

Sunny Optical Technology (Group) Company Limited

舜宇光學科技(集團)有限公司

Stock Code: 2382.HK



Expert
in Optics

2014 Annual Results Announcement Corporate Presentation

March 2015



FOCUS

on the beauty of technology

聚焦科技之美

1984 - 2014

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Agenda



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1 Financial Highlights

2 Review of Operations & Development Strategies

3 Open Forum

4 Appendix

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Financial Highlights



Financial Highlights



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	»» 2013	»» 2014	Change
<i>(RMB mn)</i>	<i>For the year ended 31 December</i>		
Revenue	5,812.8	8,426.5	+45.0%
Gross Profit	967.1	1,289.4	+33.3%
Profit Before Tax	504.5	634.0	+25.7%
Income Tax Expense	(63.6)	(72.7)	+14.3%
Effective Tax Rate	12.6%	11.5%	- 1.1ppt
Profit for the Year Attributable to Owners of the Company	440.5	566.1	+28.5%
Basic Earnings per Share (RMB cents)	44.3	52.9	+19.4%

Operating Expenses Analysis



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	2012		2013		»» 2014	
<i>(RMB mn)</i>	<i>For the year ended 31 December</i>					
	<i>(as % of revenue)</i>		<i>(as % of revenue)</i>		<i>(as % of revenue)</i>	
Revenue	3,984.3	100.0%	5,812.8	100.0%	8,426.5	100.0%
Total Operating Expenses	377.9	9.5%	505.2	8.7%	712.3	8.5%
• Selling and Distribution Expenses	64.4	1.6%	87.9	1.5%	89.3	1.1%
• R&D Expenditure	163.4	4.1%	251.0	4.3%	392.3	4.7%
• Administrative Expenses	150.1	3.8%	166.3	2.9%	230.7	2.7%

Solid Financial Position



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2012

2013



2014

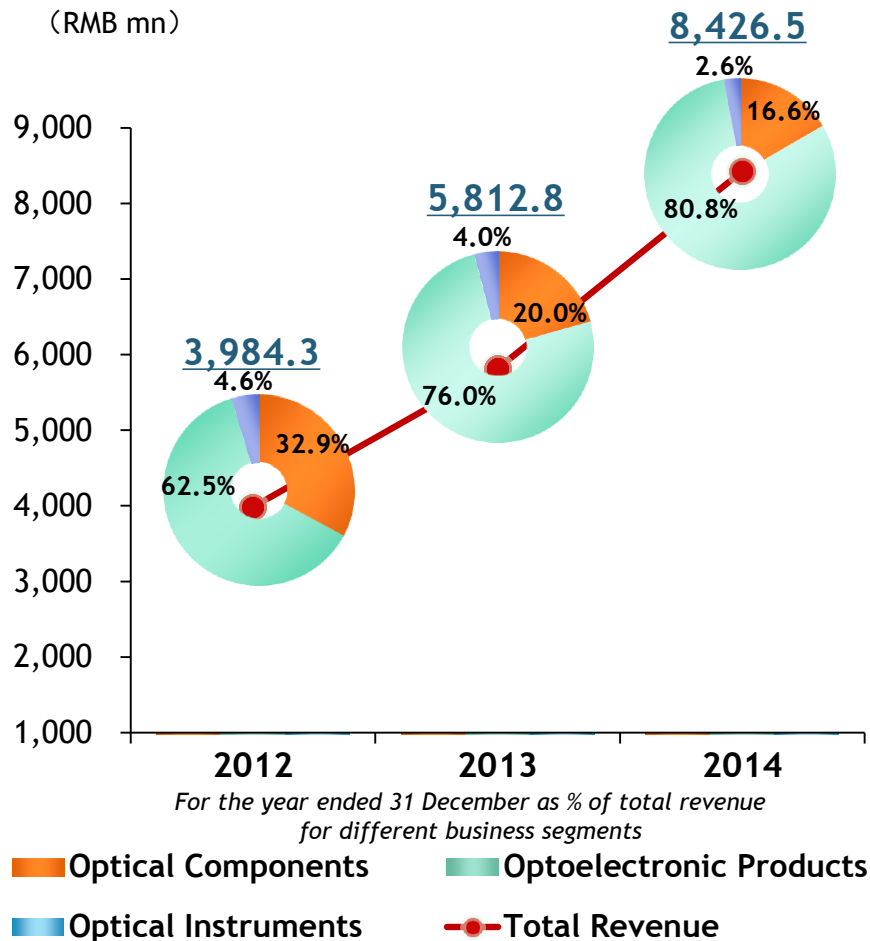
For the year ended 31 December

Current Ratio (Times)	2.2	2.1	1.8
Operating Cash Inflow (Outflow) (RMB mn)	256.8	667.8	(182.9)
Cash and Cash Equivalents (RMB mn)	614.4	1,825.8	903.9
• <i>Pledged Bank Deposits (RMB mn)</i>	0.2	113.8	4.4
• <i>Financial Assets Designated as at Fair Value through Profit and Loss (RMB mn)</i>	280.8	983.0	374.9
• <i>Bank Guaranteed Entrusted Loan Receivables (RMB mn)</i>	90.0	20.0	--
• <i>Bank Balances and Cash (RMB mn)</i>	243.4	709.0	524.6
Net Cash per Share (RMB cents)	53.2	134.5	35.7
Gearing Ratio (%)	3.4	10.5	9.3
ROE (%)	17.5	15.4	17.3
Capital Expenditure (RMB mn)	308.3	318.5	369.5

