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**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 2025**

The board (the “Board”) of directors (the “Directors”) of Sun Hing Vision Group Holdings Limited (the “Company”) hereby announces the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2025 together with the comparative figures for last year as follows:

\* For identification purposes only

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2025**

		<b>2025</b>	<b>2024</b>
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	<b>828,476</b>	702,343
Cost of sales		<u><b>(734,705)</b></u>	<u>(627,395)</u>
Gross profit		<b>93,771</b>	74,948
Other income, gains and losses	4	<b>19,035</b>	24,774
(Provision) reversal of impairment losses on trade receivables, net	5	<b>(923)</b>	2,642
Selling and distribution costs		<b>(35,915)</b>	(34,517)
Administrative expenses		<b>(116,220)</b>	(102,914)
Share of losses of joint ventures		<b>(712)</b>	(2,001)
Share of profit of an associate		<b>1,664</b>	–
Finance costs	6	<u><b>(1,832)</b></u>	<u>(1,945)</u>
Loss before tax		<b>(41,132)</b>	(39,013)
Income tax credit	7	<u><b>8,885</b></u>	<u>10,648</u>
Loss for the year attributable to owners of the Company	8	<u><b>(32,247)</b></u>	<u>(28,365)</u>
<b>Other comprehensive expense</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		<b>(4,089)</b>	(15,541)
Share of other comprehensive expense of an associate and joint ventures		<u><b>(140)</b></u>	<u>(184)</u>
		<u><b>(4,229)</b></u>	<u>(15,725)</u>
Total comprehensive expense for the year attributable to owners of the Company		<u><b>(36,476)</b></u>	<u>(44,090)</u>
Loss per share in HK cents			
Basic	10	<u><b>(12.27)</b></u>	<u>(10.79)</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*AT 31 MARCH 2025*

		<b>2025</b>	<b>2024</b>
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>235,810</b>	242,403
Right-of-use assets		<b>29,502</b>	30,429
Intangible assets		<b>35,030</b>	36,407
Deposits paid for acquisition of property, plant and equipment and right-of-use assets		<b>3,342</b>	3,344
Interests in joint ventures		<b>2,496</b>	3,315
Interest in an associate		<b>2,004</b>	–
Deferred tax assets		<b>36,709</b>	26,576
		<b>344,893</b>	342,474
<b>CURRENT ASSETS</b>			
Inventories		<b>127,185</b>	106,219
Trade and other receivables	11	<b>235,573</b>	182,700
Tax recoverable		<b>20</b>	33
Cash and cash equivalents		<b>185,279</b>	274,529
		<b>548,057</b>	563,481
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	<b>201,775</b>	170,960
Lease liabilities		<b>8,994</b>	7,691
Refund liabilities		<b>1,968</b>	2,040
Derivative financial instruments		<b>41</b>	169
Tax payable		<b>3,403</b>	4,362
Bank borrowings		<b>34,010</b>	36,120
		<b>250,191</b>	221,342
<b>NET CURRENT ASSETS</b>		<b>297,866</b>	342,139
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>642,759</b>	684,613

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
CAPITAL AND RESERVES		
Share capital	26,278	26,278
Share premium and reserves	<u>603,699</u>	<u>644,117</u>
Total equity	<u>629,977</u>	<u>670,395</u>
NON-CURRENT LIABILITIES		
Lease liabilities	7,120	9,338
Deferred tax liabilities	<u>5,662</u>	<u>4,880</u>
	<u>12,782</u>	<u>14,218</u>
TOTAL EQUITY AND NON-CURRENT LIABILITIES	<u><u>642,759</u></u>	<u><u>684,613</u></u>

*Notes:*

**1. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION**

The consolidated financial statements have been prepared in accordance with the HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. 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 (“Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

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.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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 in 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 AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Excepted as described below, the application of the amendments to HKFRS Accounting Standards 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.

**Impact on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”); and Amendments to HKAS 1 – Non-current Liabilities with Covenants (the “2022 Amendments”)**

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification.

