



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)

2024 Interim Results Corporate Presentation

August 2024

The information contained in this presentation is intended solely for your personal reference. Such information is subject to change without notice, its accuracy is not guaranteed and it may not contain all material information concerning Sunny Optical Technology (Group) Company Limited (“The Company”). The Company makes no representation regarding, and assumes no responsibility or liability for, the accuracy or completeness of, or any errors or omissions in, any information contained herein.

In addition, the information contains projections and forward-looking statements that may reflect the Company’s current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risks and which may change over time. No assurance can be given that future events will occur, that projections will be achieved, or that the Company’s assumptions are correct. It is not the intention to provide, and you may not rely on this presentation as providing, a complete or comprehensive analysis of the Company's financial or trading position or prospects.

This presentation does not constitute an offer or invitation to purchase or subscribe for any securities or financial instruments or to provide any investment service or investment advice, and no part of it shall form the basis of or be relied upon in connection with any contract, commitment or investment decision in relation thereto.



Agenda

1

Financial Overview

2

Operation Review

3

Strategy and Outlook

4

ESG Performance Review

5

Appendix



1

Financial Overview

Both Revenue and Profit of the Group Showed Substantial Growth



Expert in
Optics

	1H23	1H24	Change
<i>(RMB mn)</i>			
Revenue	14,278.6	18,860.2	+32.1%
Gross Profit	2,130.6	3,246.5	+52.4%
Profit Before Tax	591.9	1,248.7	+111.0%
Income Tax Expense	(132.5)	(137.2)	+3.5%
Effective Tax Rate (%)	22.4	11.0	-11.4 ppt
Profit for the Period Attributable to Owners of the Company	436.7	1,079.0	+147.1%
Earnings per Share – Basic <i>(RMB cents)</i>	40.0	99.0	+147.7%

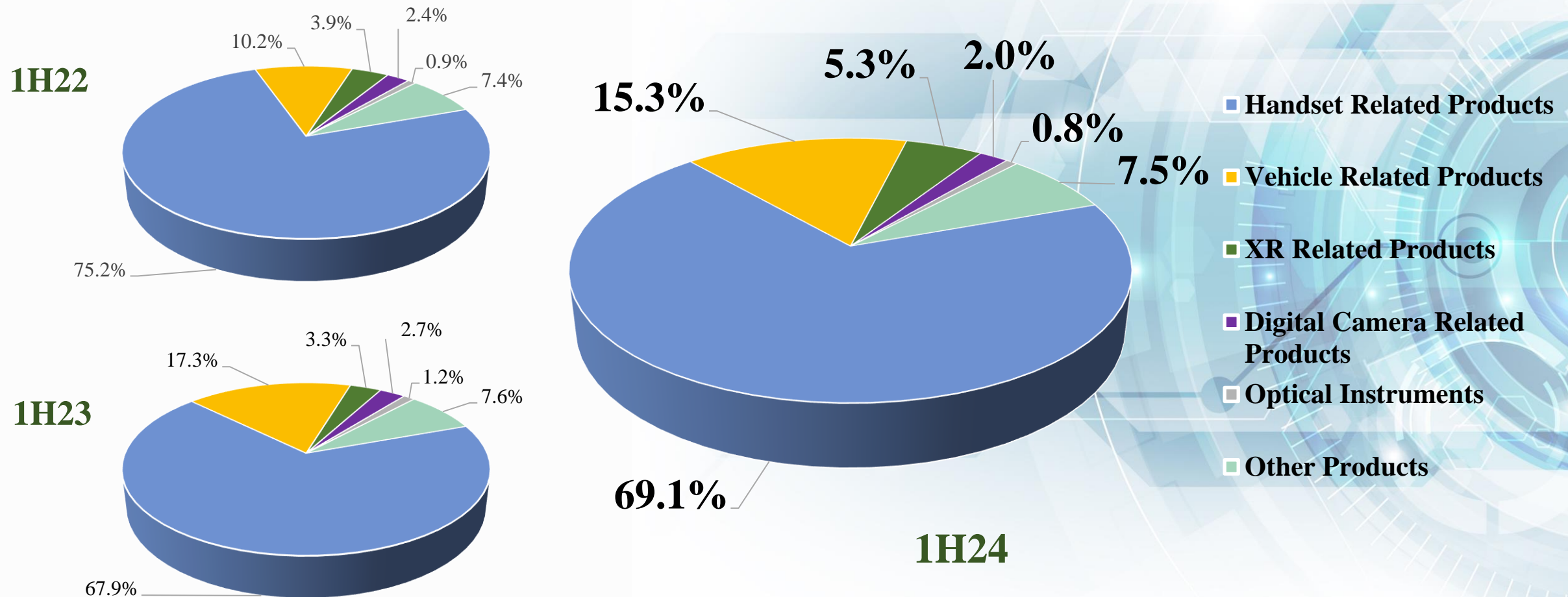
Revenue Scale Expansion Showcased Operational Advantages

