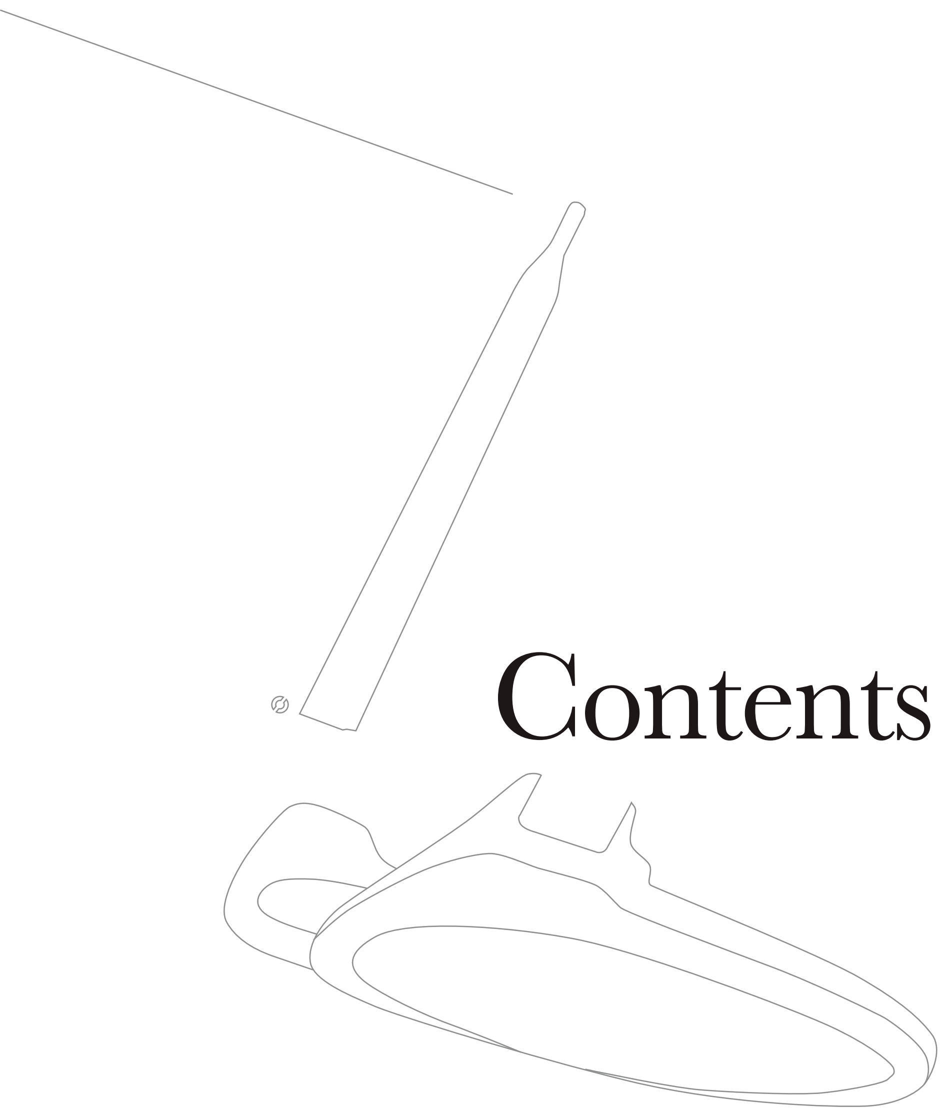
2013/2014

ANNUAL REPORT 年報

SUN HING VISION GROUP HOLDINGS LIMITED

新興光學集團控股有限公司

STOCK CODE股份代號:125



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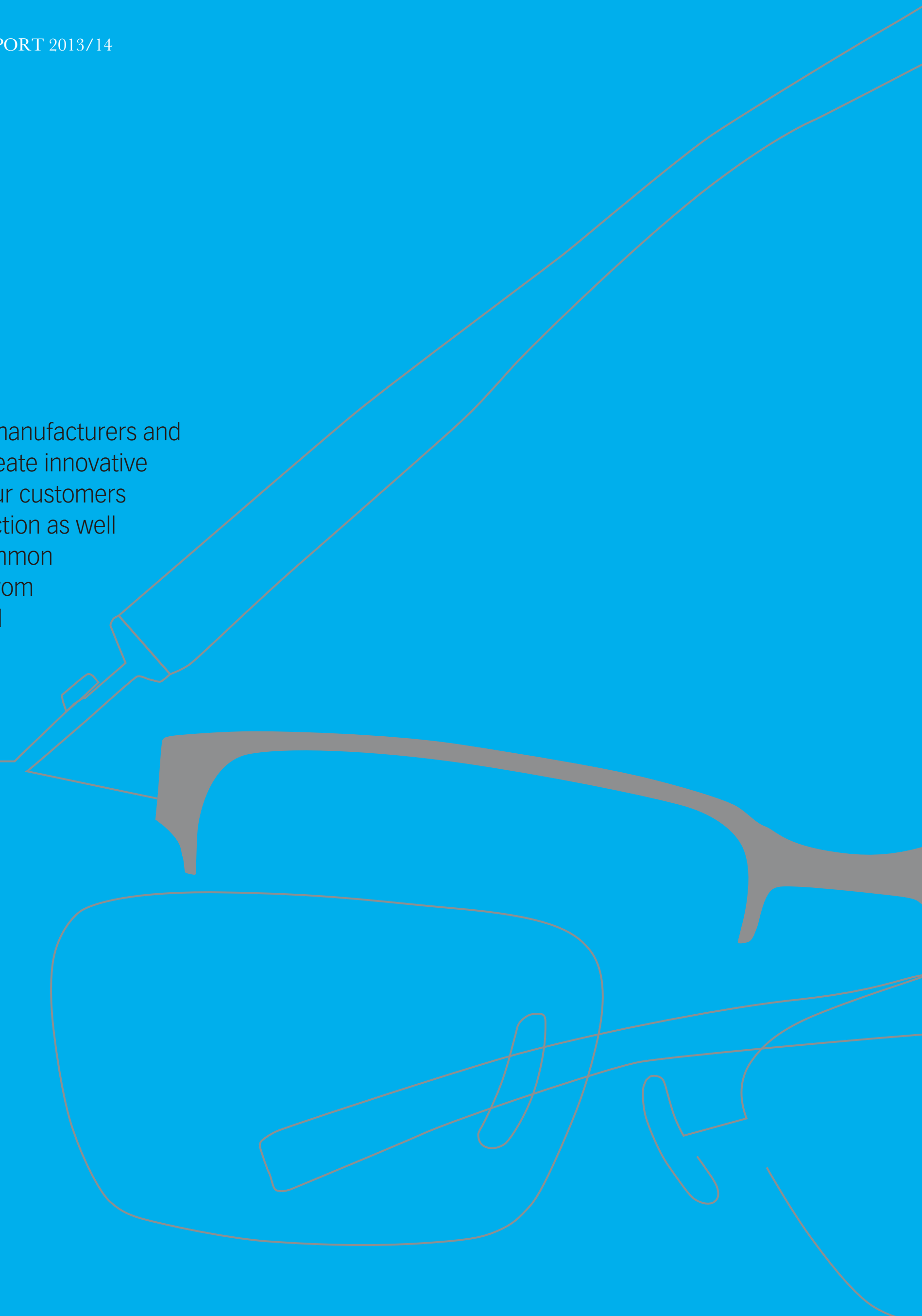
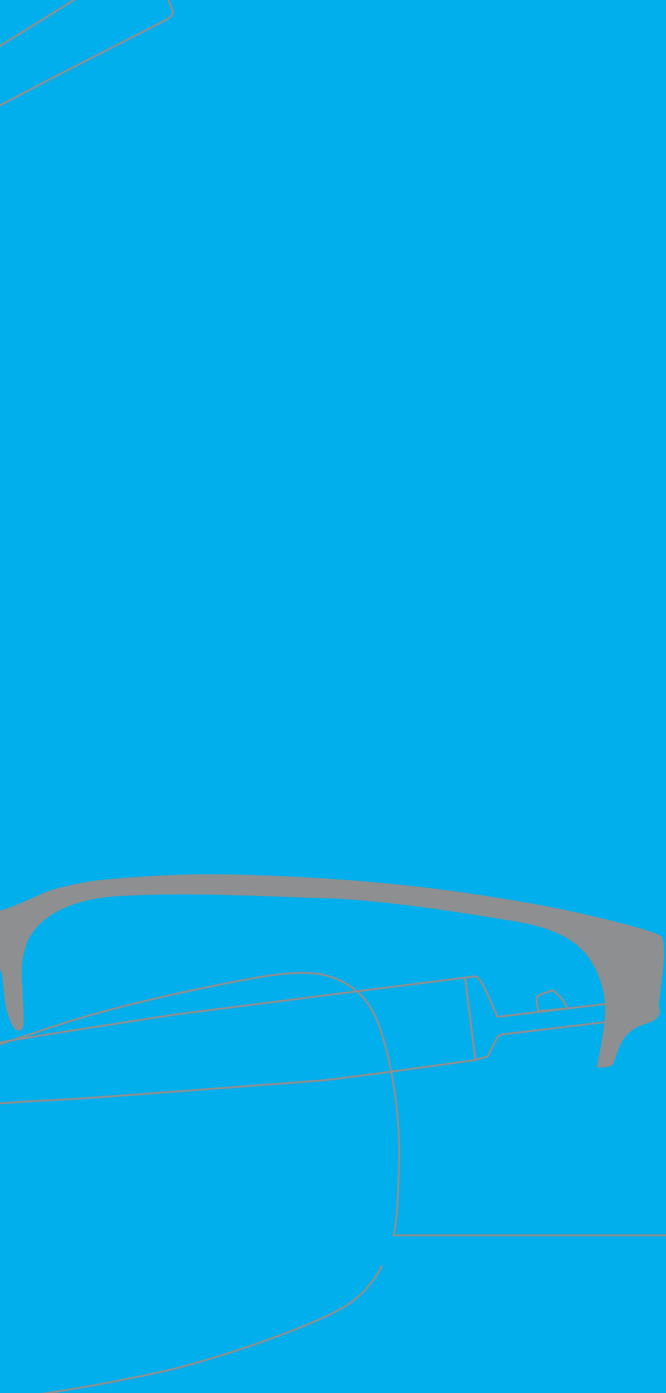


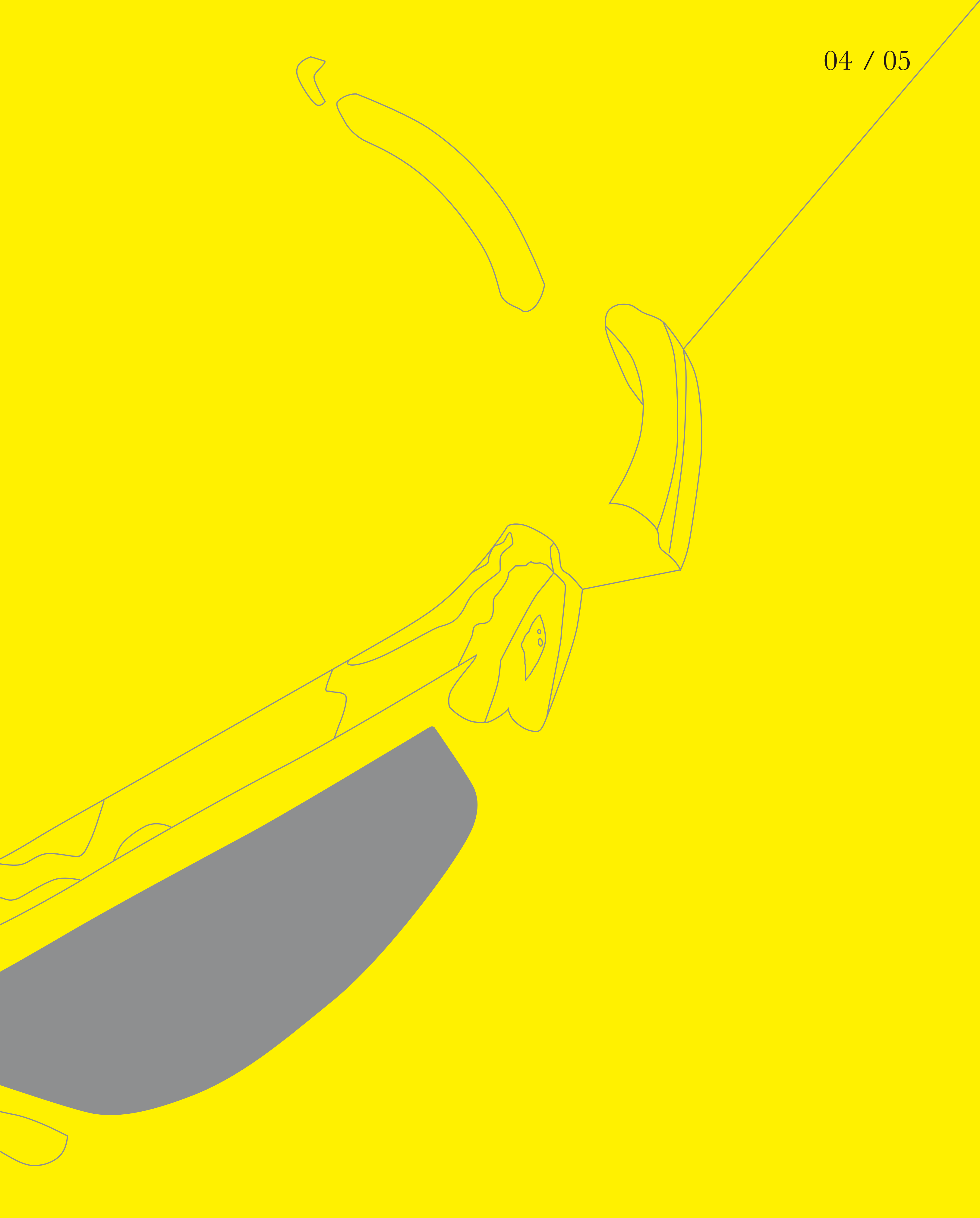
Proven expertise in the eyewear industry

Sun Hing is one of the world's leading ODM eyewear manufacturers and branded eyewear distributors. We are dedicated to create innovative eyewear products at the highest quality that deliver our customers the greatest satisfaction. The passion to pursue perfection as well as our non-compromising professionalism are the common values shared by our teams, which comprise talents from different disciplines. Our employees are well equipped with specialty knowledge and conscious to the market trends. We are committed to serve customers all over the world.



