



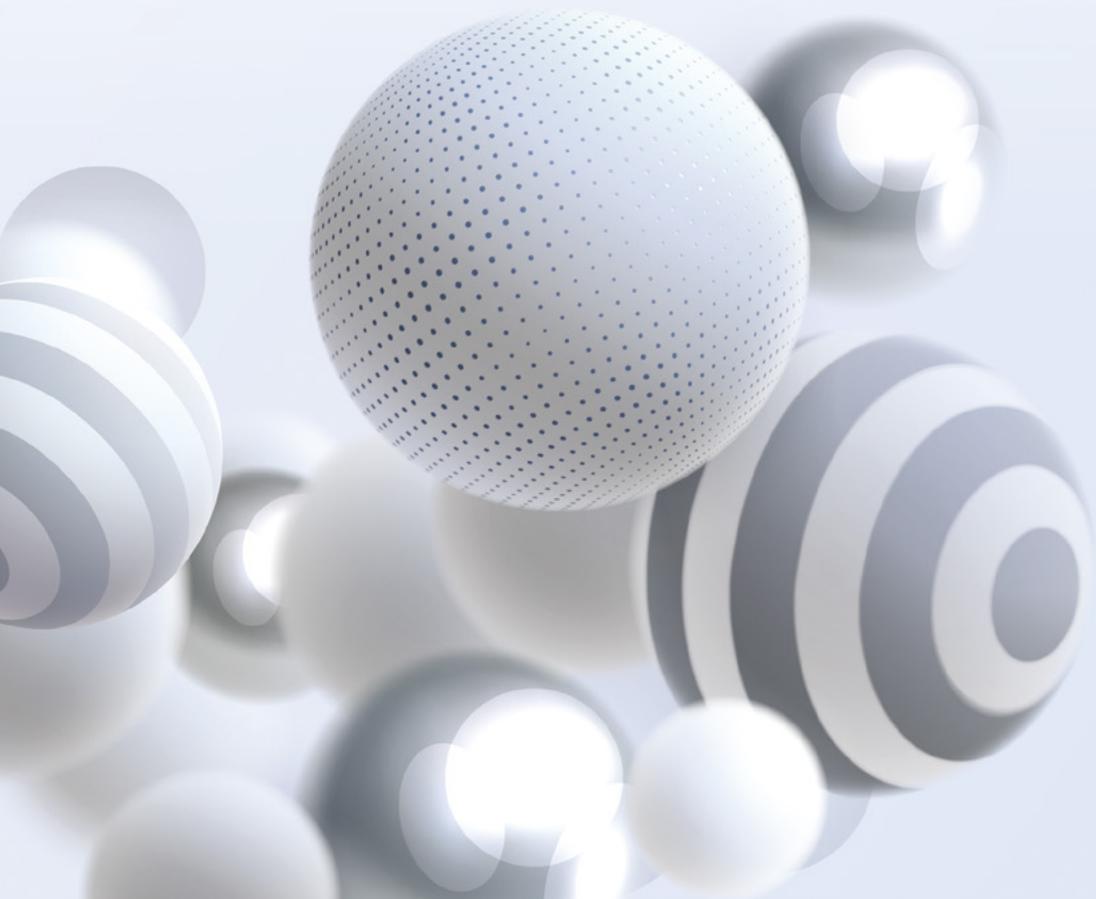
ELEGANCE OPTICAL INTERNATIONAL HOLDINGS LIMITED

高雅光學國際集團有限公司

(Incorporated in Bermuda with limited liability)

Stock Code: 907

INTERIM
REPORT
2021/2022



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Yu Baodong (*Chairman*)

Mr. Chung Yuk Lun

Mr. Wong Chong Fai

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

Room 22, 22/F

On Hong Commercial Building

145 Hennessy Road

Wanchai

Hong Kong

WEBSITE

<http://www.irasia.com/listco/hk/eleganceoptical>

STOCK CODE

907

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OVERVIEW

During the Reporting Period, the world has experienced one of the most difficult times of recent history. The COVID-19 pandemic has negatively impacted the global economy. In such a challenging environment, the Group expected that our business will inevitably face certain challenges in the short run. After nearly two years of lockdowns, travel restriction and at-home school and work, we are glad to see the economic recovery and increasing consumer confidence driven by the roll-out of vaccination globally.

During the Period, the Group's revenue decreased by approximately 19.6%, to approximately HK\$34.9 million compared to the same period last year, reflecting the negative impact of the COVID-19 pandemic. Gross Profit decreased from approximately HK\$7.95 million to approximately HK\$5.56 million mainly due to drop in revenue, while the gross profit margin rate decreased from 18.34% to 15.94% representing a decline of 2.40% approximately. Administrative expenses increased significantly by HK\$54.2 million compared to the same period last year, to approximately HK\$71.1 million, which was mainly attributable to the one-off and non-cash share-based payment amounting to approximately HK\$53.3 million and as the result, the Group recorded a significant increase in net loss before tax of approximately HK\$64.7 million (2020: loss of approximately HK\$4.4 million) and the loss attributable of the owners of the Company approximately HK\$64.4 million (2020: loss of approximately HK\$3.4 million).

