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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr. Chung Yuk Lun

Independent Non-Executive Directors

Mr. Man Wai Lun

Mr. Cheng Chun Man

Mr. Hui Man Ho, Ivan

AUDIT COMMITTEE

Mr. Cheng Chun Man (*Chairman*)

Mr. Man Wai Lun

Mr. Hui Man Ho, Ivan

NOMINATION COMMITTEE

Mr. Man Wai Lun (*Chairman*)

Mr. Cheng Chun Man

Mr. Hui Man Ho, Ivan

REMUNERATION COMMITTEE

Mr. Man Wai Lun (*Chairman*)

Mr. Cheng Chun Man

Mr. Hui Man Ho, Ivan

COMPANY SECRETARY

Mr. Chung Yuk Lun

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited

Chong Hing Bank Limited

AUDITOR

CCTH CPA Limited

HONG KONG SHARE REGISTRAR

Union Registrars Limited

Suites 3301-04, 33/F

Two Chinachem Exchange Square

338 King's Road

North Point, Hong Kong

PRINCIPAL SHARE REGISTRAR

Conyers Corporate Services (Bermuda) Limited

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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145 Hennessy Road

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WEBSITE

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STOCK CODE

907

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Eyewear Business

Revenue from the trading of optical frames and sunglasses (“Eyewear Business”) for the six months ended 30 September 2023 was approximately HK\$7.9 million, compared to HK\$15.3 million for the same period last year when the Group was engaging in manufacturing and trading of optical frames and sunglasses. The change was mainly due to the Company is undergoing a strategic transition of its eyewear business operations during the Period, following the disposal of its manufacturing plant in 2022. As part of repositioning of the Eyewear Business, the Company has shifted its focus to a sourcing and procurement service provider for eyewear products. This new positioning aims to alleviate pressures from high manufacturing costs and allow greater flexibility in meeting client demands. The Company leverages its technical expertise and long-cultivated supplier relationships to provide one-stop sourcing solutions for components, production, quality assurance and delivery of eyewear products for brand owners. While the business transition led to a temporary revenue decline, the Company has continued serving its established customer base while engaging new accounts. Recent sales momentum has also been positive.

Film Business

Revenue from the film and film rights investment and film distribution (“Film Business”) decreased to HK\$1.7 million for the Period, from HK\$5.3 million in the same period last year. The decrease was mainly attributable to the strategic decision to redirect resources from distribution services to film investment projects during the Period, given improving industry conditions.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW *(Continued)*

Film Business *(Continued)*

As the film industry continues recovering from the severe impacts of the pandemic, the Company has been presented with attractive film investment opportunities offering significant upside gain. During the Period, the Company focused on appraising prospective film investment projects rather than engaging in film distribution and related services. A temporary decline in revenue is observed as result of reallocation of resources.

However, this strategic move allows the Company to capture the rebound momentum of the recovering film industry. During the Period, the Company has entered into long term film participation agreement with one of the prominent player in Hong Kong film industry. The Company has invested HK\$10.3 million in three local films with copyrights. Additional investments are already in the pipeline. By focusing resources on film and film rights investments with strong commercial prospects, the Company aims to revitalise its Film Business, in particular, film and film rights investment business, and restore its growth trajectory.

Other Business

For property investment, rental income decreased from HK\$1.0 million in the same period last year to HK\$0.7 million for the Period following the disposal of certain investment properties in the year ended 31 March 2023.

For debts and securities investment segment, the Group did not record any revenue for both periods. As at 30 September 2023, the fair value of the Group's securities investment amounted to approximately HK\$17.2 million. 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 (2022: Nil).

PROSPECT

Despite global economic challenges, the Company remains optimistic about the prospects of its two core business segments.

For the Eyewear Business, the Company believes its repositioning as a procurement and sourcing services provider has strategically aligned operations for changing industry dynamics. By leveraging the Company's specialised expertise, client relationships and supplier network cultivated over decades in the eyewear industry, the leaner sourcing model provides a more flexible, cost-efficient platform for growth.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECT *(Continued)*

Recent sales momentum has been reassuring, with improved traction as more customers become accustomed to the new service model. Building on this recovery trajectory, the Company aims to continue expanding its customer base while deepening partnerships with existing accounts. Assuming steady macroeconomic conditions, the Company targets a progressive restore of the Eyewear Business to pre-transition levels.

