



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 2012 Interim Results

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Revenue and Net Profit Surged 60.5% and 77.2% Respectively

Financial Highlights (For the six months ended 30 June)			
	2012 (RMB '000)	2011 (RMB '000)	Change
Revenue	1,769,566	1,102,688	+60.5%
– Optical Components	610,616	494,258	+23.5%
– Optoelectronic Products	1,074,076	517,756	+107.4%
– Optical Instruments	84,874	90,674	-6.4%
Gross Profit	339,951	235,624	+44.3%
Net Profit	155,148	87,553	+77.2%
Profit for the Period Attributable to Owners of the Company	156,527	91,541	+71.0%
Basic Earnings per Share (RMB cents)	16.23	9.48	+71.2%

【17 Aug 2012, Hong Kong】 The leading integrated optical components and 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 2012 (“period under review”).

During the period under review, benefited from business opportunities brought by the rapid growth of smartphones, notably the strong performance in the PRC market, the Group has recorded a satisfactory performance in the first half of 2012, with its revenue rose by approximately 60.5% to approximately RMB1.8 billion compared with the corresponding period of last year. Gross profit increased by approximately 44.3% to approximately RMB 340.0 million as compared with the corresponding period of last year. Due to the economies of scale of the Group and effective control over operating expenses, net profit increased by approximately 77.2% to approximately RMB155.1 million compared with the corresponding period of last year. Profit for the period attributable to owners of the Company increased substantially by approximately 71.0% to approximately RMB 156.5 million. Basic earnings per share amounted to approximately RMB16.23 cents. The Board does not recommend the payment of interim dividend for the six months ended 30 June 2012.

Commenting on the Group’s business performance in the first half of 2012, Mr. Ye Liaoning, Chairman of the Board of directors of Sunny Optical, said, “In the first half of 2012, the global economy suffered from European Debt Crisis and domestic economic growth experienced a slowdown. However, the growing demand for smartphones remained strong; in particular, the domestic smartphone market has achieved an excellent performance. During the period under review, given the favorable development of the emerging businesses, the rapid growth in businesses associated with smartphones, the improved product mix and the more diversified customer base, the Group achieved a growth rate which was higher than the industrial average level.”

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Benefited from the rapid development of handset lens sets, vehicle lens sets and infrared lens sets, as well as optimized product portfolio and improved product mix, the Group's optical components business segment achieved a solid growth. During the period under review, revenue of this business segment was approximately RMB610.6 million, representing an increase of approximately 23.5% as compared with the corresponding period of last year. This business segment accounted for approximately 34.5% of the Group's revenue. The production lines for handset lens sets under the business segment have launched the automatic assembling and the automatic testing in full swing, which significantly improved production efficiency and yield rate, and also reduced labor costs. The shipment volume of 2-mega pixel or above handset lens sets increased significantly, while the mass production of 5-mega and 8-mega pixel handset lens sets has been launched and the shipment volume is expected to increase continuously in the second half of the year; the mass production of various new vehicle lens sets has been launched; the applications of infrared lens sets have developed rapidly; the high-resolution lens sets with wide-angle for webcams have obtained an invention patent. In addition, the project of "Research and Industrialization of Key Technologies for New Infrared Optical System Based on Chalcogenide Glass" was granted the first class prize of 2011 Ningbo City Technology Advancement Award by the Municipal Government of Ningbo City. The project of "R&D and Industrialization of Lens Sets Applied in Vehicle Intelligent Security Sector" was granted the second class prize. During the period under review, this business segment received various recognitions from business partners, was granted the title of "2011 Grade A Suppliers" and the award of "Second Prize in 2011 EHS Excellent Suppliers" by Samsung Electronics, and "2011 Special Contribution Award" from Wuxi Sony.

As for the optoelectronic products business segment, benefited from the rapid development of smartphones, handset camera modules business realized a strong growth. During the period under review, revenue from optoelectronic products business segment amounted to approximately RMB1,074.1 million, representing an increase of approximately 107.4% over the corresponding period of the previous year, accounting for approximately 60.7% of the Group's revenue. The product mix of this business segment achieved a remarkable improvement. The mass production of 5-mega and 8-mega pixel handset camera modules has been launched, as well as the group commenced to mass supply 8-mega pixel handset camera modules to a famous handset manufacturer in Korea. Currently, the development of 13-mega pixel handset camera modules has also been accomplished. In addition, the project of "Research and Industrialization of Key Technologies for High-end Handset Camera Modules" was granted the third class prize by the Municipal Government of Ningbo City. The outstanding high-resolution products allowed the Group to maintain its leading position in the supply chain for domestic smartphones. Moreover, the video modules for smart television under this business segment also commenced mass production and became a new revenue driver for this business segment.

In the first half of 2012, affected by the sluggish global economy, impacts of the European Debt Crisis and the slowdown of domestic economic growth, the demand for industrial instruments decreased, and revenue of optical instruments business segment recorded a slight decrease to approximately RMB84.9 million. This business segment accounted for approximately 4.8% of the Group's revenue. During the period under review, R&D upgrade for a number of key products has been accomplished, and the expansion of market channels has shown effective results. The management believes that the market of optical instruments, of which the products are with high value-added, is a high potential field. And the Group would continue to invest related resources to explore both domestic and global markets. Moreover, the Group was awarded the "Top 10 Most Influential Domestic Manufacturers 2011" at the 2012 Annual Conference of China Scientific Instruments, and its newly launched GC1100P gas chromatography was granted the award of "The

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Most Outstanding New Scientific Instrument of the Year 2011". Furthermore, the Group was granted the first "Ningbo City Quality Exporter Award", and was also named "Ningbo Top 100 Enterprises in Foreign Trade" and "Top 100 Leading Enterprises in the Industry".

Looking ahead, Mr. Ye, Chairman of the Board of directors said, "Although uncertainties in the global economy are expected to continue, the Group remains basically positive on the outlook of its operations for the full year forecasted at the beginning of the year. Upholding the mission of "Building a Stronger and Bigger Sunny Optical", our new management team strives to make progress with innovation based on our solid foundation. The Group speeds up its strategic transformation by applying transformation and upgrade in three aspects namely "production", "profit" and "operation", continuing to strengthen in R&D on products and technologies, and enhancing penetration into international markets. On the other hand, the Group will continue to be dedicated to and focus on our existing advantageous businesses, breakthrough existing emerging businesses to realize overall profitability of related products, and continue to innovate in management. We endeavor to consolidate our leading position in the industry."

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About Sunny Optical:

Sunny Optical Technology (Group) Company Limited is a leading integrated optical components and products manufacturer in China. The Group is principally engaged in the design, research and development, manufacturing and sales of optical and optical-related products. Such products include optical components (such as glass spherical and aspherical lenses, plane products, handset lens sets, vehicle lens sets and other various lens sets), optoelectronic products (such as handset camera modules, smart TV video modules, security cameras and other optoelectronic modules) and optical instruments (such as microscopes, optical measuring instruments and optical analytical instruments). We focus on the market of optoelectronic related products, such as handsets, digital cameras, vehicle imaging systems, smart TV video system, security surveillance systems, optical surveying instruments and optical analytical instruments, which are combined with optical, electronic and mechanical technologies. The Group is currently a very important components supplier in China smartphone market.

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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