The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

Upon application of the amendments, the Group has reassessed the terms and conditions of its loan arrangements. The application of the amendments has no material impact on the classification of the Group's liabilities.

### 3. REVENUE AND SEGMENT INFORMATION

Set out below is the disaggregation of revenue from contracts with customers and the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

For the year ended 31 March 2025			
	<b>Eyewear products HK\$'000</b>	<b>Trademarks HK\$'000</b>	<b>Total HK\$'000</b>
<b>Types of goods or services</b>			
Eyewear products	826,942	–	826,942
Royalty income	–	1,534	1,534
	<hr/>	<hr/>	<hr/>
Revenue from contracts with customers	<b>826,942</b>	<b>1,534</b>	<b>828,476</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
For the year ended 31 March 2024			
	<b>Eyewear products HK\$'000</b>	<b>Trademarks HK\$'000</b>	<b>Total HK\$'000</b>
<b>Types of goods or services</b>			
Eyewear products	700,442	–	700,442
Royalty income	–	1,901	1,901
	<hr/>	<hr/>	<hr/>
Revenue from contracts with customers	<b>700,442</b>	<b>1,901</b>	<b>702,343</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## **Performance obligations for contract with customers**

The Group manufactures and sells the eyewear products to customers directly.

Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customers' specific location (delivery). Following delivery, the customers have full discretion over the manner of distribution and price to sell the goods, and also have the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. The normal credit term is mainly 30 to 120 days upon delivery. Under the Group's standard contract terms, customers have the right to return/exchange for dissimilar products under certain conditions. The Group uses its accumulated historical experience to estimate the number of return/exchange. Revenue is recognised for sales which are considered highly probable that a significant reversal in the cumulative revenue recognised will not occur.

The Group also receives royalty income from granting license of trademarks. Revenue is recognised at a point in time when subsequent sale of licensing products from licensee occurs over the licensing period. The credit term is normally 30 days upon the end of a licensing reporting period.

## **Transaction price allocated to the remaining performance obligation for contract with customers**

Eyewear products are delivered within a period of less than one year. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Contracts for royalty income typically have a 3-years non-cancellable term in which the Group bills at a fixed rate for each licensing product. The Group elected to apply the practical expedient by recognising revenue in the amount to which the Group has right to receive according to the relevant licensing agreement. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

## **Segment information**

The Group's operating segments, identified based on information reported to the chief operating decision maker ("CODM"), being the executive directors of the Company, for the purposes of resources allocation and performance assessment, are as follows:

- |                  |   |
|------------------|---|
| Eyewear products | – manufacturing and trading of eyewear products |
| Trademarks       | – granting license of trademarks                |

Information regarding the reportable segments is reported below.

The following is an analysis of the Group's revenue and results by operating and reportable segments:

**For the year ended 31 March 2025**

	<b>Eyewear products HK\$'000</b>	<b>Trademarks HK\$'000</b>	<b>Elimination HK\$'000</b>	<b>Consolidated HK\$'000</b>
SEGMENT REVENUE				
External sales	826,942	1,534	–	828,476
Inter-segment sales	–	4,001	(4,001)	–
	<u>826,942</u>	<u>5,535</u>	<u>(4,001)</u>	<u>828,476</u>
Segment results	<u>(40,745)</u>	<u>3,889</u>	<u>–</u>	<u>(36,856)</u>
Unallocated other income, gains and losses				6,781
Central administration costs				(10,177)
Share of losses of joint ventures				(712)
Share of profit of an associate				1,664
Finance costs				<u>(1,832)</u>
Loss before tax				<u>(41,132)</u>