	1H22		1H23		1H24	
<i>(RMB mn)</i>		<i>(as % of revenue)</i>		<i>(as % of revenue)</i>		<i>(as % of revenue)</i>
Revenue	16,971.8	100.0%	14,278.6	100.0%	18,860.2	100.0%
Total Operating Expenses	2,069.6	12.3%	1,902.8	13.3%	2,258.0	12.0%
• Selling and Distribution Expenses	163.4	1.0%	240.1	1.7%	226.1	1.2%
• R&D Expenditure	1,468.2	8.7%	1,204.8	8.4%	1,468.4	7.8%
• Administrative Expenses	438.0	2.6%	457.9	3.2%	563.5	3.0%

Financial Position Maintained Solid

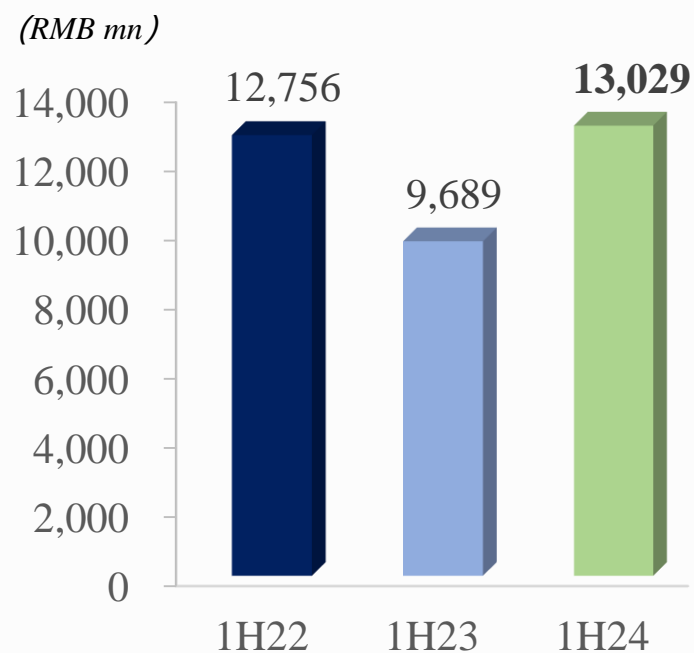
	1H22	1H23	1H24
Current Ratio (<i>Times</i>)	1.8	1.8	1.8
Operating Cash Inflow (<i>RMB mn</i>)	1,571.1	1,053.6	2,067.9
Net Cash per Share (<i>RMB cents</i>)	747.0	1,374.2	1,298.0
Gearing Ratio (%)	16.3	12.2	12.1
ROE (%)	6.5	2.1	4.7
Capital Expenditure (<i>RMB mn</i>)	1,364.3	1,050.3	1,045.8

