



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



2025/26
INTERIM REPORT

Contents

- 2 Corporate Information
- 3 Management Discussion and Analysis
- 7 Unaudited Interim Condensed Consolidated Statement of Profit or Loss
- 8 Unaudited Interim Condensed Consolidated Statement of Comprehensive Income
- 9 Unaudited Interim Condensed Consolidated Statement of Financial Position
- 11 Unaudited Interim Condensed Consolidated Statement of Changes in Equity
- 12 Unaudited Interim Condensed Consolidated Statement of Cash Flows
- 13 Notes to Unaudited Interim Condensed Consolidated Financial Statements
- 31 Supplementary Information

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. Zhu Guohua

Mr. Gu Jianguo

Mr. Wang Yichuan

(appointed on 7 November 2025)

Non-Executive Directors

Mr. Kwok Chi Lap

(appointed on 25 September 2025)

Mr. Li Qiang

(appointed on 9 May 2025)

Mr. Lam Wing Yiu

(resigned on 25 September 2025)

Independent Non-Executive Directors

Ms. Li Wanyu

(appointed on 25 September 2025)

Mr. Chan Chi Wai

Mr. Law, Michael Ka Ming

(resigned on 1 December 2025)

Ms. Lai Pik Chi Peggy

(resigned on 6 May 2025)

AUDIT COMMITTEE

Mr. Li Qiang

(appointed on 9 May 2025)

Ms. Li Wanyu (Chairman)

(appointed on 25 September 2025)

Mr. Chan Chi Wai

Mr. Law, Michael Ka Ming

(resigned on 1 December 2025)

Ms. Lai Pik Chi Peggy (Chairman)

(resigned on 6 May 2025)

NOMINATION COMMITTEE

Mr. Law, Michael Kai Ming (Chairman)

(resigned on 1 December 2025)

Mr. Chan Chi Wai (Chairman)

Ms. Lai Pik Chi Peggy

(resigned on 6 May 2025)

Ms. Zhu Guohua

Mr. Gu Jianguo

REMUNERATION COMMITTEE

Mr. Law, Michael Kai Ming (Chairman)

(resigned on 1 December 2025)

Mr. Chan Chi Wai (Chairman)

Ms. Lai Pik Chi Peggy

(resigned on 6 May 2025)

Ms. Zhu Guohua

Mr. Gu Jianguo

COMPANY SECRETARY

Mr. Pang Wai Ho

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited

Chong Hing Bank Limited

AUDITOR

Prism Hong Kong Limited

HONG KONG SHARE

REGISTRAR

Union Registrars Limited

Suites 3301-04, 33/F

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North Point, Hong Kong

PRINCIPAL SHARE REGISTRAR

Conyers Corporate Services (Bermuda)

Limited

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2 Church Street

Hamilton HM 11

Bermuda

REGISTERED OFFICE

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STOCK CODE

907



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Eyewear Business

Revenue from the trading of optical frames and sunglasses for the six months ended 30 September 2025 amounted to approximately HK\$21.4 million, a significant increase compared to HK\$4.8 million in the same period last year. This growth of over 340% reflects the initial success of the Company's strategic shift from a manufacturing model to a sourcing and procurement service provider. By leveraging its established supplier network and technical expertise, the Group has enhanced its ability to meet diverse client demands with greater flexibility and cost efficiency. Despite ongoing challenges in global markets, including inflationary pressures and intensified competition, the Eyewear Business has demonstrated strong operational execution and continues to explore new customer opportunities.

Liquor Business

During the Period, the Group successfully launched its liquor trading segment, which contributed revenue of approximately HK\$24.5 million. This new business line has rapidly established itself as a material revenue driver, effectively diversifying the Group's income sources and reducing reliance on the eyewear segment. The successful entry into the liquor trading market underscores the Group's strategic focus on identifying and capitalizing on new commercial opportunities. Management will continue to strengthen supplier relationships, expand product offerings, and optimize distribution channels to sustain growth in this segment.

Film Business

Revenue from the film and film rights investment and film distribution ("Film Business") increased significantly to HK\$8.2 million for the Period, compared to HK\$2.0 million in the same period last year. The notable growth was primarily attributable to the recognition of approximately HK\$8.0 million in revenue derived from film-related services, which include video planning, shooting, and production services provided to clients.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW *(Continued)*

Film Business *(Continued)*

Despite the overall challenging conditions in the movie market, which continues to face uncertainties and competitive pressures, the Group remains selective in its engagements, committing resources only to projects deemed commercially viable and aligned with its strategic objectives. This cautious yet opportunistic approach allows the Group to navigate market volatilities while capitalizing on specific service opportunities that arise during the industry's ongoing recovery.