**For the year ended 31 March 2024**

	<b>Eyewear products HK\$'000</b>	<b>Trademarks HK\$'000</b>	<b>Elimination HK\$'000</b>	<b>Consolidated HK\$'000</b>
SEGMENT REVENUE				
External sales	700,442	1,901	–	702,343
Inter-segment sales	–	4,372	(4,372)	–
	<u>700,442</u>	<u>6,273</u>	<u>(4,372)</u>	<u>702,343</u>
Segment results	<u>(42,625)</u>	<u>4,612</u>	<u>–</u>	<u>(38,013)</u>
Unallocated other income, gains and losses				13,130
Central administration costs				(10,184)
Share of losses of joint ventures				(2,001)
Finance costs				<u>(1,945)</u>
Loss before tax				<u>(39,013)</u>

Inter-segment sales are charged at prevailing market rates or at terms determined and agreed by both parties.

Segment results represent the results of each segment without allocation of certain other income, gains and losses (mainly including bank interest income, loss/gain on disposals of property, plant and equipment, and others), central administration costs (mainly including salaries for the Company's directors), share of results from an associate and joint ventures, and finance costs.

No analysis of segment assets and liabilities is presented as they are not regularly reviewed by the CODM for the purposes of resource allocation and performance assessment.

### Geographical information

The Group's operations are mainly located in Hong Kong and the Guangdong Province in the People's Republic of China (the "PRC"). The Group's information about its non-current assets (excluding deferred tax assets) by geographical location of the assets and revenue from external customers analysed by the location of the customers are detailed below:

	<b>Non-current assets</b>	
	<b>As at 31 March</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Hong Kong	<b>150,779</b>	162,628
Guangdong Province in the PRC	<b>137,114</b>	133,964
Others	<b>20,291</b>	19,306
	<b>308,184</b>	<b>315,898</b>
	<b>Revenue from</b>	
	<b>external customers</b>	
	<b>Year ended 31 March</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Hong Kong and Macau	<b>40,591</b>	46,047
The PRC (excluding Hong Kong and Macau)	<b>87,078</b>	101,118
Japan	<b>93,994</b>	27,021
Italy	<b>262,282</b>	233,186
United States	<b>200,945</b>	178,360
Other countries	<b>143,586</b>	116,611
	<b>828,476</b>	<b>702,343</b>

#### 4. OTHER INCOME, GAINS AND LOSSES

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Other income		
– Bank interest income	5,425	11,596
– Sales of scrap materials	739	122
– Government grants ( <i>Note i</i> )	5,223	520
– Income from subleasing right-of-use assets ( <i>Note ii</i> )	4,526	4,411
– Others	1,359	1,511
	<u>17,272</u>	<u>18,160</u>
Other gains and losses		
– Fair value changes on derivative financial instruments	128	(248)
– (Loss) gain on disposals of property, plant and equipment	(3)	23
– Net foreign exchange gains	1,638	6,839
	<u>1,763</u>	<u>6,614</u>
	<u><b>19,035</b></u>	<u><b>24,774</b></u>

*Notes:*

- (i) Government grants mainly represent employment-related subsidies and corporate new type of apprenticeship training subsidy, which are credited to profit or loss upon receipt as no future related costs is expected to be incurred nor related to any assets.
- (ii) The amount represents rental income recognised by a PRC subsidiary of the Company that is not engaged in property rental business.

#### 5. (PROVISION) REVERSAL OF IMPAIRMENT LOSSES ON TRADE RECEIVABLES, NET

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Net (provision) reversal of impairment losses on:		
– Trade receivables	<u>(923)</u>	<u>2,642</u>

## 6. FINANCE COSTS

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Interest expense on:		
– Bank borrowings	982	1,105
– Lease liabilities	850	840
	<u>1,832</u>	<u>1,945</u>
	<b>1,832</b>	<b>1,945</b>

## 7. INCOME TAX CREDIT

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
The income tax (credit) expense comprises:		
Current tax		
– Hong Kong Profits Tax	8	31
– United States Withholding Tax	460	570
	<u>468</u>	<u>601</u>
(Over) under-provision in respect of prior years		
– Hong Kong Profits Tax	(12)	20
– PRC Enterprise Income Tax (“EIT”)	–	286
	<u>(12)</u>	<u>306</u>
Deferred taxation		
– Current year	(9,341)	(11,555)
	<u>(8,885)</u>	<u>(10,648)</u>
	<b>(8,885)</b>	<b>(10,648)</b>