Revenue Breakdown by Product Applications

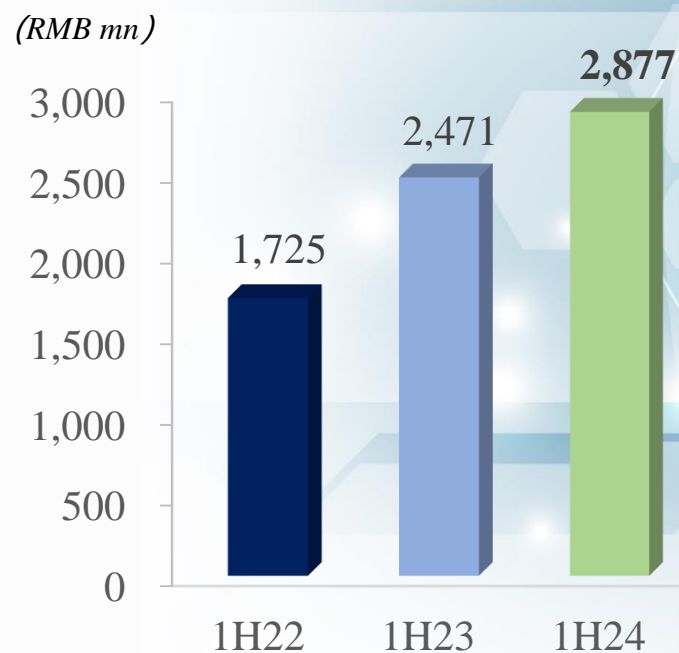


Revenue for Each Product Application

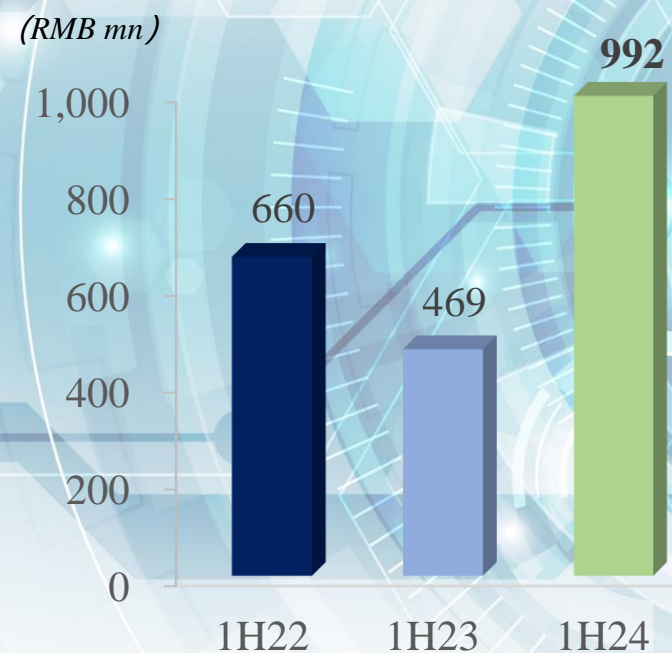
Handset Related Products



Vehicle Related Products



XR Related Products

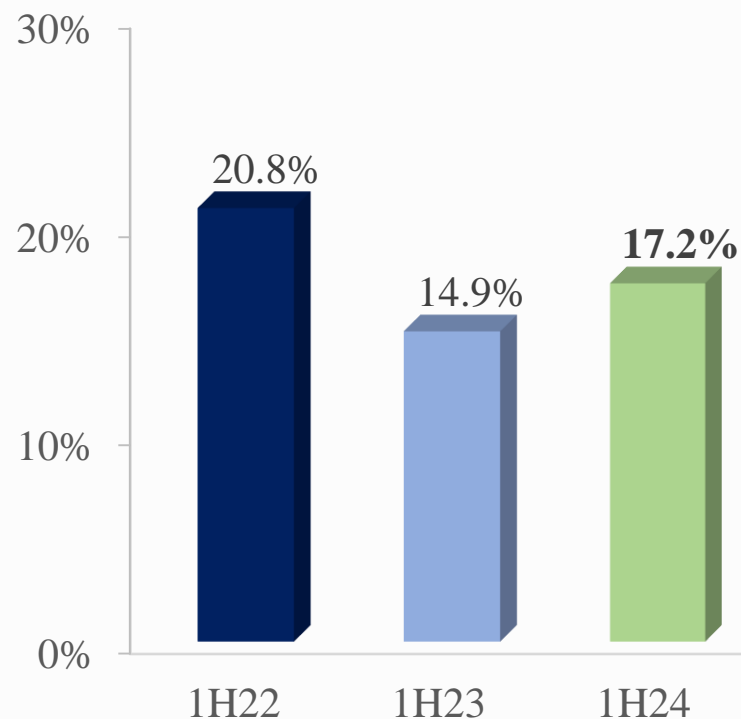


Gross Profit Margins of Three Business Segments Improved Significantly

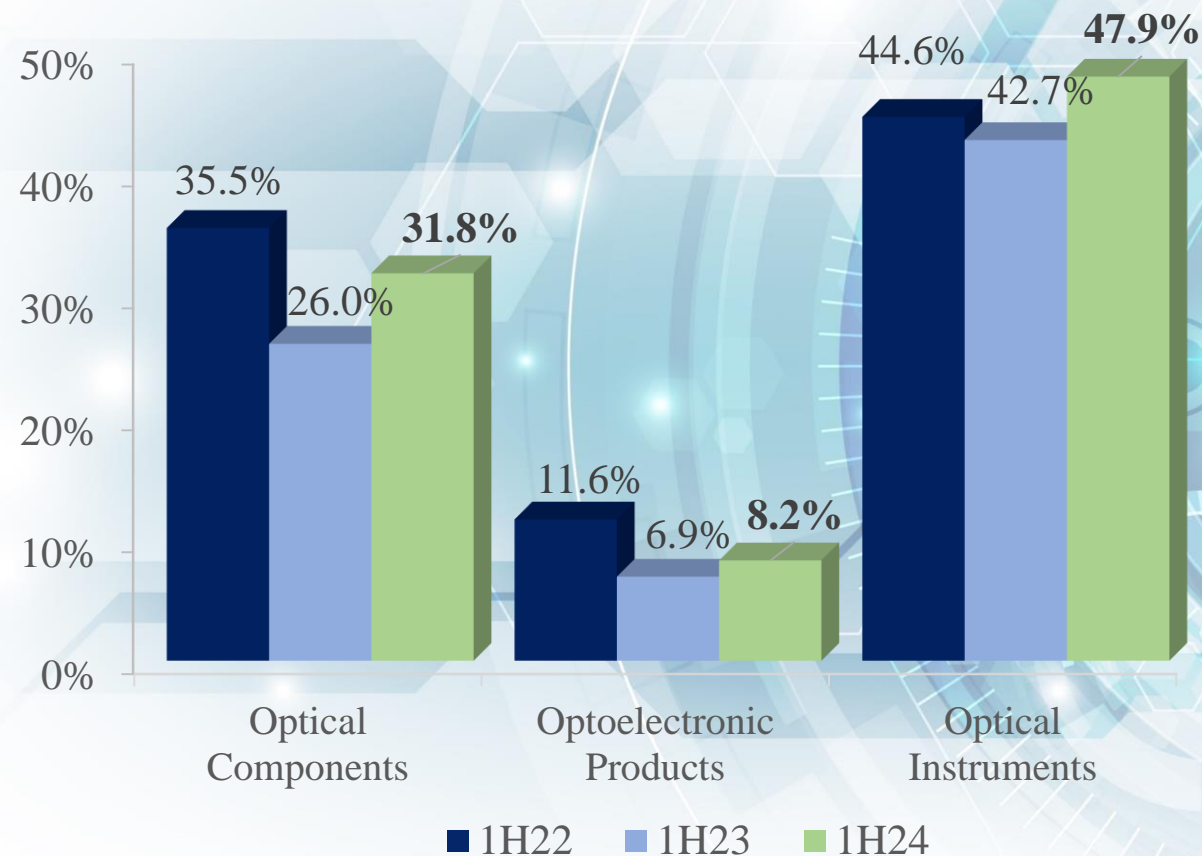


Expert in
Optics

Consolidated Gross Profit Margin



Gross Profit Margins by Business Segments





2 Operation Review

Vehicle Sector

Vehicle Cameras

- **Completed the R&D of ADAS vehicle lens sets with the automatic heating function**
 - *achieved rapid de-icing and de-fogging,*
 - *obtained designated projects from automobile OEM*
- **Completed the R&D of the 3MP side-view glass-plastic hybrid ADAS vehicle lens sets**
 - *further decreased the number of glass lenses and significantly reduced the cost*
- **Optimized the in-cabin wide-angle depth sensing solution**
 - *enhanced driving safety*
 - *enriched the driving and riding experience together with core ecosystem partners*
- **Expanded business of 8MP vehicle modules**
 - *obtained a designated platform core project from a leading European automobile OEM*
 - *maintained the leading position in the industry of the shipment volume of 8MP COB vehicle modules*

