

To: Business Editors

【For Immediate release】



Sunny Optical Technology (Group) Company Limited

舜宇光學科技(集團)有限公司

(Incorporated in the Cayman Islands with limited liability) (於開曼群島註冊成立的有限公司)

Sunny Optical announces 2008 annual results

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Grasp the PRC 3G opportunity

Devote to expand international client base

Financial Highlights (For the year ended 31 December)			
	2008	2007	Change
	(RMB '000)	(RMB '000)	
Revenue	1,267,057	1,381,865	- 8.3%
— Optical components	579,953	515,219	+ 12.6%
— Opto-electronic products	557,105	738,194	- 24.5%
— Optical instruments	129,999	128,452	+ 1.2%
Net Profit attributable to equity holders of the company	78,377	225,436	- 65.2%
Basic earnings per share (RMB cents)	8	25	- 68.0%
Final dividend per share (RMB cents)	2.0	2.1	- 4.8%
	(HK\$2.2cents)	(HK\$2.2cents)	

【30 Mar 2009, Hong Kong】The leading integrated optical and optoelectronic product manufacturer in the PRC – Sunny Optical Technology (Group) Company Limited (“Sunny Optical” or the “Company”, stock code: 2382, together with its subsidiaries, the “Group”), announces today its annual results for the year ended 31 December 2008.

Sunny Optical’s revenue for the year under review was RMB1,267,057,000, representing a decrease of 8.3% when compared to the corresponding period last year. While the two core businesses, optical components and optical instrument achieved well growth, the slow down of demand in handset market affected the sales of opto-electronic products and led to a decrease of the sales revenue of the Group. The Group’s gross profit decreased to RMB 250,847,000 mainly due to the keen competition of industry which led to a fall of average selling price of the Group’s mainstream products, low-end handset lens sets and camera module. In addition, the appreciation of RMB, the rise of labour cost and the low capacity utilization rate pressurized the Group’s gross profit. Besides, as the Group increased the investment in R&D to a great extend and recorded a non-recurring activities of impairment loss on goodwill together with the increase in the effective tax rate, the profit attributable to equity holders declined by 65.2% to RMB78,377,000, while basic earnings per share amounted to RMB8 cents. To reward shareholders, the Company’s Board of Directors proposed payment of a final dividend of RMB2.0 cents per share (equivalent to approximately HK\$2.2 cents) for the year ended 31 December 2008.

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Commenting on the Company's business performance in the year under review, Mr. Wang Wenjian, Chairman of Sunny Optical, said, "2008 was a challenging year for the Group. The aggravation of the global economy and the keen competition in the opto-electronic market resulted in great pressure for the Group's operation. However, facing the change of market, the Group responded flexibly during the year under review by increasing investment in R&D and exploring new product applications to expand the revenue stream of the Group. This strategy has achieved good results. During the year under review, the proportion of the non-handset related business to the Group's total revenue reached 47%, increased by 15% compared to last year."

During the year under review, the Group has successfully developed new products for industrial and medical use, and further developed security surveillance camera module, automobile lens sets, aspheric glass lenses and high end handset camera. The Group has set up a new JV company with the China Training Center of Reproductive Health and Family Care for the manufacture of medical endoscope. These enhanced the Group's product portfolio. Besides, the new company established in Singapore during the year under review has achieved fruitful results in R&D and has developed the 3D vision measuring machine and microscopic interferometer successfully. At the same time, in order to further strengthen the Group's R&D capabilities and ability to expand in oversea markets, the Group has entered into a Subscription Agreement with Power Optics Co., Ltd. ("Power Optics"), a company engaged in the research, development and sales of various components of cameras for mobile phones in Korea, to acquire approximately 54.92% of the issued share capital of Power Optics. This further strengthened the Group's R&D capabilities of high-end optical lens set.

Regarding the future development of the Group, Mr. Wang said, "Facing the challenges in 2009, the Group will further strengthen its competitive advantages by using different strategies. We will continue to abide by the Company's "Mingpeijiao" (「名配角」) development strategy, further enhance the Group's overseas sales channels, strive for orders from global leading mobile phone manufacturers, expand the existing international client base and utilize the solid clientele of Power Optics to expand the Group's share in the high end handset lens set and camera module market. Besides, the Group will leverage on its technology in high quality products, grasp the opportunity brought by the launch of 3G market in China, develop high resolution handset lens set module in order to cater to China's great demand on 3G handsets. On the other hand, the Group will continue to strengthen its R&D capability so as to enrich product portfolio, expand the fields of application for the Group's products. At the same time, the Group will improve internal control, perform lean production and adopt stringent cost control, in order to mitigate the impact on the Group caused by the instability of the external factors."

"Sunny Optical will seize the opportunities brought forth by the growth of the optoelectronic industry to become the leading integrated optical and opto-electronic products manufacturer in the world and the major optical and optical related products supplier to world renowned brands to generate fruitful return to our shareholders," Mr. Wang concluded.

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About Sunny Optical Technology (Group) Company Limited

Sunny Optical Technology (Group) Company Limited is a leading integrated optical components and optoelectronic products manufacturer in the PRC with production bases in Zhejiang, Zhongshan and Shanghai of the PRC, occupying a total site area of 107637.68 sq.m. Capitalizing on its vertically integrated design and production business model, Sunny Optical integrates optical, mechanical and electronic technologies, offering a wide range of optical products such as lenses and lens sets, optoelectronic products including mobile phone camera modules, as well as specific optical instruments such as microscope and UV-spectrophotometer. With the increase in demand for optical products as well as consumer electronic products, the Company has become the main supplier to some leading global brand names.

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Issued by Porda International (Finance) PR Company Limited for and on behalf of **Sunny Optical Technology (Group) Company Limited**. For further information, please contact:

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