BUSINESS SEGMENTS

The Group comprised of 5 segments, namely (i) manufacturing and trading of optical frames and sunglasses; (ii) property investment; (iii) debts and securities investment; (iv) film investment and distribution; and (v) energy business. Total revenue for the Period was approximately HK\$34.9 million. The Group's overall revenue was primarily attributed to the sales of optical frames and sunglasses, with a decrease by approximately 8.12% or approximately HK\$2.3 million to approximately HK\$25.5 million for the Period (2020: HK\$27.8 million). For property investment, rental income decreased from approximately HK\$0.86 million as at 30 September 2020 to approximately HK\$0.74 million as at 30 September 2021. It remained relatively insignificant to the Group's operation. For debts and securities investment, loss of approximately HK\$0.51 million was recorded for the Period as compared to the gain of approximately HK\$0.69 million for the six months ended 30 September 2020. For film investment and distribution segment, it recorded a revenue of approximately HK\$8.60 million for the Period (2020: HK\$14.0 million).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS SEGMENTS *(Continued)*

For the Energy business, it is yet to generate revenue to the Group for the period. As stated in the annual report for the year ended 31 March 2021, the management has focused to capture appropriate business and investment opportunities by diversifying the Group's business and income streams. In 2021, the Group has implemented two strategic initiatives to strengthen our platform in developing the energy businesses. In February 2021, the Group acquired a company engaged in developing new-energy related business and trading of petroleum chemical products with one of the largest petrochemical companies. The Group is planning to trade petroleum chemical products in the first quarter of 2022. In August 2021, the Group has signed a subscription agreement with H. Sterling LNG Terminal Holding Limited ("H. Sterling") to subscribe 50% of the enlarged issued share capital of H. Sterling. H. Sterling holds 21% shareholding of Yantai LNG Terminal Project Company ("Yantai LNG") which has been under construction since November 2020. The Terminal Project is expected to commence operation in mid-2023 upon completion of phase I construction. Apart from that, the Terminal Project will provide a solid platform for the Group to develop potential sale and trading of liquefied natural gas products ("LNG") globally.

PROSPECT

Although the COVID-19 pandemic seems contained recently with only a few sporadic outbreaks and imported cases in mainland China and Hong Kong, it would require some time for the business sentiment to recover to the pre-pandemic level. Therefore, the Group will adhere to its prudent approach and continue improving its cost structures, to strengthen its competency and enhance its overall operating efficiency.

For the film investment and distribution business, the growth in number of screen of PRC led the world, showing a strong pent-up entertainment demand and the vitality of the industry. The rebound in the Chinese film industry fully demonstrates its institutional strength, comprehensive strength and resilience and the Group believed that in long-term, the Chinese film market will continue to be robust.

In addition, the Group will try best endeavor to diversify the Group's business and income streams. The Group started to do the layout for the energy industry as stated above. The Group is reviewing its existing resources, including the experience, expertise and network of the Company's directors and management, with the aim of exploring and developing its energy business.

MANAGEMENT DISCUSSION AND ANALYSIS

CHARGES ON THE GROUP'S ASSETS

As at 30 September 2021, the Group's banking facilities amounted to approximately HK\$3 million, which was not utilised at the end of the reporting period. Such banking facilities were secured by a fixed deposit amounting to HK\$3 million provided by one of the subsidiaries' directors.

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 further hedging significant foreign currency exposure should the need arise.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 September 2021, the Company had no capital commitments, which were contracted but not provided for, in respect of acquisition of property, plant and equipment (2020: Nil). As at 30 September 2021, the Company had no contingent liabilities (2020: Nil) in respect of corporate guarantees given to banks for the general banking facilities granted to its subsidiaries.

MATERIAL ACQUISITION AND DISPOSAL

On 9 August 2021, Green Source Global Limited, an indirect wholly-owned subsidiary of the Company, entered into subscription agreement with H. Sterling (the "Subscription Agreement") to subscribe 50% of the enlarged issued share capital of H. Sterling at a total consideration of RMB223 million. H. Sterling indirectly owns 21% equity interest in the Yantai LNG. Yantai LNG is principally engaged in the gas operation, import and export of goods and technology and import and export agency services, and is a project company established to implement the Terminal Project. As at the 30 September 2021, the conditions precedent as set out in the Subscription Agreement are not fully fulfilled or waived. For details, please refer to announcement of the Company titled "DISCLOSEABLE TRANSACTION – SUBSCRIPTION OF 50% OF THE ENLARGED ISSUED SHARE CAPITAL OF THE TARGET COMPANY" dated 9 August 2021.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2021, the Group employed 226 (2020: 224) 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.

