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ELEGANCE OPTICAL INTERNATIONAL HOLDINGS LIMITED

高雅光學國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 907)

INTERIM RESULTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

INTERIM RESULTS

The board of directors (the “**Board**” or “**Directors**”) of Elegance Optical International Holdings Limited (the “**Company**”) would like to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 September 2022 (“**Period**”) together with the comparative figures for the corresponding period in 2021 as set out below:

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2022

		For the six months ended 30 September	
		2022	2021
		(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000
REVENUE	4	21,620	34,875
Cost of sales and services		(19,803)	(29,317)
Gross profit		1,817	5,558
Other income	4	3,037	4,174
Selling and distribution expenses		(261)	(1,694)
Administrative expenses		(18,237)	(71,053)
Other operating (expense)/income		–	(275)
Finance costs	6	(732)	(829)
Share of loss of an associate		(875)	(625)
LOSS BEFORE TAX	5	(15,251)	(64,744)
Income tax expense	8	–	–
LOSS FOR THE PERIOD		(15,251)	(64,744)

	For the six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the Period attributable to:		
Owners of the Company	(11,336)	(64,368)
Non-controlling interests	(3,915)	(376)
	<u>(15,251)</u>	<u>(64,744)</u>
	2022	2021
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Basic	<u>9 HK cents (1.30)</u>	<u>HK cents (7.37)</u>
Diluted	<u>N/A</u>	<u>N/A</u>

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2022

	For the six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
LOSS FOR THE PERIOD	<u>(15,251)</u>	<u>(64,744)</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)	82
Share of exchange differences on translation of an associate	(98)	2,288
Exchange differences on translation of foreign operations	<u>(1,765)</u>	<u>1,117</u>
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD, NET OF TAX	<u>(1,895)</u>	<u>3,487</u>
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD, NET OF TAX	<u>(17,146)</u>	<u>(61,257)</u>
Total comprehensive expense for the Period attributable to:		
Owners of the Company	(11,019)	(60,636)
Non-controlling interests	<u>(6,127)</u>	<u>(621)</u>
	<u>(17,146)</u>	<u>(61,257)</u>

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2022

	30 September 2022 (Unaudited) <i>HK\$'000</i>	31 March 2022 (Audited) <i>HK\$'000</i>
<i>Notes</i>		
NON-CURRENT ASSETS		
Property, plant and equipment	27,923	32,986
Investment properties	58,384	59,330
Right-of-use assets	18,832	19,302
Investment in an associate	40,125	41,000
	145,264	152,618
CURRENT ASSETS		
Inventories	2,330	5,483
Trade receivables	5,313	10,203
Prepayments, deposits and other receivables	34,026	56,189
Financial assets at fair value through profit or loss	17,004	19,748
Cash and cash equivalents	16,818	18,770
	75,491	110,393
CURRENT LIABILITIES		
Trade payables	11 2,837	7,662
Contract liabilities	2,262	2,600
Other payables, accruals and deposits received	12 48,640	53,774
Interest-bearing bank and other borrowings	–	14,609
Income tax payable	15,327	15,327
Lease liabilities	607	676
	69,673	94,648
NET CURRENT ASSETS	5,818	15,745
TOTAL ASSETS LESS CURRENT LIABILITIES	151,082	168,363

		30 September	31 March
		2022	2022
		(Unaudited)	(Audited)
	<i>Notes</i>	HK\$'000	HK\$'000
NON-CURRENT LIABILITIES			
Deposits received	<i>12</i>	483	519
Deferred tax liabilities		1,904	2,072
Lease liabilities		19,046	18,977
		<u>21,433</u>	<u>21,568</u>
NET ASSETS		<u>129,649</u>	<u>146,795</u>
EQUITY			
Share capital	<i>13</i>	8,728	8,728
Reserves		143,457	154,476
		<u>152,185</u>	<u>163,204</u>
Equity attributable to owners of the Company		(22,536)	(16,409)
Non-controlling interests		<u>129,649</u>	<u>146,795</u>
TOTAL EQUITY		<u>129,649</u>	<u>146,795</u>

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 2022 were authorised for issue in accordance with a resolution of the directors on 30 November 2022.