Corporate Profile

Sun Hing's ODM customers include the premium international brand names, which are principally the top notch labels in the fashion world. Meanwhile, we maintain a strong brand portfolio for our eyewear distribution business, which is well tailored for different market needs. Our diverse brand portfolio includes Celine Dion, Jill Stuart, Levi's®, New Balance, S.T. Dupont, Specialeyes, Mark Fairwhale, as well as our house brand, Public.



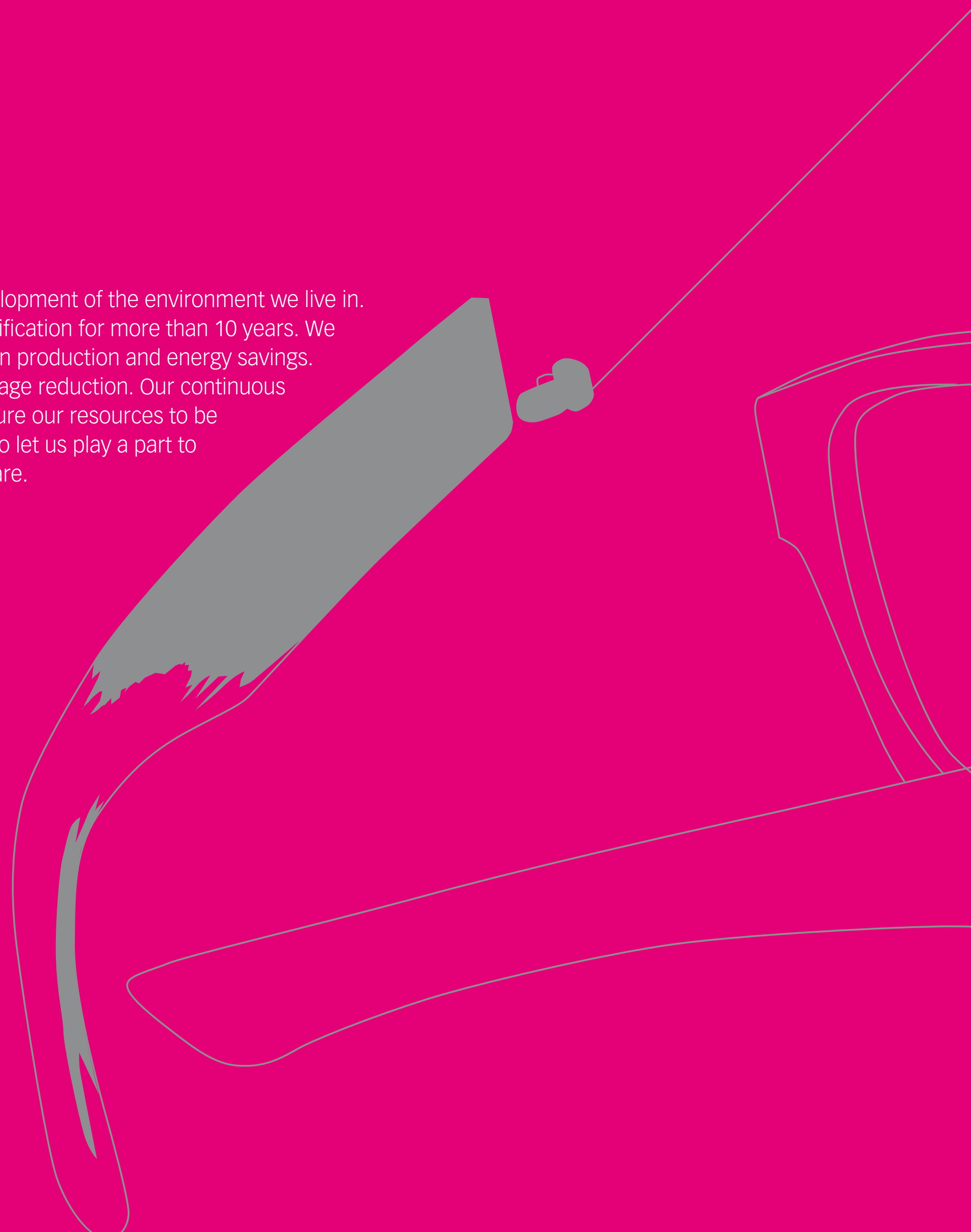
Understanding customers' needs

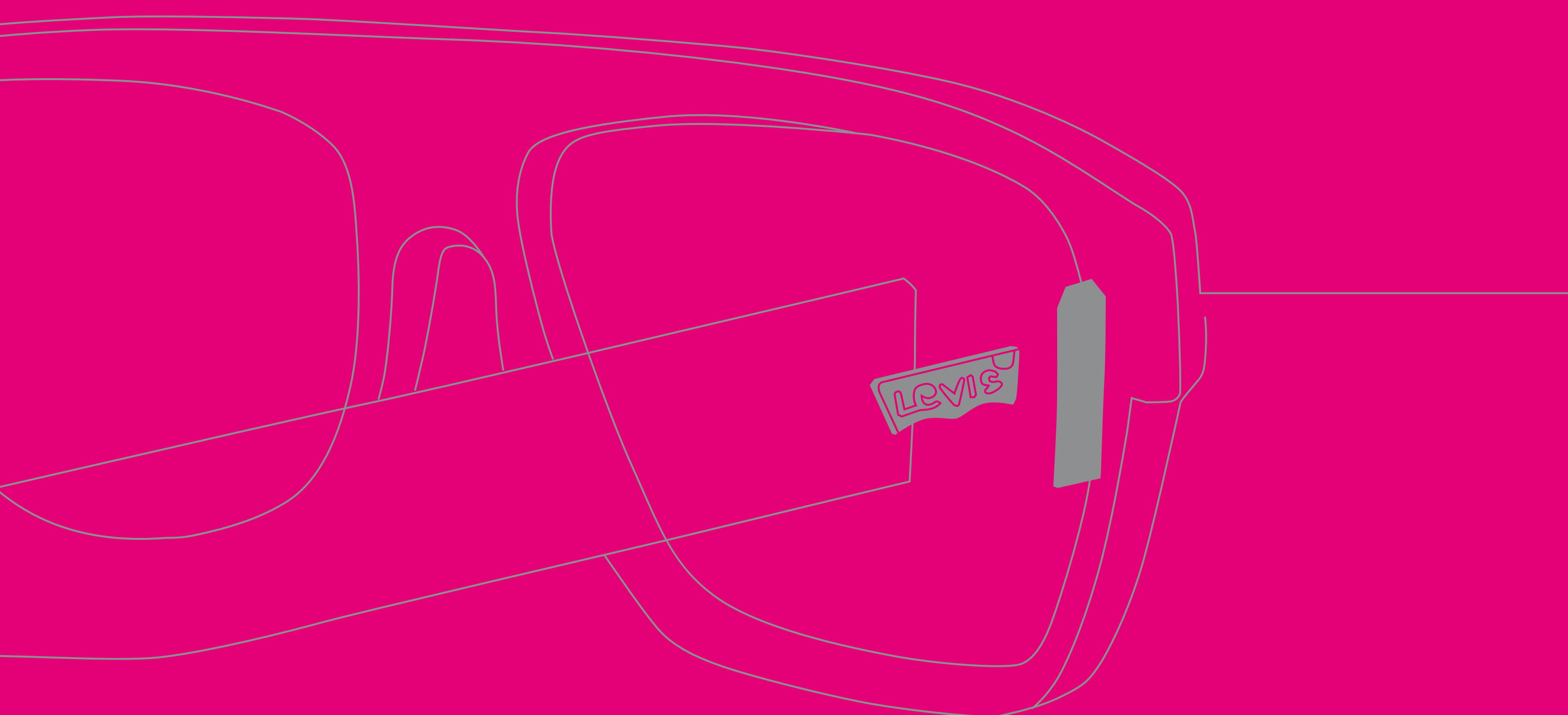
Our commitment to quality allows us to earn trust from our loyal customers. Sun Hing has technical competency in the production of top quality eyewear products. At the same time, we place the same emphasis on customer services. We care about the needs of customers and are committed to deliver all-rounded solutions that help our customers to create value. Sun Hing puts customers first. We are confident to meet and exceed the expectation from each of our customers.

Ideas everywhere

Innovation is part of our corporate culture. Sun Hing encourages each of our members, from designers to top executives, to think outside of the box. Not only does our promising design team make creative products, but we also extend our innovation to manage every aspect of operation with an aim to enhance efficiency. We believe that there is a strong tie between innovation, quality and efficiency. Innovation is perceived by us to be a key for continuous improvement and development.

Sun Hing cares about the sustainable development of the environment we live in. We have been credited with ISO14001 certification for more than 10 years. We also carry out programs to implement clean production and energy savings. Sun Hing promotes the philosophy of wastage reduction. Our continuous effort to minimize waste does not just ensure our resources to be spent in the most efficient manner, but also let us play a part to build a better living environment we all share.





Commitment to the environment

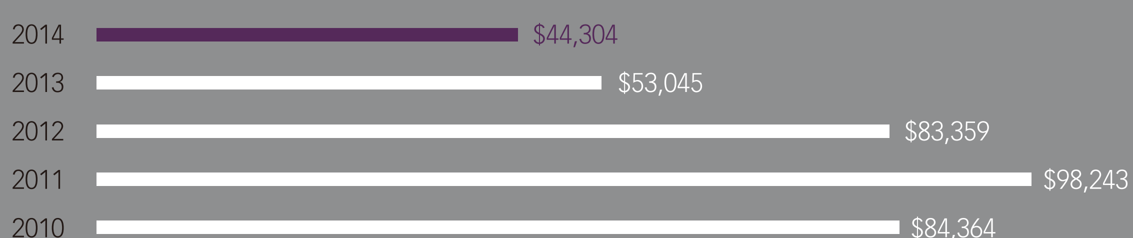
Financial highlights

Revenue

(HK$'000) for year ended 31 March

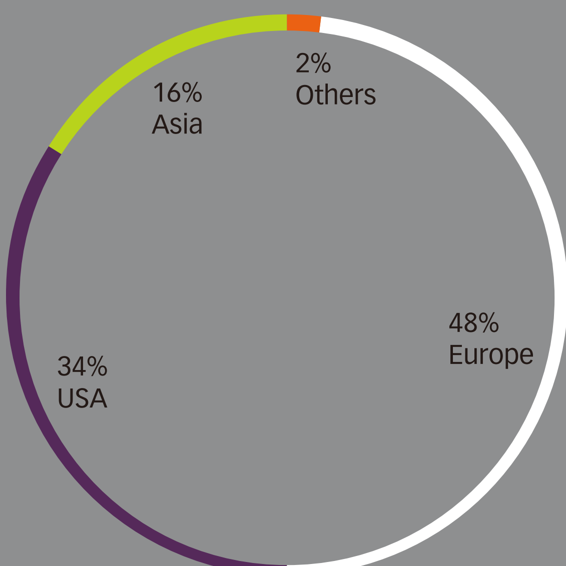
Profit for the Year Attributable to Owners of the Company

(HK$'000) for year ended 31 March



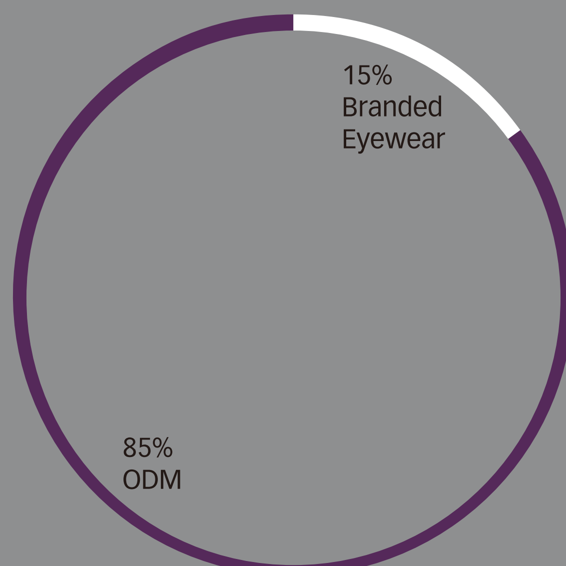
Revenue by Geographical Area

for year ended 31 March 2014



Revenue by Business Division

for year ended 31 March 2014



Letter to Shareholders

We are pleased to announce the results of Sun Hing Vision Group Holdings Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 March 2014.

