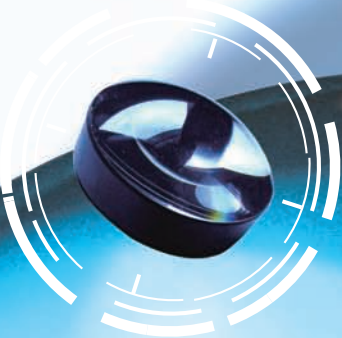


Sunny Optical Technology (Group) Company Limited

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)
(Stock Code 股份代號: 2382)



Interim Report
中期報告

8

Corporate Profile

Sunny Optical Technology (Group) Company Limited (the “Company”), and together with its subsidiaries, (the “Group”) (Stock Code: 2382) is a leading integrated optical components and optoelectronic products manufacturer in the People’s Republic of China (“PRC” or “China”). The Group is principally engaged in the design, research, development, manufacturing of optical and optical-related products, which include three main categories, namely:

- optical components (such as glass/plastic/spherical/aspherical lenses, plates, prisms and various lens sets);
- optoelectronic products (such as mobile phone camera modules, industrial endoscopes, visual doorbell modules and other optoelectronic modules); and
- optical instruments (such as microscopes, surveying instruments and analytical instruments).

The Group has established close business relationship with world renowned brands such as Samsung, Panasonic, Konica Minolta, Lenovo, Olympus, Nikon and Carl Zeiss. Its products are currently sold to customers in over 40 countries and regions.

公司簡介

舜宇光學科技(集團)有限公司(「本公司」, 及其附屬公司(「本集團」)(股票代號: 2382)為中華人民共和國(「中國」)領先的綜合光學零件及光電產品生產商。本集團主要從事設計、研究、開發與製造光學及光學相關產品, 產品可分為三大類, 分別為:

- 光學零件(包括玻璃/塑膠/球面/非球面鏡片、平面鏡片、稜鏡及各種鏡頭);
- 光電產品(包括手提電話相機模組、工業內窺鏡、可視門鈴模組及其他光電模組); 及
- 光學儀器(包括顯微鏡、測量儀器及分析儀器)。

本集團與國際知名客戶如三星、松下、柯尼卡美能達、聯想、奧林巴斯、尼康及卡爾蔡司等建立了緊密的業務關係, 本集團產品遍銷40多個國家及地區。

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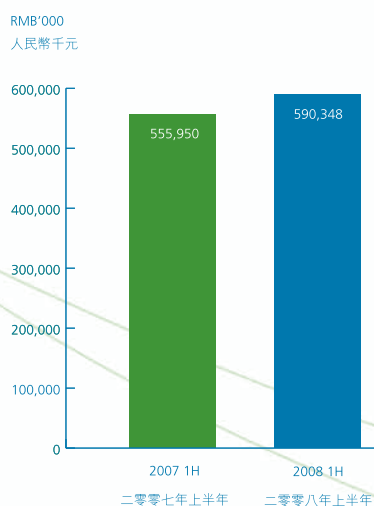
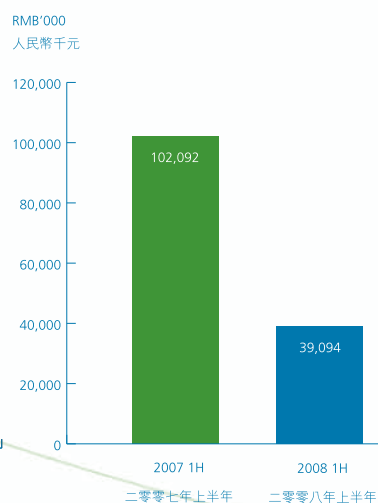
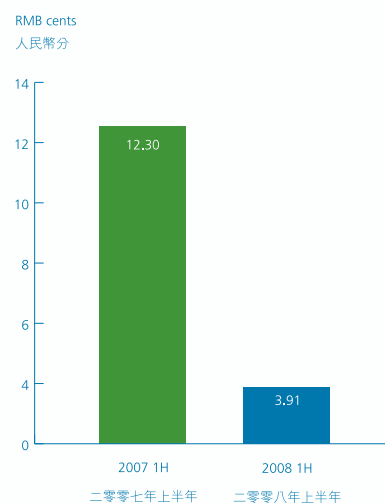
Financial Highlights

財務摘要

- Consolidated revenue amounted to RMB590.3 million.
- Profit for the period was RMB39.1 million.
- Basic earnings per share amounted to RMB3.91 cents.
- 收入總額為約人民幣590.3百萬元。
- 期內溢利為約人民幣39.1百萬元。
- 每股基本盈利約為人民幣3.91分。

Six months ended 30 June
截至六月三十日止六個月期間

	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	Changes 變化
Revenue 收入	590,348	555,950	6.2%
Profit before taxation 除稅前溢利	48,875	107,250	-54.4%
Profit for the period 期內溢利	39,094	102,092	-61.7%
Profit attributable to equity holders of the Company 股權持有人應佔溢利	39,090	102,097	-61.7%
Basic earnings per share (RMB cents) 每股基本盈利 (人民幣分)	3.91	12.30	-68.2%

Revenue
主營業務收入Profit for the period
淨利潤Basic Earnings Per Share
每股基本盈利

Unaudited Condensed Consolidated Financial Statement

The Board (the “Board”) of Directors (the “Directors”) of Sunny Optical Technology (Group) Company Limited (“Sunny Optical” or the “Company”) presents the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2008, along with the comparative figures for the corresponding period in last year as follows:

Unaudited Condensed Consolidated Income Statement

未經審核簡明綜合財務報表

舜宇光學科技(集團)有限公司(「舜宇光學科技」或「本公司」)董事會(「董事會」)公佈本公司及其附屬公司(統稱「本集團」)截至二零零八年六月三十日止六個月期間未經審核綜合中期業績及去年同期比較數字如下：

未經審核簡明綜合收益表

	Six months ended 30 June 截至六月三十日止六個月期間	
	2008 二零零八年 RMB'000 人民幣千元 (unaudited) (未經審核)	2007 二零零七年 RMB'000 人民幣千元 (unaudited) (未經審核)
Revenue 收入	590,348	555,950
Cost of sales 銷售成本	(465,545)	(406,004)
Gross profit 毛利	124,803	149,946
Other income 其他收入	17,022	28,454
Selling and distribution expenses 銷售及分銷費用	(14,722)	(12,652)
Research and development expenditure 研發費用	(23,933)	(7,487)
Administrative expenses 行政費用	(54,295)	(49,060)
Finance costs 財務費用	—	(1,951)
Profit before taxation 除稅前溢利	48,875	107,250
Income tax charge 所得稅開支	(9,781)	(5,158)
Profit for the period 期內溢利	39,094	102,092
Attributable to: 歸屬於:		
Equity holders of the Company 本公司股權持有人	39,090	102,097
Minority interests 少數股東權益	4	(5)
	39,094	102,092
Earnings per share – Basic (RMB cents) 每股盈利 – 基本 (人民幣分)	3.91	12.30

Unaudited Condensed Consolidated Financial Statement

未經審核簡明綜合財務報表

Unaudited Condensed Consolidated Balance Sheet

未經審核簡明綜合資產負債表

	As of 30 June 2008 二零零八年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	As of 31 December 2007 二零零七年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
NON-CURRENT ASSETS 非流動資產		
Property, plant and equipment 物業、機器及設備	461,706	401,142
Prepaid lease payments 預付租賃款	20,013	20,264
Available-for-sale investments 可供出售投資	7,511	7,511
Goodwill 商譽	12,077	12,077
Deposits for acquisition of property, plant and equipment 購買物業、機器及設備按金	1,244	—
	502,551	440,994
CURRENT ASSETS 流動資產		
Inventories 存貨	146,219	134,988
Trade and other receivables 貿易及其他應收款項	313,240	378,252
Prepaid lease payments 預付租賃款	502	502
Amounts due from related parties 應收關聯人士款項	—	2,298
Available-for-sale investments 可供出售投資	69,326	66,188
Pledged bank deposits 已抵押銀行存款	90	1,690
Bank balances and cash 銀行結餘及現金	491,548	543,689
	1,020,925	1,127,607
CURRENT LIABILITIES 流動負債		
Trade and other payables 貿易及其他應收款項	196,607	265,225
Amounts due to related parties 應付關聯人士款項	7,947	5,661
Tax payable 應付稅項	518	2,670
	205,072	273,556
NET CURRENT ASSETS 淨流動資產	815,853	854,051
TOTAL ASSETS LESS CURRENT LIABILITIES 總資產減流動負債	1,318,404	1,295,045
NON CURRENTLY LIABILITY 非流動負債		
Deferred tax liability 遞延稅項負債	4,021	—
	1,314,383	1,295,045
CAPITAL AND RESERVES 資本及儲備		
Share capital 股本	97,520	97,520
Reserves 儲備	1,209,684	1,191,295
Attributable to: 歸屬:		
Equity holders of the Company 本公司股權持有人	1,307,204	1,288,815
Minority interests 少數股東權益	7,179	6,230
	1,314,383	1,295,045

Unaudited Condensed Consolidated Statement of Changes in Equity

未經審核簡明綜合股東權益變動表

Attributable to the equity holders of the Company

歸屬於本公司股權持有人的權益

	Reserves											Minority Interests	Total
	Share capital	Share premium	Special reserve	Statutory reserves	Discretionary surplus reserve	Other reserves	Investment revaluation reserves	Translation reserves	Retained earnings	Sub-total	少數股東權益		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2007 (audited)													
於二零零七年一月一日(經審核)	101	—	234,846	31,003	916	29,070	—	—	58,941	354,776	5	354,882	
Profit, representing total recognised income for the period													
期內溢利·即已確認總收入	—	—	—	—	—	—	—	—	102,097	102,097	(5)	102,092	
Capitalisation issue and division of shares 資本化發行和分拆股份	77,915	—	(77,915)	—	—	—	—	—	—	(77,915)	—	—	
Issue of new shares 發行新股	19,504	725,548	—	—	—	—	—	—	—	725,548	—	745,052	
Expenses relating to issue of new shares 發行新股相關費用	—	(39,738)	—	—	—	—	—	—	—	(39,738)	—	(39,738)	
At 30 June 2007 and 1 July 2007 (unaudited)													
於二零零七年一月一日及七月一日(未經審核)	97,520	685,810	156,931	31,003	916	29,070	—	—	161,038	1,064,768	—	1,162,288	
Gain on fair value changes of available-for-sale investments recognized directly in equity													
直接於股權確認之可供出售投資公平值變動之收益	—	—	—	—	—	—	3,188	—	—	3,188	—	3,188	
Profit for the period 期內溢利	—	—	—	—	—	—	—	—	123,339	123,339	440	123,779	
Total recognised income for the period 期內已確認總收入	—	—	—	—	—	—	3,188	—	123,339	126,527	440	126,967	
Acquisition of a subsidiary 收購附屬公司	—	—	—	—	—	—	—	—	—	—	5,790	5,790	
Appropriations 轉撥	—	—	—	—	—	34,924	—	—	(34,924)	—	—	—	
At 1 January 2008 (audited)													
二零零八年一月一日(經審核)	97,520	685,810	156,931	31,003	916	63,994	3,188	—	249,453	1,191,295	6,230	1,295,045	
Gain on fair value changes of available-for-sale investments recognized directly in equity													
直接於股權確認之可供出售投資公平值變動之收益	—	—	—	—	—	—	1,638	—	—	1,638	—	1,638	
Deferred tax liability arising on revaluation of available-for-sale investments													
重估可供出售投資產生之遞延稅項負債	—	—	—	—	—	—	(603)	—	—	(603)	—	(603)	
Exchange difference arising from translation of foreign operation													
產生之兌換差額	—	—	—	—	—	—	—	(736)	—	(736)	—	(736)	
Net income recognized directly in equity													
直接於股權確認之淨收入	—	—	—	—	—	—	1,035	(736)	—	299	—	299	
Profit for the period 期內溢利	—	—	—	—	—	—	—	—	39,090	39,090	4	39,094	
Total recognised income for the period 期內已確認總收入	—	—	—	—	—	—	1,035	(736)	39,090	39,389	4	39,393	
Contribution from minority shareholders 少數股東注資	—	—	—	—	—	—	—	—	—	—	945	945	
Dividend paid 已付股息	—	—	—	—	—	—	—	—	(21,000)	(21,000)	—	(21,000)	
At 30 June 2008 (unaudited)													
於二零零八年六月三十日(未經審核)	97,520	685,810	156,931	31,003	916	63,994	4,223	(736)	267,543	1,209,684	7,179	1,314,383	

