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

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(Incorporated in Bermuda with limited liability)

(Stock Code: 125)

RESULTS ANNOUNCEMENT
FINANCIAL YEAR ENDED 31 MARCH 2015

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 2015.

RESULTS

Despite the challenging business environment during the year under review, the Group was still able to maintain a relatively stable turnover. The Group's consolidated turnover slightly increased by 3.10% to HK$1,214 million (2014: HK$1,177 million) for the year ended 31 March 2015. Meanwhile, the profit attributable to owners of the Company increased by 50.33% to HK$67 million (2014: HK$44 million) as a result of the combined effects of the Group's enormous efforts to improve profitability, lower profit base in the last fiscal year as well as the positive impact from a change in fair value of derivatives. Basic earnings per share increased to HK25 cents (2014: HK17 cents) accordingly.

* *For identification purposes only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2015

	NOTES	2015 HK$'000	2014 HK$'000
Revenue	3	**1,213,513**	1,176,972
Cost of sales		**(974,898)**	(967,834)
Gross profit		**238,615**	209,138
Other income, gains and losses	4	**4,427**	(3,306)
Selling and distribution costs		**(23,534)**	(24,639)
Administrative expenses		**(136,910)**	(133,139)
Profit before tax		**82,598**	48,054
Income tax expense	5	**(16,197)**	(3,750)
Profit for the year	6	**66,401**	44,304
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Surplus on revaluation of leasehold land and buildings		**2,960**	1,540
Deferred tax charge arising on revaluation of leasehold land and buildings		**(488)**	(254)
		2,472	1,286
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**178**	(444)
Other comprehensive income for the year		**2,650**	842
Total comprehensive income for the year		**69,051**	45,146
Profit (loss) for the year attributable to:			
Owners of the Company		**66,601**	44,304
Non-controlling interests		**(200)**	–
		66,401	44,304
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**69,238**	45,146
Non-controlling interests		**(187)**	–
		69,051	45,146
Earnings per share	8		
Basic		**HK25 cents**	HK17 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2015

	NOTES	**2015** *HK$'000*	2014 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**299,706**	313,179
Prepaid lease payments		**3,314**	3,405
Deposit paid for acquisition of property, plant and equipment		**1,876**	1,860
Deferred tax assets		**536**	339
		305,432	318,783
CURRENT ASSETS			
Inventories		**153,450**	174,899
Trade and other receivables	*9*	**325,182**	329,625
Prepaid lease payments		**91**	91
Derivative financial instruments		**747**	–
Tax recoverable		**59**	1,384
Pledged bank deposits		**–**	936
Bank balances and cash		**379,142**	335,331
		858,671	842,266
CURRENT LIABILITIES			
Trade and other payables	*10*	**189,068**	207,895
Derivative financial instruments		**53**	5,506
Tax payable		**12,424**	744
		201,545	214,145
NET CURRENT ASSETS		**657,126**	628,121
		962,558	946,904
CAPITAL AND RESERVES			
Share capital		**26,278**	26,278
Share premium and reserves		**930,955**	916,901
Equity attributable to owners of the Company		**957,233**	943,179
Non-controlling interests		**1,112**	–
		958,345	943,179
NON-CURRENT LIABILITY			
Deferred tax liabilities		**4,213**	3,725
		962,558	946,904

Notes:

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") 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 ("Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for properties and financial instruments that are measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2. APPLICATION OF NEW AND REVISED HKFRSs

The Group has applied for the first time in the current year the following amendments to HKFRSs and a new Interpretation issued by the HKICPA:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation Hedge Accounting
HK(IFRIC) – Int 21	Levies

The application of these amendments to HKFRSs and the new Interpretation in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New or revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to HKAS 1	Disclosure Initiative[5]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[5]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle[5]

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.
3 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
4 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
5 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2014 to include the new requirements for hedge accounting.

Key requirements of HKFRS 9 are described as follows:

All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company anticipate that the adoption of HKFRS 9 in the future is not expected to have material impact on the consolidated financial statements.

