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## **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)*

**(Stock Code: 2382.HK)**

### **PROFIT WARNING**

This announcement is made by Sunny Optical Technology (Group) Company Limited (the “**Company**” and together with its subsidiaries, collectively referred to as the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”, each a “**Director**”) of the Company wishes to inform the shareholders and potential investors of the Company that based on the information currently available to the Company and the preliminary review and analysis of the unaudited management accounts of the Group for the year ended 31 December 2018 (“**FY 2018**”), which have not been audited or reviewed by the auditors and/or the audit committee of the Company, the Group is expected to record for FY 2018 a profit attributable to shareholders of the Company of approximately RMB2,470.0 million to RMB2,550.0 million, which represents a decrease by approximately 12% to 15% compared to that for the year ended 31 December 2017 (“**FY 2017**”), being approximately RMB2,901.6 million. The Board would like to emphasise that the finalised audited consolidated results of the Group for FY 2018 may differ from the figures and information provided in this announcement. The Company will keep the shareholders and potential investors of the Company informed if necessary.

Based on the information available to the Company immediately preceding the publication of this announcement, the Board considers that such expected decrease was primarily attributable to:–

- (a) the depreciation of Renminbi in FY 2018 which caused a net foreign exchange loss amounting to approximately RMB380.0 million, in which an unrealised foreign exchange loss amounting to approximately RMB280.0 million was caused by the USD600.0 million bonds issued by the Company on 23 January 2018, which was a non-cash item; and

- (b) the expected decrease in the gross profit margin of the handset camera modules business in FY 2018 compared to that of FY 2017 leading to the expected decrease in gross profit, which was attributable to:–
- (i) the utilisation rate of the new factory which remained in the course of improvement in FY 2018;
  - (ii) the increased material costs due to the depreciation of Renminbi in FY 2018; and
  - (iii) the handset camera modules business which was in the process of the production line optimisation and the automation level improvement, which hindered the production efficiency and led to an increase in production costs.

The Board is of the view that as the utilisation rate of the new factory improves, the production line of the handset camera modules business optimises and the automation level improves in the year ending 31 December 2019, the Group's production efficiency will improve and production costs will decrease. The Board remains optimistic about the prospects of the principal businesses of the Group.

The Company is in the process of finalising the consolidated financial results of the Group for FY 2018. The information contained in this announcement is only based on the preliminary assessment by the management of the Company based on the unaudited management accounts of the Group currently available which have not been audited or reviewed by the auditors and/or the audit committee of the Company. The finalised audited consolidated results of the Group for FY 2018, which may differ from the figures and information provided in this announcement, are expected to be announced by the end of March 2019.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Sunny Optical Technology (Group) Company Limited**  
**Ye Liaoning**  
*Chairman and Executive Director*

Hong Kong, 13 February 2019

*As at the date of this announcement, the Board comprises Mr. Ye Liaoning, Mr. Sun Yang and Mr. Wang Wenjie, who are executive Directors; Mr. Wang Wenjian, who is non-executive Director, and Mr. Zhang Yuqing, Mr. Feng Hua Jun and Mr. Shao Yang Dong, who are independent non-executive Directors.*