REPORT OF THE DIRECTORS AND AUDITED FINANCIAL STATEMENTS

OWNDAYS HONG KONG LIMITED

31 MARCH 2026

OWNDAYS HONG KONG LIMITED

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OWNDAYS HONG KONG LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of Owndays Hong Kong Limited (the "Company") for the year ended 31 March 2026.

Principal activity
The principal activity of the Company is retail sale of eyeware products including frame, lens, sunglasses and miscellaneous. There were no significant changes in the nature of the Company's principal activity during the year.

Recommended dividend
The directors do not recommend the payment of any dividend in respect of the year.

Directors
The directors of the Company during the year were:

Ashley James Micklewright	(resigned on 19 September 2025)
Wong Yuk Hong	(resigned on 1 April 2025)
Sit Lai Ho	(resigned on 1 April 2025)
Laurent du Temple de Rougemont	(appointed on 19 September 2025)
Shuji Tanaka	
Takeshi Umiyama	
Chung Yat Hei	

In accordance with articles 24 and 25 of the Company's articles of association, the remaining directors will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Directors' interests
At no time during the year was the Company or any of its holding companies and fellow subsidiaries a party to any arrangement to enable the Company's directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interests in transactions, arrangements or contracts
Save the related party transactions as disclosed in note 22 to the financial statements, no director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Company to which the Company or any of its holding companies and fellow subsidiaries was a party during the year.

Management contracts
Save for employment contracts, no other contracts, relating to the management and/or administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year.

Permitted indemnity provision
As at 31 March 2026, a qualifying third party indemnity provision made by the holding company for the benefit of all the directors of the Company was in force.

<u>Auditor</u>
During the year, KPMG resigned as the auditor of the Company and Ernst & Young were appointed by the directors to fill the casual vacancy so arising. A resolution for the reappointment of Ernst & Young as the auditor of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

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Chung Yat Hei
Director
Hong Kong

Independent auditor's report
To the members of Owndays Hong Kong Limited
(Incorporated in Hong Kong with limited liability)

Opinion
We have audited the financial statements of Owndays Hong Kong Limited (the "Company") set out on pages 6 to 34, which comprise the statement of financial position as at 31 March 2026, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended, and notes to the financial statements, including material accounting policy information.

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

Basis for opinion
We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon
The directors are responsible for the other information. The other information comprises the information included in the report of the directors.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the director for the financial statements
The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

Independent auditor's report (continued)
To the members of Owndays Hong Kong Limited
(Incorporated in Hong Kong with limited liability)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent auditor's report (continued)
To the members of Owndays Hong Kong Limited
(Incorporated in Hong Kong with limited liability)

Auditor's responsibilities for the audit of the financial statements (continued)
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Cheng Man (practising certificate number: P05069).

Certified Public Accountants
Hong Kong

OWNDAYS HONG KONG LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2026

	Notes	2026 HK$	2025 HK$
REVENUE	4	134,123,589	122,546,546
Cost of sales		(27,027,484)	(23,896,617)
Gross profit		107,096,105	98,649,929
Other income and gains	5	536,881	618,900
Selling and distribution expenses		(74,842,549)	(71,666,018)
Administrative expenses		(16,054,781)	(13,451,187)
Other expenses	6	(396,680)	(90,683
Finance costs	7	(3,582,460)	(3,849,145)
PROFIT BEFORE TAX	8	12,756,516	10,211,796
Income tax expense	10	(2,499,898)	(3,315,919)
PROFIT FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		10,256,618	6,895,877