RESULTS

Despite the modest improvement of business environment in the first half of the current fiscal year, market demand adversely changed and weakened during the last six months of the year under review. Given such an economic backdrop, the Group was still able to maintain a relatively stable turnover. For the year ended 31 March 2014, the Group consolidated turnover slightly increased by 1.05% to HK$1,177 million (2013: HK$1,165 million). However, net profit of the Group decreased by 16.48% to HK$44 million (2013: HK$53 million). Accordingly, basic earnings per share decreased by 15% to HK17 cents (2013: HK20 cents).

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 HK5.0 cents per share for the year ended 31 March 2014, to the shareholders whose names appear in the register of members of the Company at the close of business on 3 September 2014. This final and final special dividend, together with the interim and interim special dividend of HK5.5 cents per share already paid, will make a total distribution of HK20.5 cents per share for the full year. The final dividend and final special dividend are expected to be paid on or about 18 September 2014.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 19 August 2014 to 22 August 2014 (both days inclusive) and from 29 August 2014 to 3 September 2014 (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, 18/F, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong ("Hong Kong Share Registrar") not later than 4:00 p.m. on 18 August 2014. 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 28 August 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The market demand fluctuated during the year under review. The Group's customers adopted a relatively proactive approach in procurement in the first and second quarter of 2013/14 fiscal year, but they slowed down their pace of order placement afterwards. This change unfavorably affected the performance of the Group and dragged down the overall result for the full year. For the year ended 31 March 2014, the Group's consolidated turnover was maintained at HK$1,177 million (2013: HK$1,165 million), which represented a slight increase of 1.05% as compared to that of last year. Meanwhile, operating costs in China continued to rise. In May 2013, the minimum wages in Dongguan and Heyuan city of Guangdong province, where the Group's major production facilities are located, increased by about 19%. This, together with the shortage of labor supply in the Pearl River Delta area, significantly increased the labor costs for the Group. In response to the rising operating costs, the Group introduced specialty projects to streamline operation, automate production processes, improve mould tools, enhance workforce efficiency and control material costs, but the above measures could not completely eliminate such great degree of cost increase. In addition, while Renminbi continued to appreciate and increased the Group's operating costs during most of the time in 2013/14 fiscal year, the depreciation of Renminbi near the end of the fiscal year resulted in a decrease in fair value of derivative financial instruments hedging the Renminbi exposure of the Group. The above factors adversely affected the Group's profitability. As a result, the Group's gross profit margin and net profit margin decreased from 18.29% and 4.55% to 17.77% and 3.76% respectively.

The ODM Business

For the year ended 31 March 2014, the ODM turnover of the Group slightly dropped by 0.89% to HK$1,004 million (2013: HK$1,013 million), which represented about 85.30% of the Group's consolidated turnover. In terms of geographical allocation, Europe and United States continued to be the two largest markets of the Group's ODM business and accounted for 55.60% and 39.44% of the Group's ODM turnover respectively. The economy of the United States continued to be clouded by uncertainty and the market sentiment remained weak. Against such an unfavorable background, the Group's ODM turnover to the United States decreased by 5.71% to HK$396 million (2013: HK$420 million). The market demand from Europe for eyewear products was relatively stable during the year under review. The Group's ODM turnover to Europe was maintained at about HK$558 million (2013: HK$559 million). In terms of product mix, sales of plastic frames, metal frames and others accounted for 57%, 42% and 1% (2013: 52%, 47% and 1%) of the Group's ODM turnover respectively.

The Branded Eyewear Distribution Business

For the year ended 31 March 2014, the Group's turnover contributed by the branded eyewear distribution business increased by 13.82% to HK$173 million (2013: HK$152 million), which represented about 14.70% of the Group's consolidated turnover. During the year under review, the market demand from Japan and certain East Asian countries remained relatively weak. However, as a result of the strengthened and restructured distribution network in China, the Group was still able to achieve a relatively satisfactory growth in its distribution business. Asia continued to be the largest market of the Group's distribution business. Driven by the growing business in China, turnover from the Asian market increased by 15.63% to HK$148 million (2013: HK$128 million).

LIQUIDITY AND CAPITAL RESOURCES

The Group continued to maintain a strong liquidity and financial position. It held a cash, bank balance and pledged bank deposits of HK$336 million as at 31 March 2014 and did not have any bank borrowings throughout the year. Net cash inflow from operations amounted to HK$85 million during the reporting fiscal year. 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 productivity.

Given the Group's strong cash position, the Directors have again resolved to declare a final special dividend of HK5.0 cents per share on the top of the final dividend of HK10.0 cents per share for the year ended 31 March 2014. 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 2014, the net current assets and current ratio of the Group were approximately HK$628 million and 3.9:1 respectively. The total shareholders' equity of the Group increased to HK$943 million as at 31 March 2014 from HK$941 million as at 31 March 2013 after the payment of dividends during the year. The Group prudently controlled its receivable collection status and inventory. Accordingly, debtor turnover period and inventory turnover period were managed at 97 days and 66 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.

FOREIGN EXCHANGE EXPOSURE

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. Other than the potential exposure to the fluctuation of Renminbi, the Group's exposure to currency fluctuation was relatively limited. The Group closely monitors the foreign exchange exposure and uses foreign exchange forward contracts and/or other appropriate tools to control the exposure in connection with Renminbi.

HUMAN RESOURCES

The Group had a workforce of over 7,500 people as at 31 March 2014. The Group remunerates its employees based on their performance, years of service, work experience and the prevailing market situation. Bonuses and other incentive payments are granted on a discretionary basis based on individual performance, years of service and overall operating results of the Group. Other employee benefits include medical insurance scheme, mandatory provident fund scheme or other retirement benefit scheme, subsidised or free training programs and participation in the Company's share option scheme.

CHARGES ON GROUP'S ASSETS AND CONTINGENT LIABILITIES

As at 31 March 2014, the Group did not have any significant contingent liabilities. Details of the charges on the Group's assets are set out in Note 20 to the consolidated financial statements.

CAPITAL COMMITMENT

Details of the Group's capital commitment are set out in Note 26 to the consolidated financial statements.

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.

PROSPECTS

The Directors expect that the business environment will continue to be challenging in the years to come. The Group's turnover and profitability are expected to be affected by the rising labor costs in China and the persistently volatile market demand. Certain measures are introduced with an aim to improve the Group's overall profitability and efficiency.

In order to cope with the rising labor costs, the Group will further optimize the structure of its workforce and introduce tailor-made incentive schemes to boost employees' productivity. Besides, the Group will continue to invest in carefully selected fixed assets so that its manufacturing processes can be further automated and standardized. The Group has carried out specialty projects, which are led by cross-functional teams, to periodically review on aspects including streamline of manufacturing processes and improvement of mould tools. The Group will also closely monitor the efficiency of material purchase and consumption, and is actively exploring new channels of material sourcing. The above measures are expected to achieve additional cost savings to offset part of the negative impact caused by the increasing labor costs. Furthermore, the Group has adjusted its production capacity according to the latest market changes. Products with unreasonably low profit margin will be phased out. Appropriate price adjustment on products will be introduced so as to maintain the product pricing on a level which is sustainable under the inflating operating cost environment.

For branded eyewear distribution business, the Group will continue to widen its product variety and explore new distribution channels. Marketing strategies will be formulated by considering the uniqueness of each regional market. The Directors believe that China will remain to be a market full of potential. In the coming years, the Group will further strengthen its existing distribution networks in China to increase market penetration for its branded eyewear products. Meanwhile, the Group's brand portfolio will be further optimized. New brands with unique character will be introduced and non-performing brands will be phased out.

It is expected that the eyewear manufacturing and distribution industry is consolidating, with benefits belonging to those players who have responsive supply chain, proven execution compatibilities and well implemented strategies. The Directors believe that the Group is well-equipped with the above attributes to take advantage of the situation in this changing market. Looking ahead, the business environment will be full of both challenges and opportunities. Levering on the Group's solid fundamentals and innovative design capability, efficient operation and sound management, the Directors are confident to overcome the challenges, create long-term value for our shareholders and deliver the objective of achieving sustainable growth in long run.

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.

Ku Ngai Yung, Otis
Chairman

Ku Ka Yung
Deputy Chairman

Hong Kong, 27 June 2014

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Ku Ngai Yung, Otis, aged 47, is the chairman and managing Director of the Group. He is also a director of certain group members. Mr. Ku holds a bachelor of arts degree majoring in administrative and commercial studies from the University of Western Ontario, Canada. He joined the Group in June 1988. He is responsible for the Group's overall corporate policy making, strategic planning and business development. He is the brother of Mr. Ku Ka Yung.

Mr. Ku Ka Yung, aged 41, is the deputy chairman and chief financial officer of the Group. He is also a director of certain group members. Mr. Ku is responsible for the Group's accounting and financial management. He holds a bachelor of commerce degree from the University of Toronto, Canada and a master of business administration degree from McGill University, Montreal, Canada. He is a certified public accountant in the US. He joined the Group in August 1996. He is the brother of Mr. Ku Ngai Yung, Otis.

Mr. Tsang Wing Leung, Jimson, aged 46, is the executive Director responsible for the Group's product development and purchasing activities. He also holds position of other Group member. He joined the Group in February 1989.

Mr. Chan Chi Sun, aged 48, is the executive Director responsible for the general administration of the Group. He also holds directorships and other positions of other Group members. Mr. Chan holds a bachelor degree from the University of Western Ontario, Canada. He joined the Group in June 1994. He is responsible for the overall administration of the Group and has extensive experience in information technology.

Ms. Ma Sau Ching, aged 52, is the executive Director responsible for the marketing development of the Group. She also holds position of other Group member. Ms. Ma holds a master of business administration degree in strategic marketing from the University of Hull, United Kingdom, and a diploma in management studies from the Hong Kong Polytechnic University. She joined the Group in December 1997.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lo Wa Kei, Roy, aged 43, has been an independent non-executive Director of the Group since 1 May 1999. He is a fellow member of Hong Kong Institute of Certified Public Accountants and CPA Australia. He is also an associate of the Institute of Chartered Accountants in England and Wales. Mr. Lo has over twenty one years of experience in auditing, accounting, risk management and finance. He is the managing partner of SHINEWING (HK) CPA Limited. He is also currently an independent non-executive director of China Zhongwang Holdings Limited, North Mining Shares Company Limited and Sheen Tai Holdings Group Company Limited. These three companies are listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange").

Mr. Lee Kwong Yiu, aged 51, has over nineteen years of experience in Hong Kong law as a qualified solicitor. He is now the principal of Philip K. Y. Lee & Co. Solicitors. He is also the Associate Member of the Chartered Institute of Arbitrators and is a China-Appointed Attesting Officer since 20 April 2006. Mr. Lee has been appointed as an independent non-executive Director since 1 May 2001. He is also currently an independent non-executive director of ABC Communications (Holdings) Limited and was an independent non-executive director of Vital Group Holdings Limited (now known as CGN Mining Company Limited) until 18 August 2011. Both companies are listed on the Stock Exchange.

Mr. Wong Che Man, Eddy, aged 54, has over twenty two years of experience in the auditing and accounting profession. He is the sole proprietor of Eddy Wong & Co., Certified Public Accountants, and is also a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. Wong was appointed as an independent non-executive Director on 21 September 2004. He is currently an independent non-executive director of China All Access (Holdings) Limited, which is a company listed on the Stock Exchange.

CORPORATE GOVERNANCE REPORT

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 (the "CG Code") and the Corporate Governance Report contained in Appendix 14 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 2014, the Company has complied with all applicable code provisions in the CG Code which were effective during the period between 1 April 2013 to 31 March 2014, except for the deviation from Code A.2.1 of the CG Code as described below in the "Chairman and Chief Executive Officer" section.

DIRECTORS' SECURITIES TRANSACTIONS

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 (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 enquiry of 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 2014.

BOARD OF DIRECTORS

The Board currently comprises of five executive Directors, namely Mr. Ku Ngai Yung, Otis (Chairman), Mr. Ku Ka Yung (Deputy Chairman), Mr. Tsang Wing Leung, Jimson, Mr. Chan Chi Sun and Ms. Ma Sau Ching and three independent non-executive Directors (representing at least one-third of the Board), namely Mr. Lo Wa Kei, Roy, Mr. Lee Kwong Yiu and Mr. Wong Che Man, Eddy. Two of the independent non-executive Directors possess appropriate professional accounting qualifications and financial management expertise. All of the independent non-executive Directors have signed their respective confirmation letters to the Company confirming their independence as set out in rule 3.13 of the Listing Rules. Biographical details of the Directors are set out in the section of Directors and Senior Management on page 17. The Board possesses a balanced mix of skills and expertise which supports the continuing development of the Company.

