

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 2009 annual results

\* \* \*

**Captures business opportunities from economic recovery**  
**Flexibly responses to the market demand**

<b>Financial Highlights (For the year ended 31 December)</b>			
	<b>2009</b>	<b>2008</b>	<b>Change</b>
	<b>(RMB '000)</b>	<b>(RMB '000)</b>	
<b>Revenue</b>	<b>1,309,565</b>	1,267,057	<b>+3.4%</b>
– Optical components	<b>637,312</b>	579,953	<b>+9.9%</b>
– Optoelectronic products	<b>545,646</b>	557,105	<b>-2.1%</b>
– Optical instruments	<b>126,607</b>	129,999	<b>-2.6%</b>
<b>Gross Profit</b>	<b>273,954</b>	250,847	<b>+9.2%</b>
<b>Profit for the year attributable to Owners of the Company</b>	<b>91,934</b>	78,377	<b>+17.3%</b>
<b>Basic earnings per share (RMB cents)</b>	<b>9.19</b>	7.84	<b>+17.3%</b>
<b>Final dividend per share (RMB cents)</b>	<b>2.0</b>	2.0	-

【22 Mar 2010, Hong Kong】The leading integrated optical components and optoelectronic products manufacturer in the PRC – Sunny Optical Technology (Group) Company Limited (“Sunny Optical” or the “Company”, stock code: 2382, together with its subsidiaries, the “Group”), today announces its annual results for the year ended 31 December 2009.

During the year under review, the mobile phone manufacturers in the PRC gradually upgraded their products, bringing a rise in the shipments volume of the high-pixel resolution handset lens sets and camera modules. Together with the rapid sales growth of the Digital Single Lens Reflex (“DSLR”) lens and vehicle lens sets, Sunny Optical recorded the revenue of approximately RMB130.1 million, representing an increase of approximately 3.4% when compared to the corresponding period of last year. On the other hand, with the improvement in product mix and the persistent promotion of “Lean Production”, the Group’s overall gross profit margin increased from approximately 19.8% to approximately 20.9%. And the Group was also benefited from stringent cost control. All of these brought the net profit to approximately RMB86.94 million, representing an increase of approximately 13.5% when compared to the corresponding period of last year. The basic earnings per share was approximately RMB9.19 cents. To reward shareholders, the Board of Directors of the Company proposed payment of a final dividend of RMB2.0 cents per share (equivalent to approximately HK\$2.27 cents) for the year ended 31 December 2009.

~ Con't ~



Commenting on the Group's business performance during the year under review, Mr. Wang Wenjian, Chairman of Sunny Optical, said, "Due to the global financial crisis, the Group has encountered rigorous challenges in the first half year of 2009. However, the global economy displayed signs of recovery in the second half year of 2009 as a result of the aggressive fiscal and monetary policies adopted by governments all over the world. The Group has implemented a number of measures with an aim to maintain stable profitability during the year under review, including aggressive expansion of customer base and tightening internal cost control. With the recovery of the economy in the second half of the year, the Group successfully captured the business opportunities arouse, showing a strong rebound in the second half of the year and achieved satisfactory results for the whole year period."

The optical components business segment has recorded a good growth during the year under review. This is mainly attributable to the rapid growth of DSLR and sourcing strategy transferred to the PRC by Japanese digital camera manufacturers. The sales of optical components reached approximately RMB640 million during the year under review, representing an increase of approximately 9.9% as compared with the corresponding period of last year. Thanks to the high quality of the products and services, the Group has well implemented "Mingpeijiao" strategy, and secured 14 new reputable customers. And the Group has successfully entered into the Changwon LG supply chain and was also listed as Olympus's first supplier in terms of lens and Nikon's first supplier in terms of DSLR lens.