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

PRC EIT is calculated at 25% of the assessable profits for subsidiaries established in the PRC in accordance with the Law of the PRC on EIT (the “EIT Law”) and Implementation Regulation of the EIT Law. A subsidiary of the Group is approved High and New Technology Enterprises and subject to a preferential PRC Corporate Income Tax rate of 15% during the approved period.

Under the Law of the United States on Income Tax, a withholding tax is required upon income earned by a non-United States resident enterprise. The withholding tax is calculated at 30% of royalty income earned in the United States for both years.

## 8. LOSS FOR THE YEAR

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Loss for the year has been arrived at after charging:		
Auditor's remuneration	1,000	1,000
Cost of inventories recognised as expense (inclusive of reversal of allowance for inventories of approximately HK\$6,213,000 (2024: allowance for inventories of approximately HK\$495,000))	723,830	623,059
Depreciation and amortisation		
– depreciation of property, plant and equipment	14,932	15,770
– depreciation of right-of-use assets	8,983	7,835
– amortisation of intangible assets (included in cost of sales)	1,533	1,533
	25,448	25,138
Capitalised in inventories	(8,094)	(7,068)
	17,354	18,070
Staff costs		
– directors' emoluments	4,604	4,583
– other staff costs, comprising mainly salaries	294,486	264,494
– severance payment	3,788	–
– retirement benefits scheme contribution excluding those of directors	38,082	34,779
	340,960	303,856
Capitalised in inventories	(259,997)	(230,391)
	80,963	73,465

## 9. DIVIDENDS

### Year ended 31 March

2025

2024

HK\$'000

HK\$'000

Dividends recognised as distribution during the year:

Special final, paid – HK1.5 cents paid for 2024

(2024: HK1.5 cents for 2023)

3,942

3,942

Special interim, paid – Nil (2024: HK1.5 cents for 2024)

–

3,942

3,942

7,884

During the year ended 31 March 2025, a final special dividend in respect of the year ended 31 March 2024 of HK1.5 cents (2024: a final special dividend in respect of the year ended 31 March 2023 of HK1.5 cents) per ordinary share, in an aggregate amount of approximately HK\$3,942,000 (2024: HK\$3,942,000) was approved and declared.

No interim special dividend and interim dividend in respect of the year ended 31 March 2025 (2024: an interim special dividend of HK1.5 cents per ordinary share in total of HK\$3,942,000 and no interim dividend) was approved and declared.

No final dividend in respect of the year ended 31 March 2025 has been proposed by the directors of the Company (2024: nil).

## 10. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

### Year ended 31 March

2025

2024

#### Loss for the year

Loss attributable to owners of the Company for the purpose of basic earnings per share (HK\$'000)

(32,247)

(28,365)

#### Number of shares

Number of ordinary shares for the purposes of basic loss per share

262,778,286

262,778,286

Diluted loss per share is not presented for the years ended 31 March 2025 and 2024 as there was no potential ordinary share outstanding during both years.

## 11. TRADE AND OTHER RECEIVABLES

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Trade debtors from contracts with customers	208,124	159,933
Less: Allowance for credit losses	(5,825)	(4,926)
	<u>202,299</u>	<u>155,007</u>
Prepayments	4,421	3,392
Deposits	5,441	5,061
Value-added tax and other receivables	21,865	17,571
Right to return goods assets	1,547	1,669
	<u>235,573</u>	<u>182,700</u>

The Group normally allows a credit period of 30 to 120 days to its customers. No interest is charged on the trade receivables. As at 1 April 2023, gross carrying amount of trade receivables from contracts with customers amounted to HK\$173,980,000.

