



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)
(Stock Code: 2382.HK)

2019 Interim Results Announcement Corporate Presentation

August 2019

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Agenda

1. Financial Highlights
 2. Operation Review
 3. Future Outlook
 4. Q&A Session
 5. Appendix
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Financial Highlights



Financial Highlights

	2018	2019	Change
<i>For the six months ended 30 June (RMB mn)</i>			
Revenue	11,976.4	15,574.9	+30.0%
Gross Profit	2,320.1	2,864.0	+23.4%
Profit Before Tax	1,412.4	1,660.6	+17.6%
Income Tax Expense	(222.6)	(228.2)	+2.5%
Effective Tax Rate (%)	15.8	13.7	-2.1ppt
Profit for the Period Attributable to Owners of the Company	1,179.8	1,431.2	+21.3%
Earnings per Share - Basic (RMB cents)	108.0	130.8	+21.1%

Operating Expenses Analysis

	2017		2018		2019	
<i>For the six months ended 30 June (RMB mn)</i>		<i>(as % of revenue)</i>		<i>(as % of revenue)</i>		<i>(as % of revenue)</i>
Revenue	10,031.7	100.0%	11,976.4	100.0%	15,574.9	100.0%
Total Operating Expenses	822.1	8.1%	824.1	6.8%	1,214.7	7.8%
• Selling and Distribution Expenses	104.7	1.0%	95.5	0.8%	130.8	0.8%
• R&D Expenditure	535.0	5.3%	544.5	4.5%	826.5	5.3%
• Administration Expenses	182.4	1.8%	184.1	1.5%	257.4	1.7%

Solid Financial Position



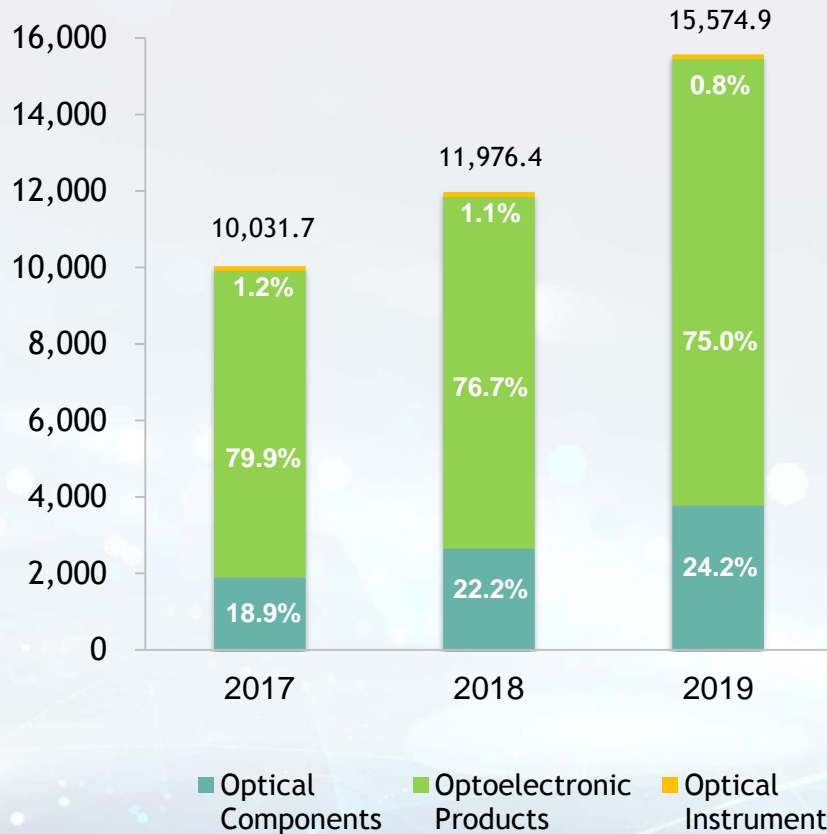
Expert in
Optics

	2017	2018	2019
<i>As at 30 June/ for the six months ended 30 June</i>			
Current Ratio (Times)	1.5	2.0	1.8
Operating Cash Inflow (RMB mn)	578.5	599.6	1,158.4
Cash and Cash Equivalents (RMB mn)	2,656.0	5,875.8	6,084.2
· Pledged Bank Deposits (RMB mn)	276.3	355.3	12.2
· Financial Assets at Fair Value through Profit or Loss (RMB mn)	1,640.0	4,003.3	4,439.1
· Bank Balances and Cash (RMB mn)	739.7	1,517.2	1,632.9
Net Cash per Share (RMB cents)	111.1	41.9	80.5
Gearing Ratio (%)	11.8	26.7	20.4
ROE (%)	20.2	14.8	14.1
Capital Expenditure (RMB mn)	782.6	1,092.0	1,188.8