MANAGEMENT DISCUSSION AND ANALYSIS

EQUITY FUND RAISING ACTIVITIES AND USE OF PROCEEDS

Placing and subscription of new shares under general mandate

On 3 February 2021, the Company issued 45,000,000 new shares in relation to the subscription shares (the “Subscription”) and conducted a placing of 100,000,000 new ordinary shares to not (the “2021 Placing”) less than six independent places at a price of HK\$0.381 each to raise a gross proceeds of approximately HK\$54.1 million. The net proceeds from the Subscription and 2021 Placing (after deducting the placing commission for the 2021 Placing and other relevant expenses) were approximately HK\$54.1 million and were intended to be applied for (i) approximately HK\$39.1 million for possible investments and potential business enhancement strategies in favour of the Company in future, including but not limited to investment in debts and securities, film investment projects, energy related business and other potential business development, when such opportunities arise; and (ii) approximately HK\$15.0 million for general working capital of the Group. As at 30 September 2021, HK\$39.1 millions has been used for investment and acquisition and approximately HK\$9.0 millions has been used as general working capital. The remaining of approximately HK\$6.0 million is expected to be utilized within 6 months subject to future market development.

EVENT AFTER THE REPORTING PERIOD

Subscription of new shares under general mandate

On 20 October 2021, the Company entered into subscription agreement with the subscriber for the subscription of 174,000,000 new shares for a total proceed of HK\$161,820,000 at the subscription price of HK\$0.93 per subscription share. The Company intends to apply the net proceeds in the following aspects (i) approximately HK\$150 million for the settlement of the subscription price in relation to the transaction of the Company contemplated under the subscription agreement dated 9 August 2021 and (ii) approximately HK\$11.6 million for the general working capital of the Group. For details, please refer to announcement of the Company titled “SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE” dated 20 October 2021.

LIQUIDITY AND FINANCIAL RESOURCES

The Group’s financial position with cash and cash equivalents of approximately HK\$18.0 million (31 March 2021: HK\$40.1 million), short-term borrowings of approximately HK\$23.3 million (31 March 2021: HK\$23.4 million) and the debt to equity ratio (expressed as a percentage of non-current liabilities over equity attributable to owners of the Company) is approximately 12.8% as at 30 September 2021 (31 March 2021: 7.4%). The non-current liabilities of the Company mainly comprised of deferred tax liabilities, deposit received, interest-bearing other borrowings and lease liabilities amounting to approximately HK\$2.0 million, HK\$36,000, HK\$14.7 million and HK\$18.6 million respectively (31 March 2021: HK\$2.0 million, HK\$0.1 million, HK\$Nil and HK\$18.9 million) which came up a total amount of approximately HK\$35.4 million as at 30 September 2021 (31 March 2021: HK\$21.0 million). The Group’s equity attributable to owners of the Company as at 30 September 2021 amounted to approximately HK\$276.1 million (31 March 2021: HK\$283.4 million).

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	For the six months ended 30 September	
		2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
REVENUE	4	34,875	43,337
Cost of sales and services		(29,317)	(35,387)
Gross profit		5,558	7,950
Other income	4	4,174	1,948
Selling and distribution expenses		(1,694)	(1,570)
Administrative expenses		(71,053)	(16,882)
Other operating (expense)/income	5	(275)	2,156
Finance costs	6	(829)	(2,444)
Share of loss of a joint venture		-	(114)
Share of (loss)/profit of an associate		(625)	4,510
LOSS BEFORE TAX	5	(64,744)	(4,446)
Income tax expense	7	-	(53)
LOSS FOR THE PERIOD		(64,744)	(4,499)
Loss for the Period attributable to:			
Owners of the Company		(64,368)	(3,428)
Non-controlling interests		(376)	(1,071)
		(64,744)	(4,499)
		2021	2020
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic	9	(7.37) HK cents	(0.53) HK cents
Diluted		N/A	N/A

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Notes		
LOSS FOR THE PERIOD	<u>(64,744)</u>	<u>(4,499)</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	82	(32)
Share of exchange differences on translation of an associate	2,288	284
Exchange differences on translation of foreign operations	<u>1,117</u>	<u>723</u>
OTHER COMPREHENSIVE INCOME/ (EXPENSE) FOR THE PERIOD, NET OF TAX	<u>3,487</u>	<u>975</u>
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD, NET OF TAX	<u>(61,257)</u>	<u>(3,524)</u>
Total comprehensive expense for the Period attributable to:		
Owners of the Company	(60,636)	(2,605)
Non-controlling interests	<u>(621)</u>	<u>(919)</u>
	<u>(61,257)</u>	<u>(3,524)</u>