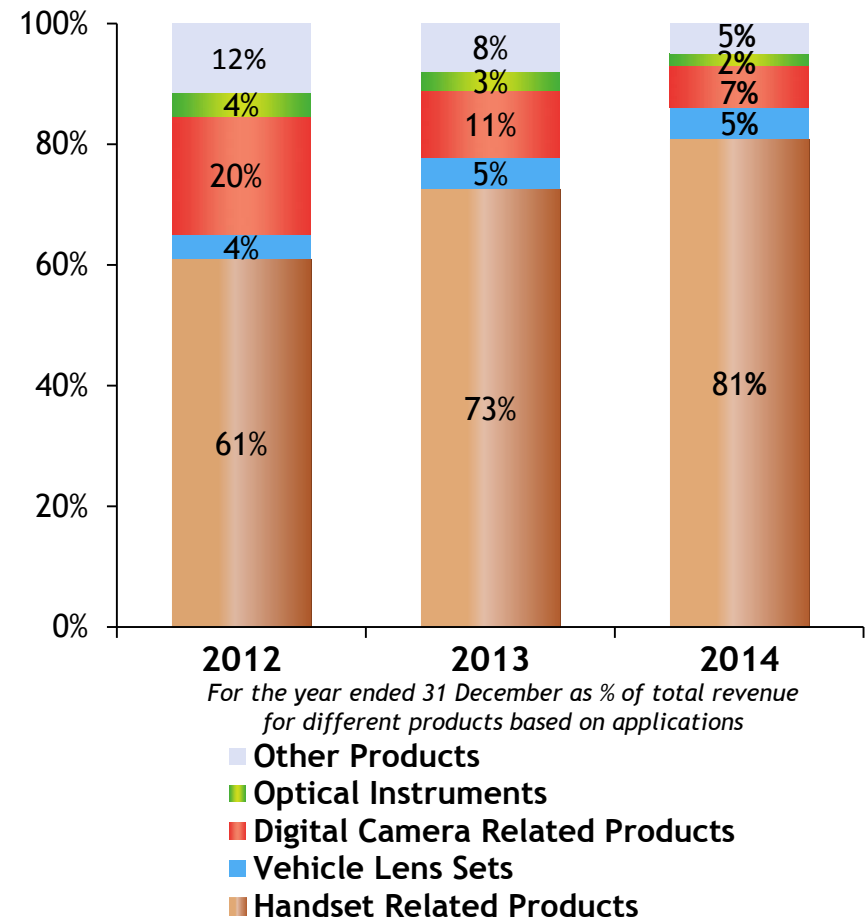
Revenue Breakdown

Revenue Breakdown by Business Segments

(RMB mn)