OWNDAYS HONG KONG LIMITED

STATEMENT OF FINANCIAL POSITION

31 MARCH 2026

	Notes	2026 HK$	2025 HK$
NON-CURRENT ASSETS			
Property, plant and equipment	11	47,594,990	25,446,268
Rental deposits		4,831,017	3,064,590
Deferred tax assets	18	265,033	6,612
Total non-current assets		52,691,040	28,517,470
CURRENT ASSETS			
Rental deposits		3,487,997	4,419,412
Inventories	12	7,976,806	9,373,836
Trade and other receivables	13	1,750,801	1,408,891
Due from the ultimate holding company	15	303,419	-
Due from the immediate holding company	15	231,459	-
Deposits and prepayments		995,396	615,828
Cash and bank balances	14	15,942,252	19,441,169
Total current assets		30,688,130	35,259,136
CURRENT LIABILITIES			
Trade and other payables	16	7,526,825	6,411,354
Due to the immediate holding company	15	-	96,058
Due to the non-controlling shareholder	15	390,265	345,408
Lease liabilities	19	21,251,892	15,581,698
Income tax payable		795,153	3,800,642
Provision for reinstatement costs	17	1,541,242	2,106,027
Total current liabilities		31,505,377	28,341,187
NON-CURRENT LIABILITIES			
Loan from the immediate holding company	15	1,530,000	6,630,000
Loan from the non-controlling shareholder	15	1,470,000	6,370,000
Provision for reinstatement costs	17	2,115,573	1,176,251
Lease liabilities	19	20,089,775	4,847,341
Total non-current liabilities		25,205,348	19,023,592
Net assets		26,668,445	16,411,827
EQUITY			
Share capital	19	8,000,000	8,000,000
Retained profits		18,668,445	8,411,827
Total equity		26,668,445	16,411,827

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Chung Yat Hei
Director

Takeshi Umiyama
Director

OWNDAYS HONG KONG LIMITED

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2026

	Share capital HK$	Retained profits HK$	Total equity HK$
At 1 April 2024	8,000,000	1,515,950	9,515,950
Profit for the year and total comprehensive income for the year	-	6,895,877	6,895,877
At 31 March 2025 and 1 April 2025	8,000,000	8,411,827	16,411,827
Profit for the year and total comprehensive income for the year	-	10,256,618	10,256,618
At 31 March 2026	8,000,000	18,668,445	26,668,445

OWNDAYS HONG KONG LIMITED

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2026

	Notes	2026 HK$	2025 HK$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		12,756,516	10,211,796
Adjustments for:			
Finance costs	7	3,582,460	3,849,145
Depreciation	11	29,493,323	28,045,227
Interest income	5	(212,305)	(567,204)
Loss on disposal of property, plant and equipment, net	6	361,945	-
		45,981,939	41,538,964
Increase in rental deposits		(1,384,830)	(993,713)
Decrease/(increase) in inventories		1,397,030	(608,231)
Increase in due from the ultimate holding company		(303,419)	-
Increase in due from the immediate holding company		(182,517)	(37,336)
Increase in due to the non-controlling shareholder		44,857	50,581
Decrease/(increase) in trade and other receivables		(721,479)	1,841,470
Increase in provision for reinstatement		(405,000)	-
Increase in trade and other payables		1,065,253	549,100
Cash generated from operations		45,491,834	42,340,835
Interest paid	7	(2,286,132)	(1,823,368)
Hong Kong profits tax paid		(5,763,806)	-
Net cash flows from operating activities		37,441,896	40,517,467
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment	11	(6,367,056)	(4,796,146)
Interest received	5	212,305	567,204
Net cash flows used in investing activities		(6,154,751)	(4,228,942)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loan from the immediate holding company		(5,100,000)	(4,080,000)
Repayment of loan from the non-controlling shareholder		(4,900,000)	(3,920,000)
Interest paid on loan from the immediate holding company		(380,720)	(669,736)
Interest paid on loan from the non-controlling shareholder		(365,790)	(643,484)
Principal portion of lease payments		(24,039,552)	(22,969,997)
Net cash flows used in financing activities		(34,786,062)	(32,283,217)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(3,498,917)	4,005,308
Cash and cash equivalents at beginning of year		19,441,169	15,435,861
CASH AND CASH EQUIVALENTS AT END OF YEAR	14	15,942,252	19,441,169

1. CORPORATE INFORMATION

Owndays Hong Kong Limited (the "Company") is a limited liability company incorporated in Hong Kong. Its registered office and principal place of business are both located at 21th Floor, Dorset House, Taikoo Place, 979 King's Road, Hong Kong.

During the year, the principal activity of the Company was retail sale of eyeware products including frame, lens, sunglasses and miscellaneous.

The directors consider the immediate holding company and the ultimate holding company to be Owndays Singapore Pte Ltd., which is incorporated in Singapore, and Lenskart Solutions Limited, which is incorporated in India, respectively.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention and they are presented in Hong Kong dollar ("HK$"), which is also the Company's functional currency.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Company has applied Amendments to HKFRS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The application of these amendments has had no material impact on the Company's results and financial position.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Company has not applied any of the new and amended HKFRS Accounting Standards, that have been issued but are not yet effective in these financial statements:

HKFRS 18	*Presentation and Disclosure in Financial Statements*[2]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[1]

[1] Effective for annual periods beginning on or after 1 January 2026
[2] Effective for annual/reporting periods beginning on or after 1 January 2027

The Company intends to apply the above new and amended HKFRS Accounting Standards when they become effective. The Company has already commenced an assessment of their impact. So far, it has assessed that, except for HKFRS 18 as further described below, the adoption of them is unlikely to have a significant impact on the Company's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (continued)

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Company is currently analysing the new requirements and as

sessing the impact of HKFRS 18 on the presentation and disclosure of the Company's financial statements.