For the Film Business, the Company is seeing positive signs of recoverability in the film industry following an unprecedented multi-year disruption from COVID-19. As audience sentiment improves and the market landscape remains complex and ever-changing, the Company will pursue its business growth by optimising its deployment of the film investment strategy. By allocating capital across a slate of high-quality film releases rather than concentrating resources in any single project, the Company can balance risks and rewards from Film Business. Looking forward, the Company will continue and manage its investment in Film Business.

CHARGES ON THE GROUP'S ASSETS

As at 30 September 2023, 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 2023, the Company had no capital commitments, which were contracted but not provided for, in respect of acquisition of property, plant and equipment (31 March 2023: Nil). As at 30 September 2023, the Company had no contingent liabilities (31 March 2023: 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 2023, the Group employed 166 (2022: 202) 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 with cash and cash equivalents of approximately HK\$7.2 million (31 March 2023: HK\$7.4 million), short-term borrowings of HK\$9.7 million (31 March 2023: Nil) and the debt to equity ratio (expressed as a percentage of non-current liabilities over equity attributable to owners of the Company) is approximately 2.1% as at 30 September 2023 (31 March 2023: 1.9%). The non-current liabilities of the Company mainly comprised of deferred tax liabilities and deposit received amounting to approximately HK\$1.1 million and HK\$0.5 million respectively (31 March 2023: HK\$1.2 million and HK\$0.5 million) which came up a total amount of approximately HK\$1.6 million as at 30 September 2023 (31 March 2023: HK\$1.7 million). The Group's equity attributable to owners of the Company as at 30 September 2023 amounted to approximately HK\$77.2 million (31 March 2023: HK\$86.4 million).

As at 30 September 2023, the Group's current liabilities exceeded its current assets by HK\$12.3 million (31 March 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 credit facilities.

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	
		2023 (Unaudited) HK\$'000	2022 (Unaudited) (Restated) HK\$'000
Continuing operations			
Revenue	5	10,296	5,994
Cost of sales and services		(8,669)	(3,800)
Gross profit		1,627	2,194
Other income	5	2,242	1,005
Selling and distribution expenses		(20)	–
Administrative expenses		(13,318)	(1,716)
Finance costs	6	(26)	(453)
Share of loss of an associate		–	(875)
(Loss)/profit before tax	7	(9,495)	155
Income tax expense	8	–	–
(Loss)/profit for the period from continuing operations		(9,495)	155
Discontinued operations			
Loss for the period from discontinued operations	9	–	(15,406)
Loss for the period		(9,495)	(15,251)
Profit/(loss) for the period attributable to owners of the Company:			
– from continuing operations		(9,495)	155
– from discontinued operations		–	(11,491)
Loss for the period attributable to owners of the Company		(9,495)	(11,336)

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	For the six months ended 30 September	
	2023 (Unaudited)	2022 (Unaudited) (Restated)
Notes	HK\$'000	HK\$'000
Loss for the period attributable to non-controlling interests:		
– from continuing operations	–	–
– from discontinued operations	–	(3,915)
Loss for the period attributable to non-controlling interests	–	(3,915)
Loss for the period	(9,495)	(15,251)
	2023	2022
	HK cents	HK cents
EARNINGS/(LOSS) PER SHARE		
From continuing and discontinued operations	//	
Basic	(1.09)	(1.30)
Diluted	N/A	N/A
From continuing operations		
Basic	(1.09)	0.02
Diluted	N/A	N/A