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 September 2021 (Unaudited) <i>HK\$'000</i>	31 March 2021 (Audited) <i>HK\$'000</i>
<i>Notes</i>		
NON-CURRENT ASSETS		
Property, plant and equipment	39,949	41,196
Investment properties	63,551	63,181
Right-of-use assets	22,282	22,868
Intangible assets	—	—
Investment in an associate	<i>10</i> 92,375	93,000
	218,157	220,245
CURRENT ASSETS		
Inventories	4,486	4,535
Trade receivables	<i>11</i> 16,447	14,155
Prepayments, deposits and other receivables	42,047	39,542
Financial assets at fair value through profit or loss	82,061	81,955
Cash and cash equivalents	17,985	40,078
	163,026	180,265
CURRENT LIABILITIES		
Trade payables	<i>12</i> 10,064	3,603
Contract liabilities	2,988	3,377
Other payables, accruals and deposits received	<i>13</i> 28,464	60,151
Interest-bearing bank and other borrowings	<i>14</i> 23,256	23,396
Income tax payable	15,327	15,327
Lease liabilities	1,171	1,162
	81,270	107,016
NET CURRENT ASSETS	81,756	73,249
TOTAL ASSETS LESS CURRENT LIABILITIES	299,913	293,494

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 September 2021 (Unaudited) HK\$'000	31 March 2021 (Audited) HK\$'000
NON-CURRENT LIABILITIES			
Deposits received	13	36	125
Deferred tax liabilities		1,992	1,998
Interest-bearing other borrowings	14	14,716	–
Lease liabilities		18,622	18,879
		<u>35,366</u>	<u>21,002</u>
NET ASSETS		<u>264,547</u>	<u>272,492</u>
EQUITY			
Share capital	15	8,728	8,728
Reserves		267,394	274,718
		<u>276,122</u>	<u>283,446</u>
Equity attributable to owners of the Company		276,122	283,446
Non-controlling interests		(11,575)	(10,954)
		<u>264,547</u>	<u>272,492</u>
TOTAL EQUITY		<u>264,547</u>	<u>272,492</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	Contributed surplus HK\$'000	Asset revaluation reserve [#] HK\$'000	Share option reserve HK\$'000	Goodwill eliminated against reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Retained profits/ (accumulated losses) HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 April 2021	8,728	247,085	41,925	65,508	22,986	-	(152)	3,653	(106,287)	283,446	(10,954)	272,492
Loss for the period	-	-	-	-	-	-	-	-	(64,368)	(64,368)	(376)	(64,744)
Other comprehensive loss for the period:												
Share of exchange differences on translation of a joint venture	-	-	-	-	-	-	-	82	-	82	-	82
Share of exchange differences on translation of an associate	-	-	-	-	-	-	-	2,288	-	2,288	-	2,288
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	1,362	-	1,362	(245)	1,117
Total comprehensive loss for the period	-	-	-	-	-	-	-	3,732	(64,368)	(60,636)	(621)	(61,257)
Recognition of share options granted	-	-	-	-	-	53,312	-	-	-	53,312	-	53,312
At 30 September 2021 (unaudited)	8,728	247,085	41,925	65,508	22,986	53,312	(152)	7,385	(170,655)	276,122	(11,575)	264,547
At 1 April 2020	60,655	194,869	41,925	-	22,986	-	(152)	125	(91,013)	229,395	(8,837)	220,558
Loss for the period	-	-	-	-	-	-	-	-	(2,605)	(2,605)	(919)	(3,524)
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	-	-	-	-	-	-	-	284	-	284	-	284
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(1,774)	-	(1,774)	21	(1,753)
Total comprehensive loss for the period	-	-	-	-	-	-	-	(1,522)	(2,605)	(4,127)	(898)	(5,025)
Issue of shares	12,131	-	-	-	-	-	-	-	-	12,131	-	12,131
Shares issue expenses	-	(464)	-	-	-	-	-	-	-	(464)	-	(464)
At 30 September 2020 (unaudited)	72,786	194,405	41,925	-	22,986	-	(152)	(1,397)	(93,618)	236,935	(9,735)	227,200

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

These reserve accounts comprise the consolidated reserves of HK\$201,886,000 (31 March 2021: HK\$209,210,000) in the unaudited interim condensed consolidated statement of financial position.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	(35,312)	6,005
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Interest received	31	4
Purchases of items of property, plant and equipment	(1,366)	(1,238)
Proceeds from disposal of investment properties	-	10,260
Net cash flows from/(used in) investing activities	(1,335)	9,026
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares upon placing	-	12,131
Share issue expenses	-	(464)
New other borrowings	24,576	-
Repayment of other borrowings	(10,000)	(10,900)
Capital element of lease liabilities	(276)	(262)
Net cash flows from financing activities	14,300	505
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(22,347)	15,536
Cash and cash equivalents at beginning of period	40,078	17,846
Effect of foreign exchange rate changes, net	254	124
CASH AND CASH EQUIVALENTS AT END OF PERIOD	17,985	33,506
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	17,985	33,506

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 2021 were authorised for issue in accordance with a resolution of the directors on 30 November 2021.