HKFRS 15 Revenue From Contracts With Customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related Interpretations when it becomes effective. The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Other than disclosed above, the directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

Whilst the chief operating decision maker, the Company's executive directors, regularly reviews revenue by geographical location of customers, information about profit or loss by geographical location of customers is not separately provided to the executive directors for their review. Financial information reported to the executive directors for the purposes of resource allocation and performance assessment is aggregated and focuses on the consolidated gross profit analysis of the business of manufacturing and trading of eyewear products of the Group as a whole.

As a result, there is only one operating segment for the Group, which is manufacturing and trading of eyewear products. Financial information regarding this segment can be made by reference to the consolidated statement of profit or loss and other comprehensive income.

The Group's revenue is arising from manufacturing and sales of eyewear products.

Geographical information

The Group's operations are located in Hong Kong and the Guangdong Province in the People's Republic of China (the "PRC"). The Group's information about its revenue from external customers analysed by place of domicile of the relevant group entity and other places are detailed below:

	Revenue from external customers	
	2015	2014
	HK$'000	*HK$'000*
Place of domicile of the relevant group entity:		
– Hong Kong	**40,200**	45,121
– The PRC	**60,964**	47,751
Other places:		
– Italy	**493,190**	445,444
– United States	**392,384**	395,551
– Other countries	**226,775**	243,105
	1,213,513	1,176,972

4. OTHER INCOME, GAINS AND LOSSES

	2015	2014
	HK$'000	*HK$'000*
Bank interest income	**2,870**	2,996
Impairment losses recognised on trade receivables	**(3,304)**	(213)
Impairment losses reversed on trade receivables	**3,925**	–
Bad debts directly written off	**(10)**	–
Recovery of bad debts written off	**724**	–
Net foreign exchange losses	**(7,395)**	(594)
Gain on disposals of property, plant and equipment	**100**	25
Fair value changes on derivative financial instruments	**6,200**	(5,961)
Gain on disposal of subsidiaries	**1,071**	–
Others	**246**	441
	4,427	(3,306)

5. INCOME TAX EXPENSE

	2015	2014
	HK$'000	*HK$'000*
The charge comprises:		
Current tax		
– Hong Kong Profits Tax	**9,356**	4,003
– PRC Enterprise Income Tax ("EIT")	**6,890**	263
	16,246	4,266
Under(over)provision in respect of prior years		
– Hong Kong Profits Tax	**89**	(169)
– PRC EIT	**59**	–
	148	(169)
Deferred taxation		
– Current year	**(197)**	(347)
	16,197	3,750

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

PRC EIT is calculated at 25% of the assessable profit for subsidiaries established in the PRC in accordance with the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law.

6. PROFIT FOR THE YEAR

	2015	2014
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Auditor's remuneration	**1,290**	1,290
Cost of inventories recognised as expense (inclusive of allowance for inventories of approximately HK$16,622,000 (2014: HK$12,936,000))	**955,097**	967,834
Depreciation of property, plant and equipment	**52,333**	52,081
Release of prepaid lease payments	**91**	91
Staff costs		
– directors' emoluments	**4,832**	4,195
– other staff costs, comprising mainly salaries	**423,300**	420,666
– retirement benefit scheme contribution excluding those of directors'	**33,175**	28,095
	461,307	452,956

7. DIVIDENDS

	2015	2014
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
Final, paid – HK10.0 cents per share for 2014 (2014: HK10.0 cents per share for 2013)	**26,278**	26,278
Special final, paid – HK5.0 cents per share for 2014 (2014: HK1.0 cent per share for 2013)	**13,139**	2,628
Interim, paid – HK4.5 cents per share for 2015 (2014: HK4.5 cents per share for 2014)	**11,825**	11,825
Special interim, paid – HK1.5 cent per share for 2015 (2014: HK1.0 cent per share for 2014)	**3,942**	2,628
	55,184	43,359

A final dividend of HK10.0 cents (2014: HK10.0 cents) per share in total of HK$26,278,000 (2014: HK$26,278,000) and a special final dividend of HK9.0 cents (2014: HK5.0 cents) per share in total of HK$23,650,000 (2014: HK$13,139,000) in respect of the year ended 31 March 2015 have 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 earnings per share attributable to the owners of the Company is based on the following data:

	2015	2014
	HK$'000	*HK$'000*
Earnings		
Earnings for the purposes of basic earnings per share	**66,601**	44,304
Number of shares		
Number of ordinary shares for the purposes of basic earnings per share	**262,778,286**	262,778,286

Diluted earnings per share is not presented for the years ended 31 March 2015 and 2014 as there was no potential ordinary share outstanding during both years.