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended
30 September

2023
(Unaudited)
HK\$'000

2022
(Unaudited)
HK\$'000

LOSS FOR THE PERIOD	<u>(9,495)</u>	<u>(15,251)</u>
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Share of exchange differences on translation of a joint venture	–	(32)
Share of exchange differences on translation of an associate	–	(98)
Exchange differences on translation of foreign operations	<u>276</u>	<u>(1,765)</u>
OTHER COMPREHENSIVE INCOME/ (EXPENSE) FOR THE PERIOD, NET OF TAX	<u>276</u>	<u>(1,895)</u>
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD, NET OF TAX	<u>(9,219)</u>	<u>(17,146)</u>
Total comprehensive expense for the period attributable to:		
Owners of the Company	(9,219)	(11,019)
Non-controlling interests	–	(6,127)
	<u>(9,219)</u>	<u>(17,146)</u>

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 September 2023 (Unaudited) <i>Notes</i> HK\$'000	31 March 2023 (Audited) HK\$'000
NON-CURRENT ASSETS		
Property, plant and equipment	5,351	5,052
Prepayments, deposits and other receivables	5,913	5,913
Investment properties	50,811	50,848
Investment in an associate	29,000	29,000
	91,075	90,813
CURRENT ASSETS		
Inventories	45	62
Films copyright investments	10,300	–
Trade receivables	13 4,023	6,416
Prepayments, deposits and other receivables	21,277	26,323
Financial assets at fair value through profit or loss	17,160	17,333
Cash and cash equivalents	7,192	7,403
	59,997	57,537
CURRENT LIABILITIES		
Trade payables	14 4,148	6,341
Other payables, accruals and deposits received	41,437	36,712
Interest-bearing borrowings	9,696	–
Contract liabilities	1,665	1,912
Income tax payable	15,327	15,327
	72,273	60,292
NET CURRENT LIABILITIES	(12,276)	(2,755)
TOTAL ASSETS LESS CURRENT LIABILITIES	78,799	88,058

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 September 2023 (Unaudited) <i>Notes</i> HK\$'000	31 March 2023 (Audited) HK\$'000
NON-CURRENT LIABILITIES		
Deposits received	483	483
Deferred tax liabilities	1,133	1,173
	<u>1,616</u>	<u>1,656</u>
NET ASSETS	<u>77,183</u>	<u>86,402</u>
EQUITY		
Share capital	15 8,728	8,728
Reserves	68,455	77,674
TOTAL EQUITY	<u>77,183</u>	<u>86,402</u>

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 HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 April 2023	8,728	247,085	107,433	18,522	31,333	(152)	7,762	(334,309)	86,402	-	86,402
Loss for the period	-	-	-	-	-	-	-	(9,495)	(9,495)	-	(9,495)
Other comprehensive loss for the period:											
Exchange differences on translation of foreign operations	-	-	-	-	-	-	276	-	276	-	276
Total comprehensive loss for the period	-	-	-	-	-	-	276	(9,495)	(9,219)	-	(9,219)
At 30 September 2023 (unaudited)	8,728	247,085	107,433	18,522	31,333	(152)	8,038	(343,804)	77,183	-	77,183
At 1 April 2022	8,728	247,085	107,433	22,986	53,312	(152)	7,175	(283,363)	163,204	(16,409)	146,795
Loss for the period	-	-	-	-	-	-	-	(11,336)	(11,336)	(3,915)	(15,251)
Other comprehensive loss for the period:											
Share of exchange differences on translation of a joint venture	-	-	-	-	-	-	(32)	-	(32)	-	(32)
Share of exchange differences on translation of an associate	-	-	-	-	-	-	(98)	-	(98)	-	(98)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	447	-	447	(2,212)	(1,765)
Total comprehensive loss for the period	-	-	-	-	-	-	317	(11,336)	(11,019)	(6,127)	(17,146)
At 30 September 2022 (unaudited)	8,728	247,085	107,433	22,986	53,312	(152)	7,492	(294,699)	152,185	(22,536)	129,649

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
2023 2022
(Unaudited) (Unaudited)
HK\$'000 *HK\$'000*

NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	537	20,431
CASH FLOWS USED IN INVESTING ACTIVITIES		
Interest received	2	96
Purchases of items of property, plant and equipment	–	(6,564)
Increase in films copyright investments	(10,300)	–
Net cash flows used in investing activities	(10,298)	(6,468)
CASH FLOWS FROM FINANCING ACTIVITIES		
New interest-bearing borrowings	9,696	–
Repayment of other borrowings	–	(14,609)
Capital element of lease liabilities	–	(194)
Net cash flows from/(used in) financing activities	9,696	(14,803)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(65)	(840)
Cash and cash equivalents at beginning of period	7,403	17,985
Effect of foreign exchange rate changes, net	(146)	(327)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	7,192	16,818
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	7,192	16,818

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. 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 2023 were authorised for issue in accordance with a resolution of the directors on 30 November 2023.