Unaudited Condensed Consolidated Financial Statement

未經審核簡明綜合財務報表

Unaudited Condensed Consolidated Cash Flow Statement 未經審核簡明綜合現金流量表

	Six months ended 30 June 截至六月三十日止六個月期間	
	2008 二零零八年 RMB'000 人民幣千元 (unaudited) (未經審核)	2007 二零零七年 RMB'000 人民幣千元 (unaudited) (未經審核)
NET CASH FROM OPERATING ACTIVITIES 經營活動所得現金淨額	58,657	104,982
INVESTING ACTIVITIES 投資活動		
Purchase of property, plant and equipment 購買物業、機器及設備	(101,334)	(68,025)
Proceeds on disposal of held-for-trading investments 出售持作買賣投資款項	12,868	—
Purchase of held-for-trading investments 購買持作買賣投資	(7,442)	—
Other investing cash flows 其它投資現金流動	5,631	1,193
NET CASH USED IN INVESTING ACTIVITIES 投資活動所耗現金淨額	(90,277)	(66,832)
FINANCING ACTIVITIES 融資活動		
Dividend paid 已付股息	(21,000)	(236,009)
Proceeds from issue of new shares 發行新股所得款項	—	745,053
New bank loans raised 新增銀行貸款	—	147,724
Other financing cash flows 其它融資現金流動	945	(58,039)
NET CASH (USED IN) FROM FINANCING ACTIVITIES 融資活動(所耗)所得現金淨額	(20,055)	598,729
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS 現金及現金等值項目(減少)增加淨額	(51,675)	636,879
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD 期初現金及現金等值項目	543,689	160,275
Effect of foreign exchange rate changes 外幣匯率變動影响	(466)	—
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by bank balances and cash 期末現金及現金等值物結餘，分析銀行結餘及現金	491,548	797,154

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

A. Basis of Presentation

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting".

B. Significant Accounting Policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

The accounting policies adopted in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2007.

In the current interim period, the Group has applied, for the first time, new interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning on 1 January 2008.

The adoption of these new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognized.

The Group has not early applied the following new and revised standards, amendments or interpretation that have been issued but are not yet effective.

A. 編製基準

此簡明綜合財務報表乃根據香港聯合交易所有限公司(「聯交所」)證券上市規則附錄16和香港會計準則(「香港會計準則」)第34號「中期財務報告」的適用披露規定所編製。

B. 主要會計政策

此簡明綜合財務報表乃按歷史成本基準編製，惟按公平值計算的若干金融工具除外。

此簡明綜合財務報表所採用的會計政策與本集團截至二零零七年十二月三十一日止年度所編製之年度財務報表所採用者一致。

在此中期期間，本集團第一次採用香港會計師公會所頒佈自本集團於二零零八年一月一日開始的財政年度生效的新詮釋(「新香港財務報告準則」)。

這些新香港財務報告準則的採用對於本集團現在和過往會計期間之業績及財政狀況不會構成重大的影響。因此，沒有作出過往期間調整。

本集團並無提早採用下列已頒佈但尚未生效的新訂及經修訂準則、修訂或詮釋。



Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

B. Significant Accounting Policies (Continued)

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations ²
HKFRS 8	Operation Segments ¹
HK(IFRIC)-INT 13	Customer Loyalty Programmes ³

¹ Effective for annual periods beginning on or after 1 January 2009.

² Effective for annual periods beginning on or after 1 July 2009.

³ Effective for annual periods beginning on or after 1 July 2008.

The Directors of the Company anticipate that the application of these new and revised standards, amendments or interpretation will have no material impact on the results and the financial position of the Group except for the adoption of HKFRS 3 (Revised) Business Combinations and HKAS 27 (Revised) Consolidation and Separate Financial Statements. HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions.

B. 主要會計政策(續)

香港會計準則第1號 (經修訂)	財務報表之呈報 ¹
香港會計準則第23號 (經修訂)	借款成本 ¹
香港會計準則第27號 (經修訂)	綜合及獨立財務報表 ²
香港會計準則第32號及第1號(經修訂)	可贖回金融工具及清盤產生之責任 ¹
香港財務報告準則第2號(經修訂)	歸屬條件及註銷 ¹
香港財務報告準則第3號(經修訂)	業務合併 ²
香港財務報告準則第8號	營運分部 ¹
香港(國際財務報告詮釋委員會) – 詮釋第13號	客戶忠誠度計劃 ³

¹ 於二零零九年一月一日或其後開始之年度期間生效。

² 於二零零九年七月一日或其後開始之年度期間生效。

³ 於二零零八年七月一日或其後開始之年度期間生效。

本公司董事預期該等新訂或經修訂準則、修訂或詮釋的採用將不會對本集團的業績及財務狀況構成重大的影響，惟香港財務報告準則第3號(經修訂)「業務合併」及香港會計準則第27號(經修訂)「綜合及獨立財務報表」的採用除外。香港財務報告準則第3號(經修訂)或會影響收購日期為二零零九年七月一日或其後開始之首個年度報告期間內或之後的業務合併之入賬。香港會計準則第27號(經修訂)將影響母公司於附屬公司不會導致失去控制權的所有權變動之會計處理，在此情況下將按股權交易列賬。

C. Revenue and Segmental Information

Business segments

For management purposes, the Group has organised its business operation into three segments — optical components, optoelectronic products and optical instruments. These segments are the basis on which the Group reports its primary operating information.

C. 收入及分部資料

業務分部

在管理方面，本集團分為三個業務分部：光學零件、光電產品及光學儀器。該等分部為本集團申報主要分部資料的基礎。

For the six months ended 30 June 2008

截至二零零八年六月三十日止六個月

	Optical components 光學零件 RMB'000 人民幣千元 (unaudited) (未經審核)	Optoelectronic products 光電產品 RMB'000 人民幣千元 (unaudited) (未經審核)	Optical instruments 光學儀器 RMB'000 人民幣千元 (unaudited) (未經審核)	Elimination 抵銷 RMB'000 人民幣千元 (unaudited) (未經審核)	Consolidated 綜合 RMB'000 人民幣千元 (unaudited) (未經審核)
Revenue 收入					
External sales 外部銷售	268,014	254,755	67,579	—	590,348
Inter-segment sales 分部間銷售	38,177	784	152	(39,113)	—
Total 總額	306,191	255,539	67,731	(39,113)	590,348
Inter-segment sales are charged at prevailing market rates. 分部間銷售按市價入賬。					
Result 業績					
Segment results 各業務業績	17,415	19,172	9,959	—	46,546
Unallocated income 未分配收入					10,096
Unallocated corporate expenses 未分配公司開支					(7,767)
Profit before taxation 除稅前溢利					48,875
Income tax charge 所得稅支出					(9,781)
Profit for the period 期內溢利					39,094

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

C. Revenue and Segmental Information (Continued)

C. 收入及分部資料(續)

Business segments (Continued)

業務分部(續)

For the six months ended 30 June 2007

截至二零零七年六月三十日止六個月

	Optical components 光學零件 RMB'000 人民幣千元 (unaudited) (未經審核)	Optoelectronic products 光電產品 RMB'000 人民幣千元 (unaudited) (未經審核)	Optical instruments 光學儀器 RMB'000 人民幣千元 (unaudited) (未經審核)	Elimination 抵銷 RMB'000 人民幣千元 (unaudited) (未經審核)	Consolidated 綜合 RMB'000 人民幣千元 (unaudited) (未經審核)
Revenue 收入					
External sales 外部銷售	189,661	307,206	59,083	—	555,950
Inter-segment sales 分部間銷售	41,746	12	387	(42,145)	—
Total 總額	231,407	307,218	59,470	(42,145)	555,950
Inter-segment sales are charged at prevailing market rates. 分部間銷售按市價入賬。					
Result 業績					
Segment results 分部業績	40,022	47,334	15,098	—	102,454
Unallocated income 未分配收入					24,027
Unallocated corporate expenses 未分配公司開支					(17,280)
Finance costs 財務費用					(1,951)
Profit before taxation 除稅前溢利					107,250
Income tax charge 所得稅支出					(5,158)
Profit for the period 期內溢利					102,092

D. Other Income

	Six months ended 30 June	
	截至六月三十日	
	止六個月	
	2008	2007
	二零零八年	二零零七年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
	(unaudited)	(unaudited)
	(未經審核)	(未經審核)
Fair value gains on held-for-trading investments 持作買賣投資之公平值收益	5,426	—
Government grants 政府補助金	5,005	5,139
Bank interest income 銀行利息收入	4,670	1,419
Mould income 模具收入	701	—
Net gain on sales of scrap materials 銷售廢料淨收益	352	996
Interests income from share subscription (Note) 股份認購款項利息收入(附註)	—	20,408
Others 其他	868	492
Total 總額	17,022	28,454

Note: Interest income from share subscription represented deposit interest income arising from share subscription under the public offering which took place in June 2007.