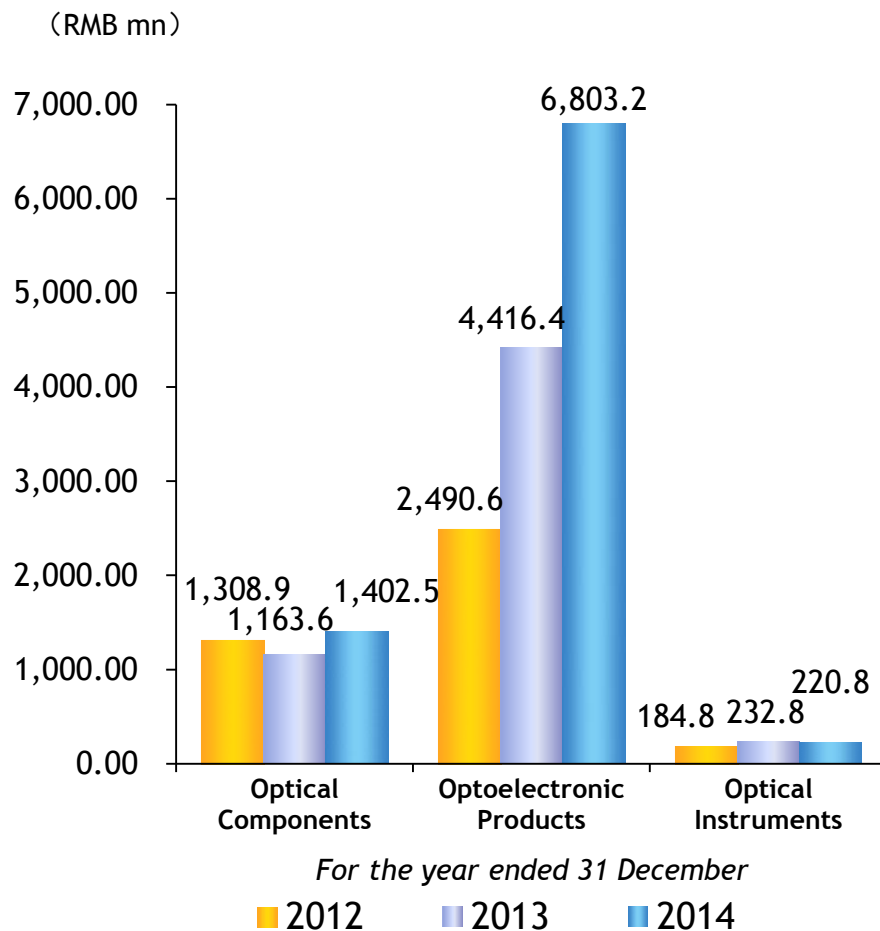


Revenue Breakdown by Product Applications

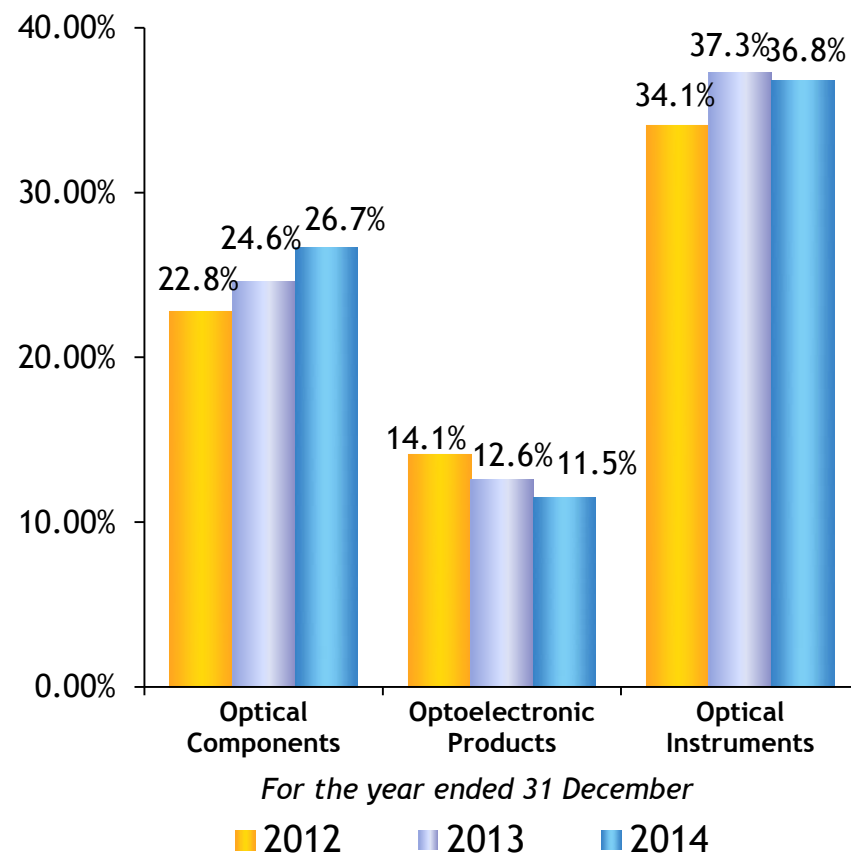


Sales and Gross Profit Margins by Business Segments

Revenue by Business Segments



Gross Profit Margins by Business Segments



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Review of Operations & Development Strategies



Significant Achievements in R&D Results Hi-tech Barrier



Obtained 239 Patents



2012

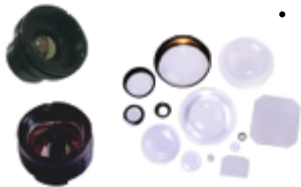


2013



2014

Optical Components



- 5-mega pixel and 8-mega pixel handset lens sets have commenced mass production
- The production and testing techniques of automatic lens sets have been widely applied

- The R&D of Ultra-thin 8-mega and 13-mega pixel handset lens sets has been successfully completed

- 13-mega pixel handset lens sets have commenced mass production
- The R&D of 20-mega pixel, 16-mega pixel and 13-mega pixel(FNO1.8/ultra-thin/OIS) handset lens sets have been completed
- Delivered samples of infrared vehicle lens sets to a client, the sole vendor of infrared cameras in mass production in the world
- A manufacturing method of optical lens has obtained a national invention patent

Optoelectronic Products



- Mass production for 8-mega and 13-mega pixel handset camera modules has been successfully launched
- Commenced mass production for smart television video modules
- Self-developed semi-automatic, automatic camera module testers started to be applied in mass production
- Self-developed automatic video testing technology was applied in testing of the production line

- 16-mega pixel handsets camera modules have commenced mass production

- 20-mega pixel, dual-camera and OIS handset camera modules started shipment respectively
- "The method of burning a high resolution camera module and a chip" has obtained a national invention patent
- Self-developed active alignment (AA) equipment have been applied and promoted to the production lines
- Have grasped PDAF-related OTP linear corrective core algorithm

Optical Instruments



- Optical analytical instruments for high-throughput screening received special supportive funding from the State

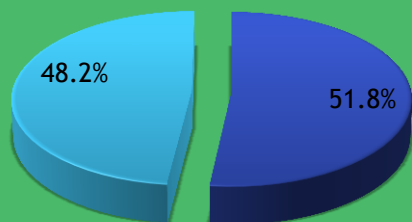
- The project of "Development and Application of Trans-scale Three-dimensional Optoelectronic Vibrating Measuring Instruments" was supported by the dedicated funds for development of major National scientific instruments and equipment from the Ministry of Science and Technology
- The "Three-Dimensional Laser Motion Measurement System and Method" has obtained a national invention patent

- The R&D of fully-automatic high-speed Gas Chromatography/Quadrupole Mass Spectrometry (GC/MS) with some internationally leading performance indexes has been completed successfully

Strong Client Base

Huawei
Xiaomi
Oppo
Lenovo
Coolpad

- Top Five Clients of the Group
- Other Clients of the Group



**Vehicle
Lens Sets
Business**

Mobileye
Gentex
TRW
Valeo
Bosch
MANDO
Autoliv
Continental
Delphi
Magna
Panasonic

**Handset
Lens Sets
Business**

A Korean Client
Sony
Sharp (Nokia)
Truly

**Handset
Camera
Module
Business**

Google
Moto
Xiaomi
Coolpad
Huawei
Lenovo
Oppo
BBK
Gionee
TCL
ZTE


**Optical
Instruments
Business**

Iscope
Carl Zeiss
Olympus
Optika

**Other
Businesses**

Hikvision
Gopro
DJI
Leap Motion
Liteon
Microtek
Panasonic
Primax
Ricoh
Sanyo

Awards and Recognitions

 Hikvision 2014
「 Best Quality Prize 」



 National Electronic
Information Industry
「 Excellent Innovative
Enterprise 」



 Huawei
「 Gold Award for
Core Supplier 」




 Huawei
「 2013 Quality
Management
Excellent Prize 」




 OPPO
「 Excellent
Supplier 」




 Lenovo
「 Outstanding
Service Prize 」



 A manufacturing
method of optical lens
has obtained a national
invention patent



 “SHP8400PMS Process
Gas Spectrometer” was
awarded “Excellent
Instrument made by
China(2013-2014)”

