

Sunny Optical Technology (Group) Company Limited
舜宇光學科技(集團)有限公司
Stock Code: 2382.HK



2014 Interim Results Announcement Corporate Presentation

August 2014



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Financial Highlights



Financial Highlights



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	2013	2014	Change
<i>(RMB mn)</i>	<i>For the six months ended 30 June</i>		
Revenue	2,785.7	3,836.1	37.7%
Gross Profit	440.4	561.6	27.5%
Profit Before Tax	235.4	300.5	27.6%
Income Tax Expense	(40.5)	(46.7)	15.4%
Effective Tax Rate	17.2%	15.6%	-1.6ppt
Profit for the Period Attributable to Owners of the Company	196.8	256.9	30.5%
Basic Earnings per Share (RMB cents)	20.39	24.05	17.9%

Operating Expenses Analysis



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2012

2013

2014

(RMB mn)

For the six months ended 30 June

(as % of revenue)

(as % of revenue)

(as % of revenue)

	2012		2013		2014	
	(RMB mn)	(as % of revenue)	(RMB mn)	(as % of revenue)	(RMB mn)	(as % of revenue)
Revenue	1,769.6	100.0%	2,785.7	100%	3,836.1	100%
Total Operating Expenses	174.8	9.9%	224.4	8.1%	292.8	7.6%
Selling and Distribution Expenses	31.6	1.8%	42.1	1.5%	42.9	1.1%
R&D Expenditure	67.9	3.8%	101.7	3.7%	149.2	3.9%
Administrative Expenses	75.3	4.3%	80.6	2.9%	100.7	2.6%

Solid Financial Position



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2012

2013

2014

For the six months ended 30 June

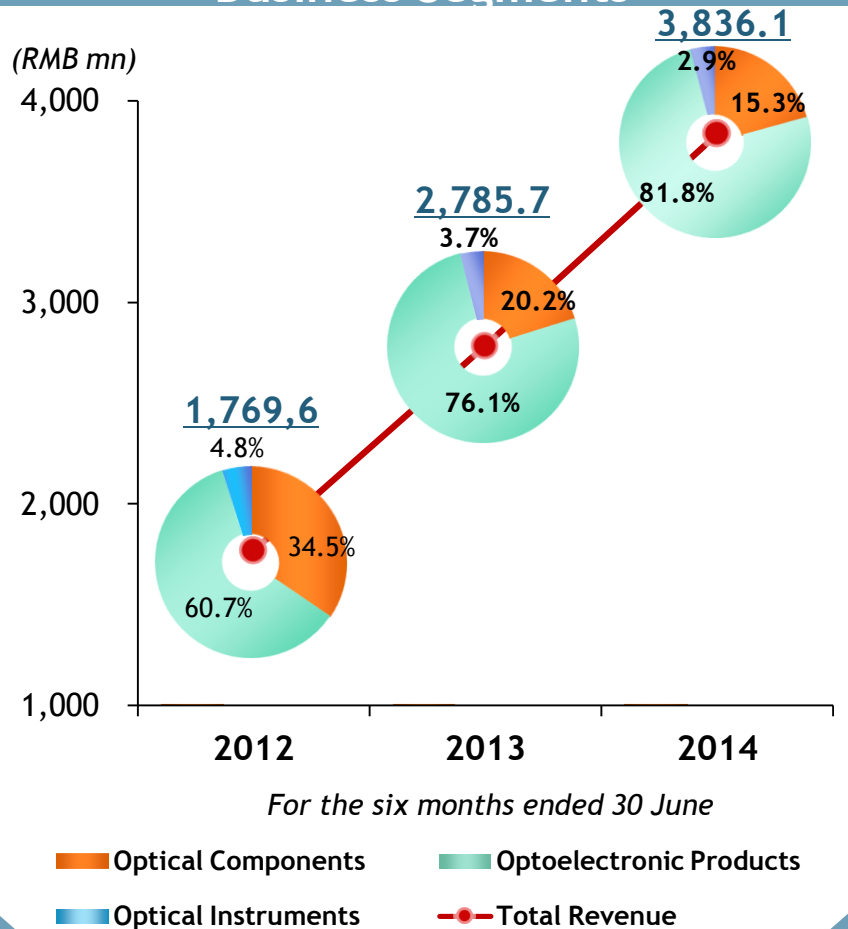
Current Ratio (Times)	2.3	1.8	1.7
Operating Cash Flow (RMB mn)	110.5	(84.4)	(579.8)
Cash and Cash Equivalents (RMB mn)	650.3	533.7	1,279.5
<i>Pledged Bank Deposits (RMB mn)</i>	<i>131.2</i>	<i>0.8</i>	<i>92.5</i>
<i>Financial Assets Designated as at Fair Value through Profit and Loss (RMB mn)</i>	<i>80.0</i>	<i>202.5</i>	<i>487.4</i>
<i>Bank Guaranteed Entrusted Loan Receivables (RMB mn)</i>	<i>113.0</i>	<i>-</i>	<i>10.0</i>
<i>Bank Balances and Cash (RMB mn)</i>	<i>326.1</i>	<i>330.4</i>	<i>689.6</i>
Net Cash per Share (RMB cents)	51.8	20.8	40.1
Gearing Ratio (%)	5.8	9.1	14.7
ROE (%)	8.8	9.7	8.5
Capital Expenditure (RMB mn)	179.5	118.8	205.4