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 2022 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.

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 2022.

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.

2.2 CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

HKICPA has issued a number of amendment to the HKFRSs 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 2022 for the preparation of the Group’s unaudited interim condensed consolidated financial statements.

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

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 2022 but they do not have a material effect on the Group's 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 five 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 rights 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.

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.

	Manufacturing and trading <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Debts and securities investment <i>HK\$'000</i>	Film investment and distribution <i>HK\$'000</i>	Energy business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 30 September 2022 (unaudited)						
Segment revenue:						
Revenue from external customers	<u>15,326</u>	<u>975</u>	<u>-</u>	<u>5,319</u>	<u>-</u>	<u>21,620</u>
Segment result	(14,151)	121	(2,011)	4,666	-	(11,375)
Bank interest income						96
Corporate and other unallocated expenses						(2,365)
Finance costs						(732)
Share of loss of an associate						(875)
Loss before tax						<u>(15,251)</u>
At 30 September 2022 (unaudited)						
Segment assets	64,207	39,512	1,232	42,390	26,522	173,863
Corporate and other unallocated assets						<u>46,892</u>
Total assets						<u>220,755</u>
Segment liabilities	50,444	136	3,442	5,476	12,706	72,204
Corporate and other unallocated liabilities						<u>18,902</u>
Total liabilities						<u>91,106</u>

	Manufacturing and trading <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Debts and securities investment <i>HK\$'000</i>	Film investment and distribution <i>HK\$'000</i>	Energy business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 30 September 2021 (unaudited)						
Segment revenue:						
Revenue from external customers	<u>25,544</u>	<u>742</u>	<u>–</u>	<u>8,589</u>	<u>–</u>	<u>34,875</u>
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						<u>(625)</u>
Loss before tax						<u>(64,744)</u>
At 30 September 2021 (unaudited)						
Segment assets	89,624	63,412	4,719	162,013	37,744	357,512
Corporate and other unallocated assets						<u>23,671</u>
Total assets						<u>381,183</u>
Segment liabilities	65,535	80	2,962	35,820	6,689	111,086
Corporate and other unallocated liabilities						<u>5,550</u>
Total liabilities						<u>116,636</u>

Geographical information

(a) Revenue from external customers

	For the six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
America	11,974	20,047
Europe	2,383	3,475
The People's Republic of China (the "PRC") (including Hong Kong)	6,576	11,118
Others	687	235
	<u>21,620</u>	<u>34,875</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	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Customer A	5,966	14,536
Customer B	3,156	N/A
Customer C	2,534	N/A
	<u>11,656</u>	<u>14,536</u>

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	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue		
Sales of goods – at a point in time	15,326	25,544
Film distribution agency and commission income – over time	5,319	8,589
Rental income	975	742
	<u>21,620</u>	<u>34,875</u>
Other income		
Sales of scrap materials	–	142
Bank interest income	96	31
Bad debt recovery	–	2,809
Handling income	–	639
Accounting service fee	820	540
Rental income from lease of machineries	1,322	–
Others	799	13
	<u>3,037</u>	<u>4,174</u>

5. LOSS BEFORE TAX

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

	For the six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cost of inventories sold*	10,419	22,417
Depreciation	1,501	1,872
Depreciation of right-of-use assets	269	308
Employee benefits expense (including directors' remunerations):		
Wages and salaries	13,796	10,346
Equity-settled share-based payment	–	53,312
Pension scheme contributions**	273	345
	<u>14,069</u>	<u>64,003</u>
Gross rental income	975	742
Less: direct operating expenses (including repairs and maintenance arising from rental-earning investment properties)*	<u>–</u>	<u>–</u>
Net rental income	<u>975</u>	<u>742</u>
(Reversal) for inventory obsolescence*	<u>(938)</u>	<u>–</u>

* 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 2021: Nil).

6. FINANCE COSTS

	For the six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on bank and other loans	453	520
Interest on lease liabilities	279	309
	<u>732</u>	<u>829</u>

7. INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2022 (2021: Nil).

8. INCOME TAX

	For the six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current – Charge for the Period	–	–
Total tax charge for the Period	<u>–</u>	<u>–</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.