Other Business

Rental income from investment properties for the Period was approximately HK\$0.5 million (2024: HK\$0.2 million).

For debts and securities investment segment, the Group did not record any revenue for both periods. The management will continue to adopt prudent approach under the volatile financial market.

For energy business, the Group did not generate any revenue during the Period (2024: Nil).

PROSPECT

The Group is poised to build upon the robust performance of the first half of the financial year. The strategic repositioning of our Trading Business has yielded significant results, marked by the substantial growth in eyewear sales and the successful launch of our liquor trading segment. This successful diversification has not only enhanced our revenue base but also improved the business's resilience against market-specific volatilities.

For the Eyewear Business, the remarkable growth to approximately HK\$21.4 million in revenue validates our strategic shift to a sourcing and procurement model. Looking ahead, we will continue to refine this model. A key strategic focus will be on mitigating rising production costs in Mainland China by progressively diversifying our supply chain and establishing partnerships with cost-competitive suppliers in Southeast Asia. While this transition may present short-term operational challenges, it is crucial for sustaining our profit margins and competitive edge in the face of global inflationary pressures and subdued consumer spending in key markets.





MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECT *(Continued)*

The immediate and material contribution of approximately HK\$24.5 million from our new liquor trading business has established it as a core pillar of our Group. We are committed to nurturing this new venture, with plans to expand our product portfolio and strengthen distribution channels to capture further growth opportunities in this segment.

Within our Film Business, we will maintain our selective and opportunistic strategy. The recovery of the Hong Kong film industry presents attractive investment opportunities. We will continue to focus on film and film rights investments with strong commercial prospects, aiming to participate in the industry's upside while carefully managing the inherent risks of the sector.

The Board of Directors is confident that the Group's diversified business model, combined with prudent financial management and the ongoing optimization of our operations, positions the Company favorably for sustainable growth. We will remain agile in navigating the evolving macroeconomic landscape and are committed to enhancing long-term value for our shareholders.

CHARGES ON THE GROUP'S ASSETS

As at 30 September 2025, the Group did not have any indebtedness secured by assets of the Group.

FOREIGN CURRENCY RISK

The Group conducts its business transactions mainly in HKD, RMB and USD. As HKD is pegged to USD, the Group does not foresee any material exchange risk in this respect. However, the Group is subject to certain foreign exchange impact caused by the exchange rate fluctuation of RMB. The management will closely monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 September 2025, the Company had no capital commitments, which were contracted but not provided for, in respect of acquisition of property, plant and equipment (31 March 2025: Nil). As at 30 September 2025, the Company had no contingent liabilities (31 March 2025: Nil) in respect of corporate guarantees given to banks for the general banking facilities granted to its subsidiaries.



MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2025, the Group employed 56 (2024: 24) 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.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's financial position as at 30 September 2025 comprised cash and cash equivalents of approximately HK\$31.3 million (31 March 2025: HK\$8.7 million), short-term borrowings of HK\$20.1 million (31 March 2025: HK\$44.7 million) and the debt to equity ratio (expressed as a percentage of non-current liabilities over equity attributable to owners of the Company) was approximately 15.2% as at 30 September 2025 (31 March 2025: 36.3%). The non-current liabilities of the Company mainly comprised deferred tax liabilities amounting to approximately HK\$0.9 million (31 March 2025: HK\$1.1 million). The Group's equity attributable to owners of the Company as at 30 September 2025 amounted to approximately HK\$5.9 million (31 March 2025: negative HK\$3.1 million).

As at 30 September 2025, the Group's current liabilities exceeded its current assets by HK\$31.0 million (31 March 2025: HK\$39.9 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 credit facilities and will continue to seek for other alternative financing and bank borrowings to finance the settlement of 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 interim condensed consolidated financial statements.




