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

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新興光學集團控股有限公司 *

(Incorporated in Bermuda with limited liability)

(Stock Code : 125)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that based on the information currently available, it is expected that the Group may record a consolidated net loss for the year ending 31 March 2020 as compared to the consolidated net profit of approximately HK\$72,519,000 for the year ended 31 March 2019.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Sun Hing Vision Group Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the “**SFO**”).

Based on the information of the Company and its subsidiaries (the “**Group**”) currently available, the board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that it is expected that the Group may record a consolidated net loss for the year ending 31 March 2020 as compared to the consolidated net profit of approximately HK\$72,519,000 for the year ended 31 March 2019. It is considered that such expected net loss is mainly caused by the following factors:

- The global outbreak of coronavirus reduced the worldwide market demand for eyewear products and delayed the shipment to customers in China, Italy, the United States and other Asian countries. In addition, the production and operation of the Group in China were temporarily affected by the various measures carried out by the Chinese government to prevent the spread of the outbreak, although most of the normal operation of the Group in China has been substantially resumed in March 2020;
- Turnover of the Group’s eyewear business is expected to decrease significantly as a result of the deterioration in macroeconomic environment and business uncertainty as caused by the trade dispute between the United States and China, the Brexit issue of the United Kingdom as well as the recent outbreak of coronavirus as mentioned above;

- Turnover of the Group's contact lens business is expected to decrease significantly as compared to the relatively high sales base of the corresponding period in the last fiscal year, when the distribution channels needed a relatively high level of initial inventories upon the commencement of contact lens business under the Jill Stuart trademark. Besides, the Group's sales of branded color contact lens, which are highly consumer discretionary and fashion oriented in nature, was adversely affected by the uncertain business environment during the year ending 31 March 2020;
- The adverse impact on the profitability of the Group as a result of the diseconomies of scale in operation due to the expected significant decline in the turnover of the Group's eyewear and contact lens businesses; and
- The operating costs in China, where the Group's production bases are located, continued to rise.

The Company has not yet finalized the annual results of the Group for the year ending 31 March 2020. The information contained in this announcement is only based on the preliminary assessment with reference to the information currently available. Such information has not been audited or reviewed by the Company's auditor and the actual results for the Group may be different from what is disclosed herein. Further details of the financial information of the Group for the year ending 31 March 2020 will be published in due course pursuant to the requirements of the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Sun Hing Vision Group Holdings Limited
KU Ngai Yung, Otis
Chairman

Hong Kong, 27 March 2020

As at the date hereof, the executive directors are Mr. Ku Ngai Yung, Otis, Mr. Ku Ka Yung, Mr. Chan Chi Sun and Ms. Ma Sau Ching; and the independent non-executive directors are Mr. Lo Wa Kei, Roy, Mr. Lee Kwong Yiu and Mr. Wong Che Man, Eddy.

** For identification purpose only*