 Yulong Coolpad
「 Best Quality Supplier
Award 」

 Yulong Coolpad
「 2014 Q1 Excellent
Supplier Prize 」

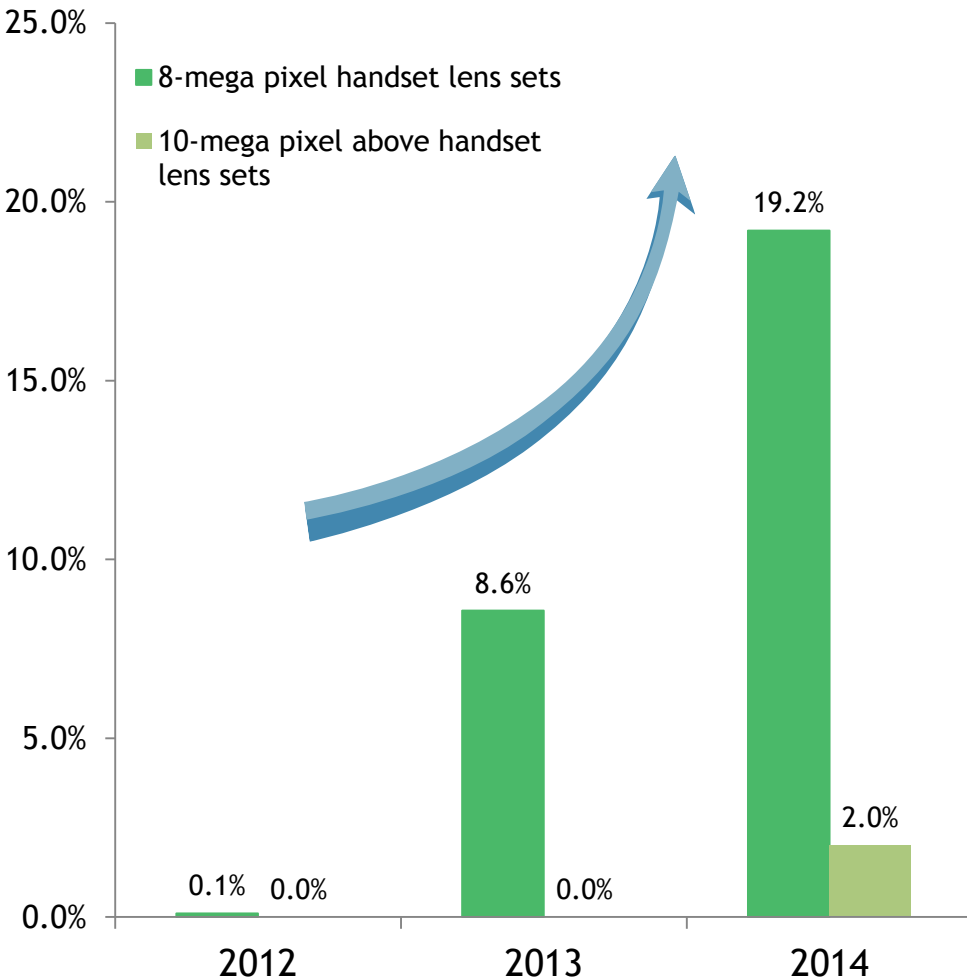
 2014 Xiaomi
「 Excellent Technology
Support 」

 Yulong Coolpad
「 Core Supplier Award 」

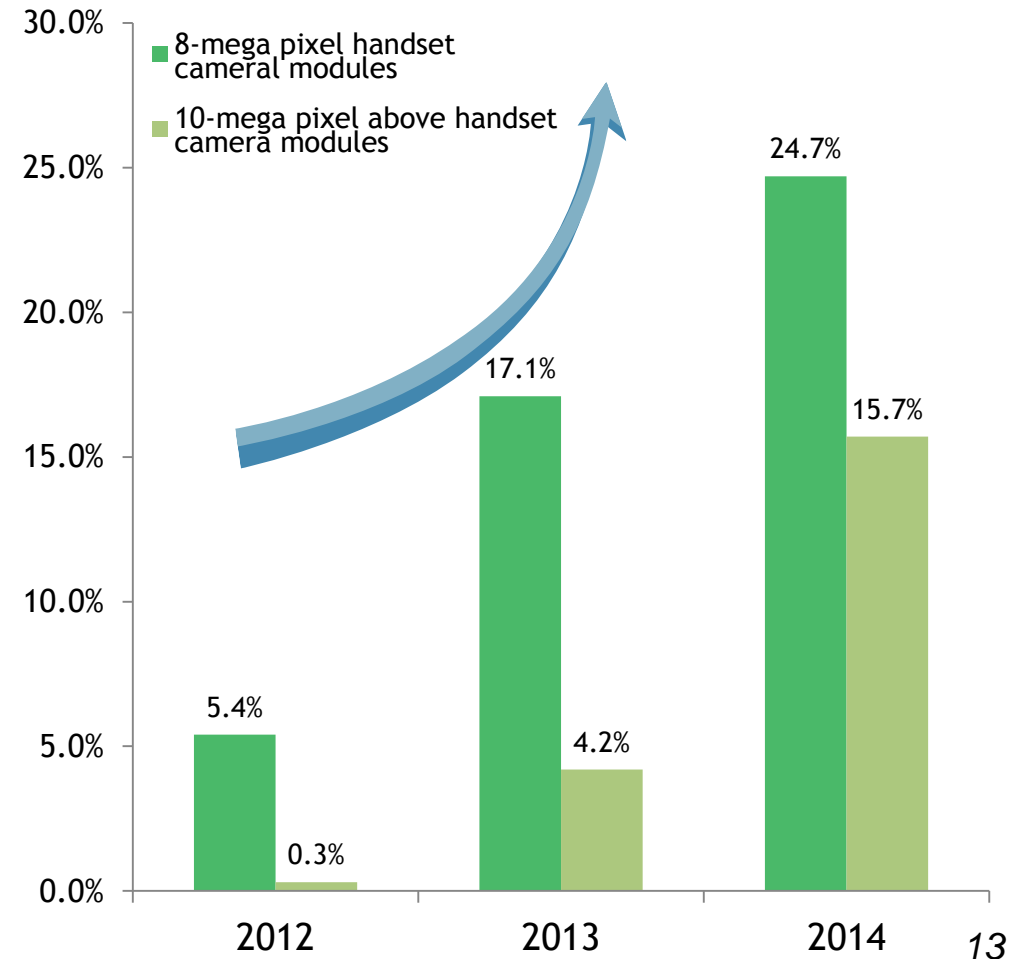
Solidify No.1 Market Share in Domestic Market and Further Capture Overseas Clients