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 and sunglasses, property investment, investment in debts and securities, film and film rights investment and film distribution business and energy business.

Restatement of comparative information regarding discontinued operations

During financial year ended 31 March 2023, as detailed in note 9, the Group disposed of Gold Strong Industrial Limited (“Gold Strong”). Gold Strong and its 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 its subsidiaries, which are regarded as the discontinued operations of the Group.

The comparative information included the unaudited interim condensed consolidated statement of profit or loss and other comprehensive income, together with notes thereon, for the six months ended 30 September 2022 has been restated, where appropriate, in order to conform with the current period’s presentation of the discontinued operations separately from continuing operations. As the restatement of comparative information has had no effect on the consolidated assets and consolidated liabilities of the Group at 31 March 2023 presented in the Group’s unaudited interim condensed consolidated statement of financial position, it is not necessary to restate any comparative information in that respect.

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 30 September 2023 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 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION *(Continued)*

Going concern basis

Notwithstanding that the Group incurred net losses amounted to approximately HK\$9,495,000 and HK\$15,251,000 for the six months ended 30 September 2023 and 30 September 2022, respectively, and the current liabilities of the Group at 30 September 2023 exceed the Group's current assets at that date by approximately HK\$12,276,000, the directors of the Company consider it appropriate for the preparation of the unaudited interim condensed 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 aggregate extent of HK\$18,000,000 for the period from the date of first draw down to eighteen months from the date of first draw down to enable the Group to meet its financial obligations as and when they fall due for the foreseeable future.
- (b) 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.
- (c) The Group will also 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.

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 report. 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 Hong Kong Financial Reporting Standards (“HKFRS”), 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 2023.

In the Period, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on 1 April 2023 for the preparation of the Group’s unaudited interim condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 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

The application of the above new and amendments to HKFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited interim condensed consolidated financial statements.

The Group has not early applied any new or amended HKFRSs 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 five reportable operating segments as follows:

Continuing operations

- (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 and film rights investment and film distribution segment engaged in film rights/ 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 petroleum chemical products.

Discontinued operations

In addition, 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 the year ended 31 March 2023.

- (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.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. SEGMENT INFORMATION (Continued)

Discontinued operations (Continued)

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 9. Previously reported figures in respect of certain segment revenue and segment results for the six months ended 30 September 2022 have been restated to conform with the presentation of segmental information adopted in respect of the current period.

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.

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 2023 (unaudited)

	Continuing operations					Discontinued operations				Total HK\$'000
	Trading HK\$'000	Property investment HK\$'000	Debts and securities investment HK\$'000	Film and film rights investment and film distribution HK\$'000	Energy business HK\$'000	Subtotal HK\$'000	Property investment HK\$'000	Manufacturing and trading HK\$'000	Subtotal HK\$'000	
Segment revenue										
Revenue from external customers	7,859	700	-	1,737	-	10,296	-	-	-	10,296
Segment profit/(loss)	(7,411)	118	633	(458)	-	(7,118)	-	-	-	(7,118)
Bank interest income						2				2
Corporate and other unallocated expenses						(2,353)				(2,353)
Finance costs						(26)				(26)
Loss before tax						(9,495)				(9,495)

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. SEGMENT INFORMATION (Continued)

Discontinued operations (Continued)

For the six months ended 30 September 2022 (unaudited) (restated)