附註：利息收入主要來自於本公司於二零零七年六月公開發售股份認購款項暫存銀行所獲得之利息收入。

E. Income Tax Charge

	Six months ended 30 June	
	截至六月三十日	
	止六個月	
	2008	2007
	二零零八年	二零零七年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
	(unaudited)	(unaudited)
	(未經審核)	(未經審核)
Current tax: 即期稅項：		
— The People's Republic of China Enterprise Income 以目前稅率計算之 Tax calculated at the prevailing tax rates 中華人民共和國企業所得稅	6,363	5,158
Deferred tax: 遞延稅項：		
— Current year 本年	3,418	—
	9,781	5,158

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

F. Profit for the Period

F. 期內溢利

	Six months ended 30 June	
	截至六月三十日止六個月	
	2008	2007
	二零零八年	二零零七年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
	(unaudited)	(unaudited)
	(未經審核)	(未經審核)
Profit for the period has been arrived at after charging (crediting): 期內溢利已扣除(計入)下列各項:		
Staff salaries and allowances 員工薪金及津貼	111,286	65,398
Staff contribution to retirement benefit scheme 員工退休福利計劃供款	9,729	5,181
Total staff costs 員工成本總額	121,015	70,579
Auditor's remuneration 核數師酬金	1,227	711
Depreciation of property, plant and equipment 物業、機器及設備折舊	34,960	20,370
Listing expenses 上市費用	—	16,623
Release of prepaid lease payments 預付租賃款撥回	251	136
Allowance for bad and doubtful debts 壞賬撥備	3,338	4,049
Allowance for inventories 存貨撥備	—	940
Reversal of inventories 存貨沖回	(310)	—
Net foreign exchange losses 外匯虧損淨額	2,390	3,271
Net loss (gain) on disposal of property, plant and equipment 出售物業、機器及設備的虧損(收益)	670	(147)

G. Dividends

	Six months ended 30 June	
	截至六月三十日 止六個月	
	2008	2007
	二零零八年	二零零七年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
	(unaudited)	(unaudited)
	(未經審核)	(未經審核)
2007 Final dividend paid: RMB 2.1 cents per share (2006: RMB nil) 二零零七年已付末期股息：每股為人民幣2.1分(二零零六年：無)	21,000	—

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2008 (2007: nil).

董事建議不派發截至二零零八年六月三十日止六個月的中期股息(二零零七年：無)。

H. Basic Earnings Per Share

The calculation of the basic earnings per share for the six months ended 30 June 2008 is based on the profit attributable to the equity holders of the Company and the weighted average number of 1,000,000,000 shares in issue (2007: 829,834,000 shares).

No diluted earnings per share is presented as the Company did not have any potential dilutive shares in issue during both periods or at each of the balance sheet dates.

H. 每股基本盈利

截至二零零八年六月三十日止六個月的每股基本盈利乃根據本公司股權持有人應佔溢利及已發行股份加權平均數1,000,000,000股計算(二零零七年：829,834,000股)。

由於公司於該兩個期間或各結算日並無已發行潛在攤薄股份，故並無呈列每股攤薄盈利。

I. Movements in Property, Plant and Equipment

During the six months ended 30 June 2008, the Group spent approximately RMB97 million (the corresponding period of 2007: approximately RMB68 million) on purchasing its manufacturing equipments in the PRC, in order to upgrade its manufacturing capabilities.

There was no significant disposal of property, plant and equipment for the Group during the current period.

I. 物業、機器及設備變動

於截至二零零八年六月三十日止六個月期間，本集團為了提升生產能力，在中國購買約人民幣97,000,000元(二零零七年：約為人民幣68,000,000元)的生產設備。

於此期間，本集團並沒有關於物業、機器及設備的重大出售。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

J. Trade and Other Receivables

The Group has a policy of allowing an average credit period of 90 days to its trade customers. The following is an aged analysis of trade and bill receivables at the balance sheet dates:

J. 貿易及其他應收款

本集團為其貿易客戶提供平均90天的信用期。以下為結算日貿易應收款及應收票據的賬齡分析：

	30 June 2008 二零零八年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2007 二零零七年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Trade receivables 貿易應收款		
Within 90 days 90天內	188,520	259,672
91 to 180 days 91至180天	12,146	13,259
Over 180 days 180天以上	3,557	1,578
	204,223	274,509
Bill receivables 應收票據		
Within 90 days 90天內	23,408	47,604
91 to 180 days 91至180天	64,178	24,603
	87,586	72,207
Other receivables 其他應收款	21,431	31,536
	313,240	378,252

K. Trade and Other Payables

The following is an aged analysis of trade payables at the balance sheet dates and the credit period taken for the trade purchases is typically within 90 days.

K. 貿易及其他應付款

以下為於結算日貿易及其他應付款的賬齡分析，本集團之貿易採購一般獲提供90天內的信貸期。

	30 June 2008 二零零八年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2007 二零零七年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Trade payables 貿易應付款		
Within 90 days 90天內	126,717	173,700
91 to 180 days 91至180天	12,575	10,164
Over 180 days 180天以上	532	756
Total trade payables 貿易應付款總額	139,824	184,620
Payables for purchase of property, plant and equipment 購置物業、機器及設備應付款	6,750	11,029
Accrued staff costs 應計僱員成本	29,846	41,407
Advance from customers 客戶預付款	3,591	6,327
Value added tax payables and other tax payables 應付增值稅及其他應付稅項	1,394	6,831
Others 其他	15,202	15,011
	56,783	80,605
	196,607	265,225

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

L. Share Capital

L. 股本

	Number of shares 股份數目	Amount 數額 HK\$'000 千港元	Equivalent to 相等於 RMB'000 人民幣千元
Authorized: 法定：			
Ordinary shares of HK\$1 each on incorporation and as of 1 January 2007 於註冊成立及二零零七年一月一日時， 每股面值1港元的普通股	380,000	380	
Sub-division of shares (Note 1) 分拆股份(附註1)	3,420,000	—	
Increased on 25 May 2007 (Note 1) 於二零零七年五月二十五日增加(附註1)	99,996,200,000	9,999,620	
Ordinary shares of HK\$0.1 each as of 31 December 2007, 1 January 2008 and 30 June 2008 於二零零七年十二月三十一日、二零零八年一月一日 及二零零八年六月三十日，每股面值0.1港元的普通股	100,000,000,000	10,000,000	
Issued & fully paid: 已發行及繳足：			
Ordinary shares of HK\$1 each as of 1 January 2007 於二零零七年一月一日時，每股面值1港元的普通股	100,000	100	101
Sub-division of shares (Note 1) 分拆股份(附註1)	900,000	—	
Capitalization issue (Note 2) 資本化發行(附註2)	799,000,000	79,900	
Issue of new shares (Note 3) 發行新股(附註3)	200,000,000	20,000	
Ordinary shares of HK\$0.1 each as of 31 December 2007, 1 January 2008 and 30 June 2008 於二零零七年十二月三十一日、二零零八年一月一日 及二零零八年六月三十日，每股面值0.1港元的 普通股	1,000,000,000	100,000	97,520

L. Share Capital (Continued)

Notes:

- (1) On 25 May 2007, resolutions of all the shareholders were passed pursuant to which each share of HK\$1.00 in the share capital of the Company was subdivided into 10 shares so that the authorized share capital of the Company became HK\$380,000 divided into 3,800,000 shares and 100,000 issued shares of HK\$1.00 each became 1,000,000 issued shares and the authorized share capital of the Company was then increased from HK\$380,000 to HK\$10,000,000,000 by the creation of additional 99,996,200,000 shares which rank pari passu in all respects with the shares then in issue.
- (2) During the year ended 31 December 2007, the Board of Directors authorized to capitalize HK\$79,900,000 standing to the credit of the special reserve account of the Company by applying such sum in paying up in full at par of 799,000,000 shares.
- (3) In June 2007, the Company issued 200,000,000 shares with a nominal value of HK\$0.1 each, at a price of HK\$3.82 per share by way of a global offering to Hong Kong and overseas investors ("Global Offering").

M. Capital Commitments

Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements
已訂約但未於簡明綜合財務報表撥備的物業、機器及設備收購資本開支

L. 股本 (續)

附註：

- (1) 於二零零七年五月二十五日，全體股東通過決議案，將本公司股本中每股面值1.00港元的股份分拆為10股股份，從而使本公司的法定股本變成380,000港元分為3,800,000股股份，而100,000股每股面值1.00港元的已發行股份變成1,000,000股已發行股份，並通過增設99,996,200,000股股份，使本公司法定股本由380,000港元增至10,000,000,000港元。新增股份在各方面與當時已發行股份享有同等權益。
- (2) 截至二零零七年十二月三十一日止年度，董事會授權將本公司特別儲備賬的進賬額79,900,000港元撥充資本，按面值繳足799,000,000股份的股款。
- (3) 於二零零七年六月份，本公司以全球發售方式按每股3.82港元的價格向香港及海外投資者發行200,000,000股每股面值0.1港元的股份（「全球發售」）。

M. 資本承諾

	30 June 2008 二零零八年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2007 二零零七年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements 已訂約但未於簡明綜合財務報表撥備的物業、機器及設備收購資本開支	14,605	31,699

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

N. Related Party Transactions

- (a) Names and relationships with related parties during the periods are as follows:

Name 名稱	Principal activities 主要業務	Relationship 關係
Sunny Group Limited ("Sunny Group") 舜宇集團有限公司(「舜宇集團」)	Investment holding 投資控股	A substantial shareholder of the Company 本公司的主要股東
Ningbo Sunny Electronic Limited ("Ningbo STT") 寧波舜宇電子有限公司 (「寧波舜宇科技」)	Manufacture and sale of telescopes and riflescopes 生產及銷售望遠鏡及瞄準器	Beneficial interest held by a family member of the Company's Director, Mr. Wang Wenjian 本公司董事王文鑒先生家屬實益擁有的公司
Shanghai Shuangquan Scientific Investment Company Limited ("Shuangquan") 上海雙圈科技儀器有限公司(「雙圈」)	Distribution and sales of scientific instruments 生產及銷售科學儀器	Beneficial interest held by a family member of the substantial shareholder of a group's subsidiary 集團附屬公司主要股東家屬實益擁有的公司
Yuyao City Jiahua Optoelectronic Components Factory ("Jiahua") 餘姚市佳華光電配件廠(「佳華」)	Manufacture and sale of parts for optical instruments 生產及銷售光學儀器部件	Company controlled by a family member of the Company's Director, Mr. Wang Wenjian 本公司董事王文鑒先生家屬所控制公司
Yuyao City Urban Fanxing Electrical Appliance Factory ("Fanxing") 餘姚市城區範興電器廠(「範興」)	Manufacture and sale of hardware and plastic components 生產及銷售五金及塑膠零件	Company controlled by a family member of the Company's Director, Mr. Wu Jinxian 本公司董事吳進賢先生家屬所控制公司
Yuyao City Xingbang Optoelectronic Instruments Company Limited ("Xingbang") 餘姚市興邦光電儀器有限公司(「興邦」)	Manufacture and sale of parts for optical instruments 生產及銷售光學儀器部件	Company controlled by a family member of the Company's Director, Mr. Wu Jinxian 本公司董事吳進賢先生家屬所控制公司
Yuyao City Xingli Optics Instruments Factory ("Xingli") 餘姚市興立光學器材廠(「興立」)	Manufacture and sale of parts for optical instruments 生產及銷售光學儀器部件	Company controlled by a family member of the Company's Director, Mr. Ye Liaoning 本公司董事葉遼寧先生家屬所控制公司
寧波舜宇機械有限公司 ("Sunny Machinery")(「舜宇機械」)	Manufacture and sale of telescopes and riflescopes 生產及銷售望遠鏡及瞄準器	Beneficial interest held by a family member of the Company's Director, Mr. Wang Wenjian 本公司董事王文鑒先生家屬實益擁有的公司

