

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 2017 Interim Results

**Overall Performances Realized Huge Growth with Revenue up 69.8%;
Profit for the Period Attributable to Owners of the Company largely up 149.2%**

Financial Highlights (For the six months ended 30 June)			
	2017 (RMB '000)	2016 (RMB '000)	Change
Revenue	10,031,683	5,909,615	+69.8%
– Optical Components	1,895,548	1,291,014	+46.8%
– Optoelectronic Products	8,013,640	4,505,468	+77.9%
– Optical Instruments	122,495	113,133	+8.3%
Gross Profit	2,069,718	987,982	+109.5%
Profit for the Period Attributable to Owners of the Company	1,159,246	465,274	+149.2%
Basic Earnings per Share (RMB cents)	107.37	43.21	+148.5%

[14 August 2017, Hong Kong] The leading integrated optical components and products producer in the PRC, **Sunny Optical Technology (Group) Company Limited** (“**Sunny Optical**” or the “**Company**”, stock code: 2382.HK, together with its subsidiaries, the “**Group**”), today announced its interim results for the six months ended 30 June 2017 (“**period under review**”).

The Group has achieved huge growth of overall performances for the first half of 2017, with its revenue rose by approximately 69.8% compared to the corresponding period of last year, to approximately RMB10,031.7 million,. The Group’s gross profit increased by approximately 109.5% compared to the corresponding period of last year to approximately RMB2,069.7 million. Thanks to the significant increase in the Group’s revenue and margin expansion, profit for the period attributable to owners of the Company largely increased by approximately 149.2% to approximately RMB1,159.2 million. Basic earnings per share increased to approximately RMB 107.37 cents, representing an increase of 148.5%.

Commenting on the Group’s performance during the period under review, Mr. Ye Liaoning, Chairman of the Board of Directors of Sunny Optical, said, “Looking back to the first half of 2017, the

global economy showed a positive development momentum. The recovery speed and range were optimal in recent years. However, there were still some uncertainties and risks. Global smartphone industry maintained its slow growth trend continued from last year. Although the smartphone market in China remains the largest market, the shipment volume in the first half of this year was lower than that in the same period of last year due to the saturated demands, and competition became much fiercer. Only a handful of Chinese domestic smartphone manufacturers gained market shares successfully including traditional international brands. They continued to change the industry structure with their technology advantages, channel advantages and effective marketing strategies. In addition, Chinese smartphone brands rose quickly in emerging markets such as India and the Middle East. On the other hand, with the development of vehicle internet of things and the international promotion and popularisation of laws and regulations, the vehicle lens sets, as important components of vehicle imaging systems and advanced driver assistance systems (“**ADAS**”), realized quick development in global market and maintained a high growth momentum. Overall, in spite of the complex and changing external environment, the Group consolidated its leading position in the industry and realized huge growth of overall performances with its excellent competitiveness.”

Benefiting from the continuous growth in mid- to high-end smartphone market and vehicle lens sets industry as well as the Group’s excellent control ability of the market trend, the shipment volume of the major products of the Optical Components business segment recorded a significant growth. Meanwhile, its product mix was further optimized, leading to satisfactory results for this business segment. During the period under review, the sales revenue from this business segment amounted to approximately RMB1,895.6 million, representing an increase of approximately 46.8% as compared with the corresponding period of last year. This business segment accounted for approximately 18.9% of the Group’s total revenue as compared with approximately 21.8% in the corresponding period of last year.

During the period under review, the shipment volume of handset lens sets of the Group recorded a year-on-year growth of approximately 81.2% with product mix improvement. The proportion of shipment volume of 10-mega pixel above products increased from approximately 17.1% in the corresponding period of last year to approximately 42.9%.

During the period under review, the Group has commenced the mass production of 16-mega pixel with F Number (“**FNo.**”) 1.65 handset lens sets and the miniaturized handset lens sets suitable for screen size of 18:9. Meanwhile, the Group has also commenced the mass production of handset lens sets with 20-mega pixel. In addition, with the continuous rise of the domestic and international

customers' requirements, more and more high-end products, including 10-mega pixel above handset lens sets with large aperture, wide angle, ultra-thin, dual-camera module and other complicated functions have gained recognition. As a result, the Group's market share experienced further expansion. In addition, the Group has developed a wide range of products for various applications in emerging fields such as lenses and lens sets used in virtual reality ("VR")/ augmented reality ("AR"), biological recognition, motion tracking, three-dimension ("3D") and so on, thanks to its profound accumulation of experience in the field of optics and leading edge in technology. Furthermore, some of the products have commenced the mass production of some products.

