



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 2013 Interim Results

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Profit for the Period Attributable to Owners Rose 25.7% to RMB197 Million

Financial Highlights (For the six months ended 30 June)			
	2013 (RMB '000)	2012 (RMB '000)	Change
Revenue	2,785,719	1,769,566	+57.4%
– Optical Components	563,866	610,616	-7.7%
– Optoelectronic Products	2,119,820	1,074,076	+97.4%
– Optical Instruments	102,033	84,874	+20.2%
Gross Profit	440,437	339,951	+29.6%
Net Profit	194,936	155,148	+25.6%
Profit for the Period Attributable to Owners of the Company	196,821	156,527	+25.7%
Basic Earnings per Share (RMB cents)	20.39	16.23	+25.6%

【13th Aug 2013, 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 announces its interim results for the six months ended 30 June 2013 (“period under review”).

Benefited from the growth of smartphone and tablet PC, the Group reported a satisfactory performance in the first half of 2013, with its revenue rising by 57.4% to RMB2.79 billion compared with the corresponding period of last year. Gross profit increased by 29.6% to RMB 440 million as compared with the corresponding period of last year. Due to improving economies of scale and the effective control of operating expenses, the Group’s net profit increased by approximately 25.6% to RMB 190 million and profit for the period attributable to owners of the Company increased substantially by approximately 25.7% to approximately RMB 197 million. Basic earnings per share amounted to RMB20.39 cents. The Board did not recommend the payment of interim dividend for the six months ended 30 June 2013.

Reviewing the Group’s business performance, Mr. Ye Liaoning, the Chairman of the Board of directors of Sunny Optical, said, “In the first half of 2013, influenced by the bleak global economy and macroeconomic control policies adopted by the PRC government, the domestic economic growth experienced a notable slowdown.

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All industries were facing unprecedented challenges, but consumer electronic industry remained a sound trend for development. The growth of smartphone and tablet PC accomplished better achievements. Benefited from that, coupled with effective integration of the resources, the Group attained outstanding results from the development of its various business segments.”

In the first half year of 2013, influenced by the weak demand for digital camera market and slow development of handset lens sets business, the revenue of optical components business segment decreased by 7.7% to RMB 560 million compared to the corresponding period of last year. Despite the decrease in revenue, the production line for handset lens sets under this business segment launched automatic assembling and automatic testing, which significantly improved production efficiency and yield rate, and also reduced labor costs. For the handset lens sets business, the proportion of shipment volume of 5-mega pixel or above products increased to approximately 23.7% from approximately 2.3% for the corresponding period of last year, 8-mega pixel handset lens sets commenced mass production while 10-mega pixel or above handset lens sets were in the process of active R&D and trial production. In the second quarter of 2013, the Group started mass production of various vehicle lens sets for Japanese automotive component suppliers, while infrared business continued the rapid development. In addition, the Group commenced to supply 8-mega pixel handset lens sets for a famous handset manufacturer in Korea.

During the period under review, the Group was awarded numerous honors and recognitions. Zhejiang Sunny Optics won the “2012 Ningbo Mayor Quality Award”. This award indicates the government’s recognition towards the execution of “Best Performance Management Model” and dedication of the management, which inspires the Company to further enhance its production management level and create more economic value. Sunny Tianjin Optics was recognized as the “Excellent Supplier” on the Samsung Electronics Supplier Conference. The Group has been awarded this honor for the past consecutive years. This is a high level recognition by Samsung Electronics of the Group’s product quality, delivery and service.

For the optoelectronic products business segment, benefited from the rapid development of smartphone and other mobile devices products, the Group’s handset camera module business and other optoelectronic module business achieved strong growth. During the period under review, revenue from optoelectronic products business segment amounted to RMB2,120 million, representing an increase of 97.4% over the corresponding period of last year. This segment accounted for 76.1% of the Group’s total revenue. During the period under review, the proportion of shipment volume of handset camera modules with 5-mega pixel or above increased to approximately 49.2% from approximately 22.3% in the corresponding period of last year. The proportion of shipment volume of modules with 8-mega pixel or above was 17.7% during the review period. The outstanding high resolution products facilitated the Group to maintain its leading position in the supply chain for domestic smartphones. In addition, the Group supplied a mass volume of handset camera modules with 13-mega pixel to a famous handset manufacturer in Korea. Moreover, 3D touchless motion controller under this business segment also started mass production. In the meantime, the Group’s subsidiary in the U.S. has been working to explore internationally renowned customers under this business segment. The Group’s “Research and Industrialization of Key Technologies for Highly-Reliable COF Handset Camera Modules” won the second class prize of Ningbo City Technology Advancement Award. Currently this technology has reached a leading position by international standard, which also enjoys strong market demands.

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For optical instruments business segment, the demand for industrial instruments decreased. However, benefited from the growth of market demand for scientific instruments, revenue of optical instruments business segment increased 20.2% to RMB 100 million. Additionally, the PRC government will substantially increase its investments in areas like environmental protection and food safety in the “12th Five-Year Plan”, which is expected to propel the demands for high-end optical analytical instruments. Therefore, the Group will further increase investments in the R&D and marketing of high-end optical instruments. The Group was awarded “2012 Shanghai Innovative Enterprise”. This would encourage the Group to further improve its innovation capabilities and develop continuously.

Looking ahead, Mr. Ye, the 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 as forecasted at the beginning of the year. The Group has been accelerating its business transformation and upgrade, implementation of its development strategies formulated at the beginning of the year and striving to maintain the sound development momentum seen in the first half of 2013. The Group will speed up its strategic transformation, continue to strengthen R&D on products and technologies, and enhance competitiveness and penetration globally. Upholding the mission of “Building a Stronger and Bigger Sunny Optical”, the Group’s new management team strives to make progress with innovation based on our solid foundation. The Group will continue in-depth exploration and dedicated to and focused on existing advantageous businesses, achieving increasing sales of relevant products through further expansion and optimization of its sales channels of existing emerging businesses and continue to innovate in management, achieving corporate growth and value enhancement to keep creating returns for its shareholders.”

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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 television video modules, three-dimensional (“3D”) optoelectronic products, security cameras and other optoelectronic modules) and optical instruments (such as microscopes, optical measuring instruments and various optical analytical instruments). We focus on the market of optoelectronic related products, such as handsets, digital cameras, vehicle imaging systems, smart television video system, security surveillance systems, optical measuring 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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