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Investment Highlights

- Strong recovery in all the three business divisions, margin troughed in 2009:
  - beneficiary of rising smartphone and 3G handsets
  - greater market share in digital camera divisions
  - rising demand growth in high-end optical instrument segments

- Improving product mix and client base amid greater operating efficiency and wider application will continue to drive above-industry-average growth

- Solid financial position with a net cash of RMB670mn as at the end of June 2010
Strong Demand Growth for smartphone and 3G Handsets

- Surging shipment of handset lens for 3G handsets thanks to our ability to produce 2m, 3m, 5m and 8m pixels AF handset lens set and module

- Rising popularity of smartphones, 95% increased YoY in Q3 to 81Mpcs (Canalys), also boost our handset lens sales

### Domestic Shipment of 3G Handsets and Smartphones (2010 – 2013F)

- **Source:** iSuppli
Double-digit Growth in Digital Camera Market

Strong growth of DSLR (Digital single-lens reflex) camera

Annual shipment volume of DSLR camera expected to increase continually

Source: MIC
Market of high-end optical instrument continues to expand

Application to education, medical and environmental protection, etc, drives the demand of optical instruments
**Wider Application Presents Further Growth Opportunities**

**Market Forecast of Domestic Video Security System**

- Year 2010: $43.1bn
- Forecast 2011: $54.3bn
- Forecast 2012: $65.0bn

Source: IDC

**Market Forecast of Global Infrared Instruments**

- Year 2010: $3,467m
- Forecast 2011: $3,954m
- Forecast 2012: $4,549m
- Forecast 2013: $5,217m
- Forecast 2014: $6,177m

Source: Maxtech International Inc.

**Global Market Forecast of Vehicle Camera Lens Module**

- Year 2010: 8,280 units '000
- Forecast 2011: 11,485 units '000
- Forecast 2012: 16,535 units '000
- Forecast 2013: 24,965 units '000

- Year 2010 YoY Growth Rate: 30.4%
- Forecast 2011 YoY Growth Rate: 38.7%
- Forecast 2012 YoY Growth Rate: 44.0%
- Forecast 2013 YoY Growth Rate: 51.0%

Source: Techno Systems Research
✓ Rising shipment of 3M, 5M and 8M pixels AF handset lens set and handset camera modules to top domestic and international brands

✓ Successful development of 3M and 5M pixels 3X Zoom handset lens sets used in high-end smartphone and 3G handsets, an indication of our competitiveness

✓ Commencement of production of glass aspherical lenses enhances core competences

✓ Strong precision molding ability for plastic aspherical lenses will maintain margin expansion

✓ Technology breakthroughs in optical instruments are used in environment protection, biopharmaceuticals, petrochemical and precision measurement fields

Possessing 78 Patents with 55 Patents Pending for Approval
### Strong Client Base

#### Top Five Customers

<table>
<thead>
<tr>
<th>Samsung</th>
<th>Panasonic</th>
<th>Huawei</th>
<th>Burgeon</th>
<th>ZTE</th>
</tr>
</thead>
</table>

#### Renowned Customers

<table>
<thead>
<tr>
<th>DSC Lenses Business</th>
<th>Handset Lens Sets Business</th>
<th>Handset Camera Modules Business</th>
<th>Optical Instruments Business</th>
<th>Other Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Samsung</td>
<td>Sharp (Nokia)</td>
<td>Sharp</td>
<td>Keyence</td>
<td>Panasonic</td>
</tr>
<tr>
<td>Panasonic</td>
<td>Samsung</td>
<td>Huawei</td>
<td>Carl Zeiss</td>
<td>Sanyo</td>
</tr>
<tr>
<td>Nikon</td>
<td>Global Optics</td>
<td>ZTE</td>
<td>Optika</td>
<td>Liteon</td>
</tr>
<tr>
<td>Sony</td>
<td>Foxconn</td>
<td>Lenovo</td>
<td>Amscope</td>
<td>Primax</td>
</tr>
<tr>
<td>Konica-Minolta</td>
<td></td>
<td>Haier</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pentax</td>
<td></td>
<td>Coolpad</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Topcon</td>
<td></td>
<td>Tianyu</td>
<td></td>
<td></td>
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<tr>
<td>Fujinon</td>
<td></td>
<td>Sangfei</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Olympus</td>
<td></td>
<td>Foxconn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NEC</td>
<td></td>
<td>Gionee</td>
<td></td>
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<tr>
<td>LG</td>
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</tr>
</tbody>
</table>
Company Overview
Leading Integrated Optical and Optoelectronic Component Producer in China

- 26 years of track record
- Fully committed management to drive further growth

**Business Segments**

**Optical Components**
(Glass spherical / aspherical Lenses, handset lens set, vehicle lens set, other lens set)

**Optoelectronic Products**
(Handset / Notebook camera modules, Security Surveillance cameras, and other related products)