2.4 MATERIAL ACCOUNTING POLICIES

<u>Related parties</u>
A party is considered to be related to the Company if:

(a) the party is a person or a close member of that person's family and that person

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Company or of a holding company of the Company;

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Company are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a holding company, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Company are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a holding company of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a holding company of the Company.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

Property, plant and equipment (including right-of-use assets) are stated at cost less accumulated depreciation and accumulated impairment losses, if any. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5. The cost of an item of property, plant and equipment comprises its purchase price, construction costs, capitalised borrowing costs on related borrowed funds during the period of construction and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is provided to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life, using the straight-line method. The estimated useful lives used for this purpose are as follows:

Owned assets	
Leasehold improvements	Over the shorter of the lease terms and 20%
Furniture, fixtures and office equipment	Over the shorter of the lease terms and 20%
Right-of-use assets	
Retail shops	Over the lease terms

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement, being the difference between the net sales proceeds and the carrying amount of the asset, is recognised in profit or loss in the period in which the asset is derecognised.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases

Group as a lessee

A right-of-use asset and a corresponding lease liability are recognised at the commencement date of a lease (that is the date the leased asset is available for use by the Company). Right-of-use assets and lease liabilities are presented within “Property, plant and equipment” or “lease liabilities” in and separately presented on the face of the statement of financial position, respectively.

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. At inception or on reassessment of a contract that contains a lease component and non-lease components, the Company adopts the practical expedient not to separate non-lease components and to account for the lease component and the associated non-lease components (e.g., property management services for leases of properties) as a single lease component. All leases with a term of more than 12 months are recognised as assets representing the right of use of the underlying asset and liabilities representing the obligation to make lease payments, unless the underlying asset is of low value.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)
Group as a lessee (continued)
Lease payments of the Company to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Impairment of non-financial assets
The Company assesses at the end of each reporting period whether there is an indication that a non-financial asset may be impaired. If such an indication exists, the Company makes an estimate of the asset's recoverable amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e., a cash-generating unit). In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of the impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. The reversal of the impairment loss is credited to profit or loss in the period in which it arises.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Provisions
A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Financial assets

(a) Classification and measurement

All financial assets of the Company are classified as financial assets at amortised cost, which are initially recognised at fair value plus transaction costs that are attributable to the acquisition of the financial assets, and are subsequently measured at amortised cost using the effective interest rate method, subject to impairment if the assets are held for the collection of contractual cash flows where those contractual cash flows represent solely payments of principal and interest.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Company commits to purchase or sell the assets.

(b) Impairment

The Company applies the expected credit loss model on all the financial assets that are subject to impairment. In respect of financial assets at amortised cost, impairment allowances are recognised under the general approach where expected credit losses are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, the Company is required to provide for credit losses that result from possible default events within the next 12 months. For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure irrespective of the timing of the default. The Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial assets (continued)

(c) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired; or where the Company has transferred its contractual rights to receive the cash flows of the financial assets and has transferred substantially all the risks and rewards of ownership; or where control is not retained.

Financial liabilities

(a) Classification and measurement

Financial liabilities are all classified, at initial recognition, as financial liabilities at amortised cost, which are recognised initially at fair value and net of directly attributable transaction costs. After initial recognition, financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method, unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

(b) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Company operates.

Deferred tax is provided using the liability method, on temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Tax rates enacted or substantively enacted by the end of the reporting period are used to determine the deferred tax.

Deferred tax liabilities are provided in full while deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when the control of goods or services is transferred to the customers, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Company will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Company and the customer at contract inception. When the contract contains a financing component which provides the Company with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

- *Sales of eyeware products*
  Revenue from the sale of eyeware products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of eyeware products.

Interest income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short- term cash commitments.