N. 關連方交易

- (a) 期內關連方名稱及與關連方之關係如下：

N. Related Party Transactions (Continued)

(b) Transactions with related parties:

	Six months ended 30 June	
	截至六月三十日止六個月	
	2008	2007
	二零零八年	二零零七年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
	(unaudited)	(unaudited)
	(未經審核)	(未經審核)
Sales of goods (Note 1) 銷售產品(附註1)		
Ningbo SST 寧波舜宇科技	1,688	939
Shuangquan 雙圈	837	—
Xingbang 興邦	179	10
	2,704	949
Purchase of raw materials (Note 1) 購買原材料(附註1)		
Ningbo SST 寧波舜宇科技	6,255	3,266
Xingbang 興邦	1,769	131
Sunny Machinery 舜宇機械	1,460	—
Xingli 興立	524	25
Fanxing 範興	277	272
Jiahua 佳華	28	49
	10,313	3,743
Property rental expenses (Note 2) 物業租金支出(附註2)		
Sunny Group 舜宇集團	1,261	2,120
Interest expenses (Note 3) 利息支出(附註3)		
Sunny Group 舜宇集團	—	572

Notes:

- (1) The transactions were entered into in accordance with the terms agreed by the relevant parties.
- (2) The property rental expenses were charged based on the terms agreed by the relevant parties.
- (3) The interest expenses were calculated based on the loan agreements and entrusted loan agreements entered into between the Group and Sunny Group. The loans were unsecured, interest bearing at 4.6% per annum and repayable on demand.

附註：

- (1) 該等交易根據相關人士協定的條款進行。
- (2) 物業租金開支乃根據相關人士協定的條款收取。
- (3) 利息開支乃根據本集團與舜宇集團訂立的貸款協議及委託貸款協議計算。貸款為無抵押，年利率4.69厘，並須應要求償還。

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N. Related Party Transactions (Continued)

- (c) At each balance sheet date, the Group has the following significant balances with related parties:

N. 關連方交易(續)

- (c) 於各結算日，本集團與關連方的重大結餘如下：

	Six months ended 30 June 截至六月三十日止六個月	
	2008 二零零八年 RMB'000 人民幣千元 (unaudited) (未經審核)	2007 二零零七年 RMB'000 人民幣千元 (unaudited) (未經審核)
Current assets: 流動資產：		
Sunny Group 舜宇集團	—	18
Minority shareholders 少數股東	—	2,280
	—	2,298
Current liabilities: 流動負債：		
Ningbo SST 寧波舜宇科技	5,383*	3,327*
Xingbang 興邦	1,442*	1,614*
Sunny Machinery 舜宇機械	500*	—
Xingli 興立	447*	564*
Fanxing 範興	151*	156*
Sunny Group 舜宇集團	24*	—
	7,947	5,661

Other than those amounts denoted with asterisk ‘*’ which are of trade nature, the other amounts are of non-trade nature. The amounts are unsecured, interest free and recoverable within one year.

除上文以「*」標示之數額為貿易性質外，其他數額均為非貿易性質。該等金額為無抵押、免息及可於一年內收回。

N. Related Party Transactions (Continued)

(d) Compensation of key management personnel

	Six months ended 30 June 截至六月三十日止六個月	
	2008 二零零八年 RMB'000 人民幣千元 (unaudited) (未經審核)	2007 二零零七年 RMB'000 人民幣千元 (unaudited) (未經審核)
Short-term benefits 短期福利	3,360	2,180
Post-employment benefits 離職後福利	123	129
	3,483	2,309

N. 關連方交易(續)

(d) 主要管理人員薪酬

O. Subsequent Events

There have been no material events subsequent to period end which require adjustment of or disclosure in the interim report.

O. 繼後事項

於本期間後，並沒有需要對本中期報告作出調整或於其中披露之重要事項發生。



Management Discussion and Analysis

管理層討論及分析

Business Overview

The Group is a leading integrated optical components and optoelectronic products manufacturer in terms of revenue and profitability in the PRC. The Group possesses strong design capabilities, manufacturing know-how and an efficient production process to offer a comprehensive range of optical and optical-related products through its ability to integrate optical, mechanical and electronic technologies. The Group also has the expertise to vertically integrate its principal business segments of optical components, optoelectronic products and optical instruments manufacturing.

For the six months ended 30 June 2008, the Group's revenue grew consistently. However, the management believes that it was a tough period due to volatile domestic mobile phone market, Renminbi ("RMB") appreciation, increase in labour costs, rise in research and development ("R&D") expenditure and increase in effective tax rate.

A. Financial Review

Revenue

For the six months ended 30 June 2008, the Group's revenue reached approximately RMB590,348,000, with an increase of approximately RMB34,398,000 or approximately 6.2% over the same period last year.

Revenue from optical components increased by approximately 41.3% over the same period last year to approximately RMB268,014,000. The revenue increase was a result of further development in consumer electronic products, which boosted the demand for lenses and lens sets. Furthermore, the Company strategically enhanced its productivity and developed new sales channels. Increased sales orders were recorded from some new reputable customers.

業務簡介

本集團在收益及盈利能力方面為中國領先的綜合光學零件及光電產品生產商。本集團具備強大的設計實力、豐富的生產專業技術及高效生產工藝，結合光學、機械及電子技術，提供各類光學及光學相關產品。本集團的主要業務包括光學零件、光電產品及光學儀器業務，以垂直整合方式經營。

截至二零零八年六月三十日止六個月期間，本集團的收入持續增長。但是由於國產手機市場的波動、人民幣升值、勞工成本的增加、研發費用上升及實際稅率的提高，管理層認為這是困難的時期。

A. 財務回顧

收入

截至二零零八年六月三十日止六個月期間，本集團的收入約為人民幣590,348,000元，與去年同期比較增加約6.2%或約為人民幣34,398,000元。

光學零件產品的收入較去年同期上升約41.3%至約為人民幣268,014,000元。收入增長主要是由於電子消費產品的發展帶動鏡片及鏡頭的需求上升。而且本公司有策略地提升生產力，並開發新銷售途徑，一些知名新客戶也增加其訂單。

Revenue from optoelectronic products recorded a decrease of approximately 17.1% to approximately RMB254,755,000 compared to the period ended 30 June 2007. The decrease was mainly due to the fact that domestic mobile phone manufacturers had experienced an obvious slow-down in product sales compared to the corresponding period in 2007. Moreover, the prices of the Company's leading product 0.3 mega-pixel (VGA) mobile phone lens sets and camera modules were under pressure. Although the Group's sales volume grew as recorded, the intense decrease in average selling price led to the overall decrease in revenue.

Revenue from optical instruments for the period ended 30 June 2008 achieved an increase of approximately 14.4% over the same period last year to approximately RMB67,579,000. This was mainly due to the successful expansion in analytical instruments market.

Gross profit and margin

During the review period, the Group's gross profit was approximately RMB124,803,000 and the gross margin was approximately 21.1%. Gross margin decreased by 5.9% compared to the same period last year. It was mainly due to the increase in labour costs, RMB appreciation, and the significant decrease in market prices of VGA mobile phone lens sets and camera modules under the market pressure.

Other income

Other income decreased significantly by approximately 40.2% from approximately RMB28,454,000 for the six months ended 30 June 2007 to approximately RMB17,022,000 for the same period in 2008. The decrease was mainly due to the Group recorded an interest income of approximately RMB20,408,000 in 2007 from share subscription under the Global Offering which took place in June 2007.

與截至二零零七年六月三十日止六個月期間相比，光電產品的收入下降約17.1%至約為人民幣254,755,000元。下降的主要原因是由於國內手機生產商的出貨量增長較去年同期顯著放緩，公司主導產品30萬像素(VGA)手機鏡頭和照相模組受到客戶降價的較大壓力，雖然出貨數量仍錄得增長，但整體收入仍因平均售價的大幅下降而下滑。

截至二零零八年六月三十日止六個月期間，光學儀器的收入較去年同期上升約14.4%至約為人民幣67,579,000元。主要因為分析儀器市場開擴進展良好。

毛利及毛利率

於回顧期內，本集團的毛利約為人民幣124,803,000元，毛利率約為21.1%，較去年同期下降約5.9%，主要是因為勞工成本的上升，人民幣升值，及市場壓力令VGA手機鏡頭及照相模組市場售價下降幅度較大。

其他收入

其他收入從截至二零零七年六月三十日止六個月期間的約為人民幣28,454,000元，大幅下跌約40.2%至二零零八年同期的約為人民幣17,022,000元，主要原因是在二零零七年六月全球發售股份認購款項為本集團帶來約為人民幣20,408,000元的利息收入。



Management Discussion and Analysis

管理層討論及分析

Selling and distribution expenses

Selling and distribution expenses, which represented approximately 2.5% of the Group's revenue during the review period, increased by approximately 16.4% or approximately RMB2,070,000 to approximately RMB14,722,000 during the review period of 2008. The increase was primarily due to the increase in the costs for selling, marketing, and distribution personnel, and the increase in transportation fees and business development expenses.

Research and development expenditure

Research and development expenditure, which represented approximately 4.1% of the Group's revenue during the review period, increased from approximately RMB7,487,000 for the six months ended 30 June 2007 to approximately RMB23,933,000 for the same period in 2008. Such increase was due to the continuous investment in research and development activities and business development which mainly related to the establishment of mould centre, the development of aspheric glass lens, closed circuit television ("CCTV") system, 3X zoom mobile phone lens sets, and the capacity expansion of chip-on-board ("COB") technology. The management expect these projects will contribute to the growth of the Group in coming years.

Administrative expenses

Administrative expenses, which represented approximately 9.2% of the Group's revenue in the period under review, increased by approximately 10.7% from approximately RMB49,060,000 for the period ended 30 June 2007 to approximately RMB54,295,000 for the corresponding period of 2008. The increase was mainly due to the increase of administrative and staff costs, and the increase in related welfare costs. There was a non-recurring Global Offering expenses of approximately RMB16,623,000 incurred in the period of six months ended 30 June 2007.