Revenue and Gross Profit Margins By Business Segments

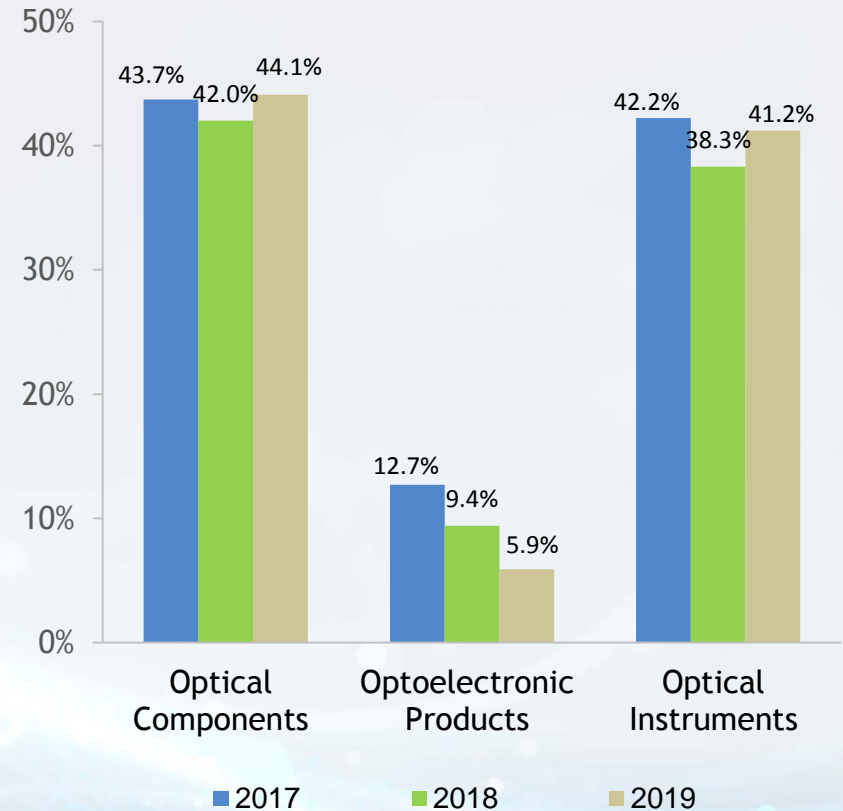
Revenue by Business Segments

(RMB mn)



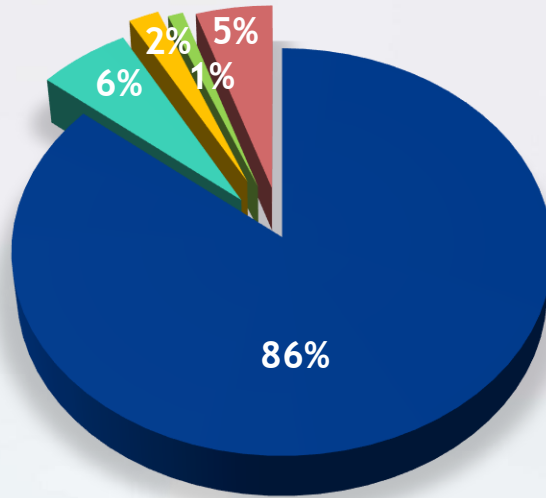
For the six months ended 30 June

Gross Profit Margins by Business Segments



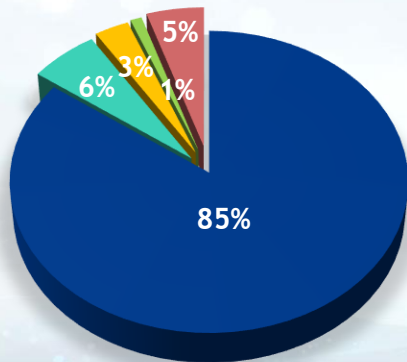
For the six months ended 30 June

Revenue Breakdown by Product Applications

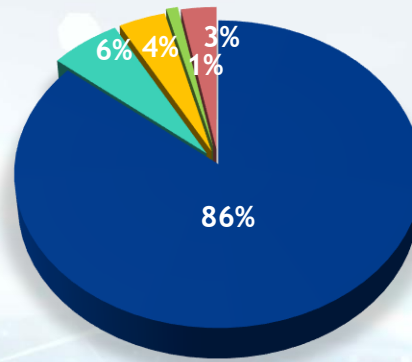


2019

- Handset Related Products
- Vehicle Lens Sets
- Digital Camera Related Products
- Optical Instruments
- Other Products



2018



2017

For the six months ended 30 June

Operation Review



Focus on Patent Layout Strengthen Competitive Advantage

2019
As at 30 June

1,263
patents

- Ultra-wide angle camera lens set
- Miniature lens assembly
- Camera module and array camera module based on integrated packaging process
- Method and device of parking aid
- Microscanner and method for microscan
- ...