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\$11,336,000 (2021: HK\$64,368,000) and the number of 872,863,684 (2021: 872,863,684) 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 2022 and 2021 or as at those dates.

10. TRADE RECEIVABLES

	30 September 2022 (Unaudited) HK\$'000	31 March 2022 (Audited) HK\$'000
Trade receivables	6,956	12,246
Impairment	(1,643)	(2,043)
	5,313	10,203

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 2022: 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 2022 and 31 March 2022, based on the invoice date and net of provisions, is as follows:

	30 September 2022 (Unaudited) HK\$'000	31 March 2022 (Audited) HK\$'000
Within 90 days	4,796	4,619
91 – 180 days	–	3
181 – 360 days	517	5,581
	5,313	10,203

11. TRADE PAYABLES

The following is an aged analysis of the trade payables as at 30 September 2022 and 31 March 2022 based on the payment due date:

	30 September 2022 (Unaudited) HK\$'000	31 March 2022 (Audited) HK\$'000
Within 90 days	2,802	7,223
91 – 180 days	35	27
181 – 360 days	–	1
Over 360 days	–	411
Total	2,837	7,662

12. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

	30 September 2022 (Unaudited) HK\$'000	31 March 2022 (Audited) HK\$'000
Amount due to a related party	11,905	17,750
Other payables	20,456	19,254
Accruals	13,567	16,216
Deposits received	3,195	1,073
	<u>49,123</u>	<u>54,293</u>
Less: Non-current portion	(483)	(519)
	<u>48,640</u>	<u>53,774</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.

13. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
At 31 March 2022, 1 April 2022 and 30 September 2022	1,000,000,000	100,000
Issued and fully paid:		
At 1 April 2022	872,863,684	8,728
At 30 September 2022	872,863,684	8,728

14. EVENT AFTER THE REPORTING PERIOD

On 28 September 2022, the Group entered into the sale and purchase agreement with Mr. Hui Leung Wah, pursuant to which the Group has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the sale shares, representing 55% of the entire issued share capital of the Gold Strong Industrial Limited (the “**Target Company**”) (a non-wholly owned subsidiary of the Company), at a consideration of HK\$21,000,000 to be paid and settled in cash. Upon completion, the Target Company will cease to be a subsidiary of the Company and its financial results will no longer be consolidated with the financial statements of the Group. The Completion took place after 30 September 2022. The disposal transaction constituted a discloseable transaction and a connected transaction for the Company and was subject to the reporting and announcement requirements under Chapter 14 and Rule 14A.101 of the Listing Rules. For details, please refer to the Company’s announcements dated 28 September 2022 and 10 October 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OVERVIEW

During the Period, the Group's revenue decreased by approximately 38.0%, to approximately HK\$21.6 million compared to the same period last year. Gross Profit decreased from approximately HK\$5.6 million to approximately HK\$1.8 million mainly due to drop in revenue, while the gross profit margin rate decreased from 16.0% to 8.4% representing a decline of 7.6% approximately. Administrative expenses decreased significantly by HK\$52.8 million compared to the same period last year, to approximately HK\$18.2 million, which was mainly attributable to the one-off and non-cash share-based payment amounting to approximately HK\$53.3 million recorded last year. As the result, the Group recorded a decrease in net loss before tax to approximately HK\$15.3 million (2021: loss of approximately HK\$64.7 million) and the loss attributable of the owners of the Company approximately HK\$11.3 million (2021: loss of approximately HK\$64.4 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\$21.6 million. The Group's overall revenue was primarily attributed to the sales of optical frames and sunglasses, with a decrease by approximately 40.0% or approximately HK\$10.2 million to approximately HK\$15.3 million for the Period (2021: HK\$25.5 million). For property investment, rental income increased from approximately HK\$0.74 million as at 30 September 2021 to approximately HK\$0.98 million as at 30 September 2022. It remained relatively insignificant to the Group's operation. For debts and securities investment, loss of approximately HK\$2.0 million was recorded for the Period as compared to the loss of approximately HK\$0.8 million for the six months ended 30 September 2021. For film investment and distribution segment, it recorded a revenue of approximately HK\$5.3 million for the Period (2021: HK\$8.6 million). For energy business, no revenue was generated during the Period.