Shipment Volume Proportion of Handset Lens Sets



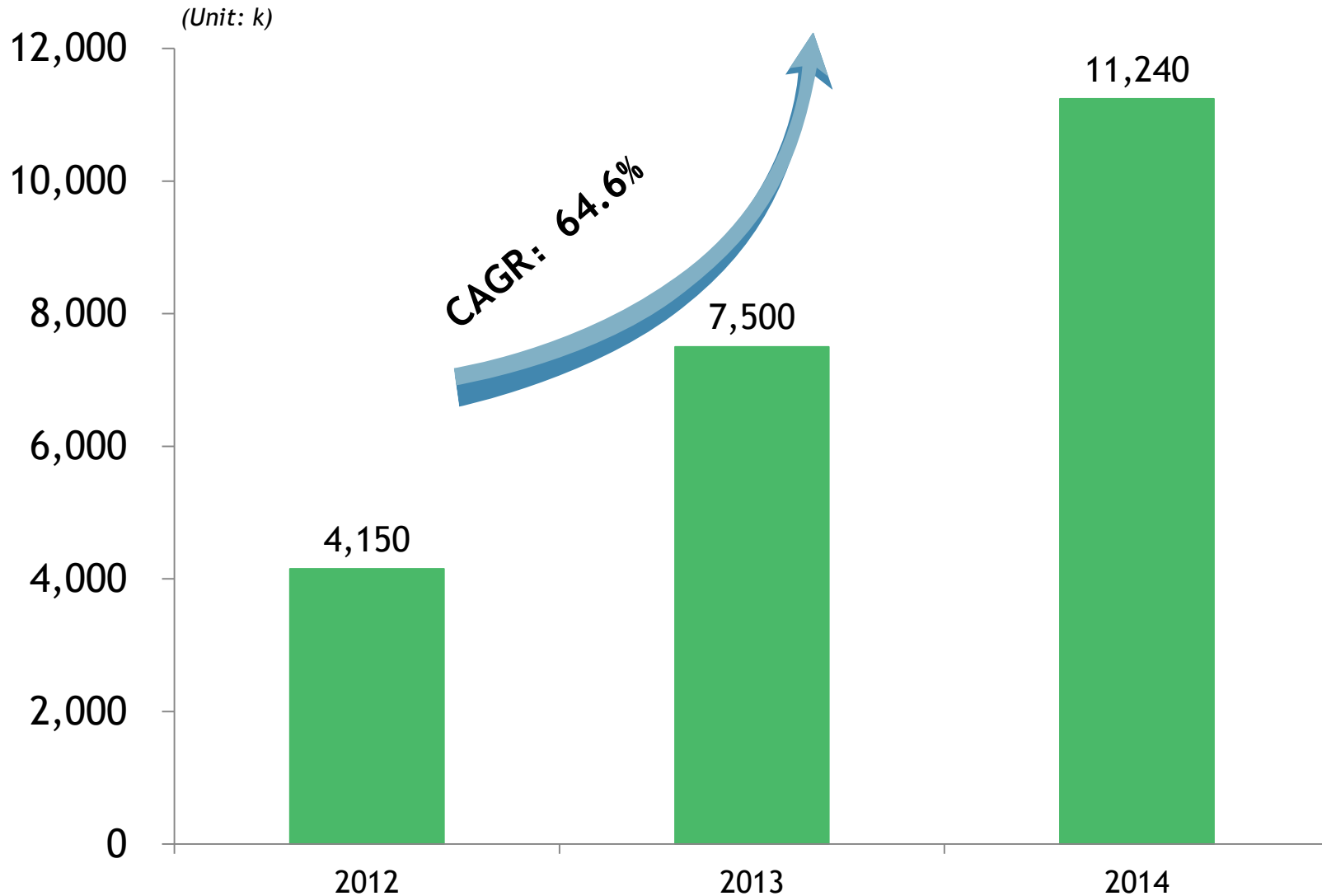
Shipment Volume Proportion of Handset Camera Modules