2018
As at 30 June

757
patents

- Interactive lens set
- Ultra-thin lens set
- Array camera module with circuit board unit and photosensitive unit and manufacturing method thereof
- One automated test equipment and test method of the camera module
- Fluorescent microscope light source and filter modules linkage
- ...

2017
As at 30 June

482
patents

- High resolution slim lens set
- One new long-wave infrared athermalization lens set with high amount of light through
- One laser vibration, displacement and its transducer measurement
- ...

Significant Achievements in R&D

Build Hi-tech Barriers



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Optics

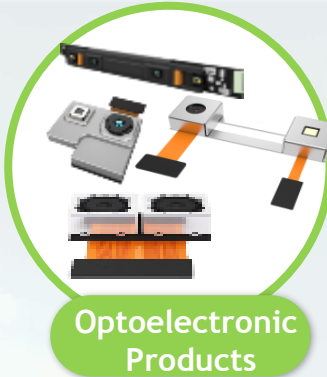
2018

- The R&D on ultra-large aperture (FNo.1.4) handset lens sets with 7P have been completed
- 48-mega pixel, 32-mega pixel miniaturized head and variable aperture (7P) handset lens sets have achieved mass production
- Collimating lens sets for 3D have achieved mass production
- The R&D on 8-mega pixel vehicle lens sets has been completed



Optical
Components

- The periscope-style tiny modules with high magnification optical zoom function have achieved mass production
- TOF modules for handsets have achieved mass production
- The R&D on linear TOF products has been completed
- The R&D on high accuracy TOF products with wide angle has been completed
- The R&D on various kinds of surround view, front view and interior vehicle camera modules has been completed, some of which have achieved mass production



Optoelectronic
Products

- Fully automated research and inverted microscopes have achieved production in small batches
- Scanning detection equipment for anisotropic conductive film (ACF) have achieved mass production
- The Mycobacterium tuberculosis microscopy scanning systems have achieved mass production



Optical
Instruments

2019

- The R&D on 64-mega pixel large image size (1/1.7") and ultra-macro shooting (3cm) handset lens sets have been completed
- 16-mega pixel ultra-wide angle (120°), ultra-miniaturized head (head size is 2.65mm), 7P ultra-large aperture (FNo.1.4) and 16-mega pixel ultra-thin handset lens sets have achieved mass production
- 2-mega pixel and above vehicle lens sets used in ADAS have entered into the batch supply stage
- Optical components of vehicle LIDAR have achieved small batch delivery

- Periscope-style products with 5-time optical zoom function have achieved mass production
- Handset camera modules with ultra-large aperture (FNo.1.4) have achieved mass production
- The R&D on OLA production line process has been completed
- The R&D on ultra-thin semiconductor packaging technology (IOM) has been completed
- The R&D on 8-mega pixel front-view vehicle camera modules that used in ADAS has been completed

- The R&D of the first domestic microscopic interactive teaching system based on the IoT has been completed
- The R&D of 10-person view microscope has been completed
- The R&D of pathological section scan-imaging analysis system has been completed

Awards and Recognitions



Continental
“Best Performance within Category
Optical Devices”



Dahua
“Excellent Supplier Award”



O-film
“Core Supplier Award”

Quam
“Investor Relations Awards”
HKIRA
“Best Investor Relations Company
(Large Cap)”

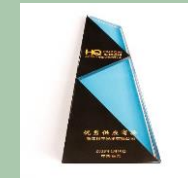
MSCI
ESG rating “BB”



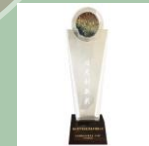
Huawei
“Excellent Quality Award”



LG
“Supplier Appreciation Award”