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 manufacture and trading of optical frames and sunglasses, property investment, investment in debts and securities, film investment and distribution business and energy business.

2.1 ACCOUNTING POLICIES AND BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 30 September 2021 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 and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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 2021.

Basis of preparation

The unaudited 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 consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.2 CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

HKICPA has issued a number of new and revised HKFRSs and interpretations that are first effective or available for early adoption for the Period. In the current period, the Group has applied, for the first time, the following amendments to the HKFRSs issued by the HKICPA. These HKFRSs are mandatorily effective for the annual period beginning on or after 1 April 2021 for the preparation of the Group's unaudited interim condensed consolidated financial statements.

Amendments to HKFRS 16

Amendments to HKFRS 9, HKAS 39,
HKFRS 7, HKFRS 4 and HKFRS 16

Covid-19-Related Rent Concessions

Interest Rate Benchmark Reform – Phase 2

The adoption of revised HKFRSs has no material effect on the Group's results and financial position for the current and previous accounting periods. The Group has not applied any new or revised HKFRSs that have been issued but are not yet effective for the current accounting period.

There have been no significant changes to the accounting policies applied in these financial statements for the Period presented as a result of these developments.

The unaudited 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.

The preparation of the unaudited condensed consolidated financial statements of the Group for the Period is in conformity with the HKFRSs requirements in the use of certain critical accounting estimates. The HKFRSs also require the management to exercise their judgements in the process of applying the Group's accounting policies.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. A number of new or amended standards are effective from 1 April 2021 but they do not have a material effect on the Group's unaudited condensed consolidated interim financial statements.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENT INFORMATION

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

- (a) the manufacturing and trading segment engaged in manufacture and trading of optical frames and sunglasses;
- (b) the property investment segment engaged in leasing of properties for rental income;
- (c) the debts and securities investment segment engaged in investments in financial instruments and quoted shares;
- (d) the film investment and distribution segment engaged in film right and movie investments and distributions; and
- (e) the energy business segment engaged in investments in energy sector related instrument and sale and trading of 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 unallocated gains as well as corporate and other unallocated expenses are excluded from such measurement.

During the prior year ended 31 March 2021, the Group commenced the energy business engaging in sale and trading of liquefied petroleum gas products following the completion of acquisition of H. Sterling Global Energy Limited (formerly, Gulf Energy (China) Limited), and this business is regarded as a new operating and reportable segment by the management of the Group.

Segment assets exclude unallocated corporate assets, including cash and cash equivalents, as these assets are managed on a group basis.

Segment liabilities exclude unallocated and corporate liabilities, including interest-bearing bank and other borrowings, tax payable and deferred tax liabilities, as these liabilities are managed on a group basis.

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

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENT INFORMATION (Continued)

	Manufacturing and trading HK\$'000	Property investment HK\$'000	Debts and securities investment HK\$'000	Film investment and distribution HK\$'000	Energy business HK\$'000	Total HK\$'000
Six months ended						
30 September 2021						
(unaudited)						
Segment revenue:						
Revenue from external customers	25,544	742	-	8,589	-	34,875
Segment result	(5,313)	619	(808)	(2,642)	(2,123)	(10,267)
Bad debt recovery						2,809
Bank interest income						31
Corporate and other unallocated expenses						(55,863)
Finance costs						(829)
Share of loss of an associate						(625)
Loss before tax						(64,744)
At 30 September 2021						
(unaudited)						
Segment assets	89,624	63,412	4,719	162,013	37,744	357,512
Corporate and other unallocated assets						23,671
Total assets						381,183
Segment liabilities	65,535	80	2,962	35,820	6,689	111,086
Corporate and other unallocated liabilities						5,550
Total liabilities						116,636

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENT INFORMATION (Continued)

	Manufacturing and trading HK\$'000	Property investment HK\$'000	Debts and securities investment HK\$'000	Film investment and distribution HK\$'000	Energy business HK\$'000	Total HK\$'000
Six months ended						
30 September 2020						
(unaudited)						
Segment revenue:						
Revenue from external customers	27,801	858	694	13,984	–	43,337
Segment result	(3,947)	(23)	160	(33)	–	(3,843)
Bank interest income						4
Corporate and other unallocated expenses						(2,559)
Finance costs						(2,444)
Share of profit of a joint venture					–	(114)
Share of profit of an associate					–	4,510
Loss before tax						(4,446)
At 31 March 2021 (audited)						
Segment assets	92,857	63,569	5,307	155,025	34,436	351,194
Corporate and other unallocated assets						49,316
Total assets						400,510
Segment liabilities	66,713	696	357	26,732	2,019	96,517
Corporate and other unallocated liabilities						31,501
Total liabilities						128,018

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENT INFORMATION *(Continued)*

Geographical information

(a) Revenue from external customers

	For the six months ended 30 September	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
America	20,047	18,367
Europe	3,475	5,188
The People's Republic of China (the "PRC") (including Hong Kong)	11,118	18,428
Others	235	1,354
	<u>34,875</u>	<u>43,337</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.

