

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 2011 Annual Results**

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### **Revenue and Profit for the Year Attributable to Owners of the Company Surged 37.4% and 49.7% Respectively**

<b>Financial Highlights (For the year ended 31 December)</b>			
	<b>2011 (RMB '000)</b>	<b>2010 (RMB '000)</b>	<b>Change</b>
<b>Revenue</b>	<b>2,498,500</b>	1,818,067	<b>+37.4%</b>
— Optical Components	<b>1,127,697</b>	903,341	<b>+24.8%</b>
— Optoelectronic Products	<b>1,192,995</b>	720,046	<b>+65.7%</b>
— Optical Instruments	<b>177,808</b>	194,680	<b>-8.7%</b>
<b>Gross Profit</b>	<b>522,760</b>	391,977	<b>+33.4%</b>
<b>Profit for the Year Attributable to Owners of the Company</b>	<b>215,308</b>	143,826	<b>+49.7%</b>
<b>Basic Earnings per Share (RMB cents)</b>	<b>22.30</b>	14.70	<b>+51.7%</b>
<b>Proposed Final dividend per share (RMB cents)</b>	<b>7.10</b>	4.35	<b>+63.2%</b>

【15 March 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 annual results for the year ended 31 December 2011 (“year under review”).

During the year under review, benefiting from the sustainable development of Digital Single Lens Reflex (“DSLR”) and the rapid growth of the smartphones, the optical components and optoelectronic products business segments of the Group performed remarkably well, especially the handset lens set and handset camera module businesses among them. The Group has continued to capitalize its advantages and achieved a satisfactory overall growth in 2011, with its revenue rose by approximately 37.4% to approximately RMB 2500m as compared with the corresponding period of last year. Attributable to the improvement in product mix, higher capacity utilization rate as well as the effective implementation of “Lean Production”, gross profit of the Group during the year under review increased by approximately 33.4% to approximately RMB 522.8 million. With effective control in operating expenses, profit for the year attributable to owners of the Company increased by approximately 49.7% to approximately RMB 215.3 million. Basic earnings per share amounted to approximately RMB22.3 cents. The Board of Directors of the Group proposed payment of a final dividend of approximately RMB7.1 cents per share (equivalent to HK\$8.7 cents) for the year ended 31 December 2011.

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Commenting on the Group's business performance during the year under review, Mr. Wang Wenjian, Chairman of Sunny Optical, said, "In 2011, the global economy was facing mounting uncertainties triggered by the European debt crisis. However, the Group is pleased with the fact that the market demand for consumer electronic products remained strong and the market in China showed robust performance. During the year under review, benefited from rapid growth in smartphone business as well as our effective integration of relevant resources, the sales for the year attained a sound growth. The Group kept up with market demand closely, implemented its development strategy of 'dedicate to and focus on existing industries' and 'transformation and upgrading' policies, so as to accelerate the development of the existing and new businesses, proactively explore key target markets and earnestly improve our internal management standard, which contributed to the splendid results of the Group's business development."

During the year under review, the optical components business segment recorded strong growth. Its sales income was approximately RMB1,127.7 million, representing an increase of approximately 24.8% as compared with last year and accounted for approximately 45.1% of the Group's revenue. Benefited from the rapid development in smartphone and the constant growth in sales of DSLR, the demands for high quality lenses and handset lens sets with high resolution went up continuously. The automation process of this business segment has made important progress: all production lines for handset lens sets have launched automatic assembling and automatic testing, which may help to ensure products' consistency; during the production process of glass spherical lenses, the self-developed automatic painting machine replaced labor work, which greatly improved production efficiency and reduced labor costs. During the year under review, Nokia's selected lens sets started to have an abundant supply, and the handset lens sets have successfully entered into Nokia's supply chain. Moreover, the Group has also entered into a long term cooperative agreement with Samsung Electronics Corporation; it is expected to further enhance the strengths of the Group in assembling of digital cameras lens sets and modules, which will facilitate the Group's transformation and upgrade.

As for the optoelectronic products business, benefiting from the development of domestic 3G network and the rapid development of domestic branded smartphones in the PRC, the business segment's handset camera module business realized significant growth. During the year under review, revenue from optoelectronic products business segment amounted to approximately RMB1,193.0 million, representing an increase of approximately 65.7% over the corresponding period of last year. This business segment accounted for approximately 47.8% of the Group's revenue and the product mix was effectively enhanced. The development of 12-mega pixel handset camera modules has been accomplished, and the optical touch screen camera module has obtained utility model patents. During the year under review, the Group became a qualified supplier of a famous handset manufacturer in Korea, and commenced to supply a mass volume of 8-mega pixel handset camera modules for it. Outstanding high resolution products and close partnership with a number of famous customers such as Huawei, Lenovo, ZTE, Coolpad and so on, have allowed the Group to maintain its leading position in the supply chain for domestic smartphones.

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Affected by global economy fluctuations and eliminating effects from a bid-order obtained in the corresponding period of last year, optical instrument business segment only recorded a slight growth. During the year under review, sales of this business segment amounted to approximately RMB177.8 million, accounted for approximately 7.1% of the Group's total revenue. The business segment has accomplished the R&D upgrade of several kinds of mid- to high-end microscopes, high-end analytical instruments and high-end measuring instruments. The SHP8400PMS process mass spectrometer researched and developed by this business segment was honored with the "Innovation Gold Prize", which helps to consolidate the foundation for business development.

Given the rapid expansion of the emerging optical application fields, the Group kept pace with the market needs by conducting R&D on the relevant products with focus to realize sustainable development. During the year under review, the Group's security surveillance products and mid- to high-end optical analytical instruments have started their typical sales. Both of its infrared imaging business and vehicle lens sets business made further improvement. In addition, mass production of various new vehicle lens sets has begun and the Group has obtained invention patent of "ultra wide-angle mega pixel vehicle lens sets"; R&D of various infrared lens sets for vehicles and security surveillance have been completed; the development for several types of micro-projectors and engines has been accomplished. It is expected that such market will growth rapidly, the Group will continue to observe market changes, adopt contingent strategies in a timely manner, and concentrate on R&D of optical technologies, so as to enhance the overall corporate competitiveness.

Looking ahead, Mr. Wang said, "Sunny Optical stays basically positive about its operation in 2012 as it did in spite of some uncertainties in the global economy. The optoelectronic industry, which is closely related to the smartphones industry, is full of opportunities. Looking into future, the Group will dedicate to and focus on the existing advantageous businesses, make thorough relocation plan of the production lines of glass spherical lenses and plane products; expand sales channels of new products and new businesses, continue to explore new optical applications; and make innovations in management mode and implement cultural management. The Group targets to maintain the leading position in the industry and ultimately achieve the corporate vision of becoming a 'hundred years old brand', by virtue of persevere exploration and pursuit of the optical field, its existing advantages and further expansion of the emerging applications fields."

Moreover, Mr. Wang stated that it was the suitable timing for management hand over. He has passed the commitment of "building a stronger and bigger Sunny Optical" to Mr. Ye Liaoning, the new Chairman. In order to achieve the synergy of "one plus one makes more than two" in good governance structure, he has passed the obligation of managing the operation of the Group to Mr. Sun Yang, the new CEO. He wished them every success in developing Sunny Optical faster and better.

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**About Sunny Optical:**

**Sunny Optical Technology (Group) Company Limited** is a leading integrated optical components and 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, plane products, 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 measuring 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:

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