For the optoelectronic products business segment, the Group successfully commenced mass production of the 2-, 3- and 5-mega pixel resolution handset camera modules with auto-focus function, which effectively captured the business opportunities from the introduction of domestic 3G handsets and the popularity of smartphones in the PRC. The Group further strengthened the business relationships with its major customers, such as ZTE, Huawei, Lenovo, K-Touch and Yulong. This business segment got 4 new customers during the year under review. The handset camera modules and the video doorphone modules became part of the supply chain of some internationally renowned brands such as Sharp and Panasonic and maintained a steady monthly sales volume.

The optical instruments business segment has concentrated its efforts in exploring the domestic market during the year and made some achievements. The Group completed the R&D of various mid to high-end optical instruments, including drugs detectors, time-of-flight mass spectrometers, quadruple mass spectrometers, 3D optical vision measuring machines and microscopic interferometers, and some of these products have entered small batch production phase. At "Annual Conference of China Scientific Instruments 2009", the AD04-03 detector for narcotic drugs and psychotropic substances, which is produced by Shanghai Sunny Hengping Scientific Instrument Co., Ltd., a subsidiary of the Group, was recognised as the "Excellent New Product of Scientific Instruments for 2008". This award has proved that the optical instruments segment of the Group is widely recognized by the industry.

The Group invested RMB30.0 million for the establishment of Sunny Optics (Tianjin) Co., Ltd., its fourth production base, with a view to provide more convenient and superior services to its customers in Bohai Bay Area.

Looking forward, Mr. Wang says: "Sunny Optical will be cautiously optimistic to our business in 2010. By leveraging on the business opportunities in the 3G market in China, we will focus on promoting high-resolution handset camera modules and lens sets. Meanwhile, we will explore overseas markets for the relevant products. On the other hand, the shipments volume of DSLR is expected to maintain a rapid growth momentum in 2010. The Group will conduct internal adjustment of production capacities and position the DSLR lenses as flagship products among its spherical product line. Moreover, the Group will commence mass production of aspheric glass lenses to meet the market demand. The Group will accelerate the commercial launch of some new businesses, including of vehicle lens sets, infrared materials and lens sets as well as mid-high end optical instruments, so as to diversify our revenue drivers."

"The R&D team of the Group will conceive the design of products based on market demands. The Group will vigorously boost the R&D of innovative optical application products and strengthen the upgrading and technology improvement of existing products. By doing so, the Group can enhance product values for customers more cost-effectively, expand product portfolio and enhance product mix. We will further promote 'Lean Production', fully carry out 'Manufacturing Execution Systems', combine technique improvement with automatic progress to ease cost pressure. In general, by pursuing the strategy of 'Explore new sources and cut cost, Speed up transformation, Obtain orders externally and get refinement internally', the Group will further strengthen its competitiveness through market expansion, product research and development and cost control, and bring satisfactory returns to our shareholders in the upcoming year of 2010." Mr. Wang concludes.

**About Sunny Optical:**

**Sunny Optical Technology (Group) Company Limited** is a leading integrated optical components and optoelectronic products manufacturer in the PRC with four production bases separately located in Yuyao, Zhejiang province, Zhongshan, Guangdong province, Shanghai and Tianjin. Capitalizing its vertically-integrated design and production mode, the Group combined with optical, mechanical and electronic technologies, which offers a wide range of optical products such as lenses and lens sets, optoelectronic products including handset camera modules, as well as industrial endoscopes and security surveillance cameras, optical instruments including microscopic instruments, uv-vis spectrophotometers, etc. Leveraging the increase in demand for optical products as well as consumer electronic products, the Group has become the main supplier to some globally-leading brand names amongst its clients.

~ end ~

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

**Porda International (Finance) PR Company Limited**

Ms. Harriet Lau	+852 3150 6761	harriet.lau@pordafinance.com.hk
Ms. Kylie Yeung	+852 3150 6770	kylie.yeung@pordafinance.com.hk
Ms. Fiona Ko	+852 3150 6750	fiona.ko@pordafinance.com.hk
Ms. Christine Fong	+852 3150 6732	christine.fong@pordafinance.com.hk

Fax: +852 3150 6728