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits, as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Company's cash management.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs are expensed in profit or loss in the period in which they are incurred, except to the extent that they are capitalised as the costs directly attributable to the financing of the construction of a qualifying asset. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

Foreign currency

Transactions in foreign currencies are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Exchange differences arising from the settlement of such transactions and from the retranslation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Employee benefits

The Company operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Company in an independently administered fund. The Company's employer contributions vest fully with the employees when contributed into the MPF Scheme.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

(a) Impairment of property, plant and equipment

Items of property, plant and equipment are tested for impairment if there is any indication that the carrying value of these assets may not be recoverable and the assets are subject to an impairment loss. As at 31 March 2026, the carrying amount of property, plant and equipment was HK$47,594,990 (2025: HK$25,446,268).

(b) Provision for inventories

Provision for inventories is made based on the current market conditions, historical experience of selling merchandised goods of similar nature and estimated net realisable value of inventories. The assessment of the provision amount requires management's estimates and judgements. Where the actual outcome or expectation in the future is different from the original estimate, such differences will impact the carrying value of inventories and the provision amount in the period in which such estimate has been changed. As at 31 March 2026, the carrying amount of inventories was HK$7,976,806 (2025: HK$9,373,836).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

(c) Deferred tax assets

Deferred tax assets are recognised in respect of temporary differences arising from depreciation allowances which exceeded the related accounting depreciation. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. Further details of deferred taxes are disclosed in note 18 to the financial statements.

4. REVENUE

Revenue for the year was wholly revenue from contracts with customers. The disaggregated revenue information by type of goods, geographical area and timing of recognition is as follows:

	2026 HK$	2025 HK$
Sales of eyeware products in Hong Kong, recognised at the point in time	134,123,589	122,546,546

Performance obligation

Sales of goods

The performance obligation is satisfied upon delivery of the eyewear products and payment is generally settled upon the sales transaction. Some contracts provide customers with a right of return which gives rise to variable consideration subject to constraint.

5. OTHER INCOME AND GAINS

	2026 HK$	2025 HK$
Interest income	212,305	567,204
Foreign exchange gain, net	321,291	-
Others	3,285	51,696
Total	536,881	618,900

6. OTHER EXPENSES

	2026 HK$	2025 HK$
Foreign exchange loss, net	-	90,683
Loss on disposal of property, plant and equipment, net	361,945	-
Other	34,735	-
Total	396,680	90,683

7. FINANCE COSTS

	2026 HK$	2025 HK$
Interest on shareholders' loans	746,510	1,313,220
Interest on lease liabilities	2,286,132	1,823,368
Others	549,818	712,557
Total	3,582,460	3,849,145

8. PROFIT BEFORE TAX

The Company's profit before tax is arrived at after charging:

	2026 HK$	2025 HK$
Cost of inventories sold	27,027,484	23,896,617
Depreciation of property, plant and equipment	4,989,922	5,278,037
Depreciation of right-of-use assets	24,503,401	22,767,190
Lease payments not included in the measurement of lease liabilities*	544,476	665,537
Auditors' remuneration	325,000	280,000
Staff costs (excluding directors' remuneration (note 9),:		
Wages and salaries	45,103,616	42,024,750
Pension scheme contributions	1,671,922	1,562,290
	46,775,538	43,587,040

* Certain non-cancellable operating leases of the Company included above were subject to contingent rent payments, which were charged at 10% to 15% (2025: 12% to 15%) of the gross sales attributable to the leased premises in excess of the base rents as determined in accordance with the lease arrangements.

9. DIRECTORS' REMUNERATION

No director received any fees or emoluments in respect of their services rendered to the Company during the year (2025: Nil).

10. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

	2026 HK$	2025 HK$
Current tax - Hong Kong profits tax		
Provision for the year	2,363,245	1,694,214
Under-provision in respect of prior year	395,074	1,621,705
Deferred tax (note 18)	(258,421)	-
	2,499,898	3,315,919

A reconciliation of the income tax expense applicable to profit before tax at the statutory tax rate to the income tax expense at the effective tax rate is as follows:

	2026 HK$	2025 HK$
Profit before tax	12,756,516	10,211,796
Tax expense on profit before tax at 16.5% (2025:16.5%)	2,104,825	1,684,946
Tax effect of non-taxable income	(35,030)	(93,589)
Tax effect of non-deductible expenses	159,630	216,681
Under-provision in respect of prior year	395,074	1,621,705
Others	(124,601)	(113,824)
Tax expense at the effective tax rate	2,499,898	3,315,919