9. TRADE AND OTHER RECEIVABLES

The Group allows a credit period of 30 to 120 days to its customers. The following is an aged analysis of trade receivables based on payment due date net of allowance for doubtful debt at the end of the reporting period:

	2015	2014
	HK$'000	*HK$'000*
Trade receivables		
Current	**278,812**	291,796
Overdue up to 90 days	**26,236**	19,229
Overdue more than 90 days	**7,171**	2,551
	312,219	313,576
Prepayments	**6,620**	7,523
Deposits	**3,702**	3,241
Other receivables	**2,641**	5,285
Trade and other receivables	**325,182**	329,625

10. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables based on payment due date at the end of the reporting period:

	2015	2014
	HK$'000	*HK$'000*
Trade payables		
Current and overdue up to 90 days	**80,936**	130,798
Overdue more than 90 days	**29,885**	2,980
	110,821	133,778
Accruals	**66,623**	63,238
Amount due to an entity controlled by non-controlling interests *(Note)*	**46**	–
Amount due to a non-controlling shareholder of a subsidiary *(Note)*	**309**	–
Other payables	**11,269**	10,879
	189,068	207,895

Note: The amounts were unsecured, interest-free and repayable on demand.

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 HK9.0 cents per share for the year ended 31 March 2015, to the shareholders whose names appear in the register of members of the Company at the close of business on 3 September 2015. This final and final special dividend, together with the interim and interim special dividend of HK6.0 cents per share already paid, will make a total distribution of HK25.0 cents per share for the full year. The final dividend and final special dividend are expected to be paid on or about 17 September 2015.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 18 August 2015 to 21 August 2015 (both days inclusive) and from 28 August 2015 to 3 September 2015 (both days inclusive), during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the forthcoming annual general meeting of the Company, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Union Registrars Limited, A18/F, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong ("Hong Kong Share Registrar") not later than 4:00 p.m. on 17 August 2015. In order to qualify for the proposed final dividend and final special dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Hong Kong Share Registrar not later than 4:00 p.m on 27 August 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the period under review, the global economy was clouded by the uncertain interest rate movement in the United States, financial instability in Euro zone as well as the fluctuation in major European and Asian currencies. The business environment was highly volatile, but the Group was still able to grab the improved market demand in the second and third quarter of the fiscal year under review. As a result, the Group's consolidated turnover slightly increased to HK$1,214 million (2014: HK$1,177 million), which represented a growth of 3.10%. Meanwhile, the operating costs in China, especially labor wages, continued to rise. In order to cope with the ever-increasing operating costs in China, the Group continued to introduce specialty projects to streamline its operation, and the efficiency gains realized from some of the projects were reflected in the financial results for the year under review. Furthermore, the Group's effort to improve its product mix in favor of higher margin products had positive impact on the Group's performance. In addition, the slow-down of the pace of appreciation of Renminbi alleviated the cost pressure on the Group to a certain extent. During the year under review, there was also an increase in fair value of derivative financial instrument hedging the Group's currency exposure in connection with Renminbi. As a result of the above, the Group's gross profit margin and net profit margin increased from 17.77% to 19.66% and from 3.76% to 5.47% respectively.

The ODM Business

For the year ended 31 March 2015, the Group's original design manufacturing ("ODM") turnover increased by 2.69% to HK$1,031 million (2014: HK$1,004 million). ODM operation continued to be the major contributor of the Group's revenue and accounted for 85% of the Group's total consolidated turnover. During the year under review, the Group's ODM turnover to Europe increased by 6.09% to HK$592 million (2014: HK$558 million). This was mainly the result of the improved market sentiment in the second and third quarter of the current fiscal year. Meanwhile, the Group's ODM turnover to the United States slightly decreased by 1.01% to HK$392 million (2014: HK$396 million). This was because the customers in the Unites States were still cautious in stock replenishment, although the recent drop in oil price and strong U.S. dollar environment had certain positive influence to accelerate the pace of recovery. In terms of geographical allocation, Europe and the United States continued to be the two major markets of the Group's ODM business, which accounted for 57% and 38% of the Group's ODM turnover respectively. In terms of product mix, sales of plastic frames, metal frames and others accounted for 58%, 40% and 2% (2014: 57%, 42% and 1%) of the Group's ODM turnover respectively.