Emerging Products in Vehicle Optics

- **Completed the R&D of long-distance LiDAR modules**
- **Completed the R&D of the all-solid state gap filler LiDAR platform products**
 - *ultra-wide field of view with smaller size*
- **Self-developed PGU based on the sensor from the top-tier HUD player**
 - *scheduled to be mass produced in 2H24*
- **Completed the R&D of multi-channel projection unit products**

XR & Robotic Vision Sectors

XR

- **Achieved the mass production of monochrome and color MicroLed optical engines**
 - *the first manufacturer in the industry*
 - *the smallest size*

Robotic Vision

- **Achieved the mass production of Robot navigation, obstacle avoidance and AI recognition modules and subsystems**
- **Achieved the batch shipments of self-developed biometric recognition algorithm subsystems**
 - *supplied to obtained leading intelligent door lock customers*

Smartphone Sector

Handset Lens Sets

- **Achieved the mass production of several 1-inch glass-plastic hybrid handset lens sets for main cameras**
 - *sovereign supply*
- **Achieved the mass production of several periscope handset lens sets with large image size**
 - *maintained high resolution image quality and vivid colors even during ultra-long-distance shooting*
- **Completed the R&D of several multi-group periscope handset lens sets**
 - *integrating the functions of close-up and distant shooting*

Handset Camera Modules

- **Achieved the mass production of dual-group internal focusing periscope handset camera modules**
- **Achieved the mass production of long-stroke guide rod actuators for 1-inch main cameras**
 - *ensured image resolution for both telephoto and macro photography so as to contribute to the ultra-thin design of cameras*
- **Completed the R&D of 200MP periscope handset camera modules based on integrated design**
- **Completed the R&D of periscope handset camera modules with multi-fold prisms based on integrated design**
- **Completed the R&D of 1/2" actuators for main cameras**
 - *based on mainstream demand for mid-end models*