11. PROPERTY, PLANT AND EQUIPMENT

	Owned assets			Right-of-use assets (note 19)	
	Leasehold improvements HK$	Furniture, fixtures and office equipment HK$	Total HK$	Retail shops HK$	Total HK$
COST					
At 1 April 2024	17,991,962	18,088,015	36,079,977	103,017,709	139,097,686
Additions	2,229,528	2,566,618	4,796,146	6,895,216	11,691,362
Lease modifications	-	-	-	13,491,294	13,491,294
At 31 March 2025 and 1 April 2025	20,221,490	20,654,633	40,876,123	123,404,219	164,280,342
Additions	3,897,823	2,469,233	6,367,056	18,326,476	24,693,532
Lease modifications	-	-	-	27,310,458	27,310,458
Disposals and write-off	(2,930,389)	-	(2,930,389)	(21,513,995)	(24,444,384)
At 31 March 2026	21,188,924	23,123,866	44,312,790	147,527,158	191,839,948
ACCUMULATED DEPRECIATION					
At 1 April 2024	14,763,423	14,907,636	29,671,059	81,117,788	110,788,847
Provided for the year	2,514,109	2,763,928	5,278,037	22,767,190	28,045,227
At 31 March 2025 and 1 April 2025	17,277,532	17,671,564	34,949,096	103,884,978	138,834,074
Provided for the year	2,588,718	2,401,204	4,989,922	24,503,401	29,493,323
Eliminated on disposals and write-off	(2,709,444)	-	(2,709,444)	(21,372,995)	(24,082,439)
At 31 March 2026	17,156,806	20,072,768	37,229,574	107,015,384	144,244,958
NET CARRYING AMOUNT					
At 31 March 2026	4,032,118	3,051,098	7,083,216	40,511,774	47,594,990
At 31 March 2025	2,943,958	2,983,069	5,927,027	19,519,241	25,446,268

12. INVENTORIES

	2026 HK$	2025 HK$
Merchandised goods	7,976,806	9,373,836

13. TRADE AND OTHER RECEIVABLES

	2026 HK$	2025 HK$
Trade receivables (note (a))	605,794	457,391
Other receivables (note (b))	1,145,007	951,500
Total	1,750,801	1,408,891

Notes

(a) The Company's trading terms with its customers are mainly on cash and credit card settlement. The Company seeks to maintain strict control over its outstanding receivables to minimise credit risk and no trade receivable balance aged over 30 days. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Company's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

The Company applies the simplified approach to provide for ECLs prescribed by HKFRS 9, which permits the use of the lifetime expected loss for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECLs have also incorporated forward looking information. The ECL as at 31 March 2026 and 2025 is considered to be minimal.

(b) The amount represents a receivable from the Hong Kong Special Administrative Region (HKSAR) Government in relation to the Elderly Health Care Voucher Scheme. The credit period is generally 30 days.

As at 31 March 2026 and 2025, the loss allowance was assessed to be minimal.

14. CASH AND BANK BALANCES

	2026 HK$	2025 HK$
Cash on hand	80,100	72,100
Cash at banks	15,862,152	19,369,069
Total cash and bank balances	15,942,252	19,441,169

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Company and earn interest at the respective short term time deposit rates.

15. BALANCES WITH RELATED COMPANIES

All the balances with related companies as at 31 March 2026 and 2025 are unsecured, interest-free and recoverable/repayable on demand, except for the loans from the immediate holding company and the non-controlling shareholder of HK$3,000,000 (2025: HK$13,000,000) in total as at 31 March 2026, which bear interest at 1% per annum above the prime lending rate for Hong Kong Dollar from time to time offered by the Hong Kong and Shanghai Banking Corporation. The term of the loans is five years from the date hereof and shall, immediately prior to such expiry, be automatically renewed, for further five years period, unless previously terminated or repaid.

16. TRADE AND OTHER PAYABLES

	2026 HK$	2025 HK$
Trade payables (note (a))	1,485,350	1,856,534
Other payables and accrued expenses		
Contract liabilities (note (b))	1,070,575	946,484
Others	4,970,900	3,608,336
	6,041,475	4,554,820
	7,526,825	6,411,354

Notes:

(a) Included in trade payables as at 31 March 2026 is an amount of HK$1,084,464 (2025: HK$1,392,129) in total due to the immediate holding company, arising from transactions carried out in the ordinary course of business of the Company. The balance is unsecured, interest-free and is to be settled monthly.

The trade payables are non-interest-bearing and are normally settled on 30 days terms.