The Branded Eyewear Distribution Business

For the year ended 31 March 2015, the Group's turnover contributed by the branded eyewear distribution business increased by 5.78% to HK$183 million (2014: HK$173 million), which represented about 15% of the Group's total consolidated turnover. Asia was the largest market of the Group's distribution business and contributed 81% of the Group's branded eyewear distribution turnover. Within Asia, China and Japan were the top performing countries and accounted for 33% and 16% of the Group's distribution turnover respectively. During the year under review, the market demand from most of the Asian countries including Japan and South Korea were adversely affected by the depreciation of their local currencies. As a result, the customers from those countries became very prudent in order placement during the second half of the current fiscal year. Nevertheless, the market performance of China was relatively satisfactory, and that partly alleviated the above negative impacts. The turnover contributed from China recorded a growth of 27% during the reporting fiscal year, due to the Group's continuous effort to expand its distribution network there.

LIQUIDITY AND CAPITAL RESOURCES

The Group continued to maintain a strong liquidity and financial position. It held a cash and bank balance of HK$379 million as at 31 March 2015 and did not have any bank borrowings throughout the year. Net cash inflow from operations amounted to HK$129 million during the year under review. The Group will continue to adopt a prudent approach to manage its cash flows, without compromising the needs for investing in carefully selected assets that will enhance the Group's long term productivity as well as the new business opportunities that are strategically important to enhance the Group's value.

Given the Group's strong cash position, the Directors have again resolved to declare a final special dividend of HK9.0 cents per share on the top of the final dividend of HK10.0 cents per share for the year ended 31 March 2015. The Directors will continue to monitor the dividend policy closely to ensure that an optimal balance can be achieved between the retention of sufficient liquidity in the Group to prepare for the uncertainty ahead and the distribution of earnings to the shareholders respectively.

As at 31 March 2015, the net current assets and current ratio of the Group were approximately HK$657 million and 4.3:1 respectively. The equity attributable to owners of the Company increased to HK$957 million as at 31 March 2015 from HK$943 million as at 31 March 2014 after the payment of dividends during the year under review. The Group prudently controlled its receivable collection status and inventory. Accordingly, debtor turnover period and inventory turnover period were managed at 94 days and 57 days respectively. 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 business plans.

PROSPECTS

Despite the temporary rebound in market demand in the fiscal year under review, the Directors believe that the business environment for the year to come will become even more challenging. First of all, the strong U.S. dollar environment is expected to persist, which will significantly undermine the purchasing power of most of the European and Asian countries as well as their respective demand for eyewear products. The influence of depreciation in major European and Asian currencies is expected to be further intensified and has an adverse impact on the Group's performance. Secondly, the Chinese government has recently increased the statutory minimum wages in Dongguan and Heyuan city of Guangdong province, where the Group's production facilities are located. The minimum wages of both cities increased by approximately 15-20% from May 2015, which has imposed a very significant cost pressure on the Group's operation.

In response to the above challenges, the Directors believe that it is critical for the Group to look for ways to enhance sustainability of our business. The Group will further optimize its product mix by phasing out products with unreasonably low profit margin and focusing on higher value-added products. The Group will also enhance the flexibility of its production capacity so that it can swiftly react to the volatile market. To minimize the operating costs and increase overall efficiency, the Group will strengthen its financial control to ensure that capital expenditures are deployed in a cost-effective manner and will also bring us long term value. The Group will tighten its alliance with the existing strategic suppliers as well as exploring alternative sourcing for materials and other consumables. The Group has also established cross-functional teams to carry out projects to streamline operation, improve mould tools, redesign machineries, monitor material consumption, measure operating performance and build an incentive system to motivate efficiency enhancement. The Group will continue to deepen and widen the scope of these projects, and expect that they will continue to improve our efficiency.