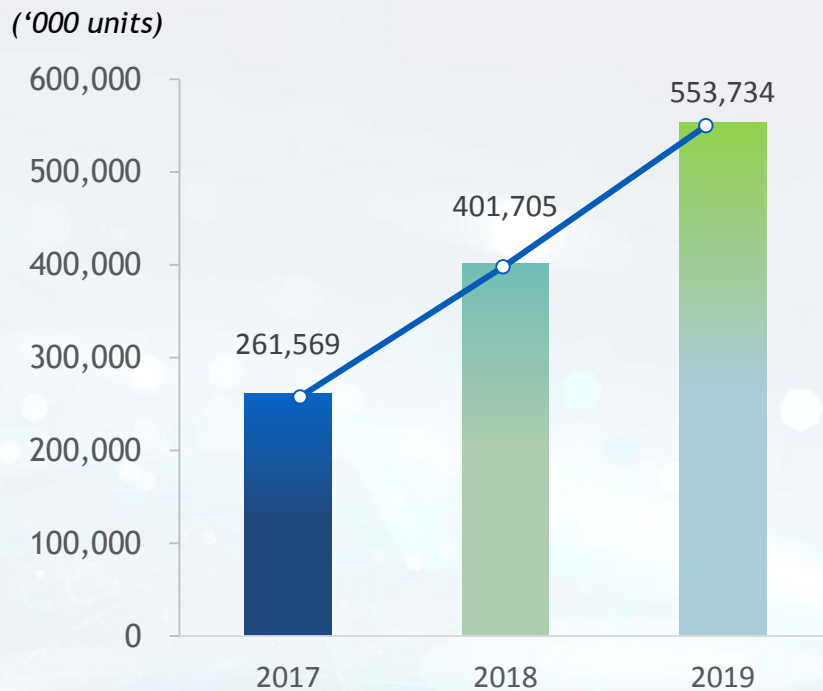
Huaqin
“Excellent Supplier Award”



CIOE
“Technology Innovation Award”

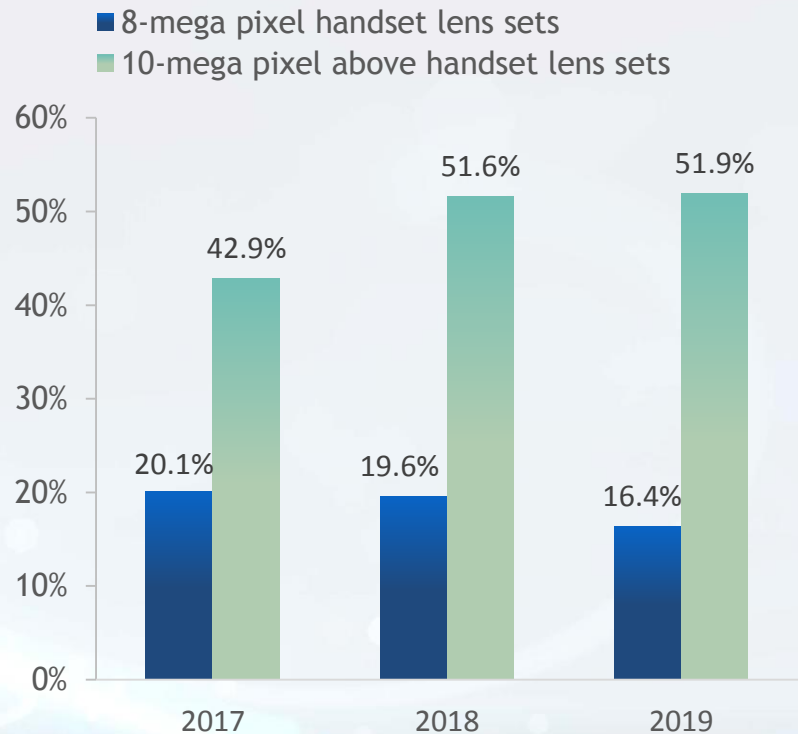
Continue to Gain Global Market Share Strive for Domestic No.1 and Global No.2

Shipment Volume of the Company's Handset Lens Sets



For the six months ended 30 June

Shipment Volume Proportion of the Company's Handset Lens Sets by Pixels



For the six months ended 30 June

Maintain No.1 Position in Global Market Further Expand the Market Share

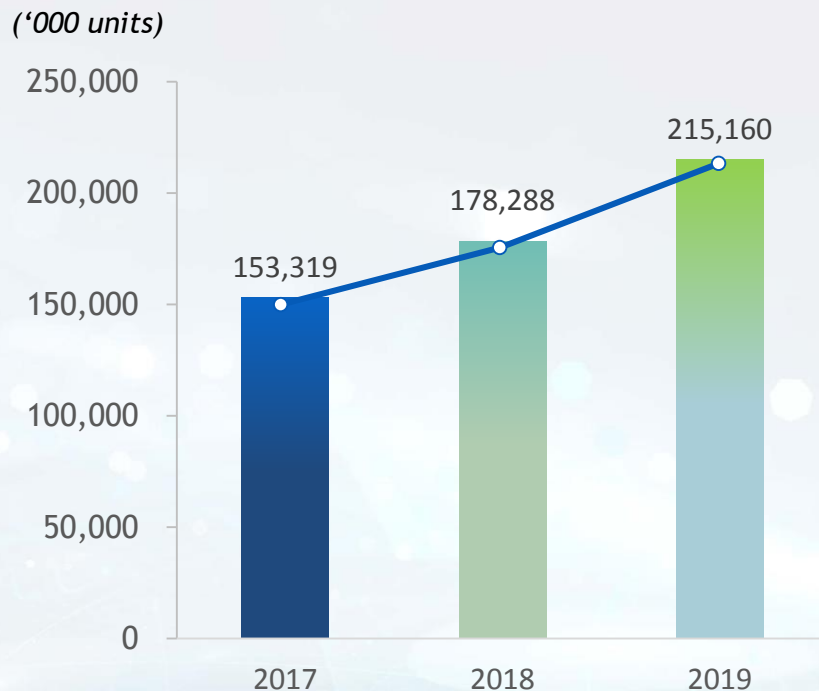
Shipment Volume of the Company's Vehicle Lens Sets