The Board conducted four Board meetings, all of such meetings were regular Board meetings in compliance with Code A.1.1 of the CG Code, during the year ended 31 March 2014. The attendance of each Director is set out as follows:

Directors	Attendance Record
Mr. Ku Ngai Yung, Otis *(Chairman)*	4/4
Mr. Ku Ka Yung *(Deputy Chairman)*	4/4
Mr. Tsang Wing Leung, Jimson	4/4
Mr. Chan Chi Sun	4/4
Ms. Ma Sau Ching	4/4
Mr. Lo Wa Kei, Roy	4/4
Mr. Lee Kwong Yiu	4/4
Mr. Wong Che Man, Eddy	4/4

The Board is charged with responsibility of setting corporate policy and overall strategy for the Group and providing effective oversight of the management of the Group's business affairs. The Board also monitors the financial performance and the internal controls of the Group's business operation and reviews the Company's compliance with applicable laws and regulations. The implementation of strategy, management of daily operations and administration of the Group's affairs are delegated to the management team.

The Board is also responsible for performing the corporate governance function of the Company in accordance with written terms of reference that are consistent with the duties as set out in Code D.3.1 of the CG Code. During the year ended 31 March 2014, the Board has performed the duties and reviewed the corporate governance report and monitored the Company's compliance with the CG Code. The Board has also reviewed the Company's policies and practice on corporate governance.

Mr. Ku Ngai Yung, Otis is the brother of Mr. Ku Ka Yung.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code A.2.1 of the CG Code provides, inter alia, that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

The Company does not officially have a position of Chief Executive Officer. However, Mr. Ku Ngai Yung, Otis has been assuming the roles of both the Chairman and Chief Executive Officer of the Company. In this regard, the Company has deviated from Code A.2.1 of the CG Code. 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. Nonetheless, 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.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

According to Bye-law 87(1) of the bye-laws of the Company (the "Bye-laws"), at each annual general meeting of the Company, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation no later than the third annual general meeting after he was last elected or re-elected. Also, according to Bye-law 90 of the Bye-laws, a Director appointed to an office as managing director, joint managing director or deputy managing director shall also be subject to rotation, resignation and removal as the other directors of the Company.

Mr. Wong Che Man, Eddy, an independent non-executive Director, was re-elected as Director at the 2012 annual general meeting for a term of no more than three years and subject to retirement by rotation in accordance with the Bye-laws.

Mr. Ku Ka Yung, an executive Director, and Mr. Lo Wa Kei, Roy and Mr. Lee Kwong Yiu, both independent non-executive Directors were re-elected as Directors at the 2013 annual general meeting for a term of no more than three years and subject to retirement by rotation in accordance with the Bye-laws.

Mr. Tsang Wing Leung, Jimson, Mr. Chan Chi Sun and Ms. Ma Sau Ching, all executive Directors, will retire at the forthcoming 2014 annual general meeting and will offer themselves for re-election. Their proposed term of office shall not be more than three years and is subject to retirement by rotation in accordance with the Bye-laws.

CONTINUING PROFESSIONAL DEVELOPMENT OF DIRECTORS

Under Code A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. The Company should be responsible for arranging and funding, placing an appropriate emphasis on the roles, functions and duties of the Directors. During the year ended 31 March 2014, all Directors, other than Mr. Lo Wa Kei, Roy, attended a seminar on disclosure of inside information and board diversity organized by the Company and conducted by the Company's legal advisor, Messrs. King & Wood Mallesons. All Directors were also provided by the Company with materials designed for refreshing knowledge on Listing Rules and other relevant laws and regulations. According to the records maintained by the Company, Mr. Lo Wa Kei, Roy, Mr. Lee Kwong Yiu and Mr. Wong Che Man, Eddy participated in courses, seminars and other continuous professional development programs required for their professional practices. Details of the professional qualifications of each Director are set out in the section of Directors and Senior Management on page 17.

COMPANY SECRETARY

Mr. Lee Kar Lun, Clarence was appointed as the company secretary of the Company on 26 October 2012. He is a full time employee of the Group and possesses the professional qualifications as required under rule 3.28 of the Listing Rules. Mr. Lee Kar Lun, Clarence confirmed that he has undertaken not less than 15 hours of relevant professional training during the year ended 31 March 2014 in accordance with rule 3.29 of the Listing Rules.

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.

The Remuneration Committee held two meetings during the year ended 31 March 2014. The attendance of each remuneration committee member is set out as follows:

Remuneration Committee Members	Attendance Record
Mr. Lee Kwong Yiu *(Chairman)*	2/2
Mr. Lo Wa Kei, Roy	2/2
Mr. Wong Che Man, Eddy	2/2

During the year ended 31 March 2014, the Remuneration Committee has reviewed and made recommendations to the Board on the remuneration packages of individual Directors and senior management and the overall remuneration policy of the Group and assessed performance of the Directors.

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.

During the year ended 31 March 2014, the Audit Committee held two meetings. Attendance of each audit committee member is set out as follows:

Audit Committee Members	Attendance Record
Mr. Lo Wa Kei, Roy *(Chairman)*	2/2
Mr. Lee Kwong Yiu	2/2
Mr. Wong Che Man, Eddy	2/2

During the year ended 31 March 2014, the Audit Committee has performed the above duties, including making recommendations to the Board regarding internal control matters, and reviewing the interim and annual reports of the Group. The Group's consolidated financial statements for the year ended 31 March 2014 have been reviewed by the Audit Committee and audited by the Company's external auditor, Messrs. Deloitte Touche Tohmatsu.

AUDITOR'S REMUNERATION

During the year under review, the remuneration paid or payable to the Company's auditor, Messrs. Deloitte Touche Tohmatsu is set out as follows:

Type of Services	Fees paid/payable
Audit services	HK$1,090,000
Non-audit services	
Interim results review	HK$200,000
Tax compliance and advisory services	HK$138,000
Internal control review	HK$65,000

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.

During the year ended 31 March 2014, the Nomination Committee held one meeting. Attendance of each nomination committee member is set out as follows:

Nomination Committee Members	Attendance Record
Mr. Wong Che Man, Eddy *(Chairman)*	1/1
Mr. Lo Wa Kei, Roy	1/1
Mr. Lee Kwong Yiu	1/1

During the year ended 31 March 2014, the Nomination Committee has monitored and reviewed the nomination procedures and process for the nomination of Directors, reviewed the composition of the Board and made recommendation to the Board on matters related to election and retirement of the Directors. With the existing Board members coming from a variety of business and professional background, the Nomination Committee considers that the Board possesses a balance of skills, experience and diversity appropriate to the requirements of the Company's business.

ACCOUNTABILITY AND INTERNAL CONTROL

The Directors acknowledge their responsibility to prepare financial statements for the financial year ended 31 March 2014 which give a true and fair view of the state of affairs of the Company and the Group and the results and cash flows of the Group. In preparing the financial statements for the year ended 31 March 2014, the Directors have adopted suitable accounting policies which are pertinent to the Group's operation and relevant to the financial statements, have made judgements and estimates that are prudent and reasonable, and have prepared the financial statements on a going concern basis.

The Directors' responsibilities for the preparation of the financial statements, and the responsibilities of the auditor to the shareholders, are set out in the auditor's report on page 31.

It is the responsibility of the Board to ensure that the Group maintains sound and effective internal controls to safeguard the shareholders' investment and the Group's assets.

The Group's internal control system includes a well-defined management structure with limits of authority, comprehensive policies and standards. It is designed to help the achievement of business objectives, safeguard assets against unauthorized use or disposition, ensure the maintenance of proper accounting records, and ensure compliance with relevant legislation and regulations.

During the year ended 31 March 2014, the Board has assessed the effectiveness of the Group's internal control system through (i) conducting regular management meetings to discuss and handle internal control issues; (ii) reviewing the findings made by the auditor in respect of issues encountered during the processes of annual audit and interim review; and (iii) engaging a specialized division of Messrs. Deloitte Touche Tohmatsu to assess the internal controls in respect of certain key business operations of the Group. Based on the results of the assessment, the Board is satisfied with the effectiveness of the internal control system of the Group. Appropriate actions are being taken to address the areas for improvement identified.

GENERAL MEETING

During the year ended 31 March 2014, there was one general meeting (the annual general meeting). The attendance of each Director is set out as follows:

Directors	**Attendance Record**
Mr. Ku Ngai Yung, Otis *(Chairman)*	1/1
Mr. Ku Ka Yung *(Deputy Chairman)*	1/1
Mr. Tsang Wing Leung, Jimson	1/1
Mr. Chan Chi Sun	1/1
Ms. Ma Sau Ching	1/1
Mr. Lo Wa Kei, Roy	1/1
Mr. Lee Kwong Yiu	1/1
Mr. Wong Che Man, Eddy	1/1

COMMUNICATION WITH SHAREHOLDERS

A shareholders communication policy was established in February 2012 (the "Shareholders Communication Policy"). In line with the Shareholders Communication Policy, information will be communicated to shareholders and the investment community mainly through the Company's financial reports (interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the published disclosure submitted to The Stock Exchange of Hong Kong Limited ("Stock Exchange") and its other corporate communications. Shareholders and the investment community may at any time obtain the latest published financial reports of the Company through the websites of the Company and the Stock Exchange. The Board will maintain an on-going dialogue with the shareholders and the investment community, and will regularly review the Shareholders Communication Policy to ensure its effectiveness.

SHAREHOLDERS' RIGHTS

Procedures by which shareholders can convene a special general meeting

Shareholders of the Company are required to observe and fully comply with all applicable regulations and laws of Bermuda and the By-laws in convening a special general meeting. Pursuant to the Bye-laws, shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionists themselves may do so in accordance with the relevant provisions set out in the Companies Act 1981 of Bermuda (the "Act").

Procedures by which enquiries may be put to the Board

Shareholders may send their direct enquiries to the Board in writing by mail through the company secretary of the Company to the Company's registered office in Bermuda at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda ("Registered Office") and the Company's principal place of business in Hong Kong at 1001C, 10th Floor, Sunbeam Centre, 27 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong ("Hong Kong Principal Office").

Procedures for putting forward proposals at general meetings

Shareholders of the Company are required to observe and fully comply with all applicable regulations and laws of Bermuda and the Bye-laws in putting forward proposals at general meetings. In addition, shareholders of the Company are also required to comply with the following requirements unless they are contradicting to the laws and regulations of Bermuda. In case of contradiction, the regulations and laws of Bermuda shall prevail.

To put forward a proposal at a shareholders' meeting, shareholders are requested to submit a written request stating the resolution intended to be moved at the general meeting; or a statement with respect to the matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting. The written request/statements must be signed by the shareholder(s) concerned and deposited at the Company's Registered Office and its Hong Kong Principal Office, for the attention of the company secretary of the Company. Proposals put forward at shareholders' meeting will be voted by poll pursuant to the Listing Rules and the results will be posted on the websites of the Stock Exchange and the Company after the relevant general meeting.

Investor Relations

There has been no significant change in the Company's constitutional documents during the year ended 31 March 2014.

DIRECTORS' REPORT

The Directors of Sun Hing Vision Group Holdings Limited (the "Company") present their annual report and the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 30 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2014 are set out in the consolidated statement of profit or loss and other comprehensive income on page 32.

An interim dividend of HK4.5 cents per share of the Company amounting to approximately HK$11,825,000 and an interim special dividend of HK1.0 cent per share amounting to approximately HK$2,628,000 were paid to the shareholders of the Company during the year. The Directors now recommend a final dividend of HK10.0 cents per share amounting to approximately HK$26,278,000 and a final special dividend of HK5.0 cents per share amounting to approximately HK$13,139,000 to the shareholders of the Company whose names appear on the register of members at the close of business on 3 September 2014.

PROPERTY, PLANT AND EQUIPMENT

Certain of the Group's leasehold land and buildings were revalued at 31 March 2014. The revaluation resulted in a total surplus over their carrying amounts of approximately HK$1,540,000, which has been credited to the property revaluation reserve in the equity.

During the year, the Group acquired property, plant and equipment of an aggregate amount of approximately HK$61,090,000 to maintain the existing plants and upgrade production facilities. Details of these and other movements in property, plant and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales attributable to the Group's five largest customers comprised approximately 71% of the Group's total sales and the sales attributable to the Group's largest customer were approximately 23% of the Group's total sales.

The aggregate purchases attributable to the Group's five largest suppliers during the year were less than 30% of the Group's total purchases.

At no time during the year did a Director, an associate of a director or a shareholder of the Company (which to the knowledge of the Directors, owns more than 5% of the Company's issued share capital) has an interest in any of the Group's five largest suppliers or customers.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 22 to the consolidated financial statements.

DISTRIBUTABLE RESERVE OF THE COMPANY

As at 31 March 2014, the Company's reserves available for distribution comprising retained profits of HK$173,957,000 (2013: HK$147,154,000).