銷售及分銷費用

銷售及分銷費用增加約16.4%或約為人民幣2,070,000元，至二零零八年回顧期內約為人民幣14,722,000元，於回顧期內佔本集團收入約2.5%。有關費用增加主要由於銷售、市場推廣及分銷人員等費用上揚，加上運輸費用和業務發展開支的提高。

研發費用

研發費用由截至二零零七年六月三十日止六個月期間的約為人民幣7,487,000元升至二零零八年同期的約為人民幣23,933,000元，於回顧期內佔本集團收入約4.1%。有關增長乃本集團繼續投放資金於研發項目及業務發展所致。主要用於模具中心的建設、玻璃非球面、閉路電視(「CCTV」)系統、3倍變焦手機鏡頭的開發及基板晶片(「COB」)工藝製程產能的擴大。管理層預計這些項目對集團未來幾年的增長帶來貢獻。

行政費用

行政費用由截至二零零七年六月三十日止六個月期間的約為人民幣49,060,000元增至二零零八年同期期間的約為人民幣54,295,000元，增加約10.7%，於回顧期內佔本集團收入約9.2%。上升的主要原因為行政及員工成本增加及相關福利成本相應提高所致。在截至二零零七年六月三十日止六個月期間，非經常性的全球發售費用約為人民幣16,623,000元。

Income tax charge

Income tax increased from approximately RMB5,158,000 for the six months ended 30 June 2007 to approximately RMB9,781,000 in the same period in 2008 due to the elapse of tax free periods of the first two years that some of the Company's subsidiaries in the PRC had enjoyed under the applicable laws of the PRC as sino-foreign equity joint ventures and jointly foreign owned enterprises. The effective tax rate for the Group in the review period was approximately 20.0%, including the 5% Withholding Tax on Dividend. The net effective tax rate should be approximately 13.0%.

Tax rates attributable to the Group's China subsidiaries are shown as follows:

	2008 二零零八年
Zhejiang Sunny Optics Co., Ltd. 浙江舜宇光學有限公司	12.5%
Ningbo Sunny Instruments Co., Ltd. 寧波舜宇儀器有限公司	12.5%
Sunny Optics (Zhongshan) Co., Ltd. 舜宇光學(中山)有限公司	—
Ningbo Sunny Opotech Co., Ltd. 寧波舜宇光電信息有限公司	12.5%
Ningbo Sunny Infrared Technologies Company Ltd. 寧波舜宇紅外技術有限公司	25.0%
Nanjing Sunny Optical Instruments Co., Ltd. 南京舜宇光學儀器有限公司	25.0%
Shanghai Sunny Hengping Scientific Instrument Co., Ltd. 上海舜宇恒平科學儀器有限公司	25.0%
Ningbo Sunny Automotive Optech Co., Ltd. 寧波舜宇車載光學技術有限公司	25.0%

Profit for the period

During the review period, profit of the Group was approximately RMB39,094,000 as compared to approximately RMB102,092,000 for the same period in 2007. The decrease in net profit was mainly due to a lower gross profit, increase in research and development expenses and increase in tax expenses due to expiry of tax concession period. The net profit margin was approximately 6.6%.

Profit attributable to the equity holders of the Company

Profit attributable to the equity holders of the Company amounted to approximately RMB39,090,000, representing a decrease of approximately approximately RMB63,007,000 or approximately 61.7% as compared to approximately RMB102,097,000 in the same period last year.

所得稅開支

由於按照中國有關的規定，本集團部份內地附屬公司作為中外合資企業及聯營企業的首兩年免稅期屆滿，所得稅開支由截至二零零七年六月三十日止六個月期間約為人民幣5,158,000元增加到二零零八年同期的約為人民幣9,781,000元。於回顧期內，本集團的實際稅率約為20.0%，其中包括5%的股息預提稅，扣除此部份，其實際稅率約為13.0%。

本集團各中國附屬公司適用稅率見下表：

本期溢利

於回顧期內，集團錄得溢利約為人民幣39,094,000元，而二零零七年同期的溢利約為人民幣102,092,000元。純利的下降主要是因為毛利下降、研發費用增加和因稅務優惠期屆滿而使稅項開支上升，純利率則約為6.6%。

本公司股權持有人應佔溢利

本公司股權持有人應佔溢利約為人民幣39,090,000元，較去年同期的約為人民幣102,097,000元下降約為人民幣63,007,000元或約61.7%。



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Dividends

The Company declared dividends of approximately RMB21,000,000 to equity holders of the Company for the year ended 31 December 2007. The payment of such dividends was made in May 2008.

For the six months ended 30 June 2008, the Group decided not to declare any interim dividend.

Gearing ratio

The Group financed its business mainly with internally generated resources and in some cases, short-term loans from banks. To meet additional working capital requirements for business expansion, the Group obtained bank loans in the second quarter of 2007 and they were paid off before the year ended 2007. No external loan was outstanding as of 30 June 2008, consequently the gearing ratio was zero.

As of 30 June 2008, the Group did not have any material contingent liabilities or guarantees.

B. Operational Review

Production

As of 30 June 2008, the Group's products were manufactured in its three production bases in Yuyao of Zhejiang Province, Zhongshan of Guangdong Province and Shanghai Province of the PRC respectively.

股息

截至二零零七年十二月三十一日止年度，本公司建議向本公司股權持有人派發約為人民幣21,000,000元的股息，並且已於二零零八年五月派付。

截至二零零八年六月三十日止六個月，本集團決定不派發任何中期股息。

負債比率

本集團的業務資金主要來自內部資源和銀行的短期借貸。為了應付業務擴展的額外營運資金需求，本集團於二零零七年第二季度獲得銀行貸款，前述貸款已於二零零七年年末前償還。於二零零八年六月三十日，本集團並無任何外部借貸，因此負債比率為零。

於二零零八年六月三十日，本集團並無任何重大或然負債或擔保。

B. 業務回顧

生產

於二零零八年六月三十日，本集團的產品主要由分別位於中國浙江省餘姚市、廣東省中山市及上海市的三個生產基地所生產。

Research & Development

As of 30 June 2008, the Group had a dedicated team of 260 research staff to constantly review and improve the Group's production know-how, develop more advanced technologies and products. Currently, the Group has engaged in several major R&D projects.

For optical components, new projects include aspheric glass lenses, infrared lenses and lens sets, automobile optical lens sets and high-resolution mobile phone lens sets, etc. Small-quantity production of infrared lens sets have been started. Many automobile optical lenses are well developed and mass production have been started. The projects of 3 time zoom 3.0 mega-pixel lens sets for mobile phones and aspheric glass lenses have proceeded smoothly.

For optoelectronic products, new projects include AF/Zoom camera modules with high resolutions, automobile camera modules, CCTV modules and industrial and medical-used endoscopes. Mass production of industrial endoscopes and AF camera modules for mobile phones have been started. 3-time zoom 3.0 mega-pixel mobile phone camera modules proceed well along with the 3-time zoom mobile phone lens sets under optical components. The Group's visual doorbell modules have already passed the verification of Japanese customers and will be ready for mass production by November 2008.

For optical instruments, new projects include mid-high-end microscope instruments, surveying and analytical instruments. In February 2008, the Group set up a new company in Singapore, which mainly focuses on the research and development of high-end optical instruments such as three dimensional ("3D") optical vision measuring machines and microscopic interferometers. Chromatographs, which are mostly used for chemical and environmental protection purposes, have proceeded as planned. Various microscopes and measuring instruments have been developed successfully.

研究及開發

於二零零八年六月三十日，本集團聘僱260位專職研究人員，持續檢討及改善本集團的生產技術，以開發更先進的技術及產品。目前本集團正進行數項適用於其各主要產品類別的重要研究及開發項目。

在光學事業中，新專案有玻璃非球面、紅外鏡片及鏡頭、車載成像鏡頭、高像素手機鏡頭等。其中紅外鏡頭已開始小批量生產，多款車載鏡頭開發成功並量產，3百萬像素3倍變焦手機鏡頭及玻璃非球面專案進展順利。

在光電事業中，新專案有自動對焦／變焦技術高像素相機模組、車載攝相模組、CCTV模組及工業及醫療用內窺鏡。其中工業內窺鏡、自動對焦手機照相模組已開始量產，3百萬像素3倍變焦手機照相模組與光學事業的鏡頭同步進行中，可視門鈴模組已得到日本客戶驗證並將於二零零八年十一月開始量產。

在光學儀器事業中，新專案有中高檔顯微鏡儀器、測繪與分析儀器。於二零零八年二月份在新加坡成立新公司，負責三維光學影像測量儀及顯微干涉儀等高端光學儀器的研發；主要用於化學及環保方面的色譜儀正依計劃正常進展；多款顯微鏡及測量儀器已開發成功。



Management Discussion and Analysis

管理層討論及分析

C. Outlook and Future Strategies

The Group's goal is to become a leading integrated optical and optoelectronic products manufacturer in the world. In order to achieve this goal, the Group will continue to:

- Enhance its R&D capability and develop more advanced products of better quality;
- Leverage its professional knowledge and core competencies to expand product sales;
- Strengthen and expand its supplier network;
- Reinforce human resources;
- Provide incentives and rewards to eligible participants who contribute to the success of the Group by granting shares/share options.

Looking ahead, the management believes the second half of 2008 will be full of challenges due to the following reasons:

1. Currently, the Group's major revenue is derived from the domestic mobile phone industry in China in which we provide camera lens sets, camera modules and glass lenses for mobile phones to domestic manufacturers of mobile phones in China. The above products accounted for approximately 60% of the Group's overall revenue.

In the first half of the year, mobile phones (with camera function) produced by the domestic manufacturers are still mainly equipped with camera modules of low resolution — 0.3 mega-pixel resolutions (VGA). Due to the fierce competition in the market of low-resolution mobile phone lens sets and camera modules, the average selling price of the Group's 0.3 mega-pixel mobile-phone-related products decreased by approximately 24% compared to the corresponding period in 2007. Furthermore, the increase in total sales volume of domestic manufacturers apparently slowed down in the first half of the year compared to the corresponding period in 2007. Nevertheless, the Group's production capacities of mobile phone lens sets and camera modules were expanded by approximately 76% and 100% respectively compared to the corresponding period in 2007, and the decline in capacity utilization rate resulted in higher fixed cost allocated to each product.

C. 展望及未來策略

本集團的目標是成為一家全球領先的綜合光學及光電產品生產商。為了實現這一個目標，本集團將會繼續致力於：

- 提高自身的研發能力和開發更先進及更優質的產品；
- 憑藉本身專業的知識和核心的競爭能力，以擴大產品銷售；
- 加強及拓展供應商網絡；
- 加強人力資源；
- 向合資格參與者提供鼓勵及獎勵，推出股份／購股權激勵計劃，激勵對本集團作出貢獻的員工。

展望二零零八下半年，管理層認為這是充滿挑戰的半年，原因如下：

1. 目前本集團的主要收入來源於中國本土的手機產業，即向中國本土的手機廠商提供手機鏡頭、手機照相模組及手機玻璃鏡片，上述產品約佔集團整體收入約60%。

今年上半年，中國本土手機廠商所生產的照相手機內置的照相模組仍以低像素 — 30萬像素(VGA)為主流。由於低像素手機鏡頭及照相模組的市場競爭激烈，本集團30萬像素手機鏡頭及照相模組的平均銷售價格都較去年同期下降約24%。此外，今年上半年中國本土手機廠商的出貨量增長較去年同期顯著放緩，而本集團手機鏡頭及照相模組的產能則較去年同期分別上升約76%與100%，產能利用率的下降導致單位產品分攤的固定成本增加。

2. To a certain extent, factors such as RMB appreciation, the increase in labour cost and increase in effective tax rate etc. have brought negative impacts to the Group's profit.
3. In this year 2008, the Group is accelerating the development of aspheric glass lens — Glass Mould Press ("GMP"). The Group has also set up a centre specializing in the development and manufacture of aspheric lens moulds. Besides, the Group is promoting the use of auto focus/zoom function in mobile phone lens sets and camera modules, and developing 3D optical vision measuring machines and microscopic interferometers. The investment and expenditure of all the above projects are relatively high. For the first half of the year, the research and development expenses have increased by approximately 220% compared to the corresponding period in 2007.