Optical Instrument Sector

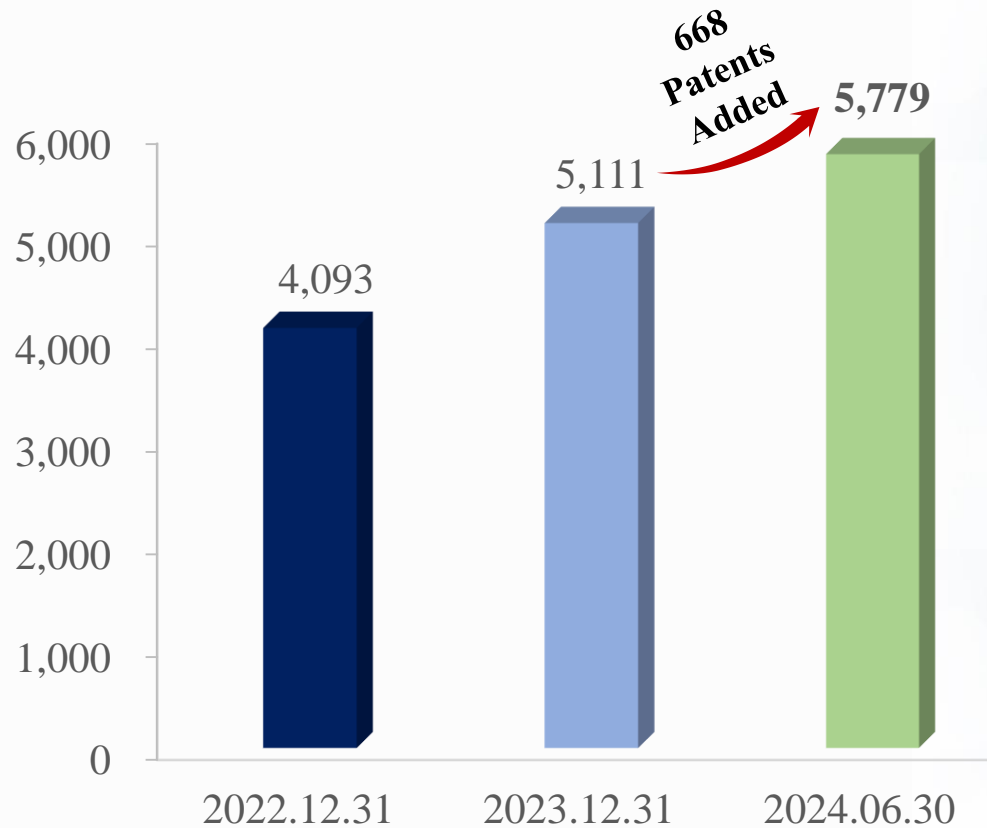
Intelligent Equipment

- **Completed the R&D of the fifth generation production line for post-processing inspection of handset lens sets**
 - *achieved an efficiency improvement of over 50% compared to the last-generation product line.*
 - *integrating functions such as spatial frequency response, stray light detection, low contrast defect detection, and automatic visual inspection, which adopted high precision optical system and the combination of self-developed AI models with traditional image algorithms to achieve high-precision inspection on defects and performance of handset lens sets*

Microscopes

- **Completed the R&D of its first wide-bandwidth flat-field large numerical aperture 40X water immersion objective lens**
 - *ensured excellent performance in terms of numerical aperture, resolution, and chromatic aberration correction, as well as ultra-low autofluorescence and large-field flatness.*
 - *Greatly expanded the applications of wide-field, structured light, confocal, and superresolution microscopy systems in the field of life sciences.*

Number of Authorized Patents



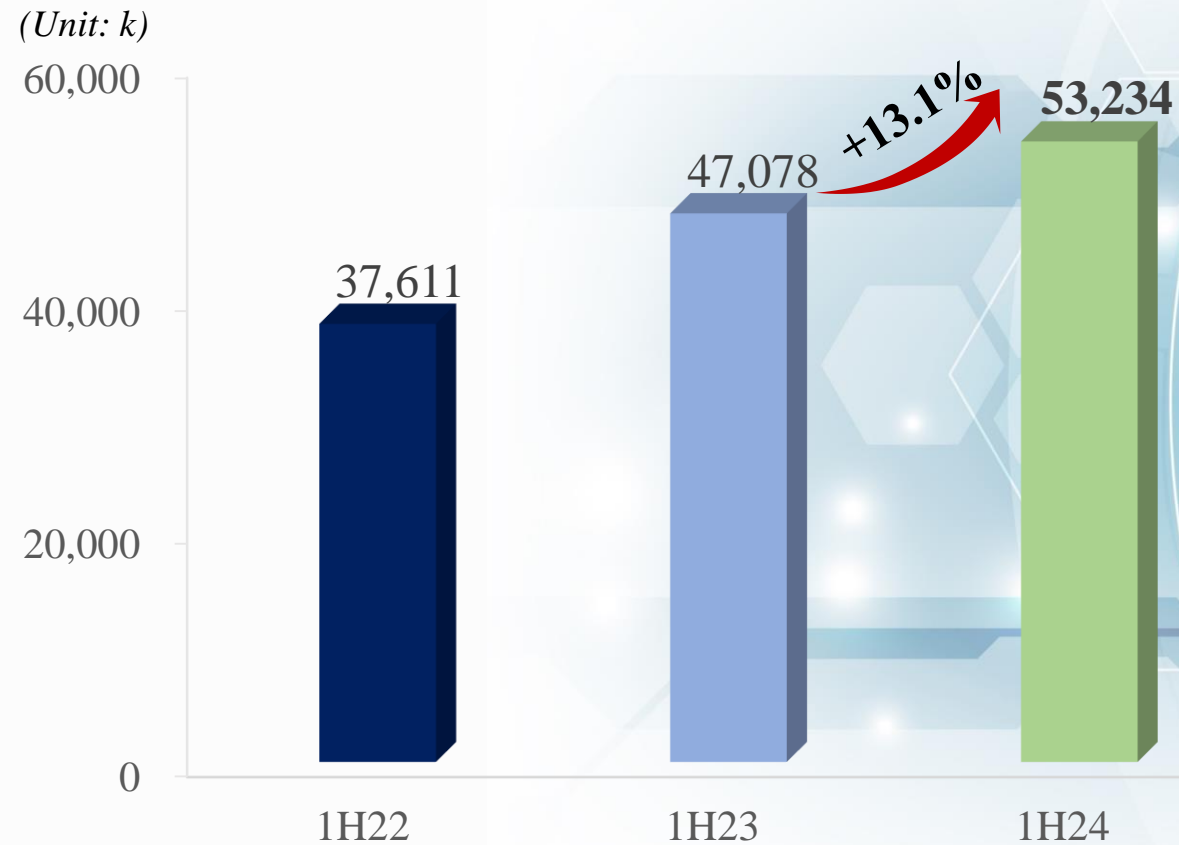
- ◆ As at 30 June 2024, the Group has obtained 5,779 authorized patents, among which 2,853 were invention patents and 2,835 were utility model patents.
- ◆ As at 30 June 2024, the new patent applications were mainly for handset lens sets, XR and robotic vision sectors.