Maintain No.1 Position in Global Vehicle Lens Sets Market and Further to Improve



Shipment Volume of the Company's Vehicle Lens Sets and CAGR



Applications of Vehicle Lens Sets



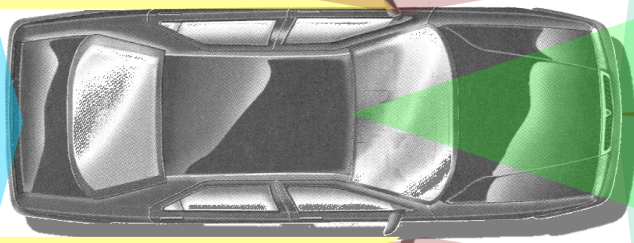
Rear Vision



Interior Vision



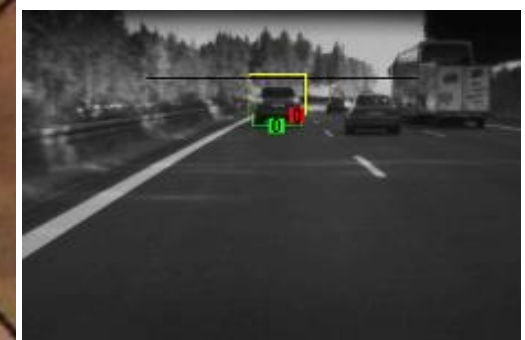
Front Vision



Side Vision

Surround Vision

Far Vision



Achieve Breakthrough in Emerging Businesses and Realize Balanced Development

- Maintain the first position in infrared business in the PRC and further explore the international market, and have delivered samples of infrared vehicle lens sets to a client, the sole vendor of infrared cameras in mass production in the world
- Continue to explore innovative optical applications on 3D imaging/control fields, identify key emerging businesses and make strategic investments to realize the sustainable medium- to long-term development of the Group
- Achieve import substitution strategy under the support of national special funds on high-end optical analytical instruments and optical measuring instruments





Open Forum



IR Contacts

Sunny Optical Technology (Group) Company Limited

*Email: jfma@sunnyoptical.com /
jasmine@sunnyoptical.com /
ir@sunnyoptical.com*

*Tel: +86 574 6253 8091 /
+852 3568 7038*

Media Relations Contacts:

*PordaHavas International Finance Communications
Group*

Email: sunnyoptical@pordahavas.com

Tel: +852 3150 6788

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Appendix



Leading Integrated Optical Components and Products Producer



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- » Established in 1984 and listed on the Main Board of the Hong Kong Stock Exchange in 2007, issued 1 billion shares. In September 2013, the Company had successfully placed 97,000,000 new shares.
- » 5 production bases in China with strong technical and manufacturing capabilities
- » Strong R&D capabilities, with R&D centers set up in China, Singapore, South Korea, USA, etc.



Zhongshan
Production Base



Zhejiang
Headquarters



Shanghai
Production Base



Xinyang
Production Base



Tianjin
Production Base

Business Segments

Optical Components



Glass spherical/aspherical lenses, handset lens sets, plane products, vehicle lens sets, infrared lens sets, sports lens sets, security surveillance lens sets and other lens sets

Optoelectronic Products



Handset camera modules, smart television video modules, 3D interaction motion controllers, security surveillance cameras, sports camera modules and other optoelectronic modules

Optical Instruments



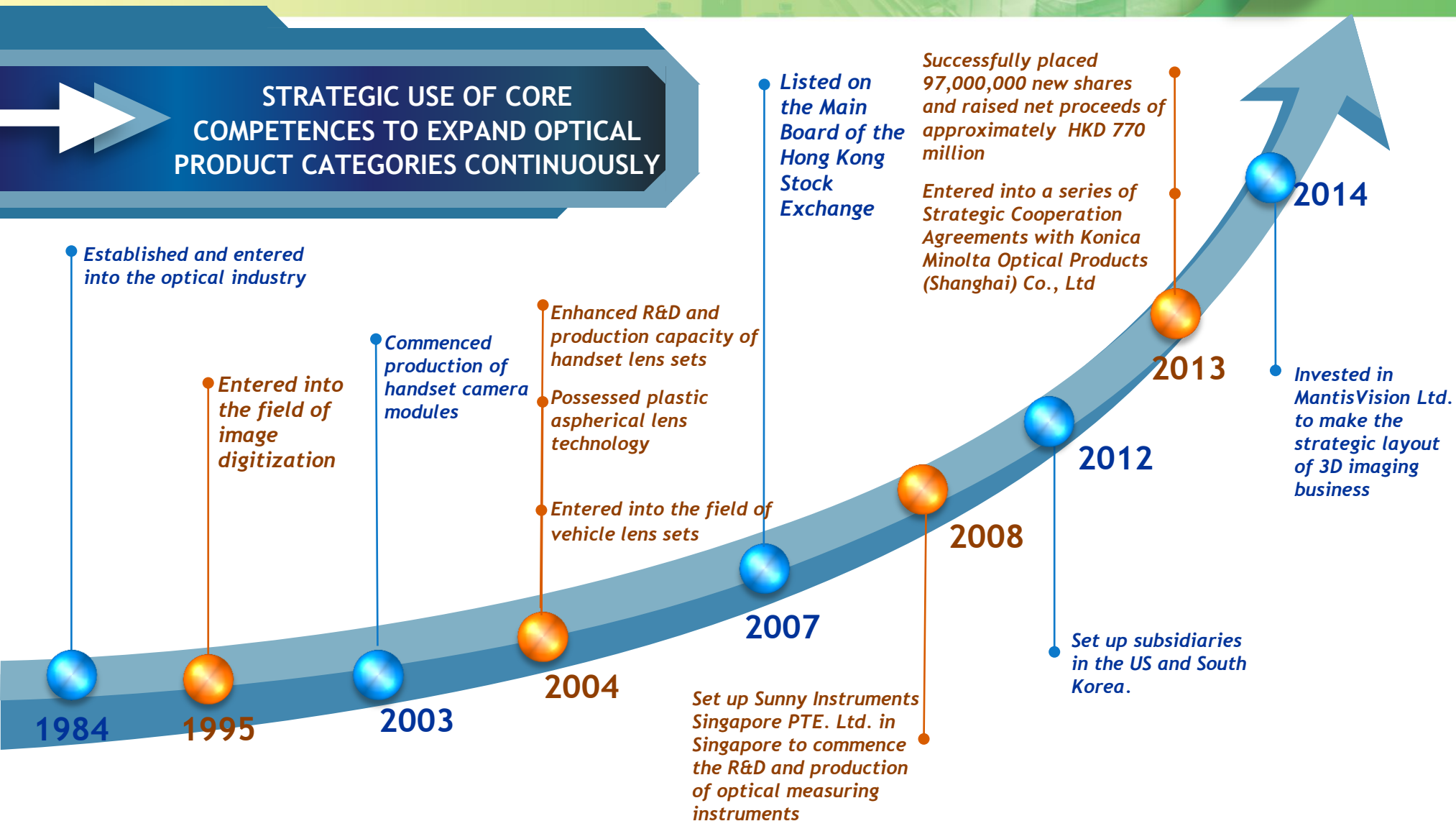
Microscopes, optical measuring and various high-end optical analytical instruments