The Group will further strengthen its branded eyewear distribution business by optimizing the brand portfolio. Non performing brands will be restructured or phased out to sharpen the Group's marketing focus. Meanwhile, the Group will rely on its competitive advantage in Asia to further increase its market penetration and presence of its branded products, along side with the effort to explore new business opportunities in the emerging markets such as the middle east. China is a market with good growth potential. The Group will continue to spend resources to widen its sales network in China and increase points of sales. On top of that, the Group will seek competent partners and business opportunities in China to explore the business potential in connection with distribution through electronic platform.

It is expected that the business environment will continue to be difficult in the foreseeable future. We will implement the measures as mentioned above in order to overcome the challenges and enhance our long term competitiveness. We believe that the Group possesses strength and advantages in design, product development, production, customer service and operation management for eyewear products. Levering on these assets, the Directors are confident that the Group will create long term value for our shareholders and deliver the objective of achieving sustainable growth in long run.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance with a view to enhancing the management of the Company as well as to preserve the interests of the shareholders as a whole. The Board has adopted the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 14 of the Listing Rules. During the year under review, the Company has complied with the applicable code provisions in the CG Code which were effective during the period between 1 April 2014 to 31 March 2015, except for the deviations from code provisions A.2.1 of the CG Code as mentioned below:

Code provision A.2.1 of the CG Code stipulates that the roles of 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 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. The Board would review and monitor the situation on a regular basis and would ensure that the present structure would not impair the balance of power in the Company.

AUDIT COMMITTEE

An audit committee (the "Audit Committee") has been established by the Company with written terms of reference to act in an advisory capacity and to make recommendations to the Board. The members of the Audit Committee comprise the three independent non-executive Directors, who are Mr. Lo Wa Kei, Roy (Chairman), Mr. Lee Kwong Yiu and Mr. Wong Che Man, Eddy. Mr. Lo Wa Kei, Roy and Mr. Wong Che Man, Eddy are both qualified certified public accountants and possess the qualifications as required under rule 3.21 of the Listing Rules. None of the members of the Audit Committee is a member of the former or existing auditors of the Group. The Audit Committee has adopted the principles set out in the CG Code. The duties of the Audit Committee include review of the interim and annual reports of the Group 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 2015 have been reviewed by the Audit Committee and audited by the Company's external auditor, Messrs. Deloitte Touche Tohmatsu.

REMUNERATION COMMITTEE

A remuneration committee (the "Remuneration Committee") was established by the Company with written terms of reference 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, inter alia, making recommendations to the Board on the Company's policy and structure for all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.

NOMINATION COMMITTEE

A nomination committee (the "Nomination Committee") was established by the Company with written terms of reference. The Nomination Committee comprises Mr. Wong Che Man, Eddy (Chairman), Mr. Lo Wa Kei, Roy and Mr. Lee Kwong Yiu, all of whom are independent non-executive Directors, as well as the human resources manager of the Group. The duties of the Nomination Committee include, inter alia, the review of the structure, size and composition of the Board and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy. Moreover, in performing the duties, the Nomination Committee shall ensure that the Board has the appropriate balance of skills, experience and diversity of perspective appropriate to the requirements of the Company's business. Selection of the candidates to the Board shall be based on the Company's business model and specific needs with reference to a range of diversity perspectives, including but not limited to gender, age, language, cultural and education backgrounds, industry and professional experience.

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 directors' securities transactions (the "Code"). Having made specific enquiry of all Directors, the Directors confirmed that they had complied with the required standard set out in the Code throughout the year ended 31 March 2015.

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

During the year, neither the Company nor any of its subsidiaries have 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 statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2015 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 HKICPA 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 websites of the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The annual report for the year ended 31 March 2015 will be dispatched to the shareholders of the Company and published on the websites 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, staffs, suppliers and bankers for their efforts and commitments.

By order of the Board
Ku Ngai Yung, Otis
Chairman

Hong Kong, 26 June 2015

As at the date of this announcement, the Board comprises five executive directors, namely Mr. Ku Ngai Yung, Otis, Mr. Ku Ka Yung, Mr. Tsang Wing Leung, Jimson, Mr. Chan Chi Sun and Ms. Ma Sau Ching, and three independent non-executive directors, namely Mr. Lo Wa Kei, Roy, Mr. Lee Kwong Yiu and Mr. Wong Che Man, Eddy.