The following is an aged analysis of trade receivables, before allowance of credit losses, presented based on payment due date at the end of the reporting period:

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Current	153,012	131,496
Overdue up to 90 days	44,428	21,247
Overdue more than 90 days	10,684	7,190
	<u>208,124</u>	<u>159,933</u>

## 12. TRADE AND OTHER PAYABLES

The Group is normally granted a credit period of 90 to 120 days from its suppliers. The following is an aging analysis of trade payables based on payment due date at the end of the reporting period:

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Trade payables		
Current and overdue up to 90 days	132,766	110,518
Overdue more than 90 days	6,871	1,250
	<u>139,637</u>	<u>111,768</u>
Accruals	51,543	46,154
Value-added tax and other payables	10,595	13,038
	<u>201,775</u>	<u>170,960</u>

## **DIVIDENDS**

After considering the Group's profitability, liquidity, cash position and future business plans, the Directors have resolved not to declare any final special dividend or final dividend for the year ended 31 March 2025 (2024: final special dividend: HK1.5 cents; final dividend: nil). 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 future development ahead and the distribution of earnings to the shareholders respectively.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Monday, 11 August 2025 to Friday, 15 August 2025 (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, Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong ("Hong Kong Share Registrar") not later than 4:00 p.m. on Friday, 8 August 2025.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Business Review**

For the year ended 31 March 2025, the Group's consolidated turnover increased by 17.95% to HK\$828 million (2024: HK\$702 million). Such increase is due to the satisfactory growth of the Group's original design manufacturing ("ODM") business, which reflects the success of increased marketing efforts and diversified production bases to cater for customers' needs. During the year under review, the Group's gross profit margin increased to 11.32% (2024: 10.67%). Nevertheless, loss for the year attributable to the owners of the Company increased to HK\$32 million (2024: HK\$28 million) because of the reduction in interest income and foreign exchange gains, increase in selling and administrative expenses for marketing and business development, as well as expenditures on restructuring to improve workforce efficiency. Basic loss per share increased to HK12.27 cents (2024: HK10.79 cents) for the year.

## **THE ODM BUSINESS**

The Group's turnover from its ODM business increased by 27.57% to HK\$657 million (2024: HK\$515 million), which accounted for 79.35% of the Group's total consolidated turnover. The Group's ODM turnover to Europe and the United States increased by 12.45% to HK\$298 million (2024: HK\$265 million) and by 12.00% to HK\$196 million (2024: HK\$175 million) respectively. On the other hand, our ODM sales to the Asian market demonstrated a substantial growth of 118.92% to HK\$162 million (2024: HK\$74 million) during the year under review.

Europe, the United States and Asia are the top three markets of the Group's ODM business, and they accounted for 45.36%, 29.83% and 24.66% (2024: 51.46%, 33.98% and 14.37%) of the Group's total ODM turnover respectively. In terms of product mix, plastic frames, metal frames and others contributed 64%, 35% and 1% (2024: 63%, 36% and 1%) of the Group's ODM turnover respectively.

## **THE BRANDED EYEWEAR DISTRIBUTION BUSINESS**

The Group's turnover from its branded eyewear distribution business decreased by 8.11% to HK\$170 million (2024: HK\$185 million), which accounted for 20.53% of the Group's total consolidated turnover. During the year under review, our branded eyewear distribution business was under the pressure from the ongoing economic weakness in Asia, in particular in China. That, together with the continuous currency depreciation of various Asian currencies, reduced purchasing power of consumers in these countries, which negatively affected our sales in the Asian region. Despite its slowing economy during the year under review, Asia continued to be the most important market of the Group's branded eyewear distribution business, and it accounted for 98.11% (2024: 98.38%) of the Group's total distribution turnover.

## **OTHER BUSINESSES**

For the year ended 31 March 2025, the Group's other businesses represented licensing income of HK\$1 million from an external party in connection with the trademark of Jill Stuart (2024: licensing income of HK\$2 million).