**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT
OF PROFIT OR LOSS**

	Notes	For the six months ended 30 September	
		2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Revenue	5	54,686	7,096
Cost of sales and services		(36,286)	(5,831)
Gross profit		18,400	1,265
Other income	5	811	705
Selling and distribution expenses		(126)	(78)
Administrative expenses		(9,209)	(14,621)
Finance costs	6	(817)	(1,058)
Profit/(loss) before tax	7	9,059	(13,787)
Income tax expense	8	—	—
Profit/(loss) for the period		9,059	(13,787)
Profit/(loss) for the period attributable to owners of the Company:		9,059	(13,787)
PROFIT/(LOSS) PER SHARE		2025 HK cents	2024 HK cents
Basic	10	1.04	(1.58)
Diluted		N/A	N/A



UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 September	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
PROFIT/(LOSS) FOR THE PERIOD	9,059	(13,787)
OTHER COMPREHENSIVE EXPENSE		
Other comprehensive expense to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(55)	(15)
OTHER COMPREHENSIVE EXPENSE FOR THE PERIOD, NET OF TAX	(55)	(15)
TOTAL COMPREHENSIVE INCOME/ (EXPENSE) FOR THE PERIOD, NET OF TAX	9,004	(13,802)
Total comprehensive income/(expense) for the period attributable to: Owners of the Company	9,004	(13,802)




**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT
OF FINANCIAL POSITION**

	Notes	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		4,702	4,721
Investment properties		27,526	27,526
Investment in an associate	11	5,651	5,651
Investment in a joint venture		—	—
		37,879	37,898
CURRENT ASSETS			
Inventories	13	91,488	—
Films copyright investments		—	25,400
Trade receivables	12	27,653	747
Prepayments, deposits and other receivables		4,090	3,386
Cash and cash equivalents		31,332	8,735
		154,563	38,268



**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT
OF FINANCIAL POSITION**

	Notes	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
CURRENT LIABILITIES			
Trade payables	14	28,595	6,526
Other payables, accruals and deposits received	15	128,877	25,874
Interest-bearing borrowings		20,109	44,714
Contract liabilities		8,017	1,004
		185,598	78,118
NET CURRENT LIABILITIES		(31,035)	(39,850)
TOTAL ASSETS LESS CURRENT LIABILITIES		6,844	(1,952)
NON-CURRENT LIABILITY			
Deferred tax liabilities		905	1,113
NET ASSETS/(LIABILITIES)		5,939	(3,065)
EQUITY			
Share capital	16	8,728	8,728
Reserves		(2,789)	(11,793)
TOTAL EQUITY		5,939	(3,065)





**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY**

Attributable to owners of the parent									
	Issued capital HK\$'000	Share premium account HK\$'000	Capital reserve HK\$'000	Asset revaluation reserve [#] HK\$'000	Share option reserve HK\$'000	Goodwill eliminated against reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Accumulated losses HK\$'000	Total equity HK\$'000
At 1 April 2025	8,728	247,085	107,433	18,522	31,333	(152)	(2,141)	(413,873)	(3,065)
Profit for the period	-	-	-	-	-	-	-	9,059	9,059
Other comprehensive loss for the period:									
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(55)	-	(55)
Total comprehensive (expense)/income for the period	-	-	-	-	-	-	(55)	9,059	9,004
At 30 September 2025 (unaudited)	<u>8,728</u>	<u>247,085</u>	<u>107,433</u>	<u>18,522</u>	<u>31,333</u>	<u>(152)</u>	<u>(2,196)</u>	<u>(404,814)</u>	<u>5,939</u>
At 1 April 2024	8,728	247,085	107,433	18,522	31,333	(152)	(1,378)	(393,668)	17,903
Loss for the period	-	-	-	-	-	-	-	(13,787)	(13,787)
Other comprehensive loss for the period:									
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(15)	-	(15)
Total comprehensive expense for the period	-	-	-	-	-	-	(15)	(13,787)	(13,802)
At 30 September 2024 (unaudited)	<u>8,728</u>	<u>247,085</u>	<u>107,433</u>	<u>18,522</u>	<u>31,333</u>	<u>(152)</u>	<u>(1,393)</u>	<u>(407,455)</u>	<u>4,101</u>

The asset revaluation reserve arose from a change in use from owner-occupied properties to investment properties carried at fair value.



UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT
OF CASH FLOWS

	For the six months ended 30 September	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
NET CASH FLOWS GENERATED FROM/(USED IN) OPERATING ACTIVITIES	21,856	(11,572)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1	15
Decrease/(increase) in films copyright investments	25,400	(21,238)
Net cash flows generated from/(used in) investing activities	25,401	(21,223)
CASH FLOWS FROM FINANCING ACTIVITIES		
New interest-bearing borrowings	—	29,763
Repayment of interest-bearing borrowings	(24,605)	—
Net cash flows (used in)/generated from financing activity	(24,605)	29,763
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	22,652	(3,032)
Cash and cash equivalents at beginning of period	8,735	7,054
Effect of foreign exchange rate changes, net	(55)	(1)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	31,332	4,021
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	31,332	4,021

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

I. CORPORATION INFORMATION

The unaudited interim condensed consolidated financial statements of Elegance Optical International Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") for the six months ended 30 September 2025 were authorised for issue in accordance with a resolution of the directors on 28 November 2025.

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.

During the Period, the Company was engaged in investment holding and the Group was engaged in the trading of optical frames, sunglasses and liquor, property investment, investment in debts and securities, film and film rights investment and film distribution business and energy business.

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 30 September 2025 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Going concern basis

As at 30 September 2025, the Group's current liabilities exceeded its current assets by approximately HK\$31,035,000 (31 March 2025: HK\$39,850,000). Notwithstanding this situation, the directors of the Company consider it appropriate to prepare these unaudited interim condensed consolidated financial statements on a going concern basis after taking into account the following circumstances and measures:

- (a) The Group is implementing various measures, including optimising its overall sales network and undergoing effective cost control to improve the profit margin and operating cash flows of its business. For the six months ended 30 September 2025, the Group successfully returned to profitability, recording a net profit of approximately HK\$9,059,000 (2024: net loss of approximately HK\$13,787,000). This improvement in performance contributes to enhancing the Group's cash flow generation capacity;



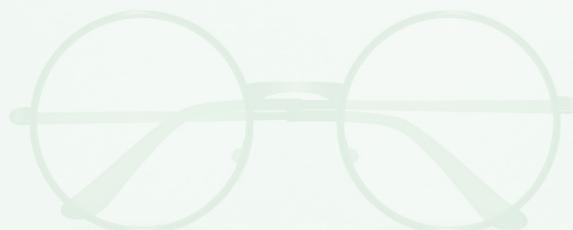
NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION *(Continued)*

Going concern basis *(Continued)*

- (b) The Group will continue to seek other alternative financing and bank borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures. At the end of the reporting period, the Group maintained cash and cash equivalents of approximately HK\$31,332,000 (31 March 2025: HK\$8,735,000) and has obtained external credit facilities;
- (c) The Group's trading business demonstrated strong performance, with revenue for the six months ended 30 September 2025 significantly increasing to approximately HK\$54,686,000 (2024: HK\$7,096,000). This business growth provides the Group with sustained operating cash inflows;
- (d) The Group successfully turned its equity position from negative to positive during the period, with equity attributable to owners of the Company amounting to approximately HK\$5,939,000 as at 30 September 2025 (31 March 2025: negative HK\$3,065,000), representing a substantial improvement in the financial position.

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 this result announcement. Accordingly, the unaudited interim condensed 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 unaudited interim condensed consolidated financial statements.



NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES

The interim condensed financial statements have been prepared under the historical cost convention, except for the investment properties, a financial asset at fair value through other comprehensive income and equity investments at fair value through profit or loss, which have been measured at fair value. These unaudited interim condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

Other than the changes in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and basis of preparation adopted in the preparation of the unaudited interim condensed consolidated financial statements are same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2025.

Application of amendments to HKFRS Accounting Standards

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

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group's financial position and performance for the current and prior periods and/or on the disclosures set out in these unaudited interim consolidated financial statements.

The Group has not early applied any new and amended HKFRS Accounting Standards that have been issued but are not yet effective for the current accounting period.

The unaudited interim condensed consolidated financial statements for the Period have not been audited by the Company's independent auditor but have been reviewed by the Company's audit committee.



NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. SEGMENT INFORMATION

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

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

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 interest income, finance costs and corporate and other unallocated expenses are excluded from such measurement.





NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. SEGMENT INFORMATION *(Continued)*

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

For the six months ended 30 September 2025 (unaudited)

	Trading of optical frames			Film and film rights			
	Debts and securities			investment			
Trading of liquor	and sunglasses	Property investment		and film distribution		Energy business	Total
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue							
Revenue from external customers	<u>24,520</u>	<u>21,445</u>	<u>505</u>	<u>-</u>	<u>8,216</u>	<u>-</u>	<u>54,686</u>
Segment profit/(loss)	<u>7,182</u>	<u>4,276</u>	<u>(2,910)</u>	<u>(128)</u>	<u>2,025</u>	<u>-</u>	<u>10,445</u>
Bank interest income							<u>1</u>
Corporate and other unallocated expenses							<u>(570)</u>
Finance costs							<u>(817)</u>
Profit before tax							<u>9,059</u>



NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. SEGMENT INFORMATION *(Continued)*

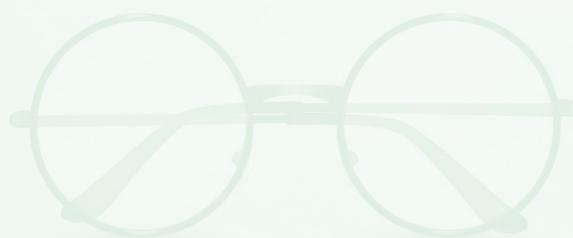
For the six months ended 30 September 2024 (unaudited)

	Trading of optical frames and sunglasses HK\$'000	Property investment HK\$'000	Debts and securities investment HK\$'000	and film distribution HK\$'000	Film and film rights investment Energy business HK\$'000	Total HK\$'000
Segment revenue						
Revenue from external customers	4,833	240	-	2,023	-	7,096
Segment loss	(5,568)	(23)	(440)	(4,567)	-	(10,598)
Bank interest income						
Corporate and other unallocated expenses						15
Finance costs						(2,146)
						(1,058)
Loss before tax						(13,787)

Other than the segment information disclosed above, there was no other information reviewed by management for both periods.

Segment assets and liabilities

No analysis of the Group's assets and liabilities by operating and reportable segments is disclosed as it is not regularly provided to management for review.





NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. SEGMENT INFORMATION (Continued)

Geographical information

(a) Revenue from external customers

	For the six months ended	
	30 September	
	2025	2024
(Unaudited)	(Unaudited)	
HK\$'000	HK\$'000	
Europe	467	722
America	303	2,945
The People's Republic of China ("PRC")		
(including Hong Kong)	52,887	2,572
Others	1,029	857
 Total revenue	 54,686	 7,096

The revenue information above is based on the locations of the customers. The PRC (including Hong Kong) segment mainly represents gain or loss on debts and securities investment, rental income from leases located in Hong Kong and the PRC, sales of eyewear products and liquor to local agents and retailers in Hong Kong and the PRC and film distribution income. The Directors believe that the agents in Hong Kong export most of the Group's products to Europe and America.

(b) Non-current assets

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



NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 film distribution agency and commission income.

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

	For the six months ended 30 September	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Revenue:		
Sale of goods – at point in time	45,965	4,833
Film distribution agency and commission income		
– over time	8,216	2,023
Revenue from contracts with customers	54,181	6,856
Rental income from lease of investment properties	505	240
Total revenue recognised	54,686	7,096
Other income:		
Accounting service fee	810	690
Bank interest income	1	15
	811	705

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. FINANCE COSTS

	For the six months ended 30 September	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Interest on borrowings	817	1,058

7. PROFIT/(LOSS) BEFORE TAX

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

	For the six months ended 30 September	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Cost of inventories sold (note a)	29,660	4,581
Depreciation of property, plant and equipment	19	265
Employee benefit expense (including directors' remuneration):		
Wages, salaries and other benefits	5,786	6,075
Pension scheme contributions (note b)	149	206
Total employee benefit expense	5,935	6,281

Notes:

- (a) Included in "cost of sales and services" on the face of the unaudited interim condensed 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 (2024: Nil).

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. 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 the Period (2024: Nil). No provision for income tax elsewhere has been made as the Group has no profits assessable in other jurisdictions in which the Group operates.

9. INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2025 (2024: Nil).

10. PROFIT/(LOSS) PER SHARE

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

	For the six months ended 30 September	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Profit/(loss) for the purpose of basic loss per share		
Profit/(loss) for the period attributable to owners of the Company	<u>9,059</u>	<u>(13,787)</u>
	2025 (Unaudited) '000	2024 (Unaudited) '000
Number of shares for the purpose of basic loss per share		
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 each of the six months ended 30 September 2025 and 2024.

No diluted loss per share is presented as the Group had no other potentially dilutive ordinary shares in issue during the six months ended 30 September 2025 and 2024.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. INVESTMENT IN AN ASSOCIATE

	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
Unlisted associate		
Cost of investment	110,000	110,000
Share of post-acquisition profit and other comprehensive income	9,268	9,268
Impairment loss recognised	(113,617)	(113,617)
	5,651	5,651

The unlisted investment represents the Group's 25% (31 March 2025: 25%) equity interest in Filmko Culture Limited ("Filmko Culture").