For the six months ended 30 June

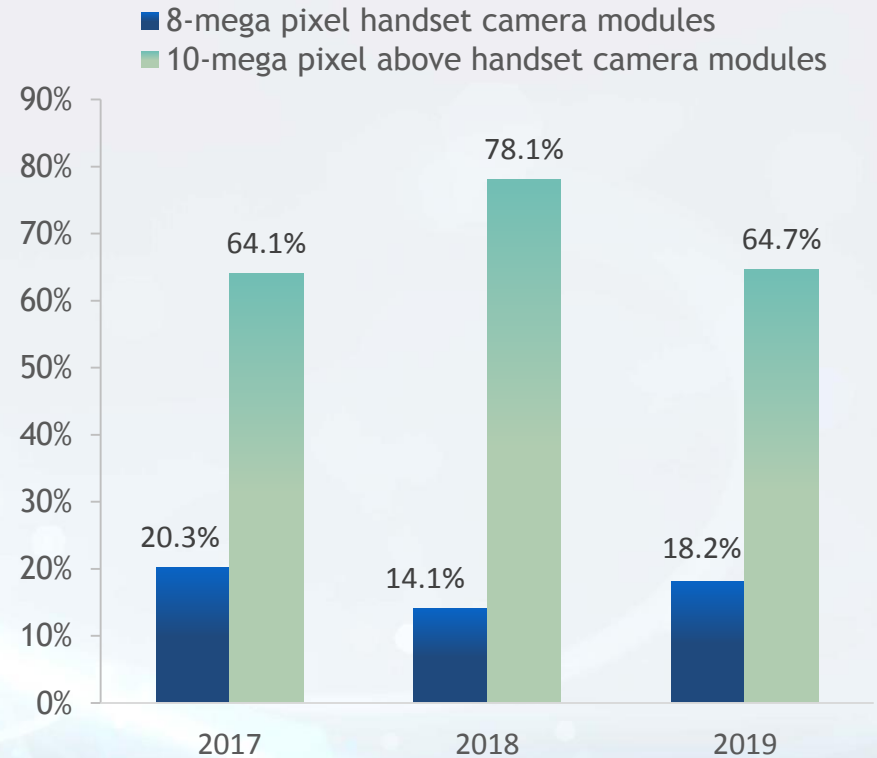
Solidify Leading Position in Domestic Market Further Capture Overseas Clients