## **LIQUIDITY AND CAPITAL RESOURCES**

The Group continued to maintain a strong liquidity and financial position. As at 31 March 2025, the Group held bank balances and cash of HK\$185 million. On the other hand, it also had outstanding bank borrowings of approximately HK\$34 million, which is repayable by installments over a period of 20 years with a repayable on demand clause. The debt-to-equity ratio (expressed as a percentage of bank borrowings over equity attributable to owners of the Company) as at 31 March 2025 was 5.40%, which is considered to be healthy and reasonable in light of the Group's business nature. The bank borrowing of the Group was secured by certain leasehold land and buildings situated in Hong Kong.

As at 31 March 2025, the net current assets and current ratio of the Group were approximately HK\$298 million and 2.19:1 respectively. The total equity attributable to owners of the Company decreased to HK\$630 million as at 31 March 2025 from HK\$670 million as at 31 March 2024. The Group's debtor turnover period increased to 89 days (2024: 81 days) while inventory turnover period remained stable at 63 days (2024: 62 days) during the year under review. The Group believes that its receivables and inventories were managed at a healthy level and will continue to closely monitor the debt collection status and inventory level in order to reduce risk and maximize working capital. 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 needs.

## **PROSPECTS**

Given the present complicated geopolitical and macroeconomic environment, it is reasonable to expect that the tough business environment will continue for a longer period. A new round of tariffs from the United States since April 2025 has triggered global economic uncertainty, and will probably lead to higher retail prices and weaken consumer demand in the United States. Persistent high inflation is likely to continue, while ongoing geopolitical conflicts, including the prolonged Russia-Ukraine war, are expected to go on. These factors will keep negatively impacting consumers across various regions, and affecting the future businesses of the Group as a result. Market demand for eyewear products in the near future is therefore expected to be highly volatile, and input prices as well as operating costs for the Group are expected to remain at elevated levels for a period of time.

In response to the tough and uncertain business environment in the coming few quarters, the Group will continue to carry out various measures for overall efficiency enhancement. Improving production efficiency, outsourcing non-core operations, strengthening budget control, streamlining organizational structures and optimizing suppliers' network are still the main focuses of the Group in the near term. Investments in fixed assets will continue to be managed in a prudent manner, and the Group will keep investing in carefully selected assets that are strategically important for future growth. The construction of our new production plant in Vietnam will be finished in the coming fiscal year, and the new plant will start production immediately after the construction is completed. In addition, marketing efforts will be further strengthened to acquire new projects from existing customers and open up new accounts.

The Group will continue to explore new sales channels and distribution partners for its branded eyewear distribution business. The Group's brand portfolio is being constantly reviewed and we will take advantage of any opportunity to enrich our portfolio with new brands carrying strong potential. Besides, in response to the rapidly changing consumers' behaviors and preferences, the Group will further enrich its product scope by introducing collections at more flexible price ranges, incorporate more design and tailor-made elements in our products and distribute them in more and also different sales channels.

Although the future business environment is still expected to be full of challenges, with our strength in product development, brand management and manufacturing in the eyewear industry as well as our strong financial status, we are confident that the Group will overcome the difficulties ahead, and will continue to create long-term values for our various stakeholders as well as deliver the objective to achieve sustainable growth in the 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 principles and code provisions under the Corporate Governance Code (the "CG Code") set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). During the year ended 31 March 2025, the Company has complied with all applicable code provisions in the CG Code which were effective during the period between 1 April 2024 and 31 March 2025, except for the deviation from Code C.2.1 of the CG Code as described below:

Code C.2.1 of the CG Code provides, *inter alia*, 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 comprised Mr. Chow Chi Fai (Chairman), Mr. Lee Kwong Yiu and Mr. Wong Che Man, Eddy, all of whom are independent non-executive Directors. Mr. Chow Chi Fai and Mr. Wong Che Man, Eddy are both qualified certified public accountants and possess the qualifications as required under rule 3.10(2) 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, effectiveness of internal audit function as well as various auditing, financial reporting, risk management 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 2025 have been reviewed by the Audit Committee and audited by the Company’s external auditor, SHINEWING (HK) CPA Limited.