Revenue Breakdown

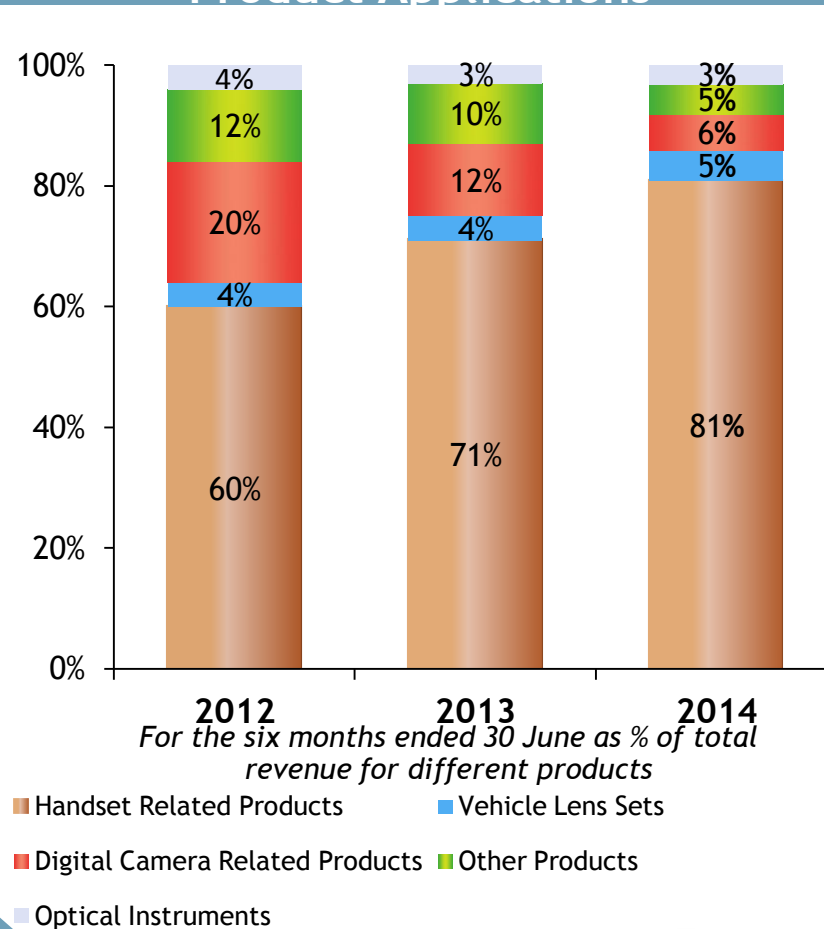


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Revenue Breakdown by Business Segments



Revenue Breakdown by Product Applications



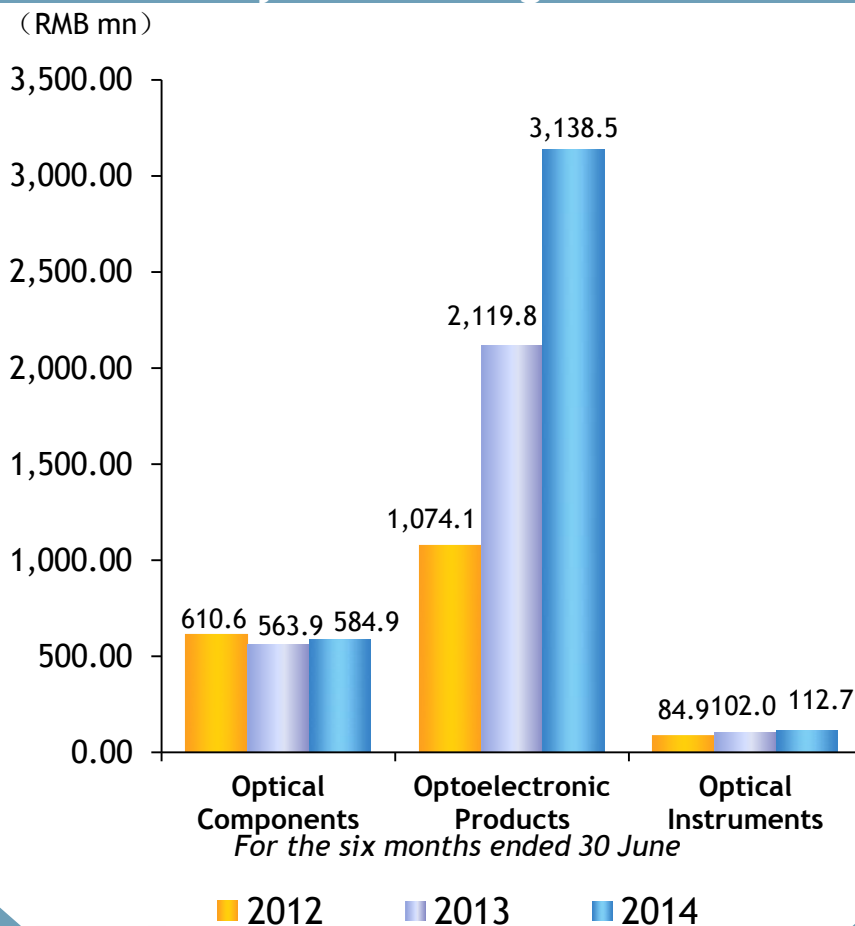
Sales and Gross Profit Margins by Business Segments