In response to the challenges mentioned above, the management of the Group has adopted the following measures:

1. To expand customer base and obtain orders from new customers

We will try to get orders from leading global mobile phone manufacturers instead of relying heavily on domestic mobile phone manufacturers so as to minimize the risk for the group's mobile-phone-related business, and improve the utilization rate of production capacity.

2. To enhance the marketing of high-pixel camera lens sets and camera modules for mobile phones

With the ability to carry out mass production of mobile phone camera lens sets and camera modules of 2.0 mega pixels or above, the Group will further enhance the marketing of the above products, increase the delivery proportion of high-pixel camera lens sets and camera modules of mobile phones and improve its overall gross profit margin.

2. 人民幣升值、勞工成本上升、實際稅率提高等因素也對本集團溢利帶來負面影響。
3. 二零零八年，本集團加速了玻璃非球面GMP技術的研發進展，成立了專門的非球面模具研發生產中心；推動自動對焦／變焦技術在手機鏡頭及照相模組上的運用；進行三維光學影像測量儀和干涉顯微儀的研發。這些項目的投入和費用比較大，今年上半年集團研發費用較去年同期增長約220%。

針對上述原因，本集團管理層已採取了以下應對措施：

1. 擴展客戶基礎，爭取新訂單

爭取獲得全球領先手機製造商的訂單，以分散本集團手機相關業務過分集中於中國本土手機廠商的風險並改善產能利用率。

2. 加強高像素手機鏡頭及照相模組的市場推廣力度

本集團已具備量產二百萬像素及以上手機鏡頭及照相模組的能力，下一步要加強上述產品的市場推廣力度，提高高像素手機鏡頭及照相模組的出貨比例，改善本集團整體的毛利率。



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3. To enlarge the proportion of non-mobile-phone-related business in the Group's revenue

In the first half of the year, among all the non-mobile-phone-related products, glass lenses for digital cameras, vehicle monitoring lens sets, industrial endoscopes, digital video disc ("DVD") lenses and CCTV security modules, etc., have proceeded smoothly. The Group will facilitate and accelerate the development of the above products by allocating more resources to them, so as to enlarge the portion of non-mobile-phone-related business in the Group's overall revenue. In the first half of the year, the Group had also established a joint venture with China Training Center Reproductive Health & Family Care ("CTC") affiliated to State Family Planning Commission to produce medical endoscopes.

4. To increase operation efficiency and control costs

The Group aims to minimise the pressure of production costs brought by the RMB appreciation, the increase in labour costs and the increase in effective tax rate by further enhancing production efficiency, optimizing supply chain and controlling operational costs.

5. To develop new revenue sources

The Group will further develop new income sources for the Group by accelerating the process of launching new products to the market.

The Group's management believes that these measures will minimise the negative impacts of the above challenges. After the implementation of these measures in the first half of the year, effects would be shown gradually in the subsequent half year. In conclusion, although there might be short-term adjustments, the management is still optimistic about the prospect of the Group in the foreseeable future.

3. 擴大非手機相關業務在本集團收入中的比例

上半年，本集團非手機相關業務，如用於數碼相機的玻璃鏡片、車載鏡頭、工業內窺鏡、數碼影碟（「DVD」）鏡片、CCTV安防模組等產品發展情況較好，本集團將投入更多的資源來促進上述業務發展，擴大非手機相關業務在集團收入中的比重。上半年，本集團已與國家計劃生育委員會轄下的中國生殖健康家庭保健培訓中心（CTC）合作成立公司，專業生產醫療內窺鏡。

4. 提高生產效率，控制運營費用

通過進一步提高生產效率，優化供應鏈，控制運營費用來消化因為人民幣升值、勞工成本上升、實際稅率提高等因素給本集團帶來的成本壓力。

5. 開拓新的收入來源

本集團將會加速研發專案推向市場的進程，盡快給本集團帶來新的收入來源。

本集團管理層認為，這些對策的實施可以減少以上挑戰帶來的負面影響。經過半年的實施，下半年這些對應的措施將開始發揮效用。總括而言，雖然短期內或有一些整固，但管理層仍對本集團的前景保持樂觀。

D. Liquidity and Financial Resources

Cash flows

	Six months ended 30 June	
	截至六月三十日止六個月期間	
	2008	2007
	二零零八年	二零零七年
	RMB million	RMB million
	人民幣百萬元	人民幣百萬元
Net cash from operating activities 經營活動所得現金淨額	58.7	105.0
Net cash used in investing activities 投資活動所用現金淨額	(90.3)	(66.8)
Net cash (used in) from financing activities 融資活動(所用)所得現金淨額	(20.1)	598.7

Net decrease in cash and cash equivalent during the period amounted to approximately RMB51,675,000. The group ended the period with approximately RMB491,548,000 of net cash (i.e. cash and cash equivalents) together with approximately RMB90,000 fixed bank deposits. In the coming future, the Group plans to use the cash for product developments, equipment purchases as well as general corporate purposes. As of 30 June 2008, the Group had no borrowings and there were no significant charge on the Group's assets. The Group's cash balance was mainly deposited in interest-bearing accounts with reputable financial institutions in the PRC/Hong Kong.

During the review period, there were no significant changes in the Group's investment portfolio. The investments held by the Group were mainly the 8.56% shareholding interests in a Korean company and the unutilised proceeds from the Global Offering placed with the financial institutions as short term deposits. The performance of the investments remained stable.

Part of trade receivables and payables of the Group are in US dollars. During the review period, the Group has entered into certain foreign exchange trading facilities to hedge against foreign exchange risks.

Capital Expenditure

Capital expenditure for the period was approximately RMB101,334,000 (1H 2007: approximately RMB68,025,000), the majority of which was spent on the purchase of property, plant and equipment in order to expand our business scale. During the review period, the Group did not make any material acquisitions or disposals of subsidiaries.

D. 流動資金及資本來源

現金流量

	Six months ended 30 June	
	截至六月三十日止六個月期間	
	2008	2007
	二零零八年	二零零七年
	RMB million	RMB million
	人民幣百萬元	人民幣百萬元
期內集團現金及現金等值項目減少淨額	58.7	105.0
期內集團現金及現金等值項目增加淨額	(90.3)	(66.8)
期內集團現金及現金等值項目增加淨額	(20.1)	598.7

期內集團現金及現金等值項目減少淨額約為人民幣51,675,000元。本集團於期末之現金淨額(即現金及現金等價物)約為人民幣491,548,000元，以及銀行定期存款共約為人民幣90,000元。展望未來，本集團計劃運用此筆現金作產品開發、設備購買及一般公司營運用途。截至二零零八年六月三十日，本集團既無任何借貸，亦無任何重大資產抵押，現金主要存放於中國／香港信譽可靠的金融機構的付息賬戶。

於回顧期內，本集團的投資組合並無重大改變。本集團期內持有的投資主要是一家韓國公司的8.56%股權及存放於金融機構作短期存款的未動用全球發售所得款項。其投資表現保持穩定。

本集團的部份應收及應付貿易賬款以美元結算。於回顧期內，本集團已訂立若干外匯交易工具以對沖其外匯風險。

資本開支

本集團於期內的資本開支約為人民幣101,334,000元(二零零七年上半年：約為人民幣68,025,000元)。當中大部份用於購置物業、機器及設備以擴大業務規模。於回顧期內，本集團沒有作出關於附屬公司的重大收購或出售。

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E. Capital Structure Indebtedness

Borrowings

The Group did not have any outstanding borrowings as of 30 June 2008.

Bank facilities

As of 30 June 2008, the Group had unutilised banking facilities of RMB250,000,000 with Yuyao Branch of Agricultural Bank of China.

F. Off-Balance Sheet Transactions and Contingent Liability

As of 30 June 2008, the Group did not have any material off-balance sheet transactions.

G. Employees

As of 30 June 2008, the Group had 8,364 full-time employees (30 June 2007: 6,548 employees). Their functions include management and administration (908 employees), production (7,286 employees) and supporting operations (170 employees). The Directors believe that employees are the most valuable assets of the Group and competitive remuneration packages are offered to retain quality staff. Employee benefits include medical insurance, discretionary bonuses, mandatory provident fund schemes, state-managed retirement benefit scheme and other staff benefits.

H. Share Option Scheme

On 25 May 2007, the Company adopted a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group. Eligible participants of Scheme include, without limitation, employees, Directors and shareholders of the Group. Up to 30 June 2008, no share option had been granted or agreed to be granted to any person under the Scheme.

E. 資本結構 債務

借貸

於二零零八年六月三十日，本集團並無任何未償還的借貸。

銀行借貸

於二零零八年六月三十日，本集團未動用的中國農業銀行餘姚支行銀行信貸為人民幣250,000,000元。

F. 資產負債表以外交易和或然負債

於二零零八年六月三十日，本集團並無任何重大資產負債表以外交易。

G. 僱員

於二零零八年六月三十日，本集團擁有8,364名全職僱員（於二零零七年六月三十日：6,548名僱員）。按職能劃分，包括管理和行政人員908名，生產人員7,286名和營運支持人員170名。董事相信，僱員乃本集團最寶貴之資產，因此提供具競爭力之薪酬福利組合以保留傑出人才。僱員福利包括醫療保險、酌情花紅、強積金計劃、國家管理退休福利計劃及其他員工福利。

H. 購股權計劃

於二零零七年五月二十五日，本公司採納一項購股權計劃（「計劃」），旨在為對本集團的成功有重大貢獻的合資格參與者提供鼓勵和獎勵。計劃的合資格參與者包括（但不限於）僱員、董事和本集團股東。截至二零零八年六月三十日止，計劃沒有授出也沒有同意授出過購股權予任何人士。

Other Information

其他資料

A. Purchase, Sale or Redemption of the Company's Shares

There was no purchase, sale or redemption by the Company or its subsidiaries, of the Company's listed shares during the six months ended 30 June 2008.

B. Disclosure of Interest

According to the Articles of Association of the Company (the "Articles"), if any Director is in any way, directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company, he will declare the nature of his interest to the Board at his earliest convenience. In addition, such Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving such contract or arrangement or other proposal in which he or any of his associates (as defined in the Articles) is to his knowledge materially interested, and if he shall do so his vote shall not be counted (nor is he counted in the quorum for that resolution).