Milestones

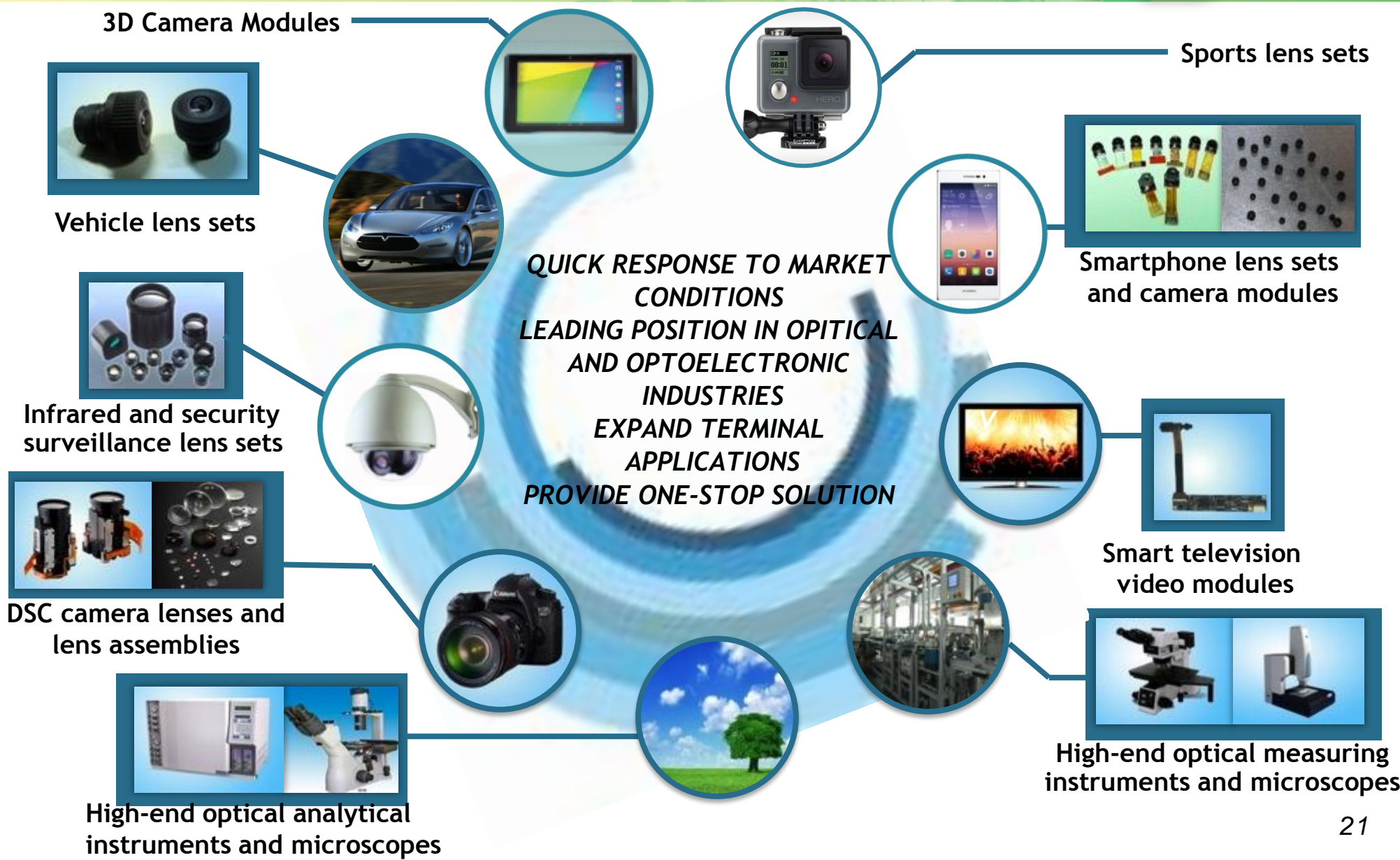


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STRATEGIC USE OF CORE
COMPETENCES TO EXPAND OPTICAL
PRODUCT CATEGORIES CONTINUOUSLY