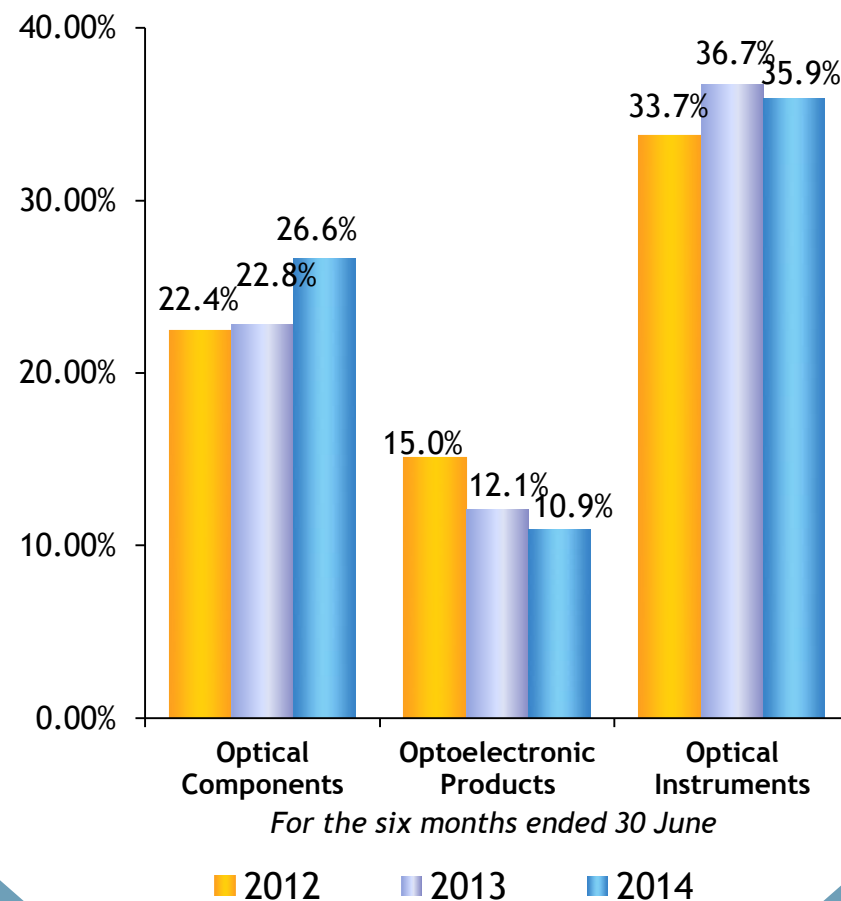
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Revenue by Business Segments



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 184 Patents

Optical Components



Optoelectronic Products



Optical Instruments



2012

- 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

- Mass production for 8-mega and 14-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

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

2013

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

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

- 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 equipments from the Ministry of Science and Technology

- The “Three-Dimensional Laser Motion Measurement System and Method” has obtained a national invention patent

2014

- 5-mega pixel wide angle handset lens sets have commenced mass production
- 13-mega pixel handset lens sets have commenced mass production
- The R&D of 16-mega pixel handset lens sets has been completed
- The R&D of 13-mega pixel (FNO1.8/ultra-thin/OIS) handset lens sets has been completed

- The R&D of OIS handset camera modules has been successfully completed

- “The method of burning a high resolution camera module and a chip” has obtained a national invention patent

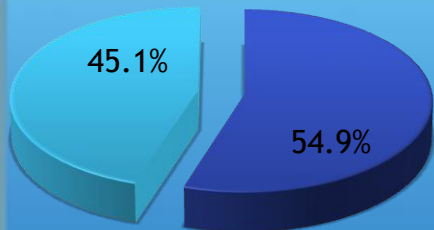
- Self-developed active alignment(AA) equipments have been applied to the production lines

Strong Client Base

Top Five Customers of the Group

Huawei
Xiaomi
Oppo
Yulong
Lenovo

- Top Five Customers of the Group
- Other Customers of the Group



*For six months ended 30 June 2014

Renowned Customers

Vehicle Lens Sets Business	Handset Lens Sets Business	Handset Camera Modules Business	Optical Instruments Business	Other Businesses
Mobileye	Samsung Electronic	Google	Carl Zeiss	GoPro
Gentex	SEMCO	Xiaomi	Iscope	Leap Motion
MANDO	SONY	Coolpad	Olympus	Hikvision
Bosch	Sharp(Nokia)	Huawei	Optika	Keyence
Autoliv	Truly	Lenovo		Liteon
Continental		Oppo		Microtek
Delphi		BBK		Panasonic
Magna		Gionee		Primax
Panasonic		TCL		Ricoh
SMK		ZTE		Sanyo