## **REMUNERATION COMMITTEE**

A remuneration committee (the “Remuneration Committee”) was established by the Company with written terms of reference and comprised Mr. Lee Kwong Yiu (Chairman), Mr. Wong Che Man, Eddy and Mr. Chow Chi Fai, 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, and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

## **NOMINATION COMMITTEE**

A nomination committee (the “Nomination Committee”) was established by the Company with written terms of reference. The Nomination Committee comprised Mr. Wong Che Man, Eddy (Chairman), Mr. Lee Kwong Yiu and Mr. Chow Chi Fai, 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 and that the Company makes relevant disclosure in accordance with the requirements of the Listing Rules.

The Company has adopted the policy related to nomination of the Directors. When a candidate is recommended and selected or when an existing Director is recommended and selected for re-election, decision will be made according to factors including such candidate's integrity, professional knowledge, industry experience and commitment to the Group's business in respect of time and attention. In addition, the Nomination Committee will also consider the long-term objective of the Group and the requirements as set out in rule 3.13 of the Listing Rules to assess the independence of independent non-executive Directors. Candidates are required to make appropriate disclosure to the Board to avoid any conflict of interests. Besides, the nomination procedures and processes are required to be conducted in an objective manner in accordance with the laws of Bermuda, the Bye-laws as well as other applicable regulations.

The Company has adopted policy concerning diversity of Board members. Under such a policy, selection of the candidates to the Board is 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, culture, education background, professional knowledge and industry experience. The Company believes that a balanced and diversified board composition will help to stimulate new ideas and enhance the quality of the Group's decision making process. For the year ended 31 March 2025, the Company maintained an effective Board comprising members of different genders, professional background and industry experience. The Company's board diversity policy was consistently implemented. As at the date of this announcement, the Board consists of one female and seven male Directors.

The Nomination Committee has developed policies to ensure an appropriate balance of diversity in various aspects, including the skills, experience, and perspectives of the Board members. The nomination and appointment of members of the Board will continue to follow the principle of meritocracy based on business needs and consideration of the benefits of Board diversity. The principal responsibilities of the Nomination Committee are to identify persons qualified for being Directors and give sufficient consideration to the policy of Board diversity throughout the selection process. The Nomination Committee is responsible for reviewing the Board's diversity policy to ensure its effective implementation and ongoing compliance with the Board diversity requirements as outlined in the Listing Rules. This review will take place periodically, in accordance with the dates stipulated by the Listing Rules, and with reference to the Company's board diversity policy, which is subject to an annual review.

## **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 C3 to the Listing Rules (the "Model Code") as its own code of conduct regarding directors' securities transactions on terms no less exacting than the required standard under the Model Code. Having made specific enquiries to all Directors, the Directors confirmed that they had complied with the required standard set out in the Model Code throughout the year ended 31 March 2025.

## **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 SHINEWING (HK) CPA LIMITED**

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 2025 as set out in the preliminary announcement have been agreed by the Group’s auditors, SHINEWING (HK) CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 27 June 2025. The work performed by SHINEWING (HK) CPA Limited 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 opinion or assurance conclusion has been expressed by SHINEWING (HK) CPA Limited 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 2025 will be published on the websites of the Company and the Stock Exchange and dispatched to the shareholders of the Company (upon request) 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.

On behalf of the Board  
**Ku Ngai Yung, Otis**  
*Chairman*

Hong Kong, 27 June 2025

*As at the date of this announcement, the Board comprises five executive directors, namely Mr. Ku Ngai Yung, Otis, Mr. Ku Ka Yung, Mr. Chan Chi Sun, Ms. Ma Sau Ching and Mr. Liu Tao, and three independent non-executive directors, namely Mr. Chow Chi Fai, Mr. Lee Kwong Yiu and Mr. Wong Che Man, Eddy.*