Shipment Volume of the Company's Handset Camera Modules



For the six months ended 30 June

Shipment Volume Proportion of the Company's Handset Camera Modules by Pixels



For the six months ended 30 June

Future Outlook

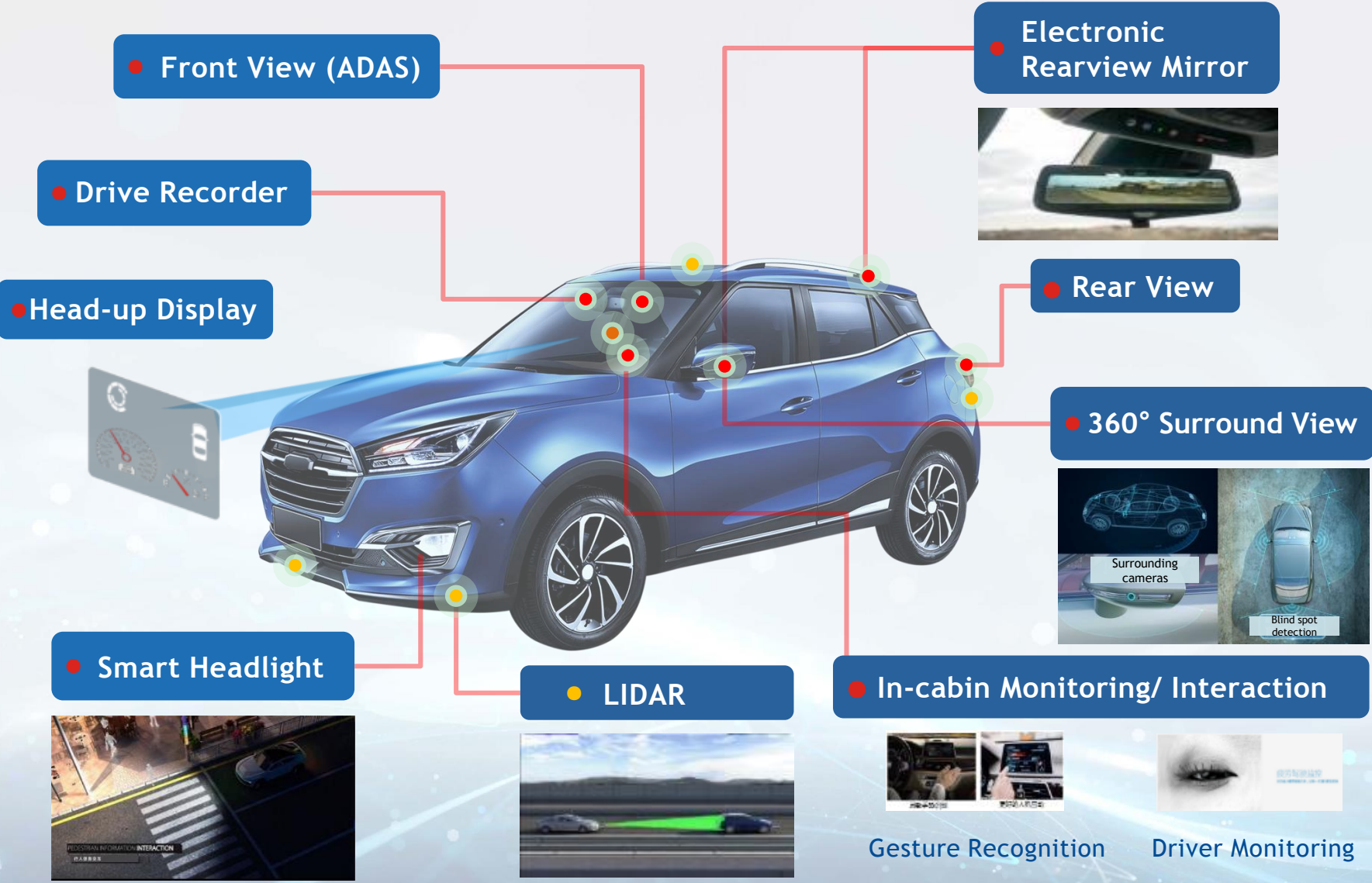


Distinct Upgrade in Handset Lens Sets

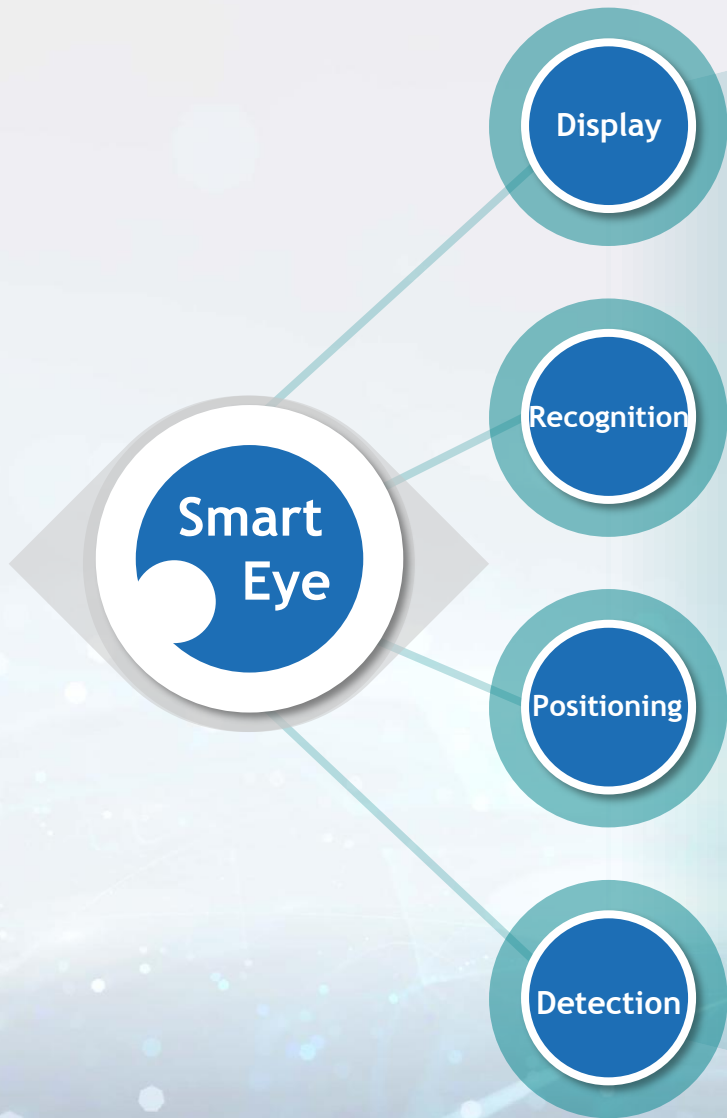
Broad Application Prospects



Rapid Progress of Autonomous Driving Huge Potential in Optical Applications



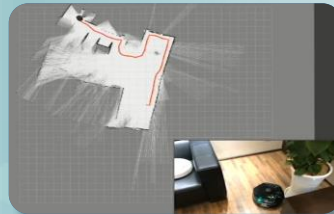
Market Opportunities