Awards and Recognitions



“Excellent Innovative Enterprise” from National Electronic Information Industry

“2014 1st Quarter Excellent Supplier Prize” by Yulong Computer Telecommunication Scientific (Shenzhen) Co., Limited



“2014 Best Quality Prize” by Hikvision

2014“Excellent Technology Supporter” from Xiaomi



“2013 Quality Management Excellent Prize” by Huawei



Lenovo “Outstanding Serviceability Prize”

“2013 Excellent Cooperation Partner” by Gionee



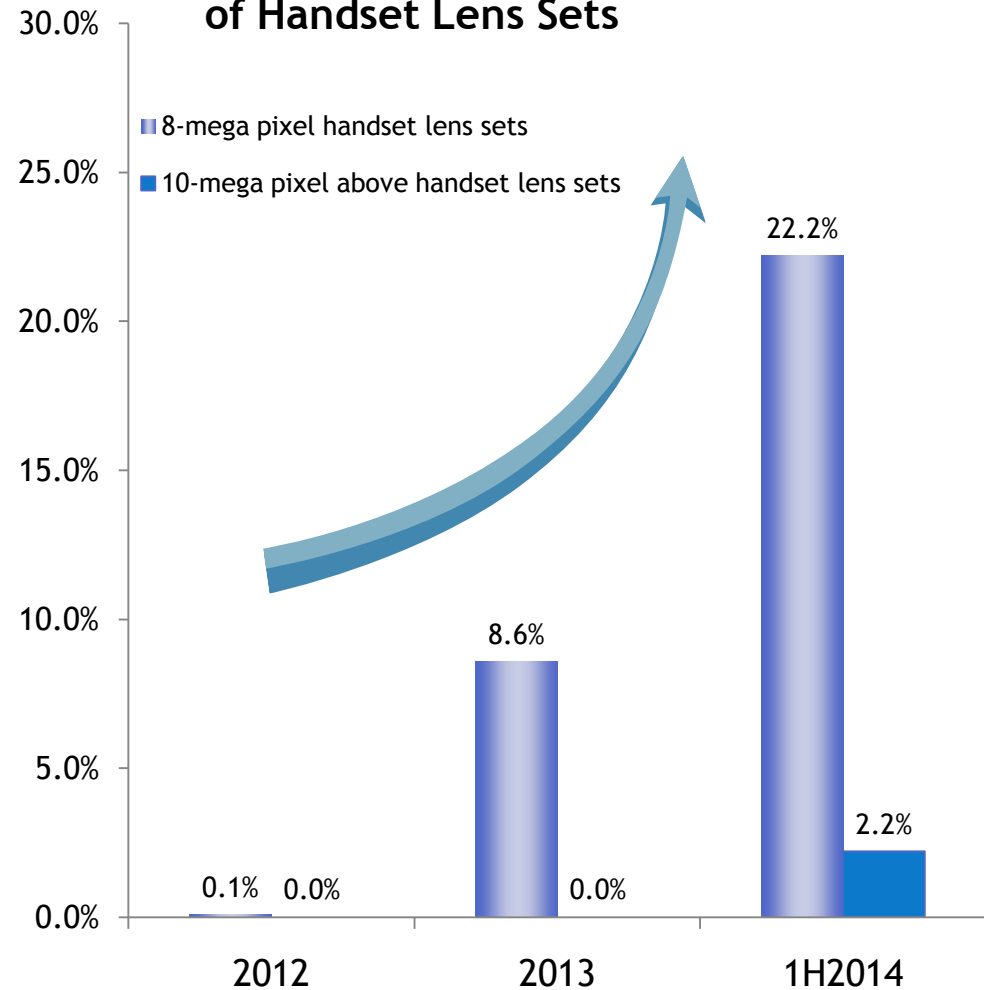
“Gold Award for Core Suppliers” by Huawei