	Continuing operations				Discontinued operations				Total HK\$'000
	Property investment HK\$'000	Debts and securities investment HK\$'000	Film and film rights investment and film distribution HK\$'000	Energy business HK\$'000	Subtotal HK\$'000	Property investment HK\$'000	Manufacturing and trading HK\$'000	Subtotal HK\$'000	
Segment revenue									
Revenue from external customers	675	-	5,319	-	5,994	300	15,326	15,626	21,620
Segment profit/(loss)	1,192	(2,011)	4,666	-	3,847	(1,071)	(14,151)	(15,222)	(11,375)
Bank interest income					1			95	96
Corporate and other unallocated expenses					(2,365)			-	(2,365)
Finance costs					(453)			(279)	(732)
Share of loss of an associate	-	-	(875)	-	(875)	-	-	-	(875)
Profit/(loss) before tax					155			(15,406)	(15,251)

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	
	2023	2022
	(Unaudited)	(Unaudited) (Restated)
	HK\$'000	HK\$'000
Continuing operations		
Europe	3,010	–
America	3,708	–
The People's Republic of China ("PRC") (including Hong Kong)	2,846	5,994
Others	732	–
	<u>10,296</u>	<u>5,994</u>
Discontinued operations		
Europe	–	2,383
America	–	11,974
The PRC (including Hong Kong)	–	582
Others	–	687
	<u>–</u>	<u>15,626</u>
Total revenue	<u>10,296</u>	<u>21,620</u>

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 to local agents and retailers in Hong Kong 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			
	Continuing operations		Discontinued operations	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited) (Restated)	(Unaudited)	(Unaudited) (Restated)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue:				
Sale of goods – at point in time	7,859	–	–	15,326
Film distribution agency and commission income				
– over time	1,737	5,319	–	–
Revenue from contracts with customers	9,596	5,319	–	15,326
Rental income from lease of investment properties	700	675	–	300
Total revenue recognised	10,296	5,994	–	15,626
Other income:				
Accounting service fee	990	820	–	–
Bank interest income	2	1	–	95
Gain on change in fair value of financial assets				
at fair value through profit or loss				
– investments in securities	829	–	–	–
Rental income from lease of machineries	–	–	–	1,322
Others	421	184	–	615
	2,242	1,005	–	2,032

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. FINANCE COSTS

	For the six months ended 30 September			
	Continuing operations		Discontinued operations	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited) (Restated)	(Unaudited)	(Unaudited) (Restated)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest on borrowings	26	453	-	-
Interest on lease liabilities	-	-	-	279
	<u>26</u>	<u>453</u>	<u>-</u>	<u>279</u>

7. LOSS/(PROFIT) BEFORE TAX

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

	For the six months ended 30 September			
	Continuing operations		Discontinued operations	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited) (Restated)	(Unaudited)	(Unaudited) (Restated)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cost of inventories sold (<i>note a</i>)	7,599	-	-	10,419
Depreciation of property, plant and equipment	240	6	-	1,495
Depreciation of right-of-use assets	-	-	-	269
Employee benefit expense (including directors' remuneration):				
Wages, salaries and other benefits	6,748	1,019	-	12,777
Pension scheme contributions (<i>note b</i>)	200	47	-	226
Total employee benefit expense	<u>6,948</u>	<u>1,066</u>	<u>-</u>	<u>13,003</u>

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 (2022: Nil).

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. INCOME TAX

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 (2022: 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. DISCONTINUED OPERATIONS

On 28 September 2022, the Group entered into a sale agreement with, Mr. Hui Leung Wah ("Mr. Hui"), a director of certain subsidiaries 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 have better financial result 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 comparative information presented in the unaudited interim condensed consolidated statement of profit or loss and other comprehensive income have been restated to conform with the current period's presentation.

The results of the discontinued operations for the period from 1 April 2022 to 30 September 2022 are analysed as below:

		For the six months ended 30 September	
		2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
	Notes		
Revenue	5	–	15,626
Cost of sales		–	(16,003)
Gross loss		–	(377)
Other income and gains	5	–	2,032
Selling and distribution expenses		–	(261)
Administrative expenses		–	(16,521)
Finance costs	6	–	(279)
Loss before tax	7	–	(15,406)
Income tax	8	–	–
Loss for the period		–	(15,406)

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2023 (2022: Nil).