Drone



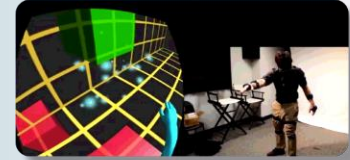
Robot



Smart Medical



AR/VR



Smart Retail



Precision Industry



Q & A Session

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Appendix

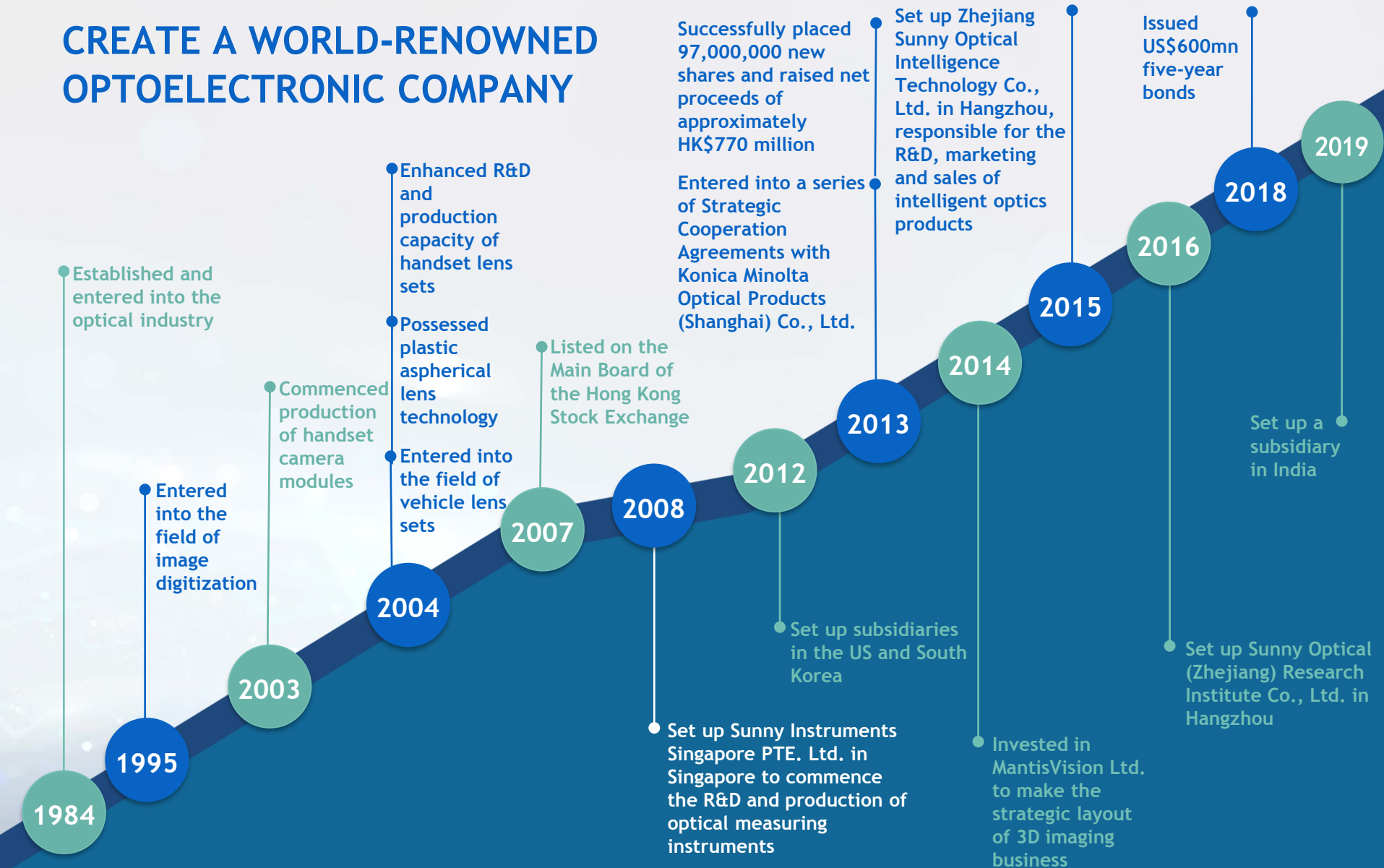


Milestones



Expert in Optics

CREATE A WORLD-RENOWNED OPTOELECTRONIC COMPANY



Shareholding Structure



(1) The Sunny Group Employee Offshore Trust is a trust which holds the entire issued share capital of Sun Ji Limited. Mr. Wang Wenjian, together