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

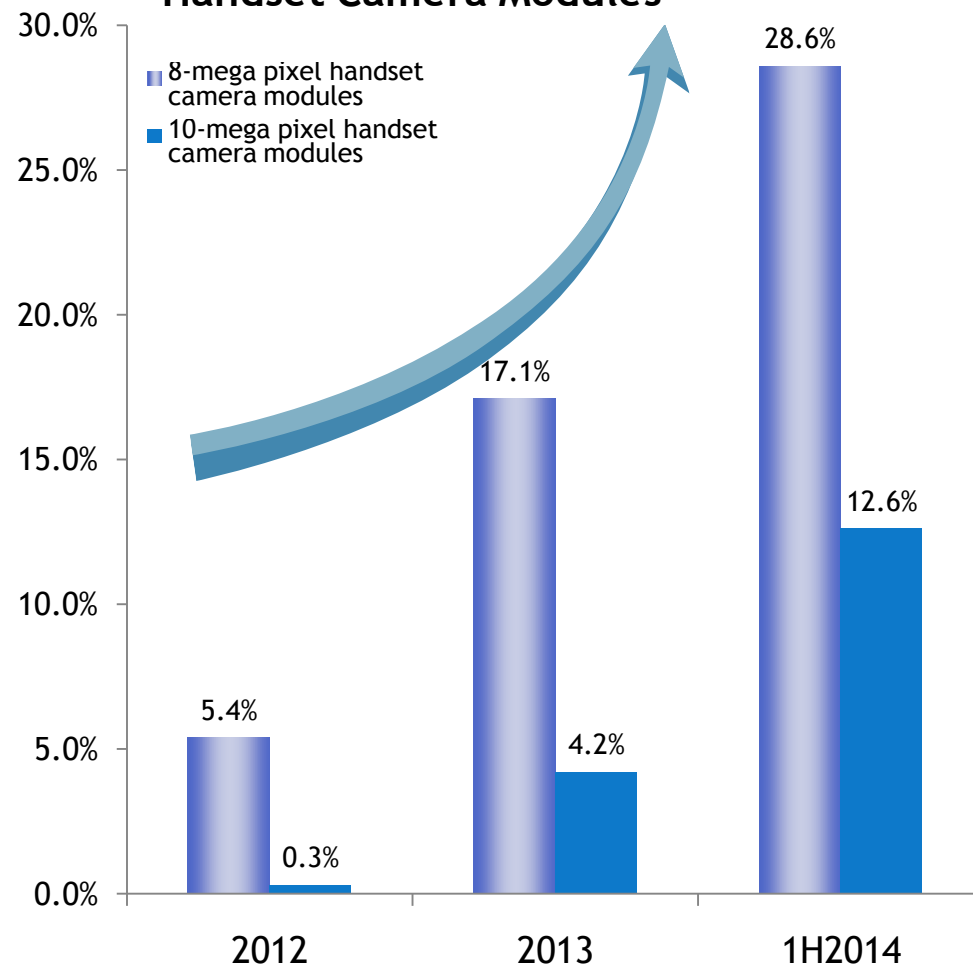


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Shipment Volume Proportion of Handset Lens Sets



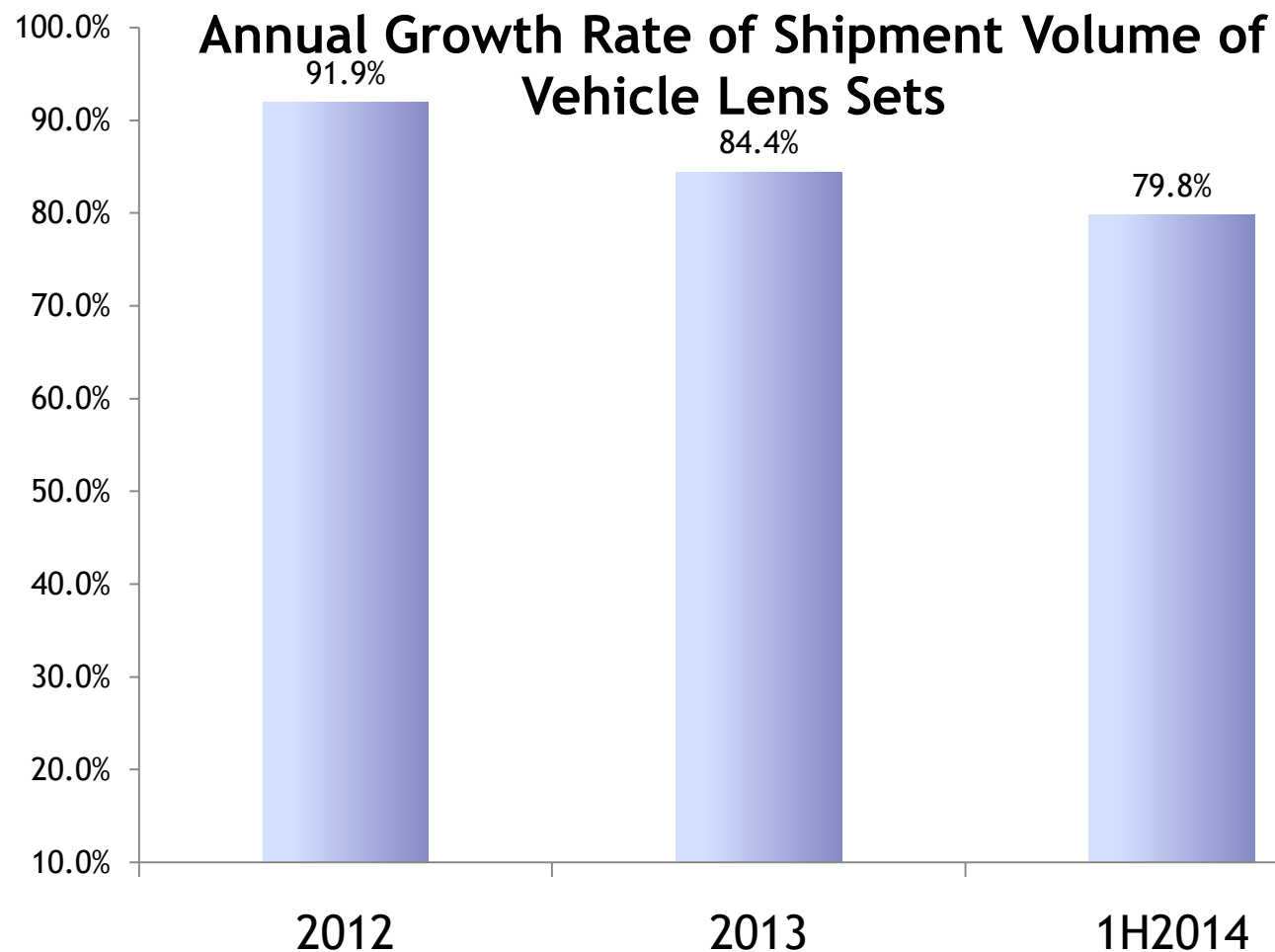
Shipment Volume Proportion of Handset Camera Modules