Information about major customers

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

	For the six months ended 30 September	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Customer A	14,536	12,402
Customer B	N/A	13,450
Total	<u>14,536</u>	<u>25,852</u>

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. REVENUE AND OTHER INCOME

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, gross rental income, fair value gain or loss on and dividend income from equity investments at fair value through profit or loss 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	
	2021 (Unaudited) <i>HK\$'000</i>	2020 (Unaudited) <i>HK\$'000</i>
Revenue		
Sales of goods – at a point in time	25,544	27,801
Film distribution agency and commission income – over time	8,589	13,984
Rental income	742	858
Fair value (loss)/gains on equity investments at fair value through profit and loss, net	–	694
	34,875	43,337
Other income		
Sales of scrap materials	142	342
Bank interest income	31	4
Bad debt recovery	2,809	–
Handling income	639	413
Accounting service fee	540	540
Interest income from loan receivables	–	501
Others	13	148
	4,174	1,948

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. LOSS BEFORE TAX

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

	For the six months ended 30 September	
	2021	2020
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cost of inventories sold*	22,417	24,941
Depreciation	1,872	2,765
Depreciation of right-of-use assets	308	354
Employee benefits expense (including directors' remunerations):		
Wages and salaries	10,346	8,743
Equity-settled share-based payment	53,312	–
Termination payment	–	332
Pension scheme contributions**	345	445
	64,003	9,520
Gross rental income	742	858
Less: direct operating expenses (including repairs and maintenance arising from rental-earning investment properties)*	–	(198)
Net rental income	742	660
Provision for inventory obsolescence*	–	612
Foreign exchange differences, net	(320)	(1,955)
Other operating income:		
Gain on disposal of investment properties	–	2,156
	–	2,156

* Included in “cost of sales” on the face of the unaudited interim condensed consolidated statement of profit or loss.

** At the end of the reporting period, the Group had no forfeited pension scheme contributions available to reduce its contributions to the pension schemes in future years (six months ended 30 September 2020: Nil).

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. FINANCE COSTS

	For the six months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Interest on bank and other loans	520	2,185
Interest on lease liabilities	309	259
	<u>829</u>	<u>2,444</u>

7. INCOME TAX

	For the six months ended 30 September	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Current – Charge for the Period	–	(53)
Total tax charge for the Period	<u>–</u>	<u>(53)</u>

Taxes on assessable profits have been provided and calculated at the tax rates prevailing in the jurisdiction in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

8. INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2021 (2020: Nil).

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share is based on the loss for the Period attributable to owners of the Company of approximately HK\$64,368,000 (2020: HK\$3,428,000) and the number of 872,863,684 (2020: weighted average of 648,979,039) ordinary shares of the Company in issue during the Period.

No diluted loss per share is presented as the Group had no potentially dilutive ordinary shares in issue during the period ended 30 September 2021 and 2020 or as at those dates.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. INVESTMENT IN AN ASSOCIATE

	30 September 2021 (Unaudited) HK\$'000	31 March 2021 (Audited) HK\$'000
Cost of investment in an associate – unlisted	110,000	110,000
Share of post-acquisition Profit/loss and other comprehensive income	35,111	35,736
Impairment loss recognised	(52,736)	(52,736)
	92,375	93,000

Particulars of the associates of the Group 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.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. INVESTMENT IN AN ASSOCIATE (Continued)

Note:

- (i) The above associates have been accounted for using the equity method in these consolidated financial statements.
- (ii) On 11 July 2018, the Group acquired 25% equity interest in an entity, Filmko Culture Limited ("Filmko Culture"), for a consideration of HK\$110,000,000 which was settled by the payment in cash of HK\$70,000,000 by the Group and the issue of 16,000,000 new ordinary shares of the Company. Filmko Culture is an investment holding company which was incorporated in the British Virgin Islands and the subsidiaries of Filmko Culture were established in the PRC and are engaged in film distribution in the PRC.

