SUN HING VISION GROUP HOLDINGS LIMITED
新興光學集團控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 125)

RESULTS ANNOUNCEMENT
FINANCIAL YEAR ENDED 31 MARCH 2008

The board (the "Board") of directors (the "Directors") of Sun Hing Vision Group Holdings Limited (the "Company") is pleased to announce the results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2008.

RESULTS

For the year ended 31 March 2008, turnover of the Group increased by 8% to HK$1,044 million (2007: HK$966 million), and the net profit of the Group increased by 12% to HK$141 million (2007: HK$126 million). Basic earnings per share increased to HK54 cents (2007: HK48 cents).

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2008

	NOTES	**2008** *HK$'000*	2007 *HK$'000*
Revenue	*3*	**1,044,024**	965,990
Cost of sales		**(738,080)**	(687,175)
Gross profit		**305,944**	278,815
Other income, gains and losses	*4*	**(288)**	(1,350)
Selling and distribution costs		**(24,092)**	(17,513)
Administrative expenses		**(125,477)**	(122,860)
Surplus on revaluation of leasehold land and buildings		**192**	1,336
Profit before taxation		**156,279**	138,428
Taxation	*5*	**(14,858)**	(12,526)
Profit for the year	*6*	**141,421**	125,902
Dividends	*7*	**50,716**	37,577
Earnings per share	*8*		
Basic		**HK54 cents**	HK48 cents
Diluted		**N/A**	HK48 cents

* *For identification purpose only*

CONSOLIDATED BALANCE SHEET

AT 31 MARCH 2008

	2008	2007
	HK$'000	*HK$'000*
NON-CURRENT ASSETS		
Property, plant and equipment	**266,642**	243,963
Prepaid lease payments	**3,955**	4,047
Time deposit	**11,700**	11,700
	282,297	259,710
CURRENT ASSETS		
Inventories	**172,552**	167,595
Trade and other receivables	**258,341**	237,548
Prepaid lease payments	**91**	91
Time deposit	**–**	15,600
Bank balances and cash	**222,166**	131,966
	653,150	552,800
CURRENT LIABILITIES		
Trade and other payables	**185,089**	151,102
Taxation payable	**1,308**	6,707
	186,397	157,809
NET CURRENT ASSETS	**466,753**	394,991
	749,050	654,701
CAPITAL AND RESERVES		
Share capital	**26,278**	26,278
Reserves	**715,809**	621,722
	742,087	648,000
NON-CURRENT LIABILITY		
Deferred taxation	**6,963**	6,701
	749,050	654,701

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared on the historical cost basis except for certain leasehold land and buildings, which are measured at revalued amounts.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)")

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning 1 April 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) – Int 8	Scope of HKFRS 2
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions

The adoption of the new HKFRSs has had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HKFRS 2 (Amendment)	Vesting conditions and cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC) – INT 12	Service Concession Arrangements[3]
HK(IFRIC) – INT 13	Customer Loyalty Programmes[4]
HK(IFRIC) – INT 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[3]

[1] Effective for annual periods beginning on or after 1 January 2009
[2] Effective for annual periods beginning on or after 1 July 2009
[3] Effective for annual periods beginning on or after 1 January 2008
[4] Effective for annual periods beginning on or after 1 July 2008

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions.

The directors of the Company anticipate that the application of the other new or revised standards, amendments and interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

Revenue represents the net amounts received and receivable for goods sold to outside customers during the year.

(a) Business segments

The Group is principally engaged in the design, manufacture and sales of optical products. No business segment analysis is presented as management considers this as one single business segment.

(b) Geographical segments

The Group's operations and assets are located in Hong Kong and elsewhere in the People's Republic of China (the "PRC").

The analysis of segment information of the Group by geographical location of customers is presented as below:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2008

	Europe	United States	Asia	Other regions	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE	**515,782**	**395,959**	**106,865**	**25,418**	**1,044,024**
RESULT					
Segment result	**99,993**	**83,670**	**9,908**	**2,826**	**196,397**
Bank interest income					**7,635**
Other income					**3,182**
Surplus on revaluation of leasehold land and buildings					**192**
Unallocated corporate expenses					**(51,127)**
Profit before taxation					**156,279**
Taxation					**(14,858)**
Profit for the year					**141,421**