Particulars of the associates of the Group (comprising Filmko Culture and its subsidiaries) are as follows:

Name	Place of incorporation	Principal place of business	Issued ordinary registered paid-in capital	Proportion equity interest attributable to the Group	Principal activities
Filmko Culture	British Virgin Islands ("BVI")	PRC	Ordinary US\$10,000	25%	Films distribution and production in Hong Kong and Mainland China
Filmko Entertainment Limited*	Hong Kong	Hong Kong	Ordinary HK\$10,000	25%	Films distribution and production and artiste product
Nanjing Xinhao Film Culture Development Co., Limited*	PRC	PRC	Registered RMB23,000,000	25%	Investment holding
Jiangsu Anshi Yingna Film Distribution Co. Limited*	PRC	PRC	Registered RMB10,000,000	25%	Film distribution and agency service
Khargas Anshi Yingna Film Distribution Co. Limited*	PRC	PRC	Registered RMB10,000,000	25%	Film distribution and agency service

* These entities are wholly-owned by Filmko Culture.

The above associates have been accounted for using equity method in these interim condensed consolidated financial statements.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. TRADE RECEIVABLES

	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
Trade receivables	29,474	2,568
Impairment	(1,821)	(1,821)
	<u>27,653</u>	<u>747</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 (31 March 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. 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 trade receivables as at 30 September 2025 and 31 March 2025, based on the invoice date and net of provisions, is as follows:

	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
Within 90 days	23,799	747
91 – 180 days	3,240	–
181 – 360 days	614	–
	<u>27,653</u>	<u>747</u>



NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. INVENTORIES

	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
Finished goods	<u>91,488</u>	—

14. TRADE PAYABLES

The following is an aged analysis of the trade payables as at 30 September 2025 and 31 March 2025 based on the payment due date:

	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
Within 90 days	22,200	2,931
91 – 180 days	264	918
181 – 360 days	5,081	2,445
Over 360 days	1,050	232
	<u>28,595</u>	<u>6,526</u>



NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
Amounts due to related parties (<i>note 18b(i)&(ii)</i>)	6,478	2,472
Amounts due to an associate (<i>note 18b(iii)</i>)	730	470
Other payables	113,762	14,192
Accruals	7,716	8,549
Deposits received	191	191
	128,877	25,874

16. SHARE CAPITAL

	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
Authorised:		
10,000,000,000 (31 March 2025: 10,000,000,000) shares of HK\$0.01 each	100,000	100,000
Issued and fully paid:		
872,863,684 (31 March 2025: 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 six months ended 30 September 2025.





NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

17. OPERATING LEASE ARRANGEMENTS

As lessor

The Group leases its investment properties under operating lease arrangements, with the leases negotiated for terms ranging from two to three years. The terms of the leases also require the tenant to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 30 September 2025, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

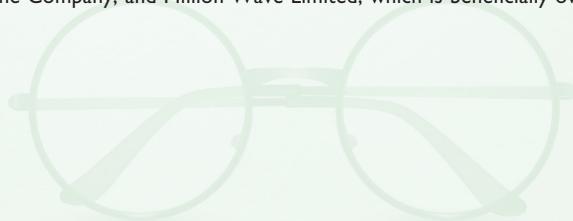
	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
Within one year	181	429
In the second to fifth years, inclusive	-	49
	<hr/>	<hr/>
	181	478
	<hr/>	<hr/>

18. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

	For the six months ended	
	30 September 2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Accountancy fee received from related companies	810	690
Rental expenses paid to related parties [#]	-	450
	<hr/>	<hr/>

The Group leased properties from Mr. Hui, a director of certain subsidiaries of the Company, and Million Wave Limited, which is beneficially owned by Mr. Hui.



NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18. RELATED PARTY TRANSACTIONS *(Continued)*

(b) Outstanding balances with related parties

	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
Loan to a joint venture	2,622	2,622
Provision for impairment	(2,622)	(2,622)
	-	-
Due to related parties*	<u>7,208</u>	<u>2,942</u>

* The Group had the following outstanding balance with related parties as at 30 September 2025:

- (i) an amount due to the spouse of Mr. Hui of approximately HK\$3,749,000 (31 March 2025: Nil), which is unsecured, non-interest bearing and repayable on demand.
- (ii) amounts due to Mr. Zheng Jian Xiong, Mr. Yu Wing Lung and Mr. Hu Ming Dai, directors of certain subsidiaries of the Company, of approximately HK\$700,000, HK\$1,772,000 and HK\$257,000 (31 March 2025: HK\$700,000, HK\$1,772,000 and HK\$Nil), respectively. Such amounts are unsecured, non-interest bearing and repayable on demand.
- (iii) the outstanding balance arising from film distribution service with Filmko Entertainment Ltd., the associate of the Group, amounted to HK\$730,000 (31 March 2025: HK\$470,000).



NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18. RELATED PARTY TRANSACTIONS (*Continued*)

(c) Compensation of key management personnel of the Group

	For the six months ended 30 September	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Short-term employee benefits	240	180
Post-employment benefits	9	9
 Total compensation paid and payable to key management personnel	 <u>249</u>	 <u>189</u>



NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments, deposits and other receivables, trade payables, amounts due from/to related parties, interest-bearing borrowings and current portion of financial liabilities included in other payables, accruals and deposits received approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance team is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance team reports directly to the financial controller. At each reporting date, the finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The Group's own non-performance risk for interest-bearing borrowings as at 30 September 2025 and 31 March 2025 was assessed to be insignificant.

Financial assets measured at fair value

The fair values of listed equity investments at fair value through profit or loss are based on quoted market prices.

The fair value of convertible bonds has been calculated by discounting the cash flow to capture the present value of the expected future economic benefits to be derived from the convertible bonds, based on an appropriate discount rate.

Fair value hierarchy

There were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (31 March 2025: Nil).





SUPPLEMENTARY INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

Long positions in shares and underlying shares

As of the 30 September 2025, so far as is known to any Director or chief executives of the Company, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were (i) required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO; or (ii) required to be recorded in the register kept by the Company pursuant to section 352 of the SFO; or (iii) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the sections headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES" and "SHARE OPTION SCHEME" in this report, at no time during the six months ended 30 September 2025 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors to acquire such rights in any other body corporate.



SUPPLEMENTARY INFORMATION

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

As at 30 September 2025, none of the Directors nor their respective close associates was interested in any business which was considered to compete or was likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTEREST IN SHARES AND UNDERLYING SHARES

As at 30 September 2025, so far as the Directors are aware of, the interest or short positions of the persons or corporations, other than Directors or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO and/or were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, were as follows:

Long positions

Name of Shareholders	Number of issued Ordinary Shares held	Capacity and nature of interest	% of issued share capital of the Company
Zhu Guohua	260,898,000	Beneficial Owner	29.89%
Wang Yichuan	104,297,719	Beneficial Owner	11.95%
Mr. Wong Hoi Fung	49,020,000	Beneficial Owner	5.62%



SUPPLEMENTARY INFORMATION

SHARE OPTION SCHEME

The Company has adopted a share option scheme ("Share Option Scheme") on 16 March 2020 to provide incentive or rewards to participants including the Directors and eligible employees of the Group. At the annual general meeting of the Company held on 25 August 2021, the Company was authorised to refresh the scheme mandate limit to issue a maximum of 87,286,368 share options under the Share Option Scheme. More information can be referred in the Company's circular dated 26 July 2021.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 September 2025.

CHANGES IN DIRECTORS' INFORMATION

There is no change in the information of the Directors of the Company since the publication of the annual report of the Company for the year ended 31 March 2025, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CORPORATE GOVERNANCE

During the six months ended 30 September 2025, the Company has adopted and complied with the applicable code provisions as set out in the Corporate Governance Code (the "Code") contained in Part 2 of Appendix C1 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standards of dealings as set out in Appendix C3 of the Listing Rules regarding Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"). Having made specific enquiry to all Directors, all of them confirmed that they had complied with the required standard of dealings as set out in the Model Code throughout the Period.



SUPPLEMENTARY INFORMATION

REVIEW OF UNAUDITED INTERIM RESULTS

The unaudited interim condensed consolidated financial information for the six months ended 30 September 2025 has not been reviewed nor audited by the Company's auditor, Prism Hong Kong Limited, but has been reviewed by the audit committee of the Company, which comprises the three independent non-executive Directors of the Company.

By order of the Board

Elegance Optical International Holdings Limited

Zhu Guohua

Chairlady and Executive Director

Hong Kong, 28 November 2025