DIRECTORS

The Directors during the year and up to the date of this report were:

Executive Directors:
Ku Ngai Yung, Otis *(Chairman)*
Ku Ka Yung *(Deputy Chairman)*
Tsang Wing Leung, Jimson
Chan Chi Sun
Ma Sau Ching

Independent non-executive Directors:
Lo Wa Kei, Roy
Lee Kwong Yiu
Wong Che Man, Eddy

In accordance with Bye-Laws 87(1) and 90 of the Company's bye-laws, Mr. Tsang Wing Leung, Jimson, Mr. Chan Chi Sun and Ms. Ma Sau Ching will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election. All other remaining Directors continue in office.

The term of office of each executive and independent non-executive Director is not more than three years and subject to retirement by rotation in accordance with the Company's bye-laws.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company. Each of Mr. Ku Ngai Yung, Otis, Mr. Ku Ka Yung, Mr. Tsang Wing Leung, Jimson has entered into a service agreement with the Company for an initial term of two years commencing on 1 May 1999 and continuing thereafter until terminated by not less than three months' prior written notice served by either party.

Each of Mr. Chan Chi Sun and Ms. Ma Sau Ching has entered into a service agreement with the Company for an initial term of two years commencing on 14 December 2001 and continuing thereafter until terminated by not less than three months' prior written notice served by either party.

Each of the independent non-executive Directors, namely Mr. Lo Wa Kei, Roy, Mr. Lee Kwong Yiu and Mr. Wong Che Man, Eddy, has entered into a service agreement with the Company for an initial term of three years. The term of Mr. Lo Wa Kei, Roy commenced from 20 September 2004 and continuing thereafter until terminated by not less than three months' prior written notice served by either party. The term of Mr. Lee Kwong Yiu commenced from 4 September 2003 for a term of three years and continuing thereafter until terminated by not less than three months' prior written notice served by either party. The term of Mr. Wong Che Man, Eddy commenced from 21 September 2004 for a term of three years and continuing thereafter until terminated by not less than three months' prior written notice served by either party.

None of the Directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2014, the interests and short positions of the Directors and chief executives of the Company, and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

1. Shares in the Company (Long Positions)

	Number of ordinary shares held			Percentage of issued share capital of the Company
Name of Directors	Personal interest	Other interest	Total	
Ku Ngai Yung, Otis	3,737,223	137,359,382 *(Note)*	141,096,605	53.69%
Ku Ka Yung	3,737,223	137,359,382 *(Note)*	141,096,605	53.69%
Tsang Wing Leung, Jimson	1,570,000	–	1,570,000	0.60%
Chan Chi Sun	1,526,000	–	1,526,000	0.58%
Ma Sau Ching	350,000	–	350,000	0.13%

Note: 137,359,382 ordinary shares of the Company were held by United Vision International Limited, which is ultimately and wholly-owned by The Vision Trust, a discretionary trust settled by Mr. Ku Ngai Yung, Otis and Mr. Ku Ka Yung, the discretionary objects of which include Mr. Ku Ngai Yung, Otis and his spouse, Mr. Ku Ka Yung and his spouse, Ms. Ku Ling Wah, Phyllis (sister of Mr. Ku Ngai Yung, Otis and Mr. Ku Ka Yung) and their respective children who are under the age 18.

2. **Underlying Shares in the Company (Share Options)**
   Details of the share options held by the Directors and chief executives of the Company are shown in the section under the heading "Share Options".

   Save as disclosed above, as at 31 March 2014, none of the Directors, chief executives, nor their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTIONS

Pursuant to a resolution passed on 6 September 2004, the Company's share option scheme adopted on 4 May 1999 (the "Old Share Option Scheme") was terminated and a new share option scheme (the "New Share Option Scheme") was adopted in order to comply with the amendments to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") in relation to share option schemes. Particulars of the New Share Option Scheme are set out in note 23 to the consolidated financial statements.

During the year ended 31 March 2014 and as at the date of this report, there was no share in respect of which share options had been granted and remained outstanding under the Old Share Option Scheme. No further share options can be granted upon termination of the Old Share Option Scheme.

Under the New Share Option Scheme, the maximum number of shares available for issue is 10% of the issued share capital of the Company. No share options have been granted, exercised, cancelled or lapsed under the New Share Option Scheme since its adoption.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the share options disclosed above, at no time during the year was the Company or any of its holding companies, subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company or any of its holding companies, subsidiaries or fellow subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2014, the following parties (other than those disclosed under the headings "Directors' and Chief Executives' Interests in Shares, Underlying Shares and Debentures" and "Share Options" above) were recorded in the register required to be kept by the Company under Section 336 of the SFO as being directly or indirectly interested in 5% or more of the issued share capital of the Company:

Name of substantial shareholders	Number of ordinary shares held	Percentage of the issued share capital of the Company
United Vision International Limited *(Note 1)*	137,359,382	52.27%
Marshvale Investments Limited *(Note 1)*	137,359,382	52.27%
HSBC International Trustee Limited *(Notes 1 & 2)*	138,177,382	52.58%
Ku Ling Wah, Phyllis *(Notes 1, 2 & 3)*	137,359,382	52.27%
FMR LLC *(Note 4)*	24,192,000	9.21%
Webb David Michael *(Notes 5 & 6)*	26,326,000	10.02%
Preferable Situation Assets Limited *(Note 6)*	18,443,000	7.02%

Notes:

1. As at 31 March 2014, United Vision International Limited ("UVI") is wholly-owned by Marshvale Investments Limited ("Marshvale"). By virtue of UVI's interests in the Company, Marshvale is deemed to be interested in 137,359,382 shares of the Company under the SFO. Marshvale is wholly-owned by HSBC International Trustee Limited ("HSBC Trustee"). By virtue of Marshvale's indirect interests in the Company, HSBC Trustee is deemed to be interested in 137,359,382 shares of the Company under the SFO. Mr. Ku Ngai Yung, Otis and Mr. Ku Ka Yung are directors of UVI.

2. HSBC Trustee is the trustee of The Vision Trust, the discretionary trust settled by Mr. Ku Ngai Yung, Otis and Mr. Ku Ka Yung mentioned above. Of the 138,177,382 shares of the Company held by HSBC Trustee, 137,359,382 shares of the Company were held indirectly through UVI as mentioned in note (1) above and 818,000 shares of the Company were held as trustee.

3. Ms. Ku Ling Wah, Phyllis is one of the discretionary objects of The Vision Trust, the discretionary trust settled by Mr. Ku Ngai Yung, Otis and Mr. Ku Ka Yung mentioned above. As at 31 March 2014, The Vision Trust ultimately and wholly owned UVI, which held 137,359,382 shares of the Company.

4. FMR LLC is an investment manager. As at the date of filing the corporate substantial shareholder notice on 22 January 2010, 22,192,000 shares of the Company were indirectly held by Fidelity Management & Research Company, which is wholly owned by FMR LLC. Whereas 2,000,000 shares of the Company were indirectly held by Fidelity Management Trust Company and Pyramis Global Advisors LLC, which are wholly owned by FMR LLC.

5. According to an individual substantial shareholder notice filed by David Michael Webb on 21 February 2014, as at 18 February 2014 (i.e. the date of the relevant event as set out in the individual substantial shareholder notice filed on 21 February 2014), of the 26,326,000 shares of the Company held by David Michael Webb, 6,776,000 shares of the Company were held directly by him, while 19,550,000 shares of the Company were held through corporation controlled by David Michael Webb, of which 18,908,000 shares of the Company were held through his wholly owned company, Preferable Situation Assets Limited. By virtue of the interests in the Company held by corporation controlled by David Michael Webb, David Michael Webb is deemed to be interested in the same 19,550,000 shares of the Company as mentioned above under the SFO. (Please also see note 6 below).

6. According to a corporate substantial shareholder notice filed by Preferable Situation Assets Limited on 18 January 2011, as at 14 January 2011 (i.e. the date of the relevant event as set out in the corporate substantial shareholder notice filed on 18 January 2011), Preferable Situation Assets Limited, which is wholly owned by David Michael Webb, held 18,443,000 shares of the Company. By virtue of Preferable Situation Assets Limited's interest in the Company, David Michael Webb is deemed to be interested in the same 18,443,000 shares of the Company held by Preferable Situation Assets Limited under the SFO.

All the interests stated above represent long position. Save as disclosed above, as at 31 March 2014, no other person had an interest or short position in the shares and underlying shares of the Company which were recorded in the register required to be kept under Section 336 of the SFO or was otherwise a substantial shareholder of the Company.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors are independent.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the remuneration committee of the Company (the "Remuneration Committee"), on the basis of their merit, qualifications and competence.

The emoluments of the Directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and/or comparable market statistics.

The Company has adopted share option schemes as an incentive to Directors and eligible employees, details of the schemes are set out in note 23 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 March 2014.

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.

CORPORATE GOVERNANCE

The corporate governance report is set out on pages 18 to 23.

AUDITOR

A resolution will be submitted to the forthcoming annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as the auditor of the Company.

On behalf of the Board
Ku Ngai Yung, Otis
Chairman

Hong Kong, 27 June 2014

Deloitte.
德勤

TO THE MEMBERS OF SUN HING VISION GROUP HOLDINGS LIMITED
新興光學集團控股有限公司
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Sun Hing Vision Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 32 to 66, which comprise the consolidated statement of financial position as at 31 March 2014, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 March 2014 and of its profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 June 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year ended 31 March 2014

	NOTES	**2014** HK$'000	2013 HK$'000
Revenue	7	**1,176,972**	1,164,777
Cost of sales		**(967,834)**	(951,784)
Gross profit		**209,138**	212,993
Other income, gains and losses	8	**(3,306)**	(4,409)
Selling and distribution costs		**(24,639)**	(22,559)
Administrative expenses		**(133,139)**	(125,397)
Profit before tax		**48,054**	60,628
Income tax expense	9	**(3,750)**	(7,583)
Profit for the year attributable to owners of the Company	10	**44,304**	53,045
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Surplus on revaluation of leasehold land and buildings		**1,540**	10,340
Deferred tax charge arising on revaluation of leasehold land and buildings		**(254)**	(1,706)
		1,286	8,634
Items that may be reclassified subsequently to profit to loss:			
Exchange difference arising on translation of foreign operations		**(444)**	241
Other comprehensive income for the year		**842**	8,875
Total comprehensive income attributable to owners of the Company for the year		**45,146**	61,920
Earnings per share	14		
Basic		**HK17 cents**	HK20 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2014

	NOTES	2014 HK$'000	2013 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**313,179**	302,620
Prepaid lease payments	16	**3,405**	3,496
Deposit paid for acquisition of property, plant and equipment		**1,860**	3,091
Deferred tax assets	24	**339**	–
		318,783	309,207
CURRENT ASSETS			
Inventories	17	**174,899**	183,177
Trade and other receivables	18	**329,625**	320,356
Prepaid lease payments	16	**91**	91
Derivative financial instruments	19	**–**	455
Tax recoverable		**1,384**	2,429
Pledged bank deposits	20	**936**	–
Bank balances and cash	20	**335,331**	351,960
		842,266	858,468
CURRENT LIABILITIES			
Trade and other payables	21	**207,895**	219,793
Derivative financial instruments	19	**5,506**	–
Tax payable		**744**	3,011
		214,145	222,804
NET CURRENT ASSETS		**628,121**	635,664
		946,904	944,871
CAPITAL AND RESERVES			
Share capital	22	**26,278**	26,278
Share premium and reserves		**916,901**	915,114
		943,179	941,392
NON-CURRENT LIABILITY			
Deferred tax liabilities	24	**3,725**	3,479
		946,904	944,871

The consolidated financial statements on pages 32 to 66 were approved and authorised for issue by the Board of Directors on 27 June 2014 and are signed on its behalf by:

Ku Ngai Yung, Otis
DIRECTOR

Ku Ka Yung
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year ended 31 March 2014

	Share capital HK$'000	Share premium HK$'000	Special reserve HK$'000 *(Note)*	Property revaluation reserve HK$'000	Translation reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 April 2012	26,278	78,945	18,644	8,360	–	795,859	928,086
Profit for the year	–	–	–	–	–	53,045	53,045
Surplus on revaluation of leasehold land and buildings	–	–	–	10,340	–	–	10,340
Deferred tax charge arising on revaluation of leasehold land and buildings	–	–	–	(1,706)	–	–	(1,706)
Exchange difference arising on translation of foreign operations	–	–	–	–	241	–	241
Total comprehensive income for the year	–	–	–	8,634	241	53,045	61,920
Dividends recognised as distribution *(note 13)*	–	–	–	–	–	(48,614)	(48,614)
At 31 March 2013	26,278	78,945	18,644	16,994	241	800,290	941,392
Profit for the year	**–**	**–**	**–**	**–**	**–**	**44,304**	**44,304**
Surplus on revaluation of leasehold land and buildings	**–**	**–**	**–**	**1,540**	**–**	**–**	**1,540**
Deferred tax charge arising on revaluation of leasehold land and buildings	**–**	**–**	**–**	**(254)**	**–**	**–**	**(254)**
Exchange difference arising on translation of foreign operations	**–**	**–**	**–**	**–**	**(444)**	**–**	**(444)**
Total comprehensive income (expense) for the year	**–**	**–**	**–**	**1,286**	**(444)**	**44,304**	**45,146**
Dividends recognised as distribution *(note 13)*	**–**	**–**	**–**	**–**	**–**	**(43,359)**	**(43,359)**
At 31 March 2014	**26,278**	**78,945**	**18,644**	**18,280**	**(203)**	**801,235**	**943,179**