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2007

	Europe	United States	Asia	Other regions	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE	548,268	313,680	82,601	21,441	965,990
RESULT					
Segment result	112,439	69,226	6,459	2,746	190,870
Bank interest income					3,245
Other income					1,448
Surplus on revaluation of leasehold land and buildings					1,336
Unallocated corporate expenses					(58,471)
Profit before taxation					138,428
Taxation					(12,526)
Profit for the year					125,902

4. OTHER INCOME, GAINS AND LOSSES

	2008 *HK$'000*	2007 *HK$'000*
Bank interest income	**7,635**	3,245
Bad debts recovered	**2,212**	–
Net foreign exchange losses	**(11,105)**	(6,043)
Others	**970**	1,448
	(288)	(1,350)

5. TAXATION

	2008 *HK$'000*	2007 *HK$'000*
The charge comprises:		
Hong Kong Profits Tax		
– Current year	**15,093**	14,658
– Overprovision in respect of prior year	**(85)**	–
PRC Enterprise Income Tax		
– Current year	**306**	21
	15,314	14,679
Deferred taxation	**(456)**	(2,153)
	14,858	12,526

Hong Kong Profits Tax is calculated at 17.5% (2007: 17.5%) of the estimated assessable profit for the year.

PRC Enterprise Income Tax is calculated at the applicable rates in accordance with the relevant laws and regulations in the PRC.

6. PROFIT FOR THE YEAR

	2008 *HK$'000*	2007 *HK$'000*
Profit for the year has been arrived at after charging:		
Auditor's remuneration	**1,250**	1,122
Bad debts written off	**4,969**	13,738
Cost of inventories recognised as expense	**738,080**	687,175
Depreciation of property, plant and equipment	**44,182**	40,211
Release of prepaid lease payments	**92**	91
Staff cost		
– directors' emoluments	**5,758**	4,704
– other staff costs	**236,432**	176,678
– share-based payment expenses	**–**	215
– retirement benefit scheme contribution excluding those of directors' and net of forfeited contribution of HK$Nil (2007: HK$26,000)	**5,188**	3,390
	247,378	184,987

7. DIVIDENDS

	2008	2007
	HK$'000	*HK$'000*
Final, paid – HK10.0 cents per share for 2007 (2007: HK8.1 cents per share for 2006)	**26,278**	21,285
Special, paid – HK2.0 cents per share for 2007 (2006: Nil)	**5,255**	–
Interim, paid – HK4.5 cents per share for 2008 (2007: HK4.2 cents per share for 2007)	**11,825**	11,036
Special, paid – HK2.8 cents per share for 2008 (2007: HK2.0 cents per share for 2007)	**7,358**	5,256
	50,716	37,577

The final dividend of HK10.0 cents (2007: HK10.0 cents) per share and a final special dividend of HK3.0 cents (2007: HK2.0 cents) per share in respect of the year ended 31 March 2008 has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	2008	2007
	HK$'000	*HK$'000*
Earnings		
Earnings for the purposes of basic and diluted earnings per share	**141,421**	125,902
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**262,778,286**	262,775,820
Effect of dilutive potential ordinary shares:		
– Share options	**–**	1,600
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**262,778,286**	262,777,420

No diluted earnings per share has been presented for the year ended 31 March 2008 because the exercise price of the Group's share options was higher than the average market price for shares during the year ended 31 March 2008.

DIVIDENDS

The Directors have resolved to recommend at the forthcoming annual general meeting a final dividend of HK10.0 cents per share and a final special dividend of HK3.0 cents per share for the year ended 31 March 2008, to the shareholders whose names appear in the register of members of the Company at the close of business on 22 August 2008. This final and final special dividend, together with the interim and interim special dividend of HK7.3 cents per share already paid, will make a total distribution of HK20.3 cents per share for the full year. The final dividend and final special dividend are expected to be paid on or about 19 September 2008.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 18 August 2008 to 22 August 2008, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend and final special dividend, all transfers accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 15 August 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the year under review, the Group recorded a satisfactory growth in its turnover by 8% to HK$1,044 million (2007: HK$966 million). Despite the continuous challenging and unpredictable macro-economic environment and severe cost pressure, the Group has been able to maintain a stable level of overall profitability by implementing various effective measures in enhancing its operating efficiency. For the year ended 31 March 2008, the net profit of the Group increased by 12% to HK$141 million (2007: HK$126 million). Basic earnings per share increased by 12% to HK54 cents (2007: HK48 cents).