with TMF Trust (HK) Limited, is one of the two trustees and one of the beneficiaries of the Sunny Group Employee Offshore Trust.

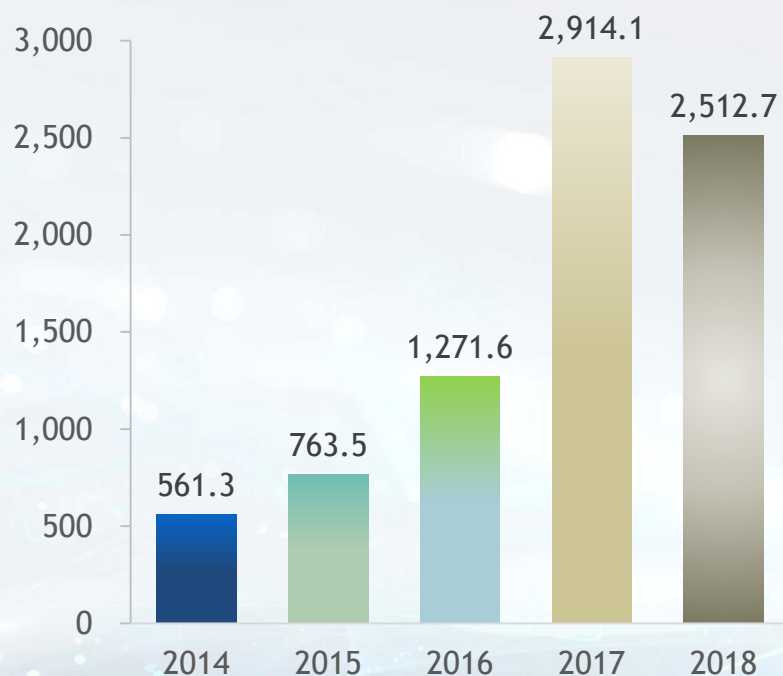
* As at 30 June 2019

Investment Highlights

OUTSTANDING PERFORMANCE IN NET PROFIT

Net Profit

(RMB: mn)

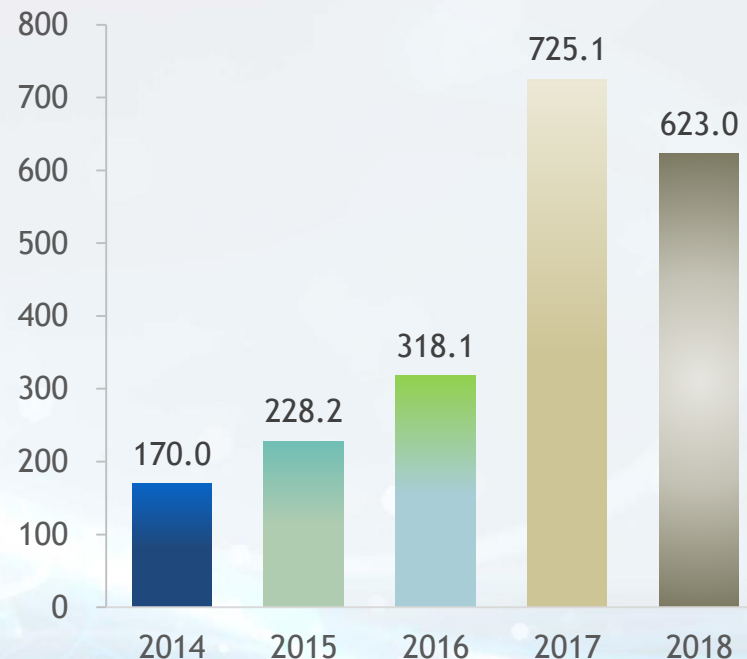


For the year ended 31 December

FINAL DIVIDENDS PAYOUT RATIO AT 20%-30% OF THE PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY

Dividends

(RMB: mn)



For the year ended 31 December