Note: Special reserve of the Group represents the difference between the aggregate amount of the nominal value of shares, the share premium and the reserves of subsidiaries acquired and the nominal amount of the shares issued by the Company pursuant to a group reorganisation.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year ended 31 March 2014

	2014 HK$'000	2013 HK$'000
OPERATING ACTIVITIES		
Profit before tax	**48,054**	60,628
Adjustments for:		
Allowance for inventories	**12,936**	10,100
Bank interest income	**(2,996)**	(3,583)
Depreciation of property, plant and equipment	**52,081**	53,426
Fair value changes on derivative financial instruments	**5,961**	(455)
Gain on disposals of property, plant and equipment	**(25)**	(688)
Impairment losses recognised on trade receivables	**213**	3,712
Release of prepaid lease payments	**91**	92
Operating cash flows before movements in working capital	**116,315**	123,232
Increase in inventories	**(4,696)**	(31,284)
Increase in trade and other receivables	**(9,942)**	(29,336)
(Decrease) increase in trade and other payables	**(11,818)**	35,639
Cash generated from operations	**89,859**	98,251
Income tax paid	**(5,319)**	(10,473)
NET CASH FROM OPERATING ACTIVITIES	**84,540**	87,778
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(58,520)**	(57,162)
Deposit paid for acquisition of property, plant and equipment	**(1,339)**	(725)
Placement of pledged bank deposits	**(936)**	–
Interest received	**2,996**	3,583
Proceeds on disposal of property, plant and equipment	**25**	695
NET CASH USED IN INVESTING ACTIVITIES	**(57,774)**	(53,609)
CASH USED IN A FINANCING ACTIVITY		
Dividends paid	**(43,359)**	(48,614)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(16,593)**	(14,445)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**351,960**	366,405
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**(36)**	–
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	**335,331**	351,960

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended 31 March 2014

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability under The Companies Act 1981 of Bermuda (as amended) and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its parent and ultimate holding company is United Vision International Limited, a company incorporated in British Virgin Islands ("BVI"). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 30.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

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

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time in the current year:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009–2011 Cycle
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HK(IFRIC) – Int 20	Stripping costs in the Production Phase of a Surface Mine

Except as described below, the application of the new and revised HKFRSs 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.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

HKFRS 13 Fair Value Measurement (continued)

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2013 comparative period (please see notes 6 and 15 for the 2014 disclosures). Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a "statement of comprehensive income" may be renamed as a "statement of profit or loss and other comprehensive income". Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

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:

Amendments to HKFRS 10, HKFRS 12 and HKFRS 27	Investment Entities[1]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
HKFRS 9	Financial Instruments[3]
HKFRS 14	Regulatory Deferral Accounts[5]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation Hedge Accounting[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle[2]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[6]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[6]
HK(IFRIC) – Int 21	Levies[1]

[1] Effective for annual periods beginning on or after 1 January 2014.
[2] Effective for annual periods beginning on or after 1 July 2014.
[3] Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.
[4] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.
[5] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.
[6] Effective for annual periods beginning on or after 1 January 2016.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

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 2013 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.

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. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange 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 values, as explained in the accounting policies set out below.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts and related taxes.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Property, plant and equipment

Leasehold land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair values at the date of revaluation, less any subsequent accumulated depreciation and any subsequent accumulated impairment losses, if any.

Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on revaluation of leasehold land and buildings is recognised in other comprehensive income and accumulated in property revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is recognised in profit or loss to the extent that it exceeds the balance, if any, on the property revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to retained profits.

Other property, plant and equipment, other than properties under construction, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost or fair value of items of property, plant and equipment, other than properties under construction, less their residual values over their estimated useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Properties in the course of construction for production, supply or administrative purposes (i.e. construction in progress) are carried at cost, less any recognised impairment loss. Costs include professional fees, amortisation of prepaid lease payment provided during the construction period and, for qualifying assets, borrowing costs capitalised in according with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use (i.e. when they are in the location or condition necessary for them to be capable of operating in the manner intended by management).

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

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight line basis over the lease terms, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease terms on a straight line basis.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations with functional currency other than the presentation currency of the Group are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rates of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during the period, in which cases, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Retirement benefit costs

Payments to defined contribution retirement benefit scheme, state-managed retirement benefit scheme and the Mandatory Provident Fund Scheme ("MPF Scheme") are charged as expenses when employees have rendered services entitling them to the contributions.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation increase under that standard.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified as loans and receivables and financial assets at fair value through profit or loss ("FVTPL"). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Financial assets at FVTPL

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising from remeasurement recognised in profit or loss. Fair value is determined in the manner described in note 6c.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, pledged bank deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of loans and receivables below).

Impairment of loans and receivables

Loans and receivables are assessed for indicators of impairment at the end of each reporting period. Loans and receivables are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the loans and receivables, the estimated future cash flows of the loans and receivables have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of loans and receivables, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of trade receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period of 30 to 120 days, observable changes in national or local economic conditions that correlate with default on trade receivables.

An impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the loans and receivables' original effective interest rate.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of loans and receivables (continued)

The carrying amount of the loans and receivables is reduced by the impairment loss directly with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities representing trade and other payables are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Equity-settled share-based payment transactions

Share options granted to employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight line basis over the vesting period, with a corresponding increase in share option reserve.

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

When the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 March 2014, the carrying amount of trade receivables is approximately HK$313,576,000 (2013: HK$303,970,000).

Inventory valuation

Inventories are valued at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Market price of merchandises is generally the selling price of similar items transacted in the market. The Group reviews its inventory levels in order to identify slow-moving and obsolete inventories. When the Group identifies items of inventories which have a market price that is lower than its carrying amount, the Group accounts for the inventory loss in the profit or loss as write down of inventories. Included in cost of sales is an amount of approximately HK$12,936,000 (2013: HK$10,100,000) in respect of a write-down of raw materials, work in progress and finished goods to their estimated net realisable values.

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the Company determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The board of directors of the Company works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Financial Controller reports the findings to the board of directors of the Company regularly to explain the cause of fluctuations in the fair value of the assets and liabilities.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of properties. Notes 6c and 15 provide detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets and liabilities.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern and to achieve optimisation of capital structure. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued share capital, share premium, reserves and retained profits.

The directors of the Company review the capital structure periodically. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of management of the Group, the Group will balance its overall capital structure through the payment of dividends.

6. FINANCIAL INSTRUMENTS

6a. Categories of financial instruments

	2014 HK$'000	2013 HK$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	**655,065**	662,375
FVTPL		
Derivative financial instruments	**–**	455
Financial liabilities		
Amortised cost	**144,657**	153,778
FVTPL		
Derivative financial instruments	**5,506**	–

6b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, derivative financial instruments, pledged bank deposits, bank balances and cash and trade and other payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

Certain group entities have sales and purchases denominated in United States dollars ("USD"), Renminbi ("RMB"), Euro ("EUR") and Japanese Yen ("JPY") other than the functional currency of respective entities, which expose the Group to market risk arising from changes in foreign exchange rates.

The carrying amounts of the Group's foreign, currency denominated monetary assets and monetary liabilities which included trade and other receivables, pledged bank deposits, bank balances and cash and trade and other payables, excluding derivative financial instruments, at the reporting date are as follows:

	Assets		Liabilities	
	2014 HK$'000	2013 HK$'000	2014 HK$'000	2013 HK$'000
USD	**527,291**	565,804	**31,257**	33,503
RMB	**66,512**	71,256	**61,578**	69,426
EUR	**2,386**	1,035	**4,365**	5,276
JPY	**985**	233	**1,390**	2,375

The management of the Group monitors foreign exchange exposure and uses foreign exchange forward contracts and/or other appropriate tools to mitigate foreign currency exposure when necessary.

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) *Currency risk* (continued)

Sensitivity analysis

The Group is mainly exposed to the fluctuation of relevant foreign currency against HK$.

The following table details the Group's sensitivity to a 5% increase and decrease in the relevant foreign currency against the functional currency of the relevant group entities. 5% represents the reasonably possible change in foreign exchange rates if currency risk is to be assessed by key management. The sensitivity analysis includes only outstanding relevant foreign currency denominated monetary items except USD as the directors of the Company consider that the Group's exposure to USD is insignificant on the ground that HK$ is pegged to USD and derivative financial instruments. The sensitivity analysis adjusts their translation or fair value in the case of the foreign exchange forward contracts at the year end for a 5% change in foreign currency rates. A positive (negative) number below indicates an increase (decrease) in post-tax profit where the relevant foreign currency weakens 5% against HK$. For a 5% strengthening of the relevant foreign currency against HK$, there would be an equal and opposite impact on the profit.

	2014	2013
	HK$'000	HK$'000
RMB impact	**(206)**	(76)
EUR impact	**83**	177
JPY impact	**17**	89

(ii) *Interest rate risk*

The directors of the Company consider the Group's exposure of the bank balances to interest rate risk is insignificant as interest bearing bank balances are within short maturity period. Besides, as the fluctuation of market interest rate is not expected to be significant, no sensitivity analysis is prepared.

Credit risk

As at 31 March 2014, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is represented by the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. The Group's credit risk is primarily attributable to its trade and other receivables and bank balances.

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with good reputation.

The Group has concentration of credit risks with exposure limited to certain counterparties and customers. At the end of reporting period, five customers that are located in Europe accounted for HK$236,576,000 (2013: HK$183,054,000) of the Group's trade receivables. Apart from delegating a team for determining the credit limits, credit approval and other monitoring procedures on customers, the Group had also explored new markets and new customers in order to minimise the concentration of credit risk.

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Liquidity risk

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

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for the non-derivative financial liabilities are based on agreed repayment dates. The table includes principal cash flows as these financial liabilities are non-interest bearing.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash (inflows) and outflows on derivative instruments that settle on a net basis. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual maturities as the management consider that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

Liquidity table

	On demand or less than 1 month HK$'000	**1–3 months HK$'000**	**3 months to 1 year HK$'000**	**Total undiscounted cash flows HK$'000**	**Carrying amount at 31.3.2014 HK$'000**
2014					
Non-derivative financial instruments					
Trade and other payables	**132,699**	**8,236**	**3,722**	**144,657**	**144,657**
Derivatives – net settlement					
Derivative financial instruments (note 19)	**985**	**1,588**	**2,933**	**5,506**	**5,506**

	On demand or less than 1 month HK$'000	1–3 months HK$'000	3 months to 1 year HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at 31.3.2013 HK$'000
2013					
Non-derivative financial instruments					
Trade and other payables	58,592	64,785	30,401	153,778	153,778

6. FINANCIAL INSTRUMENTS (continued)

6c. Fair value measurement of financial instruments

Some of the Group's financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial instruments are determined (in particular, the valuation technique(s) and inputs used), as well as the level of fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

Financial liabilities	**Fair value as at 31.3.2014** HK$'000	**Fair value hierarchy**	**Valuation techniques and key inputs**
Derivative financial instruments (note 19)	(5,506)	Level 2	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates

There were no transfers into and out of Level 2 in the current and prior years.

Except the above financial liabilities that are measured at fair value on a recurring basis, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values at the end of the reporting period.

7. 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 provided to the executive directors for their review. Financial information reported to the executive directors for the purposes of resource allocation and performance assessment 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.

7. SEGMENT INFORMATION (continued)

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 non-current assets by geographical location of the assets and revenue from external customers analysed by place of domicile of the relevant group entity and other places are detailed below:

	Non-current assets	
	2014	2013
	HK$'000	HK$'000
Places of domicile of the relevant group entity:		
– Hong Kong	**34,586**	33,929
– Guangdong Province in the PRC	**204,501**	188,840
Other place:		
– Guangdong Province in the PRC	**79,357**	86,438
	318,444	309,207

	Revenue from external customers	
	2014	2013
	HK$'000	HK$'000
Place of domicile of the relevant group entity:		
– Hong Kong	**45,121**	33,005
– The PRC	**47,751**	14,250
Other places:		
– Italy	**445,444**	457,784
– United States	**395,551**	420,111
– Other countries	**243,105**	239,627
	1,176,972	1,164,777

Information about major customers

Each of the three (2013: two) largest customers of the Group contributes more than 10% of the Group's revenue for the current year. For the year ended 31 March 2014, revenue attributed from these three customers is approximately HK$273,679,000 (2013: HK$295,277,000), HK$253,601,000 (2013: HK$249,186,000) and HK$132,424,000 (2013: N/A[1]) respectively.