During the year ended 31 March 2008, the demand for the Group's products remained strong for both of its original design manufacturing (ODM) business as well as its branded eyewear distribution business. The branded eyewear distribution business grew at a relatively rapid pace whereas the ODM business continued to grow steadily and contributed to a major part of the Group's turnover during the year under review. The ODM business and the branded eyewear distribution business accounted for 86% and 14% of the Group's turnover respectively (2007: 88% and 12%).

The difficult operating environment for manufacturing companies in China persisted during the year under review. Inevitably, the Group's profitability was adversely affected by increasing raw material costs, energy prices and appreciation of Renminbi. In addition, due to the tight labour supply and implementation of the new labour laws in China, labour costs have increased substantially. However, due to the pro-active improvement measures undertaken by the Group in enhancing its operational efficiency and achieving cost savings, the gross profit margin percentage for the year under review remained stable at approximately 29% (2007: 29%).

THE ODM BUSINESS

During the year under review, the Group recorded a steady growth in its ODM turnover by 6% to HK$898 million (2007: HK$848 million). With the help of advanced manufacturing technologies and our strong design team, the Group was able to design, develop and produce unique, stylish and high-quality eyewear products that exceed customers' expectations. Sales of metal frames, plastic frames and other spare parts accounted for 64%, 35% and 1% respectively of the Group's ODM turnover during the year under review (2007: 66%, 32% and 2%).

The Group's ODM turnover to Europe was relatively stable while sales to the United States increased satisfactorily by 28% during the year under review. Due to its premium product quality, improved strength in product development and order fulfillment capability, the Group was able to acquire more orders from its ODM customers and this trend was particularly evident for the Group's United States customers. Europe and the United States remained as the major markets of the Group's products and accounted for 57% and 42% (2007: 63% and 35%) of the Group's turnover of its ODM business respectively.

THE BRANDED EYEWEAR DISTRIBUTION BUSINESS

Turnover contributed by the Group's branded eyewear distribution business achieved a double-digit growth of 24% to HK$146 million (2007: HK$118 million). This encouraging performance is attributed to the increasing popularity of eyewear collections for both of our existing licensed brands and the in-house fashion brand "PUBLIC+", as well as the successful launch of our newly licensed brand, Dockers, during the year under review. Our creative and experienced designers and dedicated brand management team have developed specific product range and marketing strategies to strengthen the brand positioning in different markets. Asia continued to be the major market of the Group's branded eyewear distribution business and accounted for 67% of the Group's distribution turnover (2007: 59%).

LIQUIDITY AND CAPITAL RESOURCES

During the year under review, the Group continued to benefit from the strong cash inflow from operations as a result of the increase in operating profit as well as better working capital management. Net operating cash inflow amounted to HK$180 million during the year under review. As at 31 March 2008, net current assets and current ratio of the Group were approximately HK$467 million and 3.5:1 respectively. As at 31 March 2008, the Group had time deposits as well as bank and cash balance amounting to HK$234 million and did not have any bank borrowings. The total shareholders' equity of the Group increased to HK$742 million as at 31 March 2008 from HK$648 million at 31 March 2007. During the year under review, inventory turnover period and debtor turnover period were 85 days and 87 days respectively, which have been steadily improved as compared to the preceding year. The Directors are confident that the financial position of the Group will remain strong, and the Group has sufficient liquidity and financial resources to meet its present commitments and future expansion plans.

Backed by the Group's strong cash position, once again the Directors have resolved to declare a final special dividend of HK3.0 cents per share on the top of the final dividend of HK10.0 cents per share for the year ended 31 March 2008. The Directors will continue to monitor the dividend policy closely to ensure that an optimal balance can be achieved between the reinvestment in the Group and distribution of earnings to the shareholders respectively.

Most of the Group's transactions were conducted in the U.S. dollars, Hong Kong dollars and Renminbi. In addition, the majority of the Group's assets were also kept in these currencies. The exchange rates between these currencies were relatively stable during the year under review, save in respect of the gradual appreciation of Renminbi against the U.S. dollars and Hong Kong dollars. No hedging for foreign exchange was used given that the Group's exposure to currency fluctuation was still relatively limited.

PROSPECTS

Given the Group's leading position in the industry, excellent product development and order fulfillment capability, the Directors are confident of the long-term prospects of the Group's ODM business.