(b) Details of contract liabilities are as follows:

	31 March 2026 HK$	31 March 2025 HK$	1 April 2024 HK$
Short-term advances received from customers:			
Sale of eyeware products	1,070,575	946,484	861,560

Contract liabilities include short-term deposits received to deliver eyeware products. The increase in contract liabilities in 2026 and 2025 was mainly due to the increase in short-term deposits received from customers in relation to the sale of eyeware products at the end of the year.

17. PROVISION FOR REINSTATEMENT COSTS

	2026 HK$	2025 HK$
At beginning of year	3,282,278	2,885,099
Additional provision, as capitalised in right-of-use assets	779,537	397,179
Utilised during the year	(405,000)	-
At end of year	3,656,815	3,282,278
Portion classified as current liabilities	(1,541,242)	(2,106,027)
Non-current portion	2,115,573	1,176,251

The Company provides provision for reinstating the retail shops to its original state after the lease periods, which ranging from one to three years. The amount of the provision for reinstatement costs is estimated based on expenses on renovation and past experience of the level of reinstatement. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

18. DEFERRED TAX ASSETS

Deferred tax assets are attributable to depreciation allowance in excess of related depreciation and the movements during the year are as follows,

	2026 HK$	2025 HK$
At beginning of year	6,612	6,612
Deferred tax credited to profit or loss (note 10)	258,421	-
At end of year	265,033	6,612

19. LEASES

The Company as a lessee

The Company has lease contracts for various retail stores used in its operations.

(a) Right-of-use assets

The Company's right-of-use assets are included under property, plant and equipment in the statement of financial position and further details of which are set out in note 11.

19. LEASES (continued)

The Company as a lessee (continued)

(b) Lease liabilities

The carrying amount of lease liabilities and their movements during the year are as follows.

	2026 HK$	2025 HK$
At beginning of year	20,429,039	23,292,951
New leases	17,709,680	6,614,791
Lease modifications	27,242,500	13,491,294
Accretion of interest recognised during the year	2,286,132	1,823,368
Payments	(26,325,684)	(24,793,365)
At end of year	41,341,667	20,429,039
Portion classified as current liabilities	(21,251,892)	(15,581,698)
Non-current portion	20,089,775	4,847,341

(c) The amount recognised in profit or loss in relation to leases are as follows:

	2026 HK$	2025 HK$
Depreciation of right-of-use assets	24,503,401	22,767,190
Interest on lease liabilities	2,286,132	1,823,368
Variable lease payments not included in the measurement of lease liabilities	544,476	665,537
Total amount recognised in profit or loss	27,334,009	25,256,095

20. SHARE CAPITAL

	2026 HK$	2025 HK$
Issued and fully paid:		
8,000,000 ordinary shares	8,000,000	8,000,000

21. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Company had non-cash additions to right-of-use assets and lease liabilities of HK$18,326,476 (2025: HK$6,895,216) and HK$17,709,680 (2025: HK$6,614,791), respectively, in respect of lease arrangements for retail stores.

21. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

(b) Reconciliation of liabilities arising from financing activities:

	Loan from the immediate holding company HK$	Loan from the non-controlling shareholder HK$	Lease liabilities HK$	Total HK$
At 1 April 2025	6,630,000	6,370,000	20,429,039	33,429,039
Changes from financing cash flows:				
Repayment of loans from shareholders	(5,100,000)	(4,900,000)	-	(10,000,000)
Interest paid on loans from shareholders	(380,720)	(365,790)	-	(746,510)
Principal portion of lease payment	-	-	(24,039,552)	(24,039,552)
Total changes from financing cash flows	(5,480,720)	(5,265,790)	(24,039,552)	(34,786,062)
Other changes:				
Increase in lease liabilities from entering into new leases during the year		-	17,709,680	17,709,680
Lease modifications	-	-	27,242,500	27,242,500
Interest expenses (note 7)	380,720	365,790	2,286,132	3,032,642
Interest paid classified as operating cash flows	-	-	(2,286,132)	(2,286,132)
Total other changes	380,720	365,790	44,952,180	45,698,690
At 31 March 2026	1,530,000	1,470,000	41,341,667	44,341,667

21. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

(b) Reconciliation of liabilities arising from financing activities (continued):