PROSPECT

The business environment will be challenging in light of the present world-wide economic pressure and geopolitical conflicts at the moment. Global economy is, on one hand, suffering from the impact of high inflation and high interest rate and, on the other, is yet walked out from the shadow of COVID-19 in particular the strict COVID-19 restrictions and control measures are yet to be lifted in PRC. Consequentially, market demand will be suppressed which will inevitably affects the business of the Group as a whole.

In view of the above, for the optical frames and sunglasses related business, the Group will continue streamlining its operation model, implementing effective cost management, and maintain a flexible operation capacity to adjust its scale of operation with the market demand and minimize the impact of global supply chain disruption and economic fluctuation. For the film investment and distribution business, though there is uncertainty in the near future as PRC is under strict control measures, the Group remains cautiously optimistic about the PRC film market in the long run under the support of national policies and it is believed that the impact of COVID-19 will dissipate one day.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 September 2022, the Company had no capital commitments, which were contracted but not provided for, in respect of acquisition of property, plant and equipment (2021: Nil). As at 30 September 2022, the Company had no contingent liabilities (2021: Nil) in respect of corporate guarantees given to banks for the general banking facilities granted to its subsidiaries.

EVENT AFTER THE REPORTING PERIOD

On 28 September 2022, the Group entered into the sale and purchase agreement with Mr. Hui Leung Wah, pursuant to which the Group has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the sale shares, representing 55% of the entire issued share capital of the Gold Strong Industrial Limited (the “**Target Company**”) (a non-wholly owned subsidiary of the Company), at a consideration of HK\$21,000,000 to be paid and settled in cash. Upon completion, the Target Company will cease to be a subsidiary of the Company and its financial results will no longer be consolidated with the financial statements of the Group. The Completion took place after 30 September 2022. The disposal transaction constituted a discloseable transaction and a connected transaction for the Company and was subject to the reporting and announcement requirements under Chapter 14 and Rule 14A.101 of the Listing Rules. For details, please refer to the Company’s announcements dated 28 September 2022 and 10 October 2022.

LIQUIDITY AND FINANCIAL RESOURCES

The Group’s financial position with cash and cash equivalents of approximately HK\$16.8 million (31 March 2022: HK\$18.8 million), short-term borrowings of zero balance (31 March 2022: HK\$14.6 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 14.1% as at 30 September 2022 (31 March 2022: 13.2%). The non-current liabilities of the Company mainly comprised of deferred tax liabilities, deposit received and lease liabilities amounting to approximately HK\$1.9 million, HK\$0.5 million and HK\$19.0 million respectively (31 March 2022: HK\$2.1 million, HK\$0.5 million and HK\$19.0 million) which came up a total amount of approximately HK\$21.4 million as at 30 September 2022 (31 March 2022: HK\$21.6 million). The Group’s equity attributable to owners of the Company as at 30 September 2022 amounted to approximately HK\$152.2 million (31 March 2022: HK\$163.2 million).

CORPORATE GOVERNANCE

During the six months ended 30 September 2022, 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**”).

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.

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 2022.

REVIEW OF UNAUDITED INTERIM RESULTS

The unaudited interim condensed consolidated financial information for the six months ended 30 September 2022 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.

PUBLICATION OF THE UNAUDITED INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange at (<https://www.hkexnews.hk>) and the Company (<http://www.irasia.com/listco/hk/eleganceoptical>). The interim report of the Company for the Period will be dispatched to the shareholders of the Company and will be available on the aforesaid websites in due course.

By order of the Board
Elegance Optical International Holdings Limited
Chung Yuk Lun
Executive Director

Hong Kong, 30 November 2022

As at the date of this announcement, the executive Director is Mr. Chung Yuk Lun; and the independent non-executive Directors are Mr. Man Wai Lun, Mr. Cheng Chun Man and Mr. Hui Man Ho, Ivan.