However, currently there are strong indications that economic activities in Europe and the U.S. are slowing down, with particular concern and uncertainty as to the extent to which the crisis in the U.S. housing and financial sectors will adversely affect consumer sentiment in the U.S. and the global economy. Moreover, the challenges arising from heightening production costs are expected to continue in the near future as a result of soaring wage levels, fuel and raw material prices. To alleviate these negative impacts in a pro-active manner, the Group is undertaking various marketing, productivity and operating efficiency enhancement projects by putting forward strategies such as reasonable selling price adjustments, refining product mix to more focus on high-end/value added products for better profit margins, tighter cost controls and continuous streamlining of product development and manufacturing processes. To cope with the ever-changing market demand and higher expectation from the customers, the Group will continue to invest to upgrade its production and product development facilities in order to enhance its production flexibility. The Directors are closely monitoring the situation and will adjust its development strategies swiftly in response to the increased uncertainty if necessary. Any production capacity expansion will be executed in a cautious and prudent manner.

The Directors are cautiously optimistic about the performance of the branded eyewear distribution business. The Group is actively seeking opportunities to expand the geographical coverage of the eyewear collections under its brand portfolio, in particular, to emerging economies which are growing relatively robustly as compared to developed economies in Europe and the U.S.. Different distribution strategies and cooperation arrangement are being studied to increase the market penetration of the Group's branded products in each major market. The Group is working closely with distribution partners to roll out effective and cost efficient marketing campaigns, as well as to explore new information technology platform to enhance efficiency in terms of order fulfillment and customer relationship management.

In the meantime, the Group will strive to optimize its brand portfolio by way of acquiring more prominent brands. The Group will also cooperate more closely with its licensing and eyewear distribution partners to develop unique and high-quality products and dedicating more resources on selected brands with prominent growth potential.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance with a view to enhance the management of the Company as well as to preserve the interests of the shareholders as a whole. The Board is of the view that the Company has met the code provisions as set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Listing Rules, except for deviations from code provision A.2.1 only. This code provision stipulates that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. Mr. Ku Ngai Yung, Otis has been assuming the roles of both the Chairman and the Chief Executive Officer of the Company since its establishment. The Board intends to maintain this structure in the future as it believes that it would provide the Group with strong and consistent leadership and allow the Group's business operations, planning and decision making as well as execution of long-term business strategies to be carried out more effectively and efficiently.

AUDIT COMMITTEE

An audit committee has been established by the Company to act in an advisory capacity and to make recommendations to the board of directors of the Company. The members of the Audit Committee comprise the three independent non-executive directors of the Company, who are Mr. Lo Wa Kei, Roy (Chairman), Mr. Lee Kwong Yiu and Mr. Wong Che Man, Eddy. The Audit Committee has adopted the principles set out in the Code on Corporate Governance Practices. The duties of the Audit Committee include review of the interim and annual reports of the Company as well as various auditing, financial reporting and internal control matters with the management and/or external auditor of the Company. The Group's consolidated financial statements for the year ended 31 March 2008 have been reviewed by the Audit Committee and audited by the Company's external auditor Deloitte Touche Tohmatsu.

REMUNERATION COMMITTEE

A remuneration committee was established in September 2005 and currently comprises Mr. Lee Kwong Yiu (Chairman), Mr. Lo Wa Kei, Roy and Mr. Wong Che Man, Eddy, all of whom are independent non-executive directors, as well as the human resources manager of the Group. The duties of the remuneration committee include the determination of remuneration of executive directors and review of the remuneration policy of the Group.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors (the "Code"). Having made specific enquiry of the Directors, all the Directors confirmed that they had compiled with the required standards as set out in the Code for the year ended 31 March 2008.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year under review, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated balance sheet, consolidated income statement and the related notes thereto for the year ended 31 March 2008 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This final results announcement is published on the website of the Company and the Stock Exchange. The annual report for the year ended 31 March 2008 will be dispatched to the shareholders of the Company and published on the website of the Company and the Stock Exchange in due course.

APPRECIATION

On behalf of the Board, we would like to thank our customers for their support during the year. We would also like to express our sincere appreciation to our shareholders, staff, suppliers, bankers for their efforts and commitments.

By order of the Board
Ku Ngai Yung, Otis
Chairman

Hong Kong, 11 July 2008

As at the date hereof, the executive Directors are Mr. Ku Ngai Yung, Otis, Mr. Ku Ka Yung, Ms. Ku Ling Wah, Phyllis, Mr. Tsang Wing Leung, Jimson, Mr. Chan Chi Sun and Ms. Ma Sau Ching, and the independent non-executive Directors are Mr. Lo Wa Kei, Roy, Mr. Lee Kwong Yiu and Mr. Wong Che Man, Eddy, and the non-executive Director is Mr. Ku Yiu Tung.