**Optical Instruments**
(Microscopic, measuring and analytical instruments)

- Zhejiang Headquarters
  - Employees: about 4,471
- Production facility in Zhongshan
  - Employees: about 2,082
- Production facility in Shanghai
  - Employees: about 158
- Production facility in Tianjin
  - Employees: about 220

26 years of track record
Fully committed management to drive further growth
1) Mr. Wang, the Chairman and an executive Director, holds the entire issued share capital of Sun Ji in favor of all the then Sunny Employees under the Sunny Employee Trust

2) Mr. Wang, the Chairman and an executive Director, holds the entire issued share capital of Sun Zhong in favor of the PRC Investors under the PRC Investor Trust

3) Ultimate beneficially owned by Chengwei Ventures Evergreen Mgt. LLC

4) Ultimate beneficially owned by Investor AB

*As at 30 Sept 2010
Financial Highlights
## Financial Overview in 1H 2010

For the 6 months ended 30 Jun

<table>
<thead>
<tr>
<th></th>
<th>1H 2009</th>
<th>1H 2010</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong> (RMB mn)</td>
<td>547.3</td>
<td>833.9</td>
<td>+ 52.4%</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>108.1</td>
<td>177.7</td>
<td>+ 64.4%</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>29.4</td>
<td>66.0</td>
<td>+ 124.9%</td>
</tr>
<tr>
<td><strong>Profit attributable to owners</strong></td>
<td>23.4</td>
<td>54.8</td>
<td>+ 134.2%</td>
</tr>
<tr>
<td><strong>Basic earnings per share (RMB cents)</strong></td>
<td>2.34</td>
<td>5.54</td>
<td>+136.8%</td>
</tr>
<tr>
<td><strong>Gross margin (%)</strong></td>
<td>19.7</td>
<td>21.3</td>
<td>+1.6% pts</td>
</tr>
<tr>
<td><strong>Net margin (%)</strong></td>
<td>4.3</td>
<td>6.8</td>
<td>+2.5% pts</td>
</tr>
<tr>
<td><strong>Bank balances and cash (RMB mn)</strong></td>
<td>387.5</td>
<td>666.0</td>
<td></td>
</tr>
</tbody>
</table>
# Revenue Breakdown

<table>
<thead>
<tr>
<th></th>
<th>1H 2008</th>
<th>1H 2009</th>
<th>1H 2010</th>
<th>Change from 1H 2009 to 1H 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Optical Components</strong></td>
<td>268.0</td>
<td>249.5</td>
<td>407.3</td>
<td>+63.3%</td>
</tr>
<tr>
<td><strong>Optoelectronic Products</strong></td>
<td>254.8</td>
<td>250.2</td>
<td>333.8</td>
<td>+33.4%</td>
</tr>
<tr>
<td><strong>Optical Instruments</strong></td>
<td>67.5</td>
<td>47.6</td>
<td>92.8</td>
<td>+94.9%</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>590.3</td>
<td>547.3</td>
<td>833.9</td>
<td>+52.4%</td>
</tr>
</tbody>
</table>

For the 6 months ended 30 Jun
Outlook and Strategies
Maximizing our exposure to rising demand for high-resolution handset lens sets and camera modules (Both – Global Top 5 in 3 years)

Handset related business

DC related business

Other major business

Application of our technology and know-how into higher-value-added products, rising production of high-precision lenses of DSLR
Continue to implement “Lean Production”, aiming to be the most efficiency lens maker

Aiming to increase our market share in security surveillance cameras, vehicle lens sets, infrared lenses and lens sets as well as mid- to high-end optical instruments
## Key Technologies or Products

<table>
<thead>
<tr>
<th>Companies</th>
<th>Location</th>
<th>Glass lenses</th>
<th>Glass Aspherical lenses</th>
<th>AF handset lens sets</th>
<th>Zoom Handset lens sets</th>
<th>AF Handset Camera modules</th>
<th>Zoom Handset Camera modules</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunny Optical</td>
<td>PRC</td>
<td>✓</td>
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<tr>
<td>Phenix Optics</td>
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<td>Largan Precision</td>
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<td>✓</td>
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<tr>
<td>Altus</td>
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<tr>
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</tr>
</tbody>
</table>
We are committed to maintaining efficient communication with our investors

**IR Contact:**
Sunny Optical Technology (Group) Company Limited
Email: idahu@sunnyoptical.com / jasmine@sunnyoptical.com / ir@sunnyoptical.com
Tel: +86 574 6253 0875 / +852 3568 7038

**Media Relations Contact:**
Porda International (Finance) PR Group
Email: sunnyoptical@pordafinance.com.hk
Tel: +852 3150 6788