1 The corresponding revenue did not contribute over 10% of the total sales of the Group.

8. OTHER INCOME, GAINS AND LOSSES

	2014 HK$'000	2013 HK$'000
Bank interest income	**2,996**	3,583
Impairment losses recognised on trade receivables	**(213)**	(3,712)
Net foreign exchange losses	**(594)**	(6,617)
Gain on disposals of property, plant and equipment	**25**	688
Fair value changes on derivative financial instruments	**(5,961)**	455
Others	**441**	1,194
	(3,306)	(4,409)

9. INCOME TAX EXPENSE

	2014 HK$'000	2013 HK$'000
The charge comprises:		
Current tax		
– Hong Kong Profits Tax	**4,003**	5,452
– PRC Enterprise Income Tax ("EIT")	**263**	2,879
	4,266	8,331
Overprovision in respect of prior years		
– Hong Kong Profits Tax	**(169)**	(24)
	4,097	8,307
Deferred taxation *(note 24)*		
– Current year	**(347)**	(724)
	3,750	7,583

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

PRC EIT is calculated at the rates in accordance with the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law.

A portion of the Group's profits earned by a principal subsidiary incorporated in Hong Kong, which is taxed on 50:50 apportionment basis, neither arises in, nor is derived from, Hong Kong. Accordingly, that portion of the Group's profit is not subject to Hong Kong Profits Tax. Further, in the opinion of the directors of the Company, that portion of the Group's profit is not at present subject to taxation in any other jurisdictions in which the Group operates for both years.

9. INCOME TAX EXPENSE (continued)

Pursuant to the relevant laws and regulations in the PRC, two PRC subsidiaries of the Company are exempted from EIT for two years from their first profit making year, followed by a 50% reduction for the next three years. The first profit making year of one of the PRC subsidiaries was the calendar year ended 31 December 2008. Accordingly, it is exempted from EIT for two calendar years ended 31 December 2009, and is subjected to a concession rate of 12.5% for the three calendar years ended 31 December 2012. After the end of tax reduction, a unified EIT rate of 25% is applied.

No provision for EIT has been made for the other PRC subsidiary as it did not have any assessable profit for both years.

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2014 **HK$'000**	2013 HK$'000
Profit before tax	**48,054**	60,628
Tax at the Hong Kong Profits Tax rate of 16.5%	**7,929**	10,004
Tax effect of expenses not deductible in determining taxable profit	**1,703**	2,333
Tax effect of income not assessable in determining taxable profit	**(2,115)**	(431)
Overprovision in respect of prior years	**(169)**	(24)
Tax effect of Hong Kong Profits Tax on 50: 50 apportionment basis	**(3,503)**	(4,478)
Tax effect of tax losses not recognised	**159**	919
Utilisation of tax loss previously not recognised	**(267)**	(50)
Income tax on concessionary rate	**–**	(973)
Effect of different tax rates of operations in the PRC	**13**	283
Income tax expense for the year	**3,750**	7,583

Details of the deferred taxation are set out in note 24.

10. PROFIT FOR THE YEAR

	2014 **HK$'000**	2013 HK$'000
Profit for the year has been arrived at after charging:		
Auditor's remuneration	**1,290**	1,320
Cost of inventories recognised as expense (inclusive of allowance for inventories of approximately HK$12,936,000 (2013: HK$10,100,000))	**967,834**	951,784
Depreciation of property, plant and equipment	**52,081**	53,426
Release of prepaid lease payments	**91**	92
Staff costs		
– directors' emoluments *(note 11)*	**4,195**	4,772
– other staff costs, comprising mainly salaries	**420,666**	385,667
– retirement benefit scheme contribution excluding those of directors'	**28,095**	23,372
	452,956	413,811

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the eight (2013: ten) directors, being the senior management of the Group, were as follows:

	Year ended 31 March 2014			
	Fees HK$'000	Salaries and other benefits HK$'000	Retirement benefit scheme contribution HK$'000	Total HK$'000
Executive directors				
Ku Ngai Yung, Otis	300	208	25	533
Ku Ka Yung	68	438	15	521
Tsang Wing Leung, Jimson	487	294	35	816
Chan Chi Sun	601	294	39	934
Ma Sau Ching	645	342	44	1,031
	2,101	1,576	158	3,835
Independent non-executive directors				
Lo Wa Kei, Roy	120	–	–	120
Lee Kwong Yiu	120	–	–	120
Wong Che Man, Eddy	120	–	–	120
	360	–	–	360
	2,461	1,576	158	4,195

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

	Year ended 31 March 2013			
	Fees HK$'000	Salaries and other benefits HK$'000	Retirement benefit scheme contribution HK$'000	Total HK$'000
Executive directors				
Ku Ngai Yung, Otis	300	208	25	533
Ku Ka Yung	68	438	15	521
Ku Ling Wah, Phyllis *(Note i)*	135	232	18	385
Tsang Wing Leung, Jimson	486	294	33	813
Chan Chi Sun	575	294	37	906
Ma Sau Ching	678	342	41	1,061
	2,242	1,808	169	4,219
Non-executive director				
Ku Yiu Tung *(Note ii)*	193	–	–	193
Independent non-executive directors				
Lo Wa Kei, Roy	120	–	–	120
Lee Kwong Yiu	120	–	–	120
Wong Che Man, Eddy	120	–	–	120
	360	–	–	360
	2,795	1,808	169	4,772

Notes:

(i) Ms. Ku Ling Wah, Phyllis resigned as executive director of the Company on 28 December 2012.

(ii) Mr. Ku Yiu Tung resigned as non-executive director of the Company on 22 March 2013.

The Company does not officially have a position of Chief Executive Officer. However, Mr. Ku Ngai Yung, Otis has been assuming the role of Chief Executive Officer. His emoluments disclosed above include those for services rendered by him as the role of Chief Executive Officer.

No directors waived any emoluments in both years.

12. EMPLOYEES' EMOLUMENTS

The five individuals with the highest emoluments in the Group included two (2013: three) directors of the Company whose emoluments are set out in note 11. The emoluments of the remaining three (2013: two) individuals were as follows:

	2014 HK$'000	2013 HK$'000
Salaries and other benefits	**2,665**	2,100
Retirement benefit scheme contribution	**66**	29
	2,731	2,129

12. EMPLOYEES' EMOLUMENTS (continued)

Their emoluments were within the following bands:

	2014 Number of employees	2013 Number of employees
Nil to HK$1,000,000	**3**	1
HK$1,000,001 to HK$1,500,000	**–**	1

During the years ended 31 March 2014 and 2013, no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

13. DIVIDENDS

	2014 HK$'000	2013 HK$'000
Dividends recognised as distribution during the year:		
Final, paid – HK10.0 cents per share for 2013 (2013: HK10.0 cents per share for 2012)	**26,278**	26,278
Special final, paid – HK1.0 cent per share for 2013 (2013: HK3.0 cents per share for 2012)	**2,628**	7,883
Interim, paid – HK4.5 cents per share for 2014 (2013: HK4.5 cents per share for 2013)	**11,825**	11,825
Special interim, paid – HK1.0 cent per share for 2014 (2013: HK1.0 cent per share for 2013)	**2,628**	2,628
	43,359	48,614

A final dividend of HK10.0 cents (2013: HK10.0 cents) per share in total of HK$26,278,000 (2013: HK$26,278,000) and a special final dividend of HK5.0 cents (2013: HK1.0 cent) per share in total of HK$13,139,000 (2013: HK$2,628,000) in respect of the year ended 31 March 2014 have been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

14. EARNINGS PER SHARE

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

	2014 HK$'000	2013 HK$'000
Earnings		
Earnings for the purposes of basic earnings per share	**44,304**	53,045
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 2014 and 2013 as there was no potential ordinary share outstanding during both years.

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings in Hong Kong under medium-term leases HK$'000	Buildings in the PRC under medium-term leases HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture and fixtures HK$'000	Motor vehicles HK$'000	Properties under construction HK$'000	Total HK$'000
COST OR VALUATION								
At 1 April 2012	17,000	78,309	161,356	356,962	112,080	7,798	15,185	748,690
Additions	–	–	14,667	21,605	8,324	1,372	11,486	57,454
Surplus/adjustment on revaluation	10,000	(1,875)	–	–	–	–	–	8,125
Transfers	–	–	2,669	7,450	372	–	(10,491)	–
Disposals	–	–	–	(8,427)	–	(548)	–	(8,975)
At 31 March 2013	27,000	76,434	178,692	377,590	120,776	8,622	16,180	805,294
Exchange realignment	–	–	2	–	8	–	–	10
Additions	–	–	18,292	30,596	7,965	1,126	3,111	61,090
Surplus/adjustment on revaluation	1,000	(1,860)	–	–	–	–	–	(860)
Transfers	–	–	6,409	–	–	–	(6,409)	–
Disposals/write-off	–	–	(1,504)	–	–	(580)	–	(2,084)
At 31 March 2014	28,000	74,574	201,891	408,186	128,749	9,168	12,882	863,450
Comprising:								
At cost	–	–	201,891	408,186	128,749	9,168	12,882	760,876
At valuation – 2014	28,000	74,574	–	–	–	–	–	102,574
	28,000	74,574	201,891	408,186	128,749	9,168	12,882	863,450
DEPRECIATION								
At 1 April 2012	–	–	104,581	259,124	91,108	5,618	–	460,431
Provided for the year	340	1,875	16,901	25,394	7,956	960	–	53,426
Eliminated on revaluation	(340)	(1,875)	–	–	–	–	–	(2,215)
Eliminated on disposals	–	–	–	(8,420)	–	(548)	–	(8,968)
At 31 March 2013	–	–	121,482	276,098	99,064	6,030	–	502,674
Provided for the year	540	1,860	17,567	22,767	8,318	1,029	–	52,081
Eliminated on revaluation	(540)	(1,860)	–	–	–	–	–	(2,400)
Eliminated on disposals/write-off	–	–	(1,504)	–	–	(580)	–	(2,084)
At 31 March 2014	–	–	137,545	298,865	107,382	6,479	–	550,271
CARRYING VALUES								
At 31 March 2014	28,000	74,574	64,346	109,321	21,367	2,689	12,882	313,179
At 31 March 2013	27,000	76,434	57,210	101,492	21,712	2,592	16,180	302,620

15. PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment, other than properties under construction, are depreciated on a straight line basis at the following rates per annum:

Land and buildings	Over the estimated useful lives of 50 years or the terms of leases, whichever is shorter
Leasehold improvements	10% – 20% or the lease terms, whichever is shorter
Plant and machinery	10% – 20%
Furniture and fixtures	20%
Motor vehicles	20%

The fair values of the Group's leasehold land and buildings located in Hong Kong and buildings located in the PRC as at 31 March 2014 and 31 March 2013 have been arrived at on the basis of a valuation carried out on the respective dates by BMI Appraisals Limited, an independent qualified professional valuer not connected with the Group. BMI Appraisals Limited is a member of the Hong Kong Institute of Surveyors and has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

The fair values of the leasehold land and buildings located in Hong Kong were determined based on the market approach. The market approach uses prices and other relevant information generated by market transactions involving comparable properties.

One of the key inputs used in valuing the leasehold land and buildings in Hong Kong was the sales prices of properties nearby the Group's leasehold land and buildings, which ranged from HK$3,939/sq.ft to HK$6,014/sq.ft where sq.ft is a common unit of area used in Hong Kong. An increase in the sales prices would result in an increase in fair value measurement of the leasehold land and buildings, and vice versa.

The fair values of the buildings located in the PRC were determined based on the depreciation replacement cost approach. The depreciation replacement cost approach requires an estimate of the new replacement cost of the buildings, from which deductions are then made to allow for certain factors such as the age, condition, economic or functional obsolescence and the environment.

One of the key inputs used in valuing the buildings in the PRC was the construction prices per unit derived from similar construction projects, which ranged from RMB1,080/sq. metre to RMB1,200/sq. metre where sq. metre is a common unit of area used in the PRC. An increase in the construction prices would result in an increase in fair value measurement of the buildings, and vice versa.

In estimating the fair values of the properties, the highest and best use of the properties is their current use.

There has been no change to the valuation techniques during the year.

Details of the Group's leasehold land and buildings as at 31 March 2014 are as follows:

	Fair value as at 31.3.2014 HK$'000
Leasehold land and buildings in Hong Kong	**28,000**
Buildings in the PRC	**74,574**
	102,574

15. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group's leasehold land and buildings are classified as Level 3 in the fair value hierarchy as at 31 March 2014. There were no transfers into or out of Level 3 during the year.

During the year ended 31 March 2014, the total surplus on revaluation of HK$1,540,000 (2013: HK$10,340,000) has been credited to the property revaluation reserve in equity.

If the leasehold land and buildings located in Hong Kong and the PRC had not been revalued, they would have been included in these consolidated financial statements at historical cost less accumulated depreciation of approximately HK$5,403,000 (2013: HK$5,563,000) for land and buildings located in Hong Kong and HK$74,560,000 (2013: HK$76,434,000) for buildings located in the PRC.