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



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车载镜头的应用



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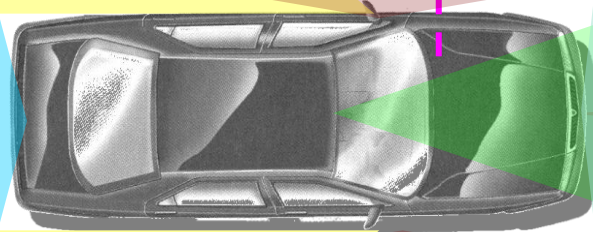
Rear Vision



Interior Vision



Front Vision



Side Vision

Surround Vision

Far Vision



Achieve Breakthrough in Emerging Businesses and Realize Balanced Development



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- Maintain the first position in infrared business in the PRC and further explore the international market
- Achieve import substitution strategy under the support of national special funds on high-end optical analytical instruments and optical measuring instruments
- Continue to explore innovative optical applications on 3D imaging/control fields, identify key emerging businesses to realize the sustainable medium- to long-term development of the Group



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Open Forum

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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 and other lens sets

Optoelectronic Products



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

Optical Instruments



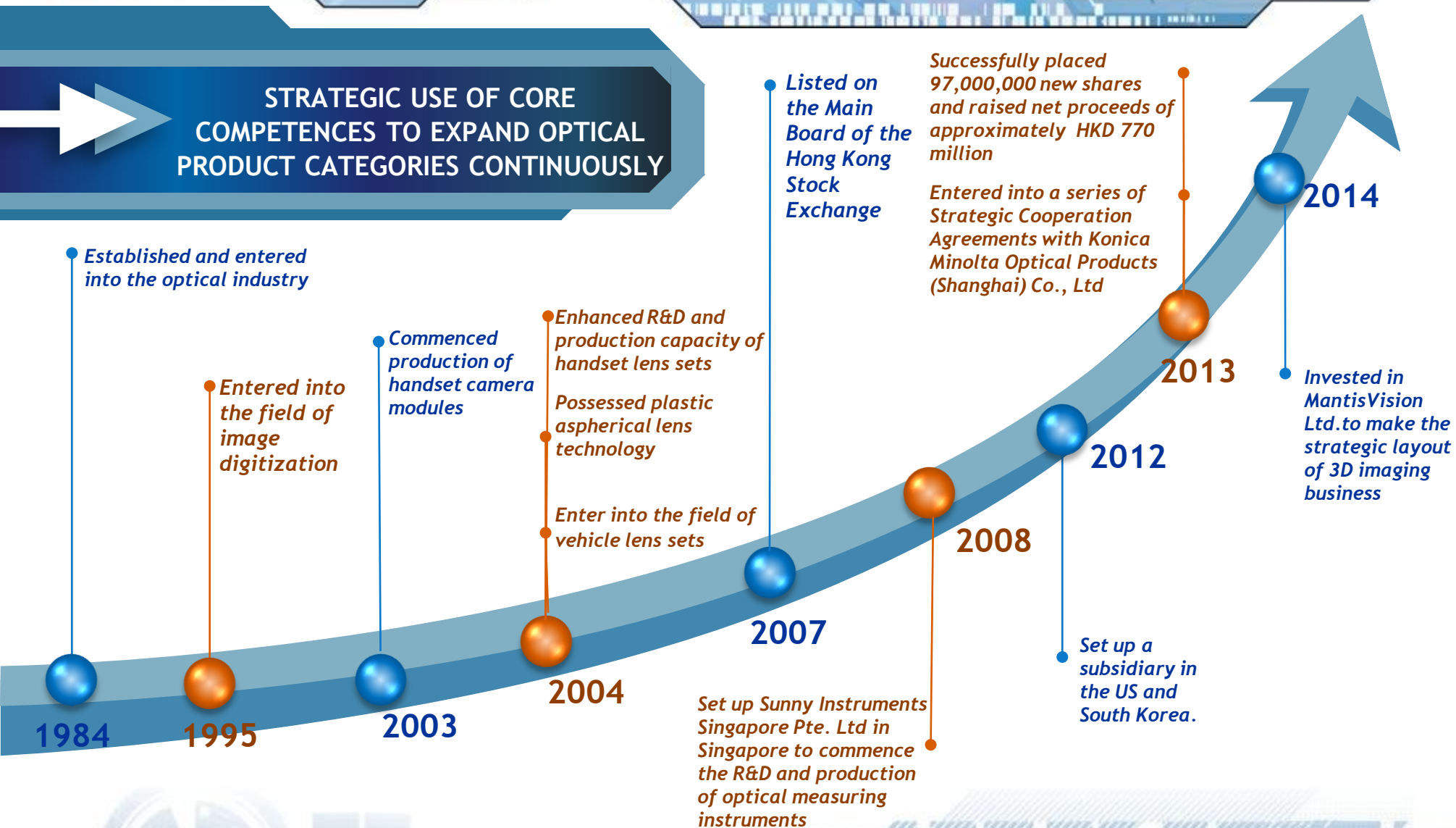
Microscopes, optical measuring and various high-end optical analytical instruments

