

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 2011 Interim Results

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Revenue and Profit for the Period Attributable to Owners of the Company Surged 32.2% and 67.0% Respectively

Financial Highlights (For the six months ended 30 June)			
	2011 (RMB '000)	2010 (RMB '000)	Change
Revenue	1,102,688	833,946	+32.2%
— Optical Components	494,258	407,366	+21.3%
— Optoelectronic Products	517,756	333,766	+55.1%
— Optical Instruments*	90,674	92,814	-2.3%
Gross Profit	235,624	177,669	+32.6%
Profit for the Period Attributable to Owners of the Company	91,541	54,823	+67.0%
Basic Earnings per Share (RMB cents)	9.48	5.54	+71.1%

* Mainly due to the one-off bid-order of approximately RMB11.5 million obtained in the corresponding period of last year

【18 Aug 2011, Hong Kong】 The leading integrated optical 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 announced its interim results for the six months ended 30 June 2011 (“period under review”).

During the period under review, smartphones, 3G mobile phones and digital single lens reflex cameras saw a lively market. Benefited from the growth of the market demand towards these products, Sunny Optical has recorded a satisfactory performance in the first half of 2011, with its revenue rose by approximately 32.2% to approximately RMB 1.1 billion as compared with the corresponding period of last year. Attributable to the improvement in product mix, higher capacity utilization rate of certain products as well as the effective implementation of “Lean Production”, gross profit of the Group during the period under review increased by approximately 32.6% to approximately RMB235.7 million while gross profit margin slightly increased by 0.1ppt, from approximately 21.3% to approximately 21.4%. With effective control in operating expenses, profit for the period attributable to owners of the Company increased by approximately 67.0% to approximately RMB 91.5 million while net profit margin also jumped from approximately 6.0% to approximately 7.9%. Basic earnings per share amounted to approximately RMB9.48 cents. The Board does not recommend the payment of interim dividend for the six months ended 30 June 2011.

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Commenting on the Company's business performance during the period under review, Mr. Wang Wenjian, Chairman of Sunny Optical, said, "In the first half of 2011, demand for consumer goods revived gradually along with the modest recovery in the global economy. Although the global consumer electronic market was hit to some extent by the earthquake that struck northeastern Japan in March, it has not caused any significant impact on the Group directly. During the period under review, the Group continued to follow the guidelines of "Speed up Transformation and Upgrade" by actively penetrating into new markets, improving internal management level and strengthening the development of products and technologies continuously. Meanwhile, the Group has started the construction of the production base in Xinyang of Henan Province to further implement the industrial transfer strategy."

The Group recorded a significant growth in the optical components business segment. During the period under review, sales income of this business segment was approximately RMB494.3 million, representing an increase of approximately 21.3% as compared with the corresponding period of last year and accounted for approximately 44.8% of the Group's revenue. In view of the increasing demand for high resolution handset lens sets, the product mix of optical components business segment was improved, with proportion of 2-mega pixel or above products increased to approximately 55.4% of the total shipment volume from approximately 36.9% for the corresponding period of last year. In the meantime, mass production for 5-mega and 8-mega pixel handset lens sets and various new vehicle lens sets has commenced and R&D on various types of micro-projectors and engines, infrared lens sets for vehicles and security surveillance has also been completed. During the period under review, the Group has obtained mass production qualifications from Sharp and Nokia, hence its handset lens sets successfully entered into the supply chain of Nokia and started bulk shipment. Furthermore, the Group also entered into a long term cooperative agreement with Samsung Electronics Corporation to establish a strategic partnership which will further enhance the strengths of the Group in lens sets and module assemblies and add new impetus to the Group's transformation and upgrade.

As the rapid development of domestic branded smartphones and 3G handsets, the Group's handset camera module business realized a significant growth. Revenue generated from the optoelectronic products business segment for the six months ended 30 June 2011 amounted to approximately RMB517.7 million, representing an increase of approximately 55.1% over the corresponding period of last year and accounted for approximately 47.0% of the Group's revenue. During the period under review, shipment volume of modules with 2-mega pixel or above increased significantly. The successful mass production of 5-mega and 8-mega pixel handset camera modules with auto-focus function, together with the invention patented "particle-resistant gluing technique for camera modules for handset with high resolution" and our outstanding high resolution products, allowed the Group to maintain its leading position as the supplier for domestic 3G handset and smartphone manufacturers. Moreover, the development of 12-mega pixel handset camera module has been accomplished and the security surveillance products have entered the R&D upgrading process.

Regarding the optical instruments business segment, revenue generated from this business segment amounted to approximately RMB90.7 million, accounting for approximately 8.2% of the Group's total revenue. During the period under review, Ningbo Sunny Instruments Co., Ltd., one of the subsidiaries, was granted the "Certificate of Prestigious Product of Zhejiang Province" by the Zhejiang Bureau of Quality and Technical Supervision, which marks the excellent quality and good reputation of microscopes produced by the Group. Besides, the Group also concerns about the environmental protection and food safety. During the period under review, the Group has also completed the R&D upgrade for various high-end microscopes, analytical and measuring instruments, which laid a solid foundation for further expansion of optical instrument market.

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Looking ahead, Mr. Wang said, "The Group stays positive towards its operations for the whole year. We will further integrate the internal and external resources to leverage its competitive advantages within the industries, and continue to implement the development strategies adopted at the beginning of the year. With the rapid development of mobile broadband networks in the PRC, growing popularity of smartphones and rising demand in digital single lens reflex cameras, huge industry potential will arise. We will seize the development opportunities and continue to be dedicated to and focused on the existing industries, adhere to expand our international brand customer base and keep investing in the R&D of products, so as to promote our products into the high-end markets. Meanwhile, we will continue to accelerate the development of new businesses to promote strategic transformation of the Company. We will also continue to carry out "Management innovation" to improve efficiency in every aspect. We endeavor to maintain the leading position in the industry, keep being innovative and thus maximizing the profit return for our shareholders and clients."

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About Sunny Optical:

Sunny Optical Technology (Group) Company Limited is a leading integrated optical components and optoelectronic products producer in the PRC. The Group is principally engaged in the design, R&D, manufacturing and sales of optical and optical-related products. Such products include optical components (such as glass spherical and aspherical lenses, plates, prisms, vehicle lens set, handset lens sets and other various lens sets), optoelectronic products (such as handset camera modules, security cameras and other optoelectronic modules) and optical instruments (such as microscopes, optical measuring instruments and optical analytical instruments). The Group focuses on the market of optoelectronic related products, such as handsets, digital cameras, vehicle imaging systems, security surveillance systems, optical measuring instruments and optical analytical instruments, which are combined with optical, electronic and mechanical technologies.

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

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