16. PREPAID LEASE PAYMENTS

Prepaid lease payments represent land use rights held under medium-term lease in the PRC and are analysed for reporting purposes as:

	2014 HK$'000	2013 HK$'000
Non-current asset	**3,405**	3,496
Current asset	**91**	91
	3,496	3,587

17. INVENTORIES

	2014 HK$'000	2013 HK$'000
Raw materials	**50,841**	57,187
Work in progress	**93,448**	92,483
Finished goods	**30,610**	33,507
	174,899	183,177

18. 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:

	2014 HK$'000	2013 HK$'000
Trade receivables		
Current	**291,796**	272,055
Overdue up to 90 days	**19,229**	21,970
Overdue more than 90 days	**2,551**	9,945
	313,576	303,970
Prepayments	**7,523**	4,630
Deposits	**3,241**	6,635
Other receivables	**5,285**	5,121
Trade and other receivables	**329,625**	320,356

18. TRADE AND OTHER RECEIVABLES (continued)

No interest is charged on the trade receivables. Trade receivables are provided for based on assessment by the Group of the estimated future cash flows with reference to past default experience. The Group has provided fully for all receivables aged over 360 days because historical experience is such that receivables that are past due beyond 360 days are generally not recoverable.

Before accepting any new customers, the Group carries out research on the creditability of new customer and assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed at least once a year. Trade receivables that are neither past due nor impaired have good track records with the Group.

Included in the Group's trade receivables balance are receivables with a carrying amount of HK$21,780,000 (2013: HK$31,915,000) which are past due at the reporting date for which the Group has not provided for impairment loss, as there has not been a significant change in credit quality and the amounts are still considered recoverable based on the historical experience. The Group does not hold any collateral over these balances.

Movement in the allowance for doubtful debts

	2014 **HK$'000**	2013 HK$'000
At beginning of the year	**3,712**	–
Impairment losses recognised on trade receivables	**213**	3,712
At end of the year	**3,925**	3,712

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of trade receivable from the date credit was initially granted up to the end of the reporting period.

19. DERIVATIVE FINANCIAL INSTRUMENTS

The derivative financial instruments mainly represent the foreign currency forward contracts. The Group has entered into 51 (2013: 11) USD/RMB contracts in which the Group is able to sell USD/buy RMB at fixed exchange rates at a fixed future time. Major terms of the above foreign currency contracts are as below:

Aggregate notional amount	Maturity	Forward exchange rates
As at 31 March 2014		
US$37,820,000	**From April 2014 to May 2015**	**Sell USD/buy RMB at 6.0578 to 6.1500**
As at 31 March 2013		
US$12,900,000	From April 2013 to August 2013	Sell USD/buy RMB at 6.2177 to 6.2762

20. BANK BALANCES AND CASH/PLEDGED BANK DEPOSITS

Bank balances and cash comprise cash held by the Group and short-term bank deposits that are interest-bearing at market interest rates ranging from 0.01% to 1.61% (2013: 0.01% to 3.10%) per annum and have maturity of three months or less.

Pledged bank deposits represent deposits pledged to secure the foreign currency forward contracts entered by the Group and therefore classified as current assets.

21. 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:

	2014 HK$'000	2013 HK$'000
Trade payables		
Current and overdue up to 90 days	**130,798**	140,940
Overdue more than 90 days	**2,980**	5,209
	133,778	146,149
Accruals	**63,238**	66,015
Other payables	**10,879**	7,629
	207,895	219,793

22. SHARE CAPITAL

	Number of ordinary shares	**Nominal amount** HK$'000
Ordinary shares of HK$0.10 each		
Authorised:		
At 1 April 2012, 31 March 2013 and 31 March 2014	500,000,000	50,000
Issued and fully paid:		
At 1 April 2012, 31 March 2013 and 31 March 2014	262,778,286	26,278

23. SHARE OPTIONS

Pursuant to a resolution passed on 6 September 2004, a share option scheme of the Company (the "Share Option Scheme") was adopted in order to comply with the amendments to Chapter 17 of the Listing Rules in relation to share option scheme.

The purpose of the Share Option Scheme is to attract and retain high calibre employees, and to motivate them towards higher levels of performance. Under the Share Option Scheme, the board of directors of the Company shall be entitled to, in its absolute discretion, grant options to eligible employees of the Company, or any of its subsidiaries, to subscribe for shares in the Company at a price which shall be the highest of (i) the closing price of the Company's shares quoted on the Stock Exchange on the date of offer of the share options; (ii) the average of the closing prices of the Company's shares quoted on the Stock Exchange on the five business days immediately preceding the date of offer of the share options; and (iii) the nominal value of the shares. The Share Option Scheme will expire on 5 September 2014.

An option may be exercised at any time during the period to be determined and notified by the board of directors to the grantee. Such period may commence on the date after the date of acceptance of such option to the tenth anniversary from the date of acceptance of that option. A consideration of HK$1 is payable upon acceptance of the offer.

The maximum number of shares in respect of which options may be granted under the Share Option Scheme and any other share option scheme established by the Company, if any, is 24,723,920, representing 10% of the issued share capital of the Company at the date of approval of the Share Option Scheme. The total maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme, if any, shall not exceed 10% of the issued share capital of the Company from time to time.

No share options have been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption.

24. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2014	2013
	HK$'000	HK$'000
Deferred tax assets	**(339)**	–
Deferred tax liabilities	**3,725**	3,479
	3,386	3,479

The followings are the major deferred tax assets and liabilities recognised by the Group and movements thereon during the current and prior years:

	Accelerated tax depreciation	**Revaluation of properties**	**Total**
	HK$'000	HK$'000	HK$'000
At 1 April 2012	732	1,765	2,497
Charge to equity	–	1,706	1,706
Credit to profit or loss	(724)	–	(724)
At 31 March 2013	8	3,471	3,479
Charge to equity	–	254	254
Credit to profit or loss	(347)	–	(347)
At 31 March 2014	(339)	3,725	3,386

At 31 March 2014, the Group has unused tax losses of HK$6,435,000 (2013: HK$10,672,000) available to offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. The Hong Kong tax losses HK$6,435,000 (2013: HK$5,473,000) may be carried forward indefinitely and the remaining PRC tax losses HK$5,199,000 (2014: HK$nil) will expire in various dates in the next five years.

Under the EIT Law of the PRC, 10% withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards to non-PRC resident investors of the companies established in the PRC. For investors incorporated in Hong Kong, a preferential rate of 5% will be applied. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to such undistributed profits of the PRC subsidiaries amounting to approximately HK$21,902,000 (2013: HK$17,910,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

25. OPERATING LEASES

The Group made minimum lease payments of approximately HK$13,858,000 (2013: HK$12,766,000) under operating leases during the year in respect of premises.

25. OPERATING LEASES (continued)

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2014	2013
	HK$'000	HK$'000
Within one year	**12,774**	12,087
In the second to fifth year inclusive	**30,913**	34,025
Over five years	**5,651**	5,091
	49,338	51,203

Operating lease payments represent rentals payable by the Group for certain of its premises. Leases are negotiated for an average term of one to twenty years and rentals are fixed over the lease terms.

26. CAPITAL AND OTHER COMMITMENTS

	2014	2013
	HK$'000	HK$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
– Acquisition of plant and machinery	**3,185**	8,572
– Factory under construction or renovation	**7,465**	2,774
	10,650	11,346
Commitments contracted for but not provided in the consolidated financial statements in respect of license fee for brandnames:		
Within one year	**8,001**	9,323
In the second to fifth year inclusive	**3,531**	10,794
	11,532	20,117
	22,182	31,463

27. RETIREMENT BENEFITS SCHEME

Effective from 1 December 2000, the Group has joined the MPF Scheme for its employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme.

The employees employed in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect of the retirement benefit schemes is to make the required contributions under the schemes.

27. RETIREMENT BENEFITS SCHEME (continued)

The Group operated a defined contribution retirement benefit scheme ("Defined Contribution Scheme") for certain employees. The assets of the scheme were held in funds under the control of an independent trustee. Where there were employees who leave the Defined Contribution Scheme prior to vesting, the contribution payable by the Group are reduced by the amount of forfeited contributions.

The retirement benefit scheme contribution arising from the Defined Contribution Scheme, the MPF Scheme and the PRC state-managed retirement benefit scheme charged to profit or loss represents contributions paid and payable to the funds by the Group at rates specified in the rules of the schemes.

The total cost charged to profit or loss of HK$28,253,000 (2013: HK$23,541,000) represents contributions paid and payable to these schemes by the Group in respect of the current financial year.

28. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management personnel of the Group comprised of directors. The compensation of directors of the Company for both years are set out in note 11.

The remuneration of key management personnel were determined by the remuneration committee having regard to the performance of individuals and market trends.

29. SUMMARISED FINANCIAL INFORMATION OF THE COMPANY

	Note	**2014 HK$'000**	2013 HK$'000
Investment in a subsidiary		**111,968**	111,968
Amounts due from subsidiaries		**291,139**	263,444
Other assets		**39,411**	40,295
Amounts due to subsidiaries		**(162,948)**	(163,000)
Other liabilities		**(390)**	(330)
		279,180	252,377
Share capital		**26,278**	26,278
Share premium and reserve	*(i)*	**252,902**	226,099
		279,180	252,377

Note:

(i) Share premium and reserve

	Share premium HK$'000	**Retained profits** HK$'000	**Total** HK$'000
At 1 April 2012	78,945	122,579	201,524
Profit for the year	–	73,189	73,189
Dividends recognised as distribution *(note 13)*	–	(48,614)	(48,614)
At 31 March 2013	78,945	147,154	226,099
Profit for the year	–	70,162	70,162
Dividends recognised as distribution *(note 13)*	–	(43,359)	(43,359)
At 31 March 2014	78,945	173,957	252,902

30. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Particulars of the principal subsidiaries of the Company at 31 March 2014 and 2013 are as follows:

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and fully paid ordinary share capital/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company	Principal activities
Sun Hing Optical International Group Limited *(note a)*	BVI	HK$106	100%	Investment holding
101 (Hong Kong) Limited	Hong Kong	HK$4	100%	Sales of optical frames, sunglasses and related products
101 Studio Limited	Hong Kong	HK$9	100%	Sales of optical frames, sunglasses and related products
New Prosperity Optical Manufactory Limited	BVI/PRC	US$1	100%	Property holding
Sun Hing Optical Manufactory Limited	Hong Kong	HK$2	100%	Manufacturing and sales of optical frames, sunglasses and related products
Yorkshire Holdings Limited	Hong Kong	HK$10	100%	Property holding
東莞恒生眼鏡制造有限公司 *(Note b)*	PRC	HK$3,100,000 (2013: HK$2,500,000)	100%	Manufacturing of optical frames, sunglasses and related products
紫金縣新基眼鏡五金配件有限公司 *(Note b)*	PRC	HK$100,200,000	100%	Manufacturing of optical frames, sunglasses and related products
東莞新溢眼鏡制造有限公司 *(Note b)*	PRC	US$29,000,000 (2013: US$27,000,000)	100%	Manufacturing of optical frames, sunglasses and related products
深圳佰萊德貿易有限公司 *(Note b)*	PRC	US$1,000,000	100%	Sales of optical frames, sunglasses and related products

Notes:

(a) Sun Hing Optical International Group Limited is directly held by the Company and all other subsidiaries are indirectly held.

(b) The subsidiaries established in the PRC are registered as wholly foreign owned enterprises.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities subsisting at 31 March 2014 or at any time during the year.

FINANCIAL SUMMARY

RESULTS

	Year ended 31 March				
	2010	2011	2012	2013	**2014**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
Revenue	871,823	1,125,684	1,155,145	1,164,777	**1,176,972**
Profit before tax	91,836	109,770	93,638	60,628	**48,054**
Income tax expense	(7,472)	(11,527)	(10,279)	(7,583)	**(3,750)**
Profit for the year attributable to owners of the Company	84,364	98,243	83,359	53,045	**44,304**

ASSETS AND LIABILITIES

	At 31 March				
	2010	2011	2012	2013	**2014**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
Total assets	1,010,122	1,102,216	1,117,451	1,167,675	**1,161,049**
Total liabilities	(165,511)	(206,476)	(189,365)	(226,283)	**(217,870)**
Shareholders' equity	844,611	895,740	928,086	941,392	**943,179**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ku Ngai Yung, Otis – *Chairman*
Ku Ka Yung – *Deputy Chairman*
Tsang Wing Leung, Jimson
Chan Chi Sun
Ma Sau Ching

Independent Non-executive Directors

Lo Wa Kei, Roy
Lee Kwong Yiu
Wong Che Man, Eddy

COMPANY SECRETARY

Lee Kar Lun, Clarence

AUDITOR

Deloitte Touche Tohmatsu

LEGAL ADVISER IN HONG KONG

King & Wood Mallesons

LEGAL ADVISER ON BERMUDA LAW

Conyers Dill & Pearman

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

1001C, 10th Floor, Sunbeam Centre
27 Shing Yip Street, Kwun Tong
Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR

Codan Services Limited
Clarendon House, 2 Church Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR

Union Registrars Limited
18th Floor
Fook Lee Commercial Centre
Town Place, 33 Lockhart Road
Wanchai
Hong Kong

PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited
The Bank of Tokyo-Mitsubishi UFJ, Limited
The Hongkong and Shanghai Banking Corporation Limited
Citibank, N.A.

WEBSITE

www.sunhingoptical.com

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