	Loan from the immediate holding company HK$	Loan from the non-controlling shareholder HK$	Lease liabilities HK$	Total HK$
At 1 April 2024	10,710,000	10,290,000	23,292,951	44,292,951
Changes from financing cash flows:				
Repayment of loans from shareholders	(4,080,000)	(3,920,000)	-	(8,000,000)
Interest paid on loans from shareholders	(669,736)	(643,484)	-	(1,313,220)
Principal portion of lease payment	-	-	(22,969,997)	(22,969,997)
Total changes from financing cash flows	(4,749,736)	(4,563,484)	(22,969,997)	(32,283,217)
Other changes:				
Increase in lease liabilities from entering into new leases during the year	-	-	6,614,791	6,614,791
Lease modifications	-	-	13,491,294	13,491,294
Interest expenses (note 7)	669,736	643,484	1,823,368	3,136,588
Interest paid classified as operating cash flows	-	-	(1,823,368)	(1,823,368)
Total other changes	669,736	365,790	20,106,085	21,419,305
At 31 March 2025	6,630,000	6,370,000	20,429,039	33,429,039

22. RELATED PARTY DISCLOSURES

In addition to the transactions disclosed elsewhere in these financial statements, the Company had the following transactions with related parties during the year:

	Notes	2026 HK$	2025 HK$
Management service expenses paid to:			
The non-controlling shareholder	(a)	4,026,451	3,678,947
Purchases from:			
The immediate holding company	(b)	18,327,126	17,615,431
Interest paid to:			
The immediate holding company		380,720	669,736
The non-controlling shareholder		365,790	643,484
	(c)	746,510	1,313,220

Notes:

(a) The management service expenses relates to the administrative services and shop designing and marketing services received from non-controlling shareholder respectively. The management service expenses paid is based on terms mutually agreed with the shareholders.

(b) Purchases from the immediate holding company were entered in similar terms as the Company enters into trades with other suppliers.

(c) Interest paid to the immediate holding company and the non-controlling shareholder relate to the loans from the shareholders, details of which are disclosed in note 7.

23. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

All financial assets and financial liabilities of the Company as at 31 March 2026 and 2025 were classified as financial assets and financial liabilities at amortised cost, respectively.

23. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

The Company's financial instruments include rental deposits, trade and other receivables, balances with related companies, cash and cash equivalents, trade and other payable and lease liabilities. Details of the financial instruments are disclosed in respective notes.

Management monitors and manages the financial risks relating to the Company through internal risk assessment which analyses exposures by degree and magnitude of risks. These risks include market risk (including interest rate risk and currency risk), credit risk and liquidity risk. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

The Company does not enter into or trade derivative financial instruments for hedging or speculative purpose.

There has been no change to the Company's exposure to these kinds of risks or the manner in which it manages and measures these risks.

Market risk
The Company's activities expose it primarily to the financial risks of changes in interest rates and changes in foreign exchange rates.

Interest rate risk
The Company's cash flow interest rate risk relates to its variable-rate loans from the immediate holding company and non-controlling shareholder amounting to HK$3,000,000 (2025: HK$13,000,000). The variable-rate bank loans with original maturities more than one year. An increase in interest rate would increase interest expenses.

Management monitors the above interest rate exposure on a dynamic basis and will consider hedging significant interest rate exposure should the need arise.

Interest rate risk sensitivity analysis
A sensitivity analysis is prepared assuming that the amount of assets/liabilities outstanding as at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used as it represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 (2025: 100) basis points higher/lower and all other variables were held constant, the Company's profit after tax and total equity as at the end of the reporting period would have decreased/increased by HK$6,233 (2025:HK$109,654). This is mainly attributable to the Company's exposure to cash flow interest rate risk on its variable-rate shareholders' loan.

23. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Currency risk
The Company undertakes certain transactions denominated in foreign currencies. The currencies giving rise to exchange rate fluctuation risk are primarily JPY$ and SGD$-denominated trade payable. Management manages its foreign currency risk by closely reviewing the movement of the foreign currency rates and considers hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Company's foreign currency denominated monetary liabilities, which is the trade payable, as at the end of the reporting period are as follows:

	2026 HK$	2025 HK$
Liabilities		
JPY$	(1,084,464)	(1,392,129)
SGD$	(67,636)	(60,377)

Currency risk sensitivity analysis
The Company mainly exposes to the currency risk of JPY$ and SGD$. The following details the Company's sensitivity to a 5% (2025: 5%) increase and decrease in the exchange rate of the functional currencies of group entities against JPY$ and SGD$, respectively. 5% (2025: 5%) is the sensitivity rate used as it represents management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2025: 5%) change in foreign currency rates. The sensitivity analysis includes trade payable in currencies other than the functional currencies of the Company.

