

**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 2010 Annual Results

* * *

**Revenue Surged by 38.8% while
Profit for the Year Attributable to Owners of the Company Surged 56.4%**

Financial Highlights (For the year ended 31 December)			
	2010	2009	Change
	(RMB '000)	(RMB '000)	
Revenue	1,818,067	1,309,565	+38.8%
— Optical Components	903,341	637,312	+41.7%
— Optoelectronic Products	720,046	545,646	+32.0%
— Optical Instruments	194,680	126,607	+53.8%
Gross Profit	391,977	273,954	+43.1%
Profit for the Year Attributable to Owners of the Company	143,826	91,934	+56.4%
Basic Earnings per share (RMB cents)	14.70	9.19	+60.0%
Proposed Final dividend per share (RMB cents)	4.35	2.00	+117.5%

[14 Mar 2011, Hong Kong] The leading integrated optical components and optoelectronic products producer 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 annual results for the year ended 31 December 2010 (“the year under review”).

During the year under review, the Group’s sales achieved satisfactory growth and it is mainly attributable to the recovery of the global economy and the combined efforts of all business segments of the Group. For the year ended 31 December 2010, Sunny Optical recorded a revenue of approximately RMB1,818.1 million, representing an increase of approximately 38.8% as compared to the corresponding period of last year. Gross profit of the Group achieved RMB 392.0 million, representing an increase of approximately 43.1% as compared to the corresponding period of last year. Attributable to the increase in gross profit and effective control in operating expenses, profit for the year attributable to owners of the Company increased by approximately 56.4% from approximately RMB91.9 million for the year ended 31 December 2009 to approximately RMB143.8 million for the year under review. Basic earnings per share were approximately RMB14.7 cents. To reward shareholders, the Board of Directors of the Company proposed payment of a final dividend of HK\$5.1 cents per share (equivalent to approximately RMB4.35 cents) for the year under review.

-Cont'd-

博達浩華國際財經傳訊集團

Porda Havas International Finance Communications Group

Units 2009-2018, 20/F, Shui On Centre, 6-8 Harbour Road, Wanchai, HK 香港灣仔港灣道6-8號瑞安中心20樓2009-2018室
T: (852) 3150 6788 F: (852) 3150 6728

Commenting on the Group's overall performance during the year under review, Mr. Wang Wenjian, Chairman of Sunny Optical, said, "In 2010, despite some regional economic fluctuations, the overall economy started to recover with the positive efforts made by various governments. Benefited from the global economic recovery, we have achieved a favorable business performance which is above the industry average performance in growth during the year under review. We have followed the market movements closely and proactively seize business opportunities, so as to enhance our customer base, optimize products portfolio and thus strengthening our comprehensive competitiveness."

The optical components business segment which contributed to nearly half of the Group's revenue has recorded a significant growth during the year under review. Driven by the rapid growth of 3G handset, smartphone and DSLR markets, demand for handset lens sets with high resolution and for high quality lens surged. During the year under review, the Group has also achieved breakthroughs with the commencement of the mass production for 5-mega and 8-mega pixel handset lens sets with auto-focus function. By virtue of the Group's outstanding products and technology, optical components business segment was well received by the customers. During the year under review, sales revenue of the segment was approximately RMB903.3 million, representing an increase of approximately 41.7% as compared with the corresponding period of last year. Given the proactive market expansion strategy of the segment, the Group has also obtained certificate of sub-supplier of Nokia, the celebrated handset producer, during the year under review, which was a remarkable step of entering into the supply chain for the world's first class handset producers.

Despite the decrease in average selling price resulted from the fierce competition in handset market, sales of optoelectronic products business segment still recorded a significant growth as compared to last year. Through enhancement of its product portfolio and strengthening of market promotion, the segment realized sales revenue of approximately RMB720.1 million for the year ended 31 December 2010, representing an increase of approximately 32.0% as compared to last year. The mass production for 5-mega and 8-mega pixel handset camera modules with auto-focus function has been successfully launched. Furthermore, the Group has already established important partnership with a number of famous customers such as Huawei, ZTE, Lenovo, Coolpad, K-Touch, Gionee and so on, all of which are domestic brand handset manufacturers. Meanwhile, this business segment also continues to devote efforts in entering into first class international handset supply chain.

As the Group proactively promoted this business segment and strived to consolidate its ability in R&D and marketing, a significant increase was achieved in this business segment during the year under review. As compared to the corresponding period of last year, sales revenue recorded by optical instruments business segment increased by approximately 53.8% to approximately RMB194.7 million for the year ended 31 December 2010. During the year under review, the Group also entered into an agency agreement with JEOL, one of the top superior scientific instruments producers of the world. It was an important step for the Group in enlarging its products portfolio.

With respect to the future development of the Group, Mr. Wang said: "We maintain an optimistic attitude towards our operations in spite of many uncertainties in the global economy in 2011. We will integrate our internal and external resources to leverage our advantages over the industry, and strive for further growth. "

-Cont'd-

博達浩華國際財經傳訊集團
Porda Havas International Finance Communications Group

Units 2009-2018, 20/F, Shui On Centre, 6-8 Harbour Road, Wanchai, HK 香港灣仔港灣道6-8號瑞安中心20樓2009-2018室
T : (852) 3150 6788 F : (852) 3150 6728

www.pordahavas.com

“At the same time, the Group will accelerate the development of new business, such as vehicle imaging business, infrared products business, security surveillance cameras and micro-projectors and mid- to high-end optical instruments business. The Group aims to achieve operational efficiency and level of quality control by continuous implementation of “Lean Production” and SAP system. The Group will also continue to improve its management system, and to establish the corporate brand and product brand by fully utilizing the value of ‘Sunny’ as the ‘Famous Trademark of China’. Sunny Optical will seize the growing market opportunities to become the leading integrated optical components and optoelectronic products producer in the world and the major optical and optical related products supplier to world renowned brands, in order to generate fruitful return to our shareholders,” Mr. Wang concluded.

-End-

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 surveying 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:

Porda Havas International Finance Communications Group

Ms. Kylie Yeung	+852 3150 6770	kylie.yeung@pordahavas.com
Ms. Ada Leung	+852 3150 6732	ada.leung@pordahavas.com
Mr. Karl Cheung	+852 3150 6715	karl.cheung@pordahavas.com
Ms. Irene Chan	+852 3150 6739	irene.chan@pordahavas.com

Fax: +852 3150 6728