11. TRADE RECEIVABLES

	30 September 2021 (Unaudited) HK\$'000	31 March 2021 (Audited) HK\$'000
Trade receivables	18,092	16,518
Impairment	(1,645)	(2,363)
	<u>16,447</u>	<u>14,155</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 2020: 45 to 120 days). Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are regularly reviewed by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest bearing.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. TRADE RECEIVABLES *(Continued)*

An aged analysis of trade receivables as at 30 September 2021 and 31 March 2021, based on the invoice date and net of provisions, is as follows:

	30 September 2021 (Unaudited) HK\$'000	31 March 2021 (Audited) HK\$'000
Within 90 days	7,865	13,140
91 – 180 days	8,423	1,015
181 – 360 days	159	–
	<u>16,447</u>	<u>14,155</u>

12. TRADE PAYABLES

The following is an aged analysis of the trade payables as at 30 September 2021 and 31 March 2021 based on the payment due date:

	30 September 2021 (Unaudited) HK\$'000	31 March 2021 (Audited) HK\$'000
Within 90 days	3,473	3,181
91 – 180 days	6,438	20
181 – 360 days	19	25
Over 360 days	134	377
Total	<u>10,064</u>	<u>3,603</u>

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

	30 September 2021 (Unaudited) HK\$'000	31 March 2021 (Audited) HK\$'000
Amount due to a related party	23,256	19,692
Other payables	2,835	7,254
Accruals	1,972	12,076
Deposits received	437	21,254
	<u>28,500</u>	<u>60,276</u>
Less: Non-current portion	<u>(36)</u>	<u>(125)</u>
	<u>28,464</u>	<u>60,151</u>

Other than the non-current portion of rental deposits received which are non-interest-bearing and not repayable within one year, the remaining balances are non-interest-bearing and repayable on demand.

14. INTEREST-BEARING BANK AND OTHER BORROWINGS

	As at 30 September 2021			As at 31 March 2021		
	Effective interest rate (%)	Maturity	HK\$'000	Effective interest rate (%)	Maturity	HK\$'000
Current						
Other loans – Unsecured	8-13.2%	2021	23,256	8-13.2%	2021	23,396
Non-current						
Other loan – Unsecured	8%	2022	14,716	–	–	–
			<u>37,972</u>			<u>23,396</u>

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. INTEREST-BEARING BANK AND OTHER BORROWINGS *(Continued)*

	As at 30 September 2021 <i>HK\$'000</i>	As at 31 March 2021 <i>HK\$'000</i>
Analysed into:		
Other loan repayable within one year	23,256	23,396
Other loan repayable more than one year	14,716	–
	<u>37,972</u>	<u>23,396</u>

Note:

- a) As at 30 September 2021, all other borrowings were denominated in Hong Kong dollars.

15. SHARE CAPITAL

	Number of shares	Amount <i>HK\$'000</i>
Authorised:		
At 31 March 2021, 1 April 2021 and 30 September 2021	1,000,000,000	100,000
Issued and fully paid:		
At 1 April 2021	872,863,684	8,728
At 30 September 2021	<u>872,863,684</u>	<u>8,728</u>

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 2021, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	30 September 2021 (Unaudited) HK\$'000	31 March 2021 (Audited) HK\$'000
Within one year	1,815	2,268
In the second to fifth years, inclusive	3,001	5,001
	<u>4,816</u>	<u>7,269</u>

17. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

	For the six months ended 30 September 2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Accountancy fee received from related companies	(540)	(540)
Rental expenses paid to a director of the subsidiaries	222	222
Rental expenses on sales and leaseback transactions to a director of the subsidiaries [#]	591	591

[#] The related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

17. RELATED PARTY TRANSACTIONS *(Continued)*

(b) Outstanding balances with related parties

	30 September 2021 (Unaudited) HK\$'000	31 March 2021 (Audited) HK\$'000
Loans to a joint venture	<u>3,627</u>	<u>3,464</u>
Due to a related party*	<u>23,256</u>	<u>19,692</u>

* Included in other payables, accruals and deposits received at 30 September 2021 is amount due to the spouse of Mr. Hui Leung Wah, the director of certain subsidiaries of the Company, amounted to approximately HK\$23,256,000 (31 March 2021: approximately HK\$19,692,000) which is unsecured non-interest bearing and repayable on demand.

(c) Compensation of key management personnel of the Group

	For the six months ended 30 September 2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Short-term employee benefits	<u>1,920</u>	555
Post-employment benefits	<u>18</u>	–
Total compensation paid and payable to key management personnel	<u>1,938</u>	<u>555</u>

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, loan receivables, financial assets included in prepayments, deposits and other receivables, trade payables, amount due from/to related parties, interest-bearing bank 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 bank and other borrowings as at 30 September 2021 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 and an unlisted financial assets at fair value through other comprehensive income are based on quoted market prices.

The fair values of investments in film production and convertible bond have been calculated by discounting the cash flow to capture the present value of the expected future economic benefits to be derived from the investment, 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 2021 (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	4,239	-	77,822	82,061

As at 31 March 2021 (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	5,257	-	76,698	81,955

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 2021: Nil).