For a 5% (2025: 5%) decrease in the exchange rates of functional currencies of Company against JPY$ and SGD$, all other variables were held constant, the Company's profit for the year and total equity as at the end of the reporting period would have decreased by HK$57,605 (2025: HK$72,625).

For a 5% (2025: 5%) increase in the exchange rates of functional currencies of Company against JPY$ and SGD$, all other variables were held constant, the Company's profit for the year and total equity as at the end of the reporting period would have increased by HK$57,605 (2025: HK$72,625).

In management's opinion, the sensitivity analysis is unrepresentative of the inherent currency risk as the year end exposure does not reflect the exposure during the year.

23. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk

Credit risk of the Company mainly arises from financial assets measured at amortised cost as at 31 March 2026.

In order to minimise the credit risk, management of the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Company reviews the recoverable amounts of each individual trade and other receivable at the end of the reporting period to ensure that adequate impairment provisions are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Company's credit risk is significantly reduced. The Company has no significant concentrations of credit risk, with exposure spread over a number of counterparties and customers.

The credit risk on bank deposits is limited because the counterparties are banks and other financial institutions with high credit ratings assigned by international credit-rating agencies.

For the trade receivables arising from sale of eyewear stock, the Company managed the credit risk by full cash settlement or payment on credit terms. The Company closely monitors the collection of progress payments from customers in accordance with the payment schedule agreed with customers. The Company has policies in place to ensure that sales are made to purchasers with appropriate financial strength.

For other receivables, amounts due from shareholders, the Company does not have any significant concentration of credit risk. The Company would closely monitor the financial positions including the net assets backing of its holding company, which are mainly engaged in eyewear retailing business in Singapore and their business are profitable. Based on the above assessment, management considered that the expected credit loss is minimal and the directors of the Company are of the opinion that the risk of default by counterparties is low.

Except for trade receivables for which the loss allowances are measured at an amount equal to lifetime expected credit losses under simplified approach, the loss allowances of other financial assets are measured at an amount equal to 12-month expected credit losses.

Liquidity risk

In the management of the liquidity risk, the Company monitors and maintains an adequate level of cash and cash equivalents to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

The Company relies on loans from the immediate holding company and non-controlling shareholder as significant sources of liquidity, with a carrying amount of HK$3,000,000 as at 31 March 2026.

The following table analyses the contractual undiscounted cash flows of the Company's financial liabilities by relevant maturity groupings based on the remaining period from the end of the reporting period to the earliest date the Company is required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rates, the undiscounted amount is derived from the flat rates as at the end of the reporting period. The undiscounted amounts are subject to changes if changes in variable rates differ to those estimates of interest rates determined as at the end of the reporting period.

23. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

31 March 2026

	Within 1 year or on demand HK$	More than 1 year but less than 2 years HK$	2 to 5 years HK$	Total undiscounted cash flows HK$	Carrying amount HK$
Trade and other payables	5,399,808	-	-	5,399,808	5,399,808
Lease liabilities	23,186,239	14,957,680	6,063,621	44,207,540	41,341,667
Loan from the immediate holding company	-	1,530,000	-	1,530,000	1,530,000
Loan from the non-controlling shareholder	-	1,470,000	-	1,470,000	1,470,000
Total	28,586,047	17,957,680	6,063,621	52,607,348	49,741,475

31 March 2025

	Within 1 year or on demand HK$	More than 1 year but less than 2 years HK$	2 to 5 years HK$	Total undiscounted cash flows HK$	Carrying amount HK$
Trade and other payables	5,393,519	-	-	5,393,519	5,393,519
Lease liabilities	16,386,529	4,768,477	221,562	21,376,568	20,429,039
Loan from the immediate holding company	-	6,630,000	-	6,630,000	6,630,000
Loan from the non-controlling shareholder	-	6,370,000	-	6,370,000	6,370,000
Total	21,780,048	17,768,477	221,562	39,770,087	38,822,558

(c) Fair values

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

24. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from prior year.

The capital structure of the Company consists of debts, which include loan from shareholders, amount due to shareholders, and equity of the Company.

The directors of the Company review the capital structure periodically. As part of this review, the directors of the Company assess budgets of major projects taking into account the provision of funding. Based on the operating budgets, the directors consider the cost of capital and the risks associated with each class of capital and balance its overall capital structure through the payment of dividends, issue of new share as well as new debt financing or the redemption of existing debts.

25. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform to the current year's presentation and disclosures.

26. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on .