Milestones



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STRATEGIC USE OF CORE
COMPETENCES TO EXPAND OPTICAL
PRODUCT CATEGORIES CONTINUOUSLY



Diversified Application Fields



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3D Camera Modules



Vehicle lens sets



Sport DV lens sets



Smartphone lens sets
and camera modules



*QUICK RESPONSE TO MARKET
CONDITIONS
LEADING POSITION IN OPTICAL
AND OPTOELECTRONIC
INDUSTRIES
EXPAND TERMINAL
APPLICATIONS
PROVIDE ONE-STOP SOLUTION*



Infrared and security
surveillance lens sets



DSC camera lenses and
lens assemblies



Smart television
video modules



High-end optical measuring
instruments and microscopes

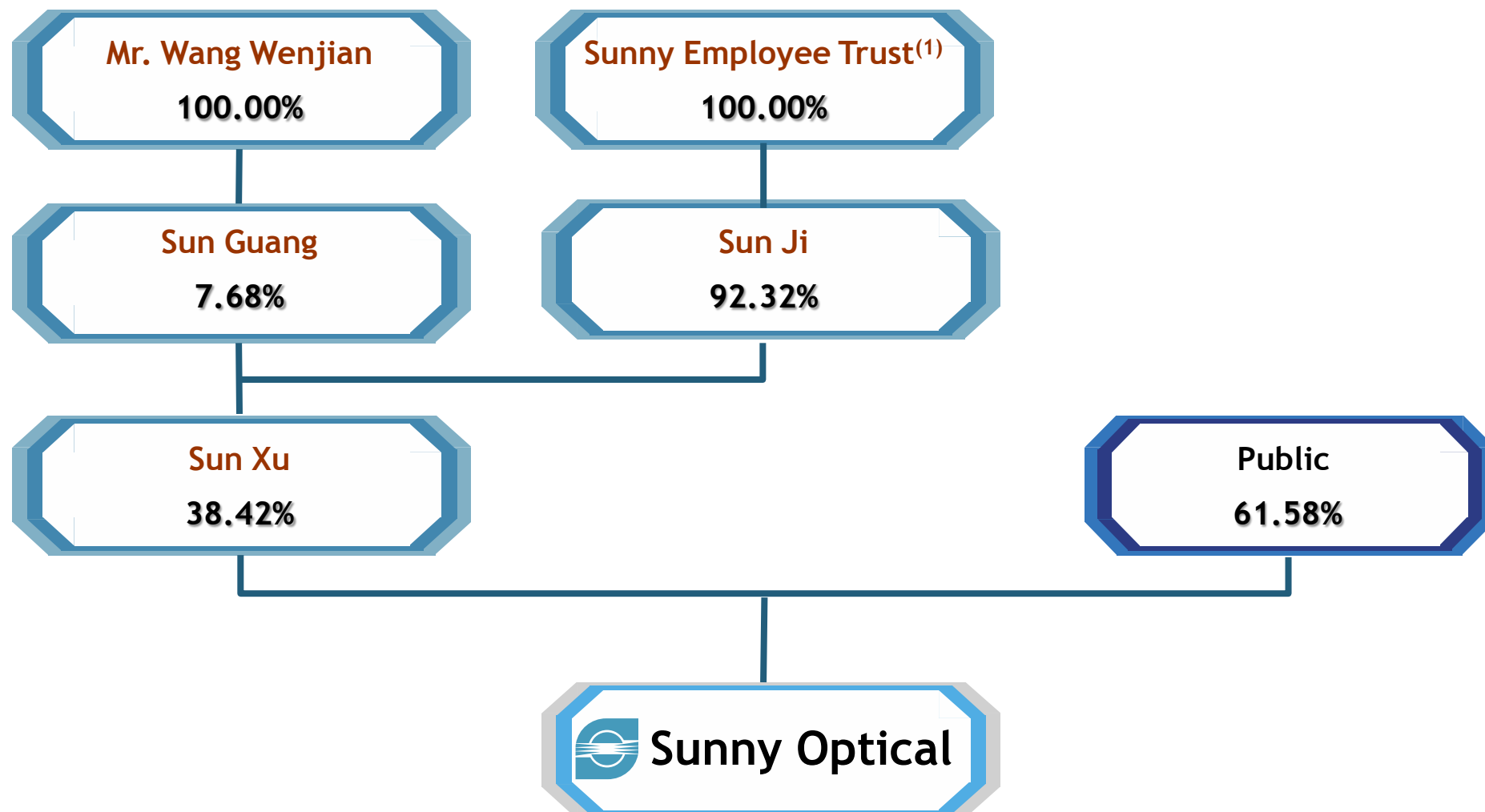


High-end optical analytical
instruments and microscopes

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 30 June 2014

Investment Highlights



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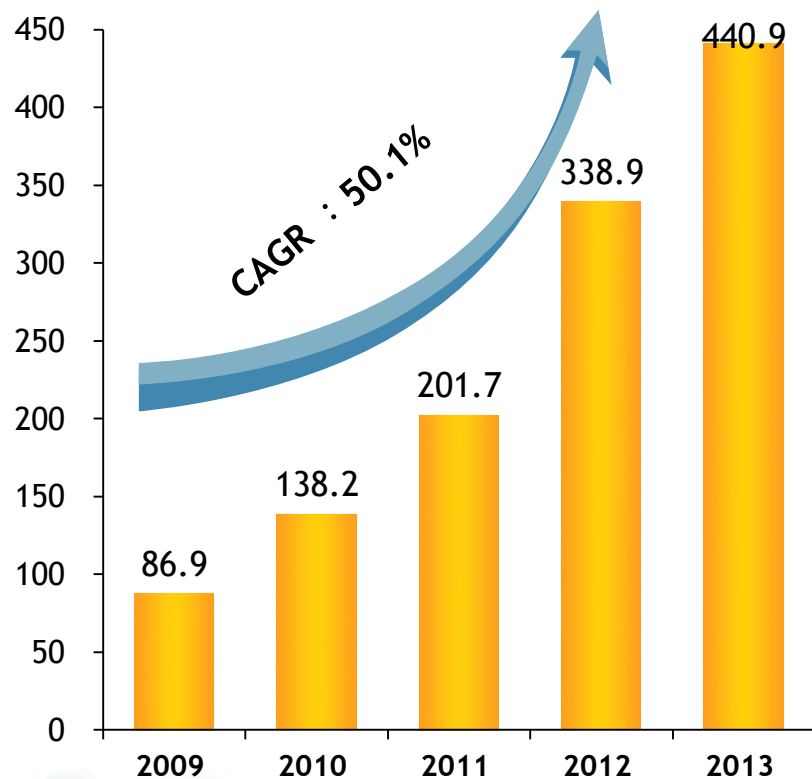
CONTINUED GROWTH IN NET PROFIT

FINAL DIVIDENDS PAYOUT RATIO WAS 20%-30% OF THE PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY, THE ACCUMULATED TOTAL DIVIDENDS HAS REACHED RMB 413 MILLION SINCE LISTED TO THE END OF 2013



Net Profit

(RMB mn)

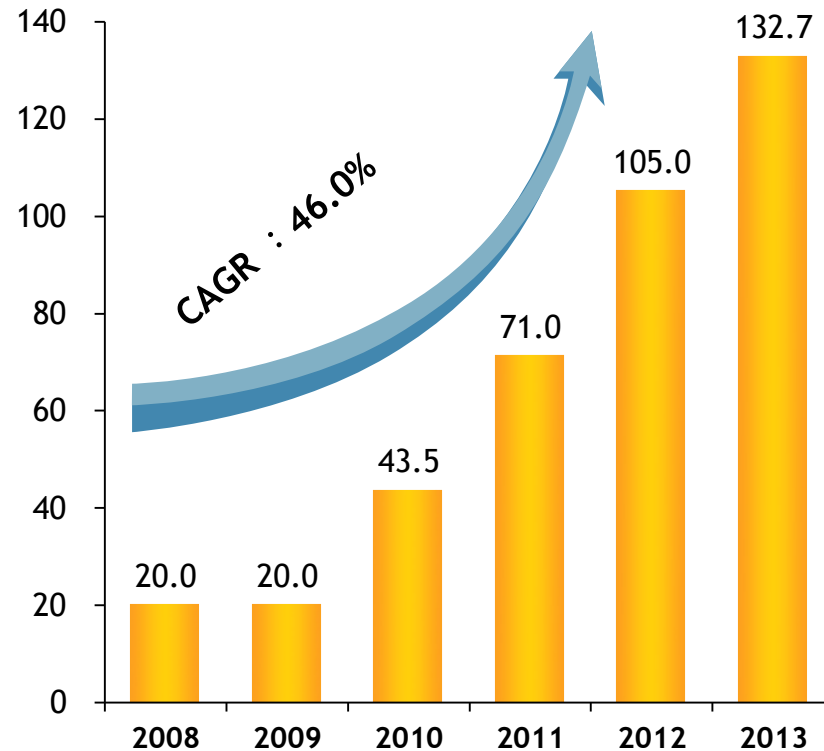


For the year ended 31 December



Dividends

(RMB mn)



For the year ended 31 December