C. Disclosure of Substantial Shareholders

As of 30 June 2008, so far as the Directors are aware, the following persons have beneficial interests or short positions in any shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Future Ordinance, Cap 571 of the Laws of Hong Kong ("SFO"), or who is directly and/or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name 姓名／名稱	Long/short position 好倉／淡倉	Type of interest 權益類別	Number of shares 股份數	Approximate percentage of shareholding 持股概約百分比
Sun Xu Limited ("Sun Xu") 舜旭有限公司(「舜旭」)	Long position 好倉	Beneficial owner 實益擁有人	421,460,060	42.15%
Sun Ji Limited ("Sun Ji") (Note 1) 舜基有限公司(「舜基」)(附註1)	Long position 好倉	Interest in a controlled corporation 受控制法團權益	421,460,060	42.15%

A. 購買、出售或贖回本公司股份

截至二零零八年六月三十日止六個月期間，本公司或其任何附屬公司既無購買、出售或贖回本公司之上市股份。

B. 權益披露

根據本公司的組織章程細則(「章程」)，倘任何董事以任何方式直接或間接於本公司訂立的協議或安排或擬訂立的協議或安排中擁有權益，彼須盡快向董事會披露有關權益性質。此外，該董事不得就董事會批准該協議或安排，或就其所知，彼及其聯繫人(於章程中定義)有重大權益的其他建議的任何決議案進行表決(或被計入法定人數)，且即使彼須作出表決，亦不得計算其票(或計入該決議案的法定人數)。

C. 主要股東權益披露

於二零零八年六月三十日，就董事所知，下列人士擁有根據香港法律第571條證券及期貨條例第XV部第2及3分部規定須向本公司披露的本公司股份或相關股份實益權益或淡倉，或直接及／或間接擁有可於任何情況下在本集團任何其他成員公司股東大會投票的任何類別股本面值10%或以上：

Other Information

其他資料

Name 姓名／名稱	Long/short position 好倉／淡倉	Type of interest 權益類別	Number of shares 股份數	Approximate percentage of shareholding 持股概約百分比
Wang Wenjian (Note 2) 王文鑒(附註2)	Long position 好倉	Interest in a controlled corporation, trustee of a trust and trustee and one of beneficiaries of a trust 受控法團權益、信託受託人以及信託受託人及其中一名受益人	479,401,000	47.94%
Mr. Ye Liaoning (Note 3) 葉遼寧先生(附註3)	Long position 好倉	Beneficiary of a trust 信託受益人	421,460,060	42.15%
Mr. Wu Jinxian (Note 4) 吳進賢先生(附註4)	Long position 好倉	Beneficiary of a trust 信託受益人	421,460,060	42.15%
Summit Optical Holdings Inc ("Summit")	Long position 好倉	Beneficial owner 實益擁有人	171,174,508	17.12%
Chengwei Ventures Evergreen Fund, L.P. (Note 5)	Long position 好倉	Interest in a controlled corporation 受控法團權益	207,715,208	20.77%
Sun Zhong Limited ("Sun Zhong") 舜眾有限公司(「舜眾」)	Long position 好倉	Beneficial owner 實益擁有人	57,940,940	5.79%

Notes:

- (1) As Sun Ji owns more than one-third of the voting power of general meetings of Sun Xu, Sun Ji is deemed to be interested in the 421,460,060 shares held of and in the Company by Sun Xu under the provisions of SFO.
- (2) As Mr. Wang Wenjian is the sole shareholder of Sun Guang Limited and the trustee and one of the beneficiaries of the Sunny Employee Trust, Mr. Wang Wenjian is deemed to be interested in the 421,460,060 shares held by Sun Xu under the provisions of SFO. As Mr. Wang Wenjian is the trustee of the PRC Investor Trust, Mr. Wang Wenjian is deemed to be interested in the 57,940,940 shares held by Sun Zhong under the provisions of SFO.
- (3) Mr. Ye Liaoning is a beneficiary under the Sunny Employee Trust, under which he is entitled to 6.20% of the beneficial interest. As a beneficiary of the trust, he is deemed to be interested in all the equity interest that Sunny Employee Trust owns under the SFO. Sun Ji owns 92.32% equity interest in Sun Xu, which in turn owns 421,460,060 shares of the Company. As a controlling shareholder, Sun Ji is deemed to be interested in all the shares that Sun Xu owns under the SFO. Accordingly, Mr. Ye Liaoning is deemed to be interested in 421,460,060 shares under the SFO.

附註：

- (1) 由於舜基持有超過三分之一的舜旭股東大會投票權，因此根據證券及期貨條例，舜基視為擁有舜旭所持421,460,060股本公司股份的權益。
- (2) 由於王文鑒先生為舜光有限公司唯一股東及舜宇僱員信託的受託人兼受益人之一，故此根據證券及期貨條例，王文鑒先生視為擁有舜旭所持421,460,060股股份的權益。由於王文鑒先生為中國投資者信託的受託人，故此根據證券及期貨條例，王文鑒先生視為擁有舜眾所持57,940,940股股份的權益。
- (3) 葉遼寧先生為舜宇僱員信託的受益人，實益擁有當中6.20%權益。根據證券及期貨條例，彼作為信託受益人，視為擁有舜宇僱員信託所持全部股權的權益。舜基擁有舜旭92.32%股權，而舜旭擁有421,460,060股本公司股份。因此，根據證券及期貨條例，舜基作為控權股東視為擁有舜旭所擁有的全部股權的權益。因此，根據證券及期貨條例，葉遼寧先生視為擁有421,460,060股股份的權益。

(4) Mr. Wu Jinxian is a beneficiary under the Sunny Employee Trust, under which he is entitled to 2.81% of the beneficial interest. As a beneficiary of the trust, he is deemed to be interested in all the equity interest that Sunny Employee Trust owns under the SFO. Sun Ji owns 92.32% equity interest in Sun Xu, which in turn owns 421,460,060 shares of the Company. As a controlling shareholder, Sun Ji is deemed to be interested in all the shares that Sun Xu owns under the SFO. Accordingly, Mr. Wu Jinxian is deemed to be interested in 421,460,060 shares under the SFO.

(5) CWI Optical Holdings, Inc. ("CWI") is interested in 36,540,700 shares. As Chengwei Ventures Evergreen Fund, L.P. owns more than one-third of the voting power of general meetings of each of CWI and Summit, Chengwei Ventures Evergreen Fund, L.P. is deemed to be interested in the 207,715,208 shares held by CWI and Summit in aggregate under the SFO.

Chengwei Ventures Evergreen Management, LLC is the general partner of Chengwei Ventures Evergreen Fund, L.P., accordingly, Chengwei Ventures Evergreen Management, LLC is deemed to be interested in 207,715,208 shares under the SFO.

EXL Holdings LLC owns more than one-third of the voting power of general meetings of Chengwei Ventures Evergreen Management, LLC and EXL Holdings, LLC is a company controlled by Mr. Li Eric Xun, accordingly, each of EXL Holdings, LLC and Mr. Li Eric Xun is deemed to be interested in 207,715,208 shares under the SFO.

Definition of terms:

- "PRC Investor Trust" refers to a trust established on 28 July 2006 on the entire issued share capital of Sun Zhong
- "Sunny Employee Trust" refers to a trust established on 28 July 2006 on the entire issued share capital of Sun Ji
- "PRC Investors" refers to the beneficiaries of the PRC Investor Trust

(4) 吳進賢先生為舜宇僱員信託的受益人，實益擁有當中2.81%權益。根據證券及期貨條例，彼作為信託受益人，視為擁有舜宇僱員信託所持全部股權的權益。舜基擁有舜旭92.32%股權，而舜旭擁有421,460,060股本公司股份。因此，根據證券及期貨條例，舜基作為控權股東視為擁有舜旭所擁有的全部股權的權益。因此，根據證券及期貨條例，吳進賢先生視為擁有421,460,060股股份的權益。

(5) CWI Optical Holdings, Inc. ("CWI") 擁有36,540,700股股份權益。由於Chengwei Ventures Evergreen Fund, L.P. 持有CWI及Summit股東大會超過三分之一的投票權，因此根據證券及期貨條例，Chengwei Ventures Evergreen Fund, L.P. 視為擁有CWI及Summit所持合共207,715,208股股份的權益。

Chengwei Ventures Evergreen Management, LLC是Chengwei Ventures Evergreen Fund, L.P.的一般合夥人，因此根據證券及期貨條例，Chengwei Ventures Evergreen Management, LLC被視為擁有207,715,208股股份的權益。

EXL Holdings, LLC持有Chengwei Ventures Evergreen Management, LLC股東大會超過三分之一的投票權，而EXL Holdings, LLC由Li Eric Xun先生控股，因此根據證券及期貨條例，EXL Holdings, LLC及Li Eric Xun先生被視為擁有207,715,208股股份的權益。

名稱定義：

- 「中國投資者信託」指依據舜眾全數已發行股本而於二零零六年七月二十八日成立的信託
- 「舜宇僱員信託」指依據舜基全數已發行股本而於二零零六年七月二十八日成立的信託
- 「中國投資者」指中國投資者信託的受益人



Other Information

其他資料

D. Directors' and Chief Executives' Interests and Short Position in Shares

As of 30 June 2008, the interests and short positions of the Directors and chief executive in the shares, underlying shares and debentures of the Company and its associated corporation (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 pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Director 董事姓名	Name of Corporation 法團名稱	Long/short position 好倉/淡倉	Capacity/Nature of interest 身份/權益性質	Number of shares 股份數目	Approximate percentage of shareholding 持股概約百分比
Mr. Wang Wenjian 王文鑒先生	The Company 本公司	Long position 好倉	Trustee (Note 1) 信託人(附註1)	57,940,940	5.79%
	The Company 本公司	Long position 好倉	Trustee and Beneficiary of a trust (Note 2) 受託人及信託受益人(附註2)	421,460,060	42.15%
Mr. Ye Liaoning 葉遼寧先生	The Company 本公司	Long position 好倉	Beneficiary of a trust (Note 3) 信託受益人(附註3)	421,460,060	42.15%
Mr. Wu Jinxian 吳進賢先生	The Company 本公司	Long position 好倉	Beneficiary of a trust (Note 4) 信託受益人(附註4)	421,460,060	42.15%

Notes:

- (1) Mr. Wang Wenjian is the trustee of the PRC Investor Trust. The PRC Investor Trust is a trust on the entire issued share capital of Sun Zhong, which in turn owns 5.79% of the issued share capital of the Company. Accordingly, Mr. Wang Wenjian is deemed to be interested in 57,940,940 shares under the SFO.
- (2) Mr. Wang Wenjian is the trustee and one of the beneficiaries of the Sunny Employee Trust. The Sunny Employee Trust is a trust on the entire issued share capital of Sun Ji. Sun Ji owns 92.32% equity interest in Sun Xu, which in turn owns 42.15% of the issued share capital of the Company. Accordingly, Mr. Wang Wenjian is deemed to be interested in 421,460,060 shares under the SFO.
- (3) Mr. Ye Liaoning is a beneficiary under the Sunny Employee Trust, under which he is entitled to 6.20% of the beneficial interest. As a beneficiary of the trust, he is deemed to be interested in all the equity interest that Sunny Employee Trust owns under the SFO. Sun Ji owns 92.32% equity interest in Sun Xu, which in turn owns 421,460,060 shares of the Company. As a controlling shareholder, Sun Ji is deemed to be interested in all the shares that Sun Xu owns under the SFO. Accordingly, Mr. Ye Liaoning is deemed to be interested in 421,460,060 shares under the SFO.