11. EARNINGS/(LOSS) PER SHARE

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

	For the six months ended 30 September			
	Continuing and discontinued operations		Continuing operations	
	2023	2022	2023	2022
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Profit/(loss) for the purpose of basic earnings/(loss) per share				
Profit/(loss) for the period attributable to owners of the Company	<u>(9,495)</u>	<u>(11,336)</u>	<u>(9,495)</u>	<u>155</u>
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	'000	'000	'000	'000
Number of shares for the purpose of basic earnings/(loss) per share				
Weighted average number of ordinary shares in issue	<u>872,864</u>	<u>872,864</u>	<u>872,864</u>	<u>872,864</u>

The computation of diluted earnings/(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 2023 and 30 September 2022.

No diluted earnings/(loss) per share is presented as the Group had no other potentially dilutive ordinary shares in issue during the six months ended 30 September 2023 and 30 September 2022.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. INVESTMENT IN AN ASSOCIATE

	30 September 2023 (Unaudited) HK\$'000	31 March 2023 (Audited) HK\$'000
Unlisted associate		
Cost of investment	110,000	110,000
Share of post-acquisition profit and other comprehensive income	27,506	27,506
Impairment loss recognised	(108,506)	(108,506)
	<u>29,000</u>	<u>29,000</u>

The unlisted investment represents the Group's 25% (31 March 2023: 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
Khorgas 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

13. TRADE RECEIVABLES

	30 September 2023 (Unaudited) <i>HK\$'000</i>	31 March 2023 (Audited) <i>HK\$'000</i>
Trade receivables	5,530	7,923
Impairment	<u>(1,507)</u>	<u>(1,507)</u>
	<u>4,023</u>	<u>6,416</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 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 trade receivables as at 30 September 2023 and 31 March 2023, based on the invoice date and net of provisions, is as follows:

	30 September 2023 (Unaudited) <i>HK\$'000</i>	31 March 2023 (Audited) <i>HK\$'000</i>
Within 90 days	3,616	5,554
91 – 180 days	–	–
181 – 360 days	<u>407</u>	<u>862</u>
	<u>4,023</u>	<u>6,416</u>

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. TRADE PAYABLES

The following is an aged analysis of the trade payables as at 30 September 2023 and 31 March 2023 based on the payment due date:

	30 September 2023 (Unaudited) <i>HK\$'000</i>	31 March 2023 (Audited) <i>HK\$'000</i>
Within 90 days	4,114	6,325
91 – 180 days	34	3
181 – 360 days	–	–
Over 360 days	–	13
	<u>4,148</u>	<u>6,341</u>

15. SHARE CAPITAL

	30 September 2023 (Unaudited) <i>HK\$'000</i>	31 March 2023 (Audited) <i>HK\$'000</i>
Authorised:		
10,000,000,000 (31 March 2023: 10,000,000,000) shares of HK\$0.01 each	<u>100,000</u>	<u>100,000</u>
Issued and fully paid:		
872,863,684 (31 March 2023: 872,863,684) shares of HK\$0.01 each	<u>8,728</u>	<u>8,728</u>

There are no movements in the Company's issued share capital during the six months ended 30 September 2023.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

16. OPERATING LEASE ARRANGEMENTS

(a) 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 2023, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	30 September 2023 (Unaudited) HK\$'000	31 March 2023 (Audited) HK\$'000
Within one year	850	1,286
In the second to fifth years, inclusive	657	988
	<u>1,507</u>	<u>2,274</u>

17. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

	For the six months ended 30 September 2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Accountancy fee received from related companies	990	820
Rental expenses paid to related parties [#]	780	802
Purchase of inventories from Gold Strong	4,938	–

[#] 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

17. RELATED PARTY TRANSACTIONS *(Continued)*

(b) Outstanding balances with related parties

	30 September 2023 (Unaudited) HK\$'000	31 March 2023 (Audited) HK\$'000
Loan to a joint venture	2,795	2,795
Due to related parties*	5,912	10,982

* Included in other payables, accruals and deposits received as at 30 September 2023 are an amount due to the spouse of Mr. Hui of approximately HK\$4,495,000 (31 March 2023: HK\$7,833,000) and amounts due to Mr. Zheng Jian Xiong and Mr. Yu Wing Lung, directors of certain subsidiaries of the Company, of approximately HK\$1,417,000 and Nil (31 March 2023: HK\$1,377,000 and HK\$1,772,000), respectively. Such amounts are unsecured, non-interest bearing and repayable on demand.

