Motion Pictures remained a key focus, although the broader market for film exhibition continued to navigate a gradual recovery.

The property investment segment recorded a loss of approximately HK\$8.8 million, mainly attributable to a fair value loss on investment properties.

The significant revenue growth and return to profitability demonstrate the effectiveness of the Group's strategic transformation and cost-control measures. As at 31 March 2026, the Group's current liabilities exceeded its current assets by approximately HK\$38.4 million, and its ability to continue as a going concern remains dependent on sustaining operational improvements and securing adequate working capital facilities.

### **PROSPECT**

Looking ahead, the Group remains committed to its two core businesses—eyewear trading and film investment and distribution—which have long served as the foundation of the Company's operations and continue to define its strategic direction.

In the eyewear business, the global macroeconomic environment remains challenging. Persistent inflationary pressures in key markets such as Europe and the United States have continued to weigh on consumer purchasing power, dampening demand for discretionary fashion eyewear. At the same time, rising production costs in Mainland China and intensifying competition from manufacturing hubs in Southeast Asia have put further strain on profit margins. In response, management is actively implementing strategies to enhance operational efficiency and strengthen cost control. The Group continues to leverage its established customer relationships, brand reputation, and supply chain expertise to navigate these headwinds. While the near-term outlook remains cautious, management believes that the eyewear industry retains long-term growth potential, and the Group is well-positioned to benefit from market recovery when conditions stabilise.

In film investment and distribution, the Group continues to benefit from the ongoing support of its existing shareholders with deep industry expertise, leveraging their networks and resources to sustain and gradually expand the film business. The Hong Kong film industry has shown signs of gradual recovery, though the pace remains uneven. The Group will continue to adopt a prudent investment approach, focusing on projects with balanced risk-return profiles. While the broader market has yet to regain its pre-pandemic vitality, the Group remains confident in the long-term resilience and international appeal of Hong Kong cinema and will continue to identify value-adding opportunities in this sector.

The newly established liquor trading business, which contributed positively to the Group's revenue during the past year, is expected to provide additional income streams and complement the Group's existing operations. While this segment offers further growth potential, management views it as a supplementary contributor rather than a strategic shift away from the Group's core businesses.

Looking forward, the Group's strategic focus remains on strengthening its core eyewear and film businesses, supported by prudent cost management and disciplined investment decisions. The Board is confident that the Group's diversified business portfolio, combined with its experienced management team and the continued support of its shareholders, will position the Company for sustainable growth and enhanced shareholder value over the long term. The Group will continue to monitor market conditions closely and adjust its strategies accordingly to navigate the evolving business landscape.

## **CAPITAL COMMITMENTS**

As at 31 March 2026, the Group did not have any material capital commitment (2025: Nil).

## **CONTINGENT LIABILITIES**

As at 31 March 2026, the Group had no significant liabilities (2025: Nil).

## **LIQUIDITY, FINANCIAL RESOURCE AND GOING CONCERN**

As at 31 March 2026, the Group had cash and cash equivalents of approximately HK\$5.3 million (2025: HK\$8.7 million). To finance its operations and investments, the Group utilises cash flows generated from operations and loans from a shareholder. As at 31 March 2026, the Group had total borrowings of approximately HK\$117.5 million (2025: HK\$44.7 million). The outstanding interest-bearing as at 31 March 2026 were unsecured and repayable within one year. The increase in total borrowings was primarily attributable to new loans obtained from a shareholder during the year to support the Group's working capital and business expansion, partially offset by the repayment of existing interest-bearing borrowings. The outstanding interest-bearing borrowings as at 31 March 2026 were unsecured and repayable within one year. The Group's gearing ratio, expressed as a percentage of total borrowings over total assets, was 48.8% as at 31 March 2026 (2025: 58.7%), reflecting a substantial improvement in the Group's leverage position. As at 31 March 2026, the Group's current liabilities exceeded its current assets by approximately HK\$38.4 million (2025: HK\$39.9 million), showing a slight narrowing of the working capital gap.

A series of plans and measures have been taken to mitigate liquidity pressure and to improve the financial position of the Group. During the year, the Group successfully expanded its liquor trading business, which positively contributed to revenue, gross profit and operating cash flows. Management also continues to implement effective cost control measures to enhance overall profit margins. In addition, the Group obtained new loans from a shareholder during the year to strengthen its working capital position. The Group will continue to explore other alternative financing and bank borrowings to finance its existing financial obligations and future operating and capital expenditures.

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 2 to the notes to the consolidated financial statements.

## **EVENT AFTER THE END OF THE REPORTING PERIOD**

Subsequent to 31 March 2026, on 26 June 2026, a shareholder of the Company waived the entire outstanding loan principal of RMB90,000,000 (equivalent to approximately HK\$102,087,000) together with related accrued interest. The waiver constitutes a capital contribution by the shareholder and has been effective from 26 June 2026, releasing the Company from all repayment obligations. The Board considers that this event has substantially strengthened the Group's financial position and will provide greater flexibility for the Group's future business development.

Save as disclosed above and in note 15 of this announcement, there is no material subsequent event undertaken by the Group after the end of the reporting period and up to the date of this announcement which may have a significant effect on the assets and liabilities or future operations of the Group.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 31 March 2026, the Group employed 43 (2025: 25) 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 (2025: 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 2026 (“**Year**”), except for the following deviations:

### **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).

## **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, Prism Hong Kong Limited (“**Prism**”). 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 2026 and results for the Year.

## **SCOPE OF WORK OF PRISM HONG KONG 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, Prism, to the amounts set out in the Group’s consolidated financial statements for the financial year. The work performed by Prism 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 Prism 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 2025-2026 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**  
**Zhu Guohua**  
*Chairlady and Executive Director*

Hong Kong, 30 June 2026

*As at the date of this announcement, the executive Directors are Ms. Zhu Guohua, Mr. Gu Jianguo and Mr. Wang Yichuan; the non-executive Directors are Mr. Kwok Chi Lap and Mr. Li Qiang; and the independent non-executive Directors are Ms. Li Wanyu, Mr. Chan Chi Wai and Mr. Peng Yanming.*