

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 2012 Annual Results**

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**Revenue Up 59.5%;**

**Profit for the Year Attributable to Owners of the Company Surges 60.8%**

<b>Financial Highlights (For the year ended 31 December)</b>			
	<b>2012</b> <b>(RMB '000)</b>	<b>2011</b> <b>(RMB '000)</b>	<b>Change</b>
<b>Revenue</b>	<b>3,984,296</b>	2,498,500	<b>+59.5%</b>
— Optical Components	<b>1,308,890</b>	1,127,697	<b>+16.1%</b>
— Optoelectronic Products	<b>2,490,564</b>	1,192,995	<b>+108.8%</b>
— Optical Instruments	<b>184,842</b>	177,808	<b>+4.0%</b>
<b>Gross Profit</b>	<b>741,181</b>	522,760	<b>+41.8%</b>
<b>Profit for the Year Attributable to Owners of the Company</b>	<b>346,274</b>	215,308	<b>+60.8%</b>
<b>Basic Earnings per Share (RMB cents)</b>	<b>36.0</b>	22.3	<b>+61.3%</b>
<b>Proposed Final Dividend per Share (RMB cents)</b>	<b>10.5</b>	7.1	<b>+47.9%</b>

【11 March 2013, 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, together with its subsidiaries, the “**Group**”), today announced its annual results for the year ended 31 December 2012 (“year under review”).

During the year under review, benefiting from growing popularity of smartphones and the rapid development of the consumer electronics market worldwide, the Group has made further progress in respect of R&D, production and sales, and obtained remarkable achievements in various aspects. The Group has achieved satisfactory growth in its results for the year in 2012, with its revenue rose by 59.5% compared to the corresponding period of last year, to approximately RMB4,000 million. The Group's gross profit during the year under review increased by 41.8% to approximately RMB740 million. Thanks to the effective control of operating expenses, profit for the year attributable to owners of the Company increased by 60.8% to approximately RMB350 million. Basic earnings per share amounted to approximately RMB36.0 cents. The Board of Directors of the Company proposed payment of a final dividend of approximately RMB10.5 cents per share (equivalent to HK\$12.9 cents) for the year ended 31 December 2012.

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Commenting on the Group's performance during the year under review, Mr. Ye Liaoning, Chairman of the Board of directors of Sunny Optical, said, "Influenced by the bleak economies worldwide and the macroeconomic control enforced by the PRC government in 2012, there was a noticeable slowdown in China economic growth, while businesses across all fields were entangled with unprecedented challenges. However, the Group managed to grasp the opportunities brought by the rapid development of smartphones in the year under review, and enhanced upgrade for our optoelectronic products. As a result, our handset camera module recorded a considerable growth in terms of both sales volume and average selling price, which made significant contribution to the Group's revenue. It helped further strengthen our foundation for sustainable growth. The Group is now even more determined to achieve a stable development in the future by implementing our development strategies of 'Dedicating to and Focusing on Existing Industries' and 'Speed up the Implementation of Transformation and Upgrade'."

Benefited from the continuous market growth for smartphones and vehicle lens sets, the Optical Components business segment has achieved a solid growth in the year under review. The business segment recorded revenue of approximately RMB1,310 million, representing an increase of 16.1% as compared with the corresponding period of the previous year, and accounted for approximately 32.9% of the Group's revenue. The continued implementation of "automation innovation" project has significantly improved the production efficiency and yield rate, reduced labor costs, and succeeded in running mass production of machine vision lens sets. Such lens set is applied to automatic production which works under a complex structure and possesses high added value, making it a major highlight in emerging optical applications. Although the performance of handset lens sets business has yet to reached our satisfied level, it had achieved a considerable growth over 2011 with business expansion into Nokia's supply chain and an increased in shipment volume of proportion of 5-mega pixel handset lens sets. The Group plans to further promote internal and external businesses in handset lens sets business in 2013.

The Optoelectronic Products business segment also achieved satisfactory results, thanks to the rapid development of the PRC smartphone market. During the year under review, revenue from this business segment amounted to approximately RMB2,490 million, representing an increase of 108.8% as compared with the corresponding period of the previous year. This business segment accounted for 62.5% of the Group's revenue as compared with 47.8% in the previous year. The proportion of handset camera modules with 5-mega pixel or above of total shipment volume increased significantly to 28.4% from 5.1% in the corresponding period of the previous year, of which the proportion of modules with 8-mega pixel or above was approximately 5.7%, as compared with approximately 1.0% in the previous year. The outstanding high resolution products have allowed the Group to maintain its leading position in the supply chain for domestic smartphones. The Group offered Pantech, a famous handset manufacturer in Korea and some Chinese renowned handset manufacturers with a mass volume of handset camera modules with 8-mega pixel and 13-mega pixel. In addition, the video modules for smart televisions under this business segment have commenced mass production.

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At the same time, the Group's self-developed semi-automatic and automatic module testing machines have been applied for mass production, while the newly developed automatic video testing technology was applied in production line testing. The "gluing tool for handset camera modules", which was used in automation transformation, has obtained a utility model patent. These "revolution innovation" projects helped secure the improvement of the Group's production efficiency, as well as its products consistency.

Against the backdrop of the European Debt Crisis and the slowdown in domestic economic growth, demand for industrial instruments has remained weak. Nevertheless, the Group's Optical Instruments business segment recorded a slight increase in revenue to approximately RMB180 million in the year under review, attributable to the growth of market demand for scientific instruments. This business segment accounted for approximately 4.6% of the Group's total revenue. The Group's two main product series, biological microscopes and stereo microscopes, both passed the examination on quality inspection exemption by the specialist team from AQSIQ. By that, the Group became the first enterprise qualified for exemption from export inspection on microscope products in the PRC. The exemption largely reduced inspection and quarantine time for export products, and therefore further enhanced the Group's competitiveness in the international microscope industry. In addition, the "Development and Application of High-Throughput Prominent Instruments", a development project jointly submitted by the Group, East China University of Science and Technology, and some other organizations, was qualified to receive special funding from the State. The "Micro Gas Chromatography Based on Photoion Detector (PID)", a technological project on scientific instruments undertaken by the Group, has successfully acknowledged completion. It laid a solid foundation for the quick on-site inspection. The instrument is applicable to environmental protection, petrochemical, food inspection, medical and health as well as public security industries, and many more areas. As such, the Group will further increase investment in the R&D and marketing of high-end optical instruments in order to foster the medium to long term steady development of the Group.

Looking ahead, Mr. Ye Liaoning said, "Sunny Optical stays basically positive about its operation in 2013 in spite of some uncertainties in the global economy. The Group plans to make depth exploration and focus on existing business, deepen "Lean Production" in order to improve the production process and continue to boost the industrial transfer. It will also strike for innovations in emerging businesses, while maintains a balanced development. Moreover, the Group will focus on achieving breakthroughs in security surveillance lens sets and new optical instruments, and will continue to explore new optical applications, enhance management performance and facilitate management innovation. In conclusion, the Group will continue the corporate strategy as to "build a high-tech optoelectronic products manufacturing base with brand advantage, system advantage and value advantage, through insisting on the 'Mingpeijiao' strategy, fostering the brand advantage, adhering to three major objectives of high-tech, high-efficiency, high-value, as well as emphasizing the implementation of transformation and upgrade of its production mode, profit mode and operation mode" to achieve stable growth in 2013."

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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 lens sets), optoelectronic products (such as handset camera modules, smart TV video modules, security surveillance 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 systems, 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**.

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