(c) Compensation of key management personnel of the Group

	For the six months ended 30 September	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Short-term employee benefits	180	711
Post-employment benefits	9	18
Total compensation paid and payable to key management personnel	189	729

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18. 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 2023 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

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

Assets measured at fair value:

As at 30 September 2023 (unaudited)

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
Financial assets at fair value through profit or loss	-	-	17,160	17,160

As at 31 March 2023 (audited)

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
Financial assets at fair value through profit or loss	173	-	17,160	17,333

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 2023: Nil).

SUPPLEMENTARY INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

Long positions in shares and underlying shares

Name of Director	Nature of interest	Number of ordinary shares of the Company interested	Number of underlying ordinary shares held under Share Option Scheme	Approximate percentage of shareholding (Note 1)
Mr. Chung Yuk Lun ("Mr. Chung")	Beneficial owner	–	8,000,000 (Note 2)	0.92%

Notes:

1. Based on 872,863,684 ordinary shares of the Company ("Ordinary Share(s)") in issue as at 30 September 2023.
2. These underlying shares were share options granted by the Company under the Share Option Scheme on 19 March 2021 and accepted by Mr. Chung on 1 April 2021 at exercise price of HK\$1.33 per share.

Save as disclosed above, as of the 30 September 2023, 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 2023 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 2023, 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 2023, 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
Osman Bin Kitchell	142,297,719	Beneficial owner	16.30%
Mr. Wong Hoi Fung	49,020,000	Beneficial Owner	5.62%
CDM Trust & Board Services AG	124,898,000	Trustee	14.31%
Albert Yeung Capital Holdings Limited	124,898,000	Interest of controlled corporation	14.31%
Yeung Sau Shing, Albert	124,898,000	Founder of a discretionary trustee	14.31%
Luk Siu Man, Semon	124,898,000	Interest of spouse	14.31%

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.

Movements of share options under the Share Option Scheme held by the Director and consultants are as follows:

Name of category of participant	Date of grant of Share option	Exercise period	Exercise price per share HK\$	Numbers of underlying shares in respect of which share options were granted			
				As at 31 March 2023	Granted during the Period	Exercise/Cancelled/Lapsed	As at 30 September 2023
Director							
Mr. Chung	1/4/2021	1/4/2021 – 31/3/2031	1.33	8,000,000	–	–	8,000,000
Other eligible participants							
Mr. Xiao Junwei, independent Consultant	1/4/2021	1/4/2021 – 31/3/2031	1.33	8,000,000	–	–	8,000,000
Mr. Lien Wai Hon, independent Consultant	7/4/2021	7/4/2021 – 6/4/2031	1.33	8,000,000	–	–	8,000,000
Mr. Miao Ki Kong, independent Consultant	7/4/2021	7/4/2021 – 6/4/2031	1.33	8,000,000	–	–	8,000,000
Mr. Huang wei, independent Consultant	7/4/2021	7/4/2021 – 6/4/2031	1.33	4,000,000	–	–	4,000,000
Total				<u>36,000,000</u>	<u>–</u>	<u>–</u>	<u>36,000,000</u>

Note:

- The Share Options are granted without any vesting conditions/period.

SUPPLEMENTARY INFORMATION

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 2023.

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 2023, 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 2023, the Company has adopted and complied with the applicable code provisions as set out in the Corporate Governance Code (the "Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange, 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. Upon the resignation of Mr. Yu Baodong as chairman of the Board on 11 October 2022, the Board did not appoint any Director as its Chairman. The Board will review the present situation in the coming regular meetings as appropriate.

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 10 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 2023 has not been reviewed nor audited by the Company's auditor, CCTH CPA 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

Chung Yuk Lun

Executive Director

Hong Kong, 30 November 2023