During the period under review, the shipment volume of vehicle lens sets of the Group recorded a year-on-year growth of approximately 44.3% and continued to keep its role as the No. 1 in the world, and further increased its market share.

Benefiting from the growth of mid- to high-end smartphone market in the PRC, the rise of the domestic brands and the development of other mobile device products, the Optoelectronic Products business segment recorded an impressive growth. During the period under review, the revenue from the Optoelectronic Products business segment amounted to approximately RMB8,013.6 million, representing an increase of approximately 77.9% over the corresponding period of last year. This business segment accounted for approximately 79.9% of the Group's total revenue as compared with approximately 76.2% for the corresponding period of last year.

During the period under review, the shipment volume of handset camera modules of the Group recorded a year-on-year growth of approximately 42.3% and the proportion of shipment volume of 10-mega pixel above products increased from approximately 59.6% in the corresponding period of last year to approximately 64.1%.

During the period under review, dual-camera module has gradually become the trend of smartphone industry and its global market size has significantly expanded. The Group has now become the largest supplier of dual-camera modules in China. The Group served as a major supplier of dual-camera modules with 10-mega pixel above and optical zoom function to numerous domestic smartphone brands and has established good and long-term cooperation relationships with them. In addition, the R&D on the Group's periscope-style tiny optical zoom module and 16-mega pixel with FNo.1.65 handset camera modules have completed. The 360°panoramic camera modules have commenced the mass production, and the time of flight ("TOF") modules have serialized and commenced the mass production. At the same time, the Group has developed a new patented packaging process technology, which significantly fulfills the requirements for module miniaturisation

due to the increased proportion of mobile phone screen. This technology helps to promote and develop dual-camera module business. Therefore, the Group has maintained the industry-leading advantage and achieved a growth much greater than its counterparties in the industry with its continuous technological innovation and sharp market insight.

During the period under review, benefiting from economic environmental recovery and the increase in the demands for related instruments and equipment due to the recovery of the entire electronic market, the revenue from the Optical Instruments business segment amounted to approximately RMB122.5 million, representing an increase of approximately 8.3% over the corresponding period of last year. This business segment accounted for approximately 1.2% of the Group's total revenue as compared with approximately 2.0% in the corresponding period of last year.

During the period under review, the Group conducted technological upgrade of its existing products and advanced its lean management continuously, so as to further enhance the performance and economic benefits of the products. The Group has completed the R&D on the LED microscope illuminate system for colour temperature adjusting applied to medical education, and has commenced the mass production of the zoom-stereo microscopes with maximum zoom ratio applied to life science and equipment of infrared-cut filter ("IRCF") defect inspection and IRCF module defect inspection. Moreover, the Group will further increase its investment in R&D and marketing of high-end optical instruments in the fields of industry, education and medical treatment in order to maintain its mid- to long-term steady development.

Looking ahead, Mr. Ye Liaoning said, "The solid performance of Sunny Optical can't be achieved without the hard work of all the staff. We will continue to adhere to the mission of ensuring the sustainable growth of the Group, to make further progress with innovation on original favourable basis. During the period under review, the Group has a satisfactory performance. Although the global economic growth remains uncertain, we remain optimistic about its future operations as at the beginning of the year. We have been accelerating the business transformation and upgrade, and have been continuing to implement the development strategies decided at the beginning of the year to maintain the sound development momentum since the first half of 2017."

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About Sunny Optical:

Sunny Optical Technology (Group) Company Limited (the “**Company**” or “**Sunny Optical**”, together with its subsidiaries, the “**Group**”) (Stock Code: 2382.HK) is a leading integrated optical components and products manufacturer with more than thirty years of history in the People’s Republic of China (the “**PRC**” or “**China**”). The Group is principally engaged in the design, research and development (“**R&D**”), manufacture 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) (“**Optical Components**”), optoelectronic products (such as handset camera modules, 3D optoelectronic products, security cameras and other optoelectronic modules) (“**Optoelectronic Products**”) and optical instruments (such as microscopes, optical measuring instruments and various high-end optical analytical instruments) (“**Optical Instruments**”). The Group focuses on the application fields of optoelectronic-related products, such as handsets, digital cameras, vehicle imaging systems, security surveillance systems, optical measuring instruments and high-end optical analytical instruments, which are combined with optical, electronic, software and mechanical technologies.

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