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

19. SHARE OPTION SCHEME

The fair value of 60,000,000 share options under the share option scheme (“Share Option Scheme”) on 16 March 2020 as calculated using the binomial tree model. The inputs into the model were as follow:

		Grant date	
	1 April 2021	4 April 2021	7 April 2021
No. of share option	24,000,000	8,000,000	28,000,000
Share Price		HK\$1.52	
Exercise Price		HK\$1.33	
Time to Maturity		10 years	
Risk Free Rate	1.36%	1.36%	1.28%
Dividend Yield		0.00%	
Volatility	54.18%	54.18%	54.24%

The aggregate fair value of the share options granted during the period was HK\$53,312,000 (2020: Nil). The Group recognised a share-based payment of HK\$53,312,000 (2020: Nil) for the six months ended 30 September 2021.

20. EVENT AFTER THE REPORTING PERIOD

Subscription of new shares under general mandate

On 20 October 2021, the Company entered into subscription agreements with the subscriber for the subscription of 174,000,000 new shares for a total proceed of HK\$161,820,000 at the subscription price of HK\$0.93 per subscription share. The Company intends to apply the net proceeds in the following aspects (i) approximately HK\$150 million for the settlement of the subscription price in relation to the transaction of the Company contemplated under the subscription agreement dated 9 August 2021 and (ii) approximately HK\$11.6 million for the general working capital of the Group. For details, please refer to announcement of the Company titled “SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE” dated 20 October 2021.

21. APPROVAL OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 30 November 2021.

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. Yu Baodong ("Mr. Yu")	Beneficial owner	–	8,000,000 (Note 2)	0.92%
Mr. Chung Yuk Lun ("Mr. Chung")	Beneficial owner	–	8,000,000 (Note 2)	0.92%
Mr. Wong Chong Fai ("Mr. Wong")	Beneficial owner	45,000,000	8,000,000 (Note 2)	6.07%

Notes:

- Based on 872,863,684 ordinary shares of the Company ("Ordinary Share(s)") in issue as at 30 September 2021.
- These underlying shares were share options granted by the Company under the Share Option Scheme on 19 March 2021 and accepted by Mr. Yu and Mr. Chung on 1 April 2021 and Mr. Wong on 4 April 2021 at exercise price of HK\$1.33 per share.

Save as disclosed above, as of the 30 September 2021, 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 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.

SUPPLEMENTARY INFORMATION

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" on pages 32 and on pages 34 of this report respectively, at no time during the six months ended 30 September 2021 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.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

As at 30 September 2021, 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 2021, 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%

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 Directors, employee and consultant are as follows:

Name of category of participant	Date of grant of Share option	Exercise period	Exercise price per share <i>HK\$</i>	Numbers of underlying shares in respect of which share options were granted			
				As at 31 March 2021	Granted during the Period	Exercise/ Cancelled/ Lapsed	As at 30 September 2021
Directors							
Mr. Yu	1/4/2021	1/4/2021 – 31/3/2031	1.33	–	8,000,000	–	8,000,000
Mr. Chung	1/4/2021	1/4/2021 – 31/3/2031	1.33	–	8,000,000	–	8,000,000
Mr. Wong	4/4/2021	4/4/2021 – 3/4/2031	1.33	–	8,000,000	–	8,000,000
Other eligible participants							
Employee	7/4/2021	7/4/2021 – 6/4/2031	1.33	–	8,000,000	–	8,000,000
Independent consultant	1/4/2021	1/4/2021 – 31/3/2031	1.33	–	8,000,000	–	8,000,000
Independent consultants	7/4/2021	7/4/2021 – 6/4/2031	1.33	–	20,000,000	–	20,000,000
Total				–	60,000,000	–	60,000,000

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 2021.

SUPPLEMENTARY INFORMATION

CHANGES IN DIRECTORS' INFORMATION

The changes 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 2021, which are required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) and Code A.6.6 of Appendix 14 of the Listing Rules are set out below:

Changes in biographical details of Directors

Name of Directors	Name of Listed Company	Position	Details (YYYY-MM-DD)
Mr. Man Wai Lun	Millennium Pacific Group Holdings Limited (Stock code: 8417)	Independent Non-Executive Director	(A) 2021.07.26
	Momentum Financial Holdings Limited (Stock Code: 1152)	Independent Non-Executive Director	(A) 2021.08.27
	Century Group International Holdings Limited (Stock Code: 2113)	Executive Director	(A) 2021.10.01
Mr. Hui Man Ho Ivan	Zhejiang United Investment Holdings Group Limited (Stock Code : 8366)	Independent Non-Executive Director	(A) 2021.10.21

CORPORATE GOVERNANCE

During the six months ended 30 September 2021, 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 of Hong Kong Limited (the "Stock Exchange"), except for the following deviations:

Code provision A.4.1

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

SUPPLEMENTARY INFORMATION

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry to all Directors of the Company, all of them confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the period under review.

REVIEW OF UNAUDITED INTERIM RESULTS

The unaudited condensed consolidated interim financial information for the six months ended 30 September 2021 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

Wong Chong Fai

Executive Director

Hong Kong, 30 November 2021