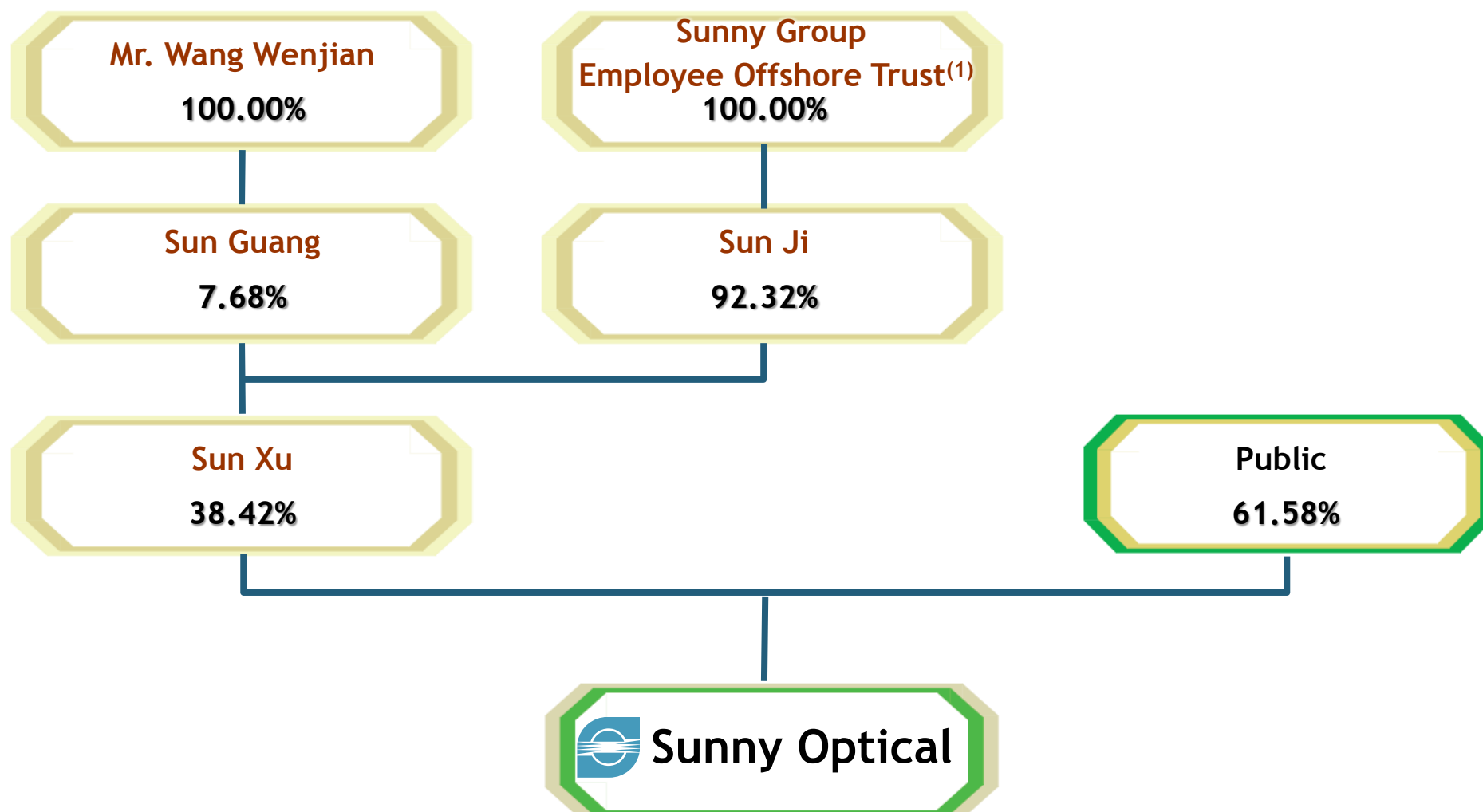
Diversified Application Fields



Shareholding Structure



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(1) Mr. WANG Wenjian, the Honorary Chairman of the Board and non-executive Director of the Company, together with Equity Trust(HK) Limited, hold the entire issued share capital of Sun Ji Limited on behalf of the Sunny Group Employee Offshore Trust.

* As at 31 December 2014

Investment Highlights



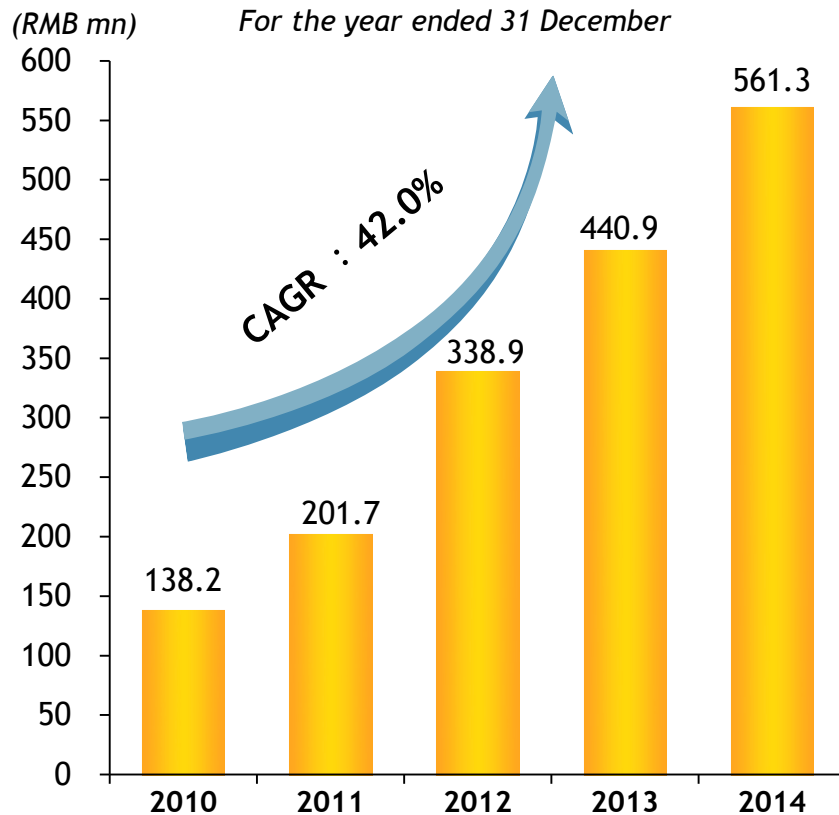
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Continued Growth in Net Profit

Final dividends payout ratio was 20%-30% of the profit for the year attributable to owners of the company. The accumulated total dividends are expected to reach RMB 583 million since listed to the end of 2014.



Net Profit



Dividends