D. 董事及主要行政人員擁有的股份權益及淡倉

於二零零八年六月三十日，董事及主要行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券擁有之根據本公司按證券及期貨條例第352條存置之登記冊所記錄，或根據《上市公司董事進行證券交易之標準守則》而須知會本公司及聯交所之權益及淡倉如下：

Director 董事姓名	Name of Corporation 法團名稱	Long/short position 好倉/淡倉	Capacity/Nature of interest 身份/權益性質	Number of shares 股份數目	Approximate percentage of shareholding 持股概約百分比
Mr. Wang Wenjian 王文鑒先生	The Company 本公司	Long position 好倉	Trustee (Note 1) 信託人(附註1)	57,940,940	5.79%
	The Company 本公司	Long position 好倉	Trustee and Beneficiary of a trust (Note 2) 受託人及信託受益人(附註2)	421,460,060	42.15%
Mr. Ye Liaoning 葉遼寧先生	The Company 本公司	Long position 好倉	Beneficiary of a trust (Note 3) 信託受益人(附註3)	421,460,060	42.15%
Mr. Wu Jinxian 吳進賢先生	The Company 本公司	Long position 好倉	Beneficiary of a trust (Note 4) 信託受益人(附註4)	421,460,060	42.15%

附註：

- (1) 王文鑒先生為中國投資者信託的受託人。中國投資者信託為舜眾全部已發行股本的信託，而舜眾擁有本公司已發行股本5.79%。因此，根據證券及期貨條例，王文鑒先生視為擁有57,940,940股股份的權益。
- (2) 王文鑒先生為舜宇僱員信託受託人及受益人之一。舜宇僱員信託為舜基全部已發行股本的信託，而舜基持有舜旭92.32%股權，因而擁有本公司已發行股本42.15%。因此，根據證券及期貨條例，王文鑒先生視為擁有421,460,060股股份的權益。
- (3) 葉遼寧先生為舜宇僱員信託的受益人，實益擁有當中6.20%權益。根據證券及期貨條例，彼作為信託受益人，視為擁有舜宇僱員信託所持全部股權的權益。舜基擁有舜旭92.32%股權，而舜旭擁有421,460,060股本公司股份。根據證券及期貨條例，舜基作為控股股東視為擁有舜旭所擁有的全部股權。因此，根據證券及期貨條例，葉遼寧先生視為擁有421,460,060股股份的權益。

- (4) Mr. Wu Jinxian is a beneficiary under the Sunny Employee Trust, under which he is entitled to 2.81% of the beneficial interest. As a beneficiary of the trust, he is deemed to be interested in all the equity interest that Sunny Employee Trust owns under the SFO. Sun Ji owns 92.32% equity interest in Sun Xu, which in turn owns 421,460,060 shares of the Company. As a controlling shareholder, Sun Ji is deemed to be interested in all the shares that Sun Xu owns under the SFO. Accordingly, Mr. Wu Jinxian is deemed to be interested in 421,460,060 shares under the SFO.

- (4) 吳進賢先生為舜宇僱員信託的受益人，實益擁有當中的2.81%權益。根據證券及期貨條例，彼作為信託受益人，視為擁有舜宇僱員信託所持全部股權的權益。舜基擁有舜旭92.32%股權，而舜旭擁有421,460,060股本公司股份。根據證券及期貨條例，舜基作為控權股東視為擁有舜旭所擁有的全部股權。因此，根據證券及期貨條例，吳進賢先生視為擁有421,460,060股股份的權益。

E. Corporate Governance

Code of Corporate Governance Practices

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability and to maximise the shareholders' benefits.

The Group has throughout the period adopted and complied with the code provisions as set out in the Code of Corporate Governance Practices as stated in Appendix 14 to the Listing Rules. As of 30 June 2008, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Strategy and Development Committee have been established with their respective terms of reference in force.

Code of Conduct Regarding Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the said Model Code from 1 January 2008 to 30 June 2008.

E. 企業管治

企業管治常規守則

董事深信本集團的管理架構及內部監控程序必須具備優良的企業管治元素，方可促成有效問責，提升股東利益。

本集團一直遵守上市規則附錄14所載的企業管治常規守則的守則條文。截至二零零八年六月三十日止，審核委員會、薪酬委員會、提名委員會及策略委員會已經組成，各自具備有效的職權範圍。

董事進行證券交易的守則

本公司已採用上市規則附錄10所載的《上市發行人董事進行證券交易的標準守則》(標準守則)的標準作為董事進行證券交易的守則。所有董事應本公司的具體詢問後已經確認，於二零零八年一月一日至二零零八年六月三十日期間符合標準守則所載的規定要求。



Other Information

F. Audit Committee

The Audit Committee consists of 3 Independent Non-executive Directors, namely Mr. Zhang Yuqing as Committee Chairman, Dr. Chang Mei Dick and Dr. Liu Xu, and 2 Non-executive Directors, namely Mr. Michael David Ricks and Mr. Shao Yang Dong. The audit committee and the Company's external auditors have reviewed and discussed matters relating to auditing, internal controls and financial statements, including a review of the unaudited financial statements for the six months ended 30 June 2008.

G. Investor Relations and Communications

The Group recognises the importance of shareholders to understand its business and prospect, and therefore has always taken a proactive approach to communicate with the investment community, including institutional investors and retail investors. In the first half of 2008, the Group participated in three investor related events, namely "UBS Greater China Conference 2008", "Deutsche Bank Access China Conference 2008" and "2nd Forbes China & Citi SME Investment and Development Forum & Awarding Ceremony of China Best Small & Medium Sized Enterprises 2008 & China Best Venture Capitalists 2007". Immediately after the annual results announcement in April, the Group held a couple of one-on-one meetings in Hong Kong and Singapore. In May, the Group also held a reverse roadshow in its PRC headquarter.

Shareholders of the Company are recommended to visit the Group's website (www.sunnyoptical.com) from time to time, where up-to date information of the Group can be accessed.

其他資料

F. 審核委員會

審核委員會由三名獨立非執行董事組成，分別為張余慶先生(委員會主席)、張未博士及劉旭博士與二名非執行董事 Michael David Ricks 先生及邵仰東先生。本審核委員會及本公司的外聘核數師已審閱及討論有關審核、內部監控及財務報表等有關事項，其中包括審閱截至二零零八年六月三十日止六個月期間之未經審核財務報表。

G. 投資者關係及溝通

本集團深明股東對本集團業務及前景有更多了解的重要性，故本集團一直採取積極態度與投資大眾(包括機構投資者及散戶投資者)溝通。在二零零八年上半年本集團參加了「瑞銀大中華研討會2008」、「德意志銀行中國概念大會2008」及「福布斯花旗第二屆中國中小企業投資發展論壇暨2008中國潛力企業及2007中國最佳創業投資人頒獎典禮」三項投資者關係活動。緊隨四月公佈全年業績後，本集團在香港及新加坡共舉辦了兩次投資者單對單會議。在五月份，本集團在國內總部亦舉辦了返向路演活動。

本集團建議本公司股東不時訪問本集團網站(www.sunnyoptical.com)，查閱本集團的最新資訊。

Corporate Information

Executive Directors

Mr. WANG Wenjian (*Chairman*)
 Mr. YE Liaoning
 Mr. XIE Minghua
 Mr. WU Jingxian

Non-Executive Directors

Mr. SHAO Yang Dong (*Vice Chairman*)
 Mr. RICKS Michael David

Independent Non-Executive Directors

Dr. CHANG Mei, Dick or Dr. Dick Mei CHANG
 Mr. Koji SUZUKI
 Dr. LIU Xu
 Mr. ZHANG Yuqing

Joint Company Secretaries

Mr. SUN Yang
 Ms. LEE Suk Yee (*HKICPA, AICPA*)

Qualified Accountant

Ms. LEE Suk Yee (*HKICPA, AICPA*)

Registered Office

Cricket Square, Hutchins Drive, P.O. Box 2681GT
 George Town, Grand Cayman
 British West Indies

Principal Place of Business in Hong Kong

Unit 603, 6th Floor, Grand City Plaza,
 1-17 Sai Lau Kok Road, Tsuen Wan,
 New Territories, Hong Kong

Principal Place of Business in the PRC

Nos. 66-68, Shunyu Road
 Yuyao
 Zhejiang Province, PRC

公司資料

執行董事

王文鑾先生(主席)
 葉遼寧先生
 謝明華先生
 吳進賢先生

非執行董事

邵仰東先生(副主席)
 RICKS Michael David先生

獨立非執行董事

張未博士
 鈴木浩二先生
 劉旭博士
 張余慶先生

聯席公司秘書

孫泱先生
 李淑儀女士(*HKICPA, AICPA*)

合資格會計師

李淑儀女士(*HKICPA, AICPA*)

註冊辦事處

Cricket Square, Hutchins Drive, P.O.Box 2681GT
 George Town, Grand Cayman
 British West Indies

香港主要營業地點

香港新界
 荃灣西樓角路1-17號
 新領域廣場6樓603室

中國主要營業地點

中國浙江省
 餘姚市
 舜宇路66-68號



Corporate Information

Corporate Website

www.sunnyoptical.com

Legal Advisers

Troutman Sanders, Solicitors and International Lawyers

Auditors

Deloitte Touche Tohmatsu
Certified Public Accountants

Compliance Adviser

BNP Paribas Capital (Asia Pacific) Limited

Principal Bankers

Agricultural Bank of China, Yuyao Sub-branch
Shanghai Pudong Development Bank, Ningbo Branch

Principal Share Registrar and Transfer Office

Butterfield Fund Services (Cayman) Limited
Butterfield House, 68 Fort Street, P.O. Box 705
George Town, Grand Cayman
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

Stock Code

Stock Code: 2382

Authorised Representatives

Mr RICKS Michael David
Ms LEE Suk Yee (HKICPA, AICPA)

公司資料

企業網站

www.sunnyoptical.com

法律顧問

長盛國際律師事務所

核數師

德勤•關黃陳方會計師行
執業會計師

合規顧問

法國巴黎融資(亞太)有限公司

主要往來銀行

中國農業銀行餘姚支行
上海浦東發展銀行寧波支行

主要股份過戶及轉讓登記處

Butterfield Fund Services (Cayman) Limited
Butterfield House, 68 Fort Street, P.O. Box 705
George Town, Grand Cayman
Cayman Islands

香港股份過戶及轉讓登記分處

香港中央證券登記有限公司
香港灣仔皇后大道東183號
合和中心17樓
1712-1716室

股票代號

股票代號：2382

授權代表

RICKS Michael David先生
李淑儀女士(HKICPA, AICPA)



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