The Leading Position in Vehicle Lens Sets Industry Became More Consolidated



Expert in
Optics

Shipment Volume of
the Company's Vehicle Lens Sets

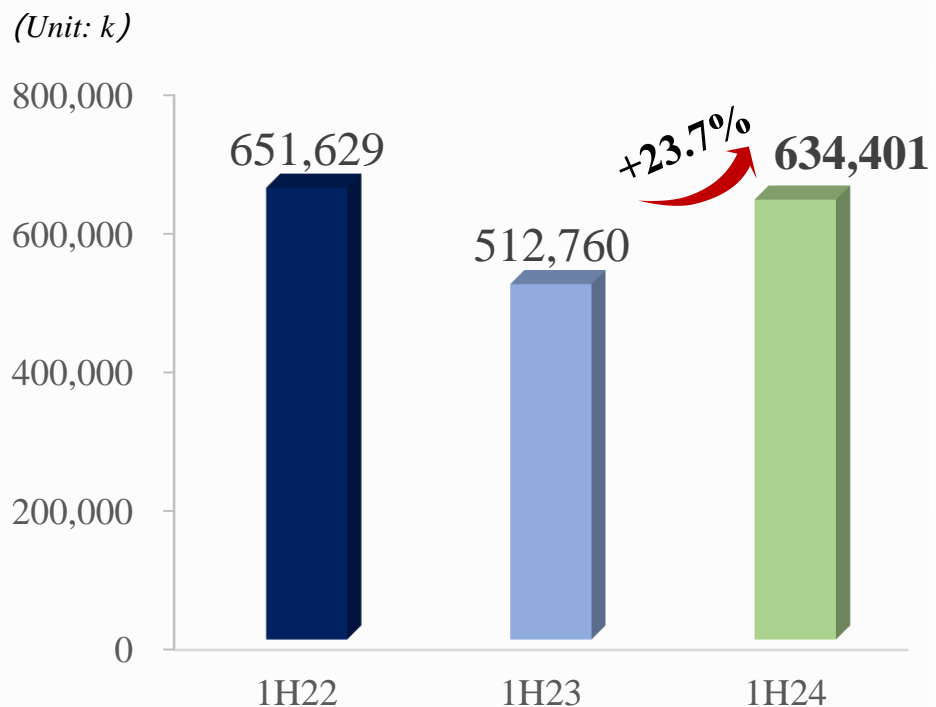


High-end Handset Lens Sets Realized Rapid Growth

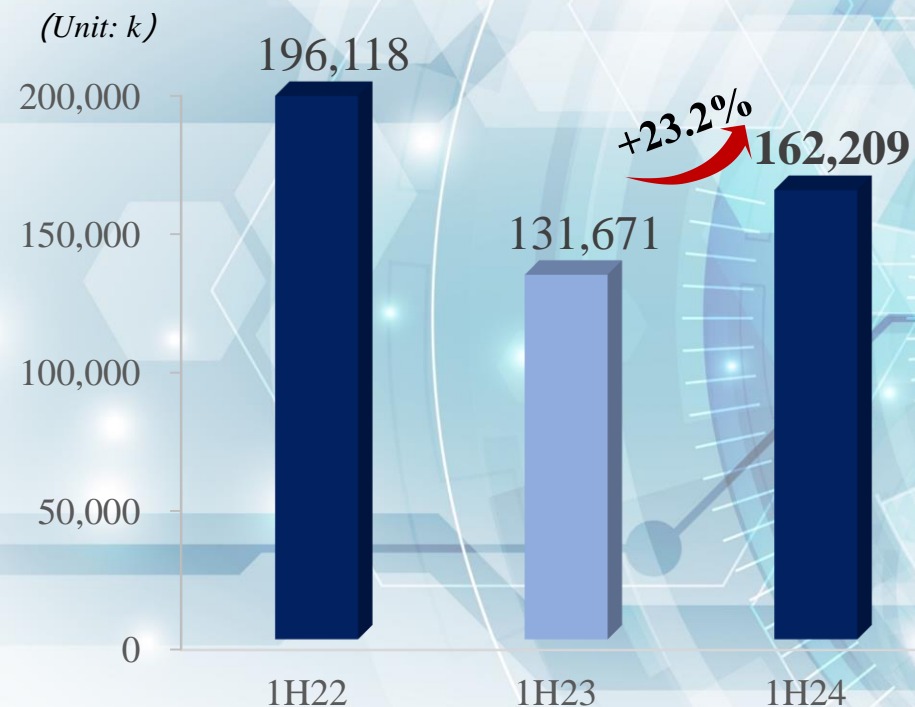


Expert in
Optics

Shipment Volume of
the Company's Handset Lens Sets

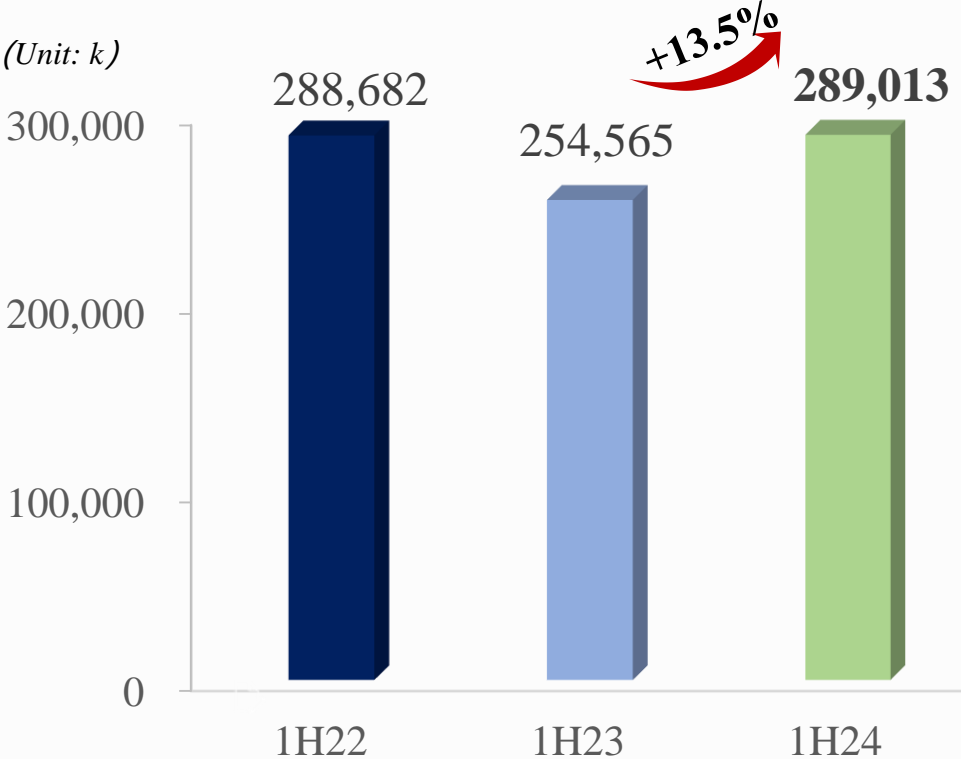


Shipment Volume of the Company's
6P and Above Handset Lens Sets



Product Mix of Handset Camera Modules Resumed to Improve

Shipment Volume of
the Company's Handset Camera Modules



Total Shipment Volume of the Company's
Periscope Modules and Large Image Size Modules

** Large image size modules refer to modules with 1/1.5" and above image size*



Large-scale Overseas Production Bases Strengthened the Company's Comprehensive Competitiveness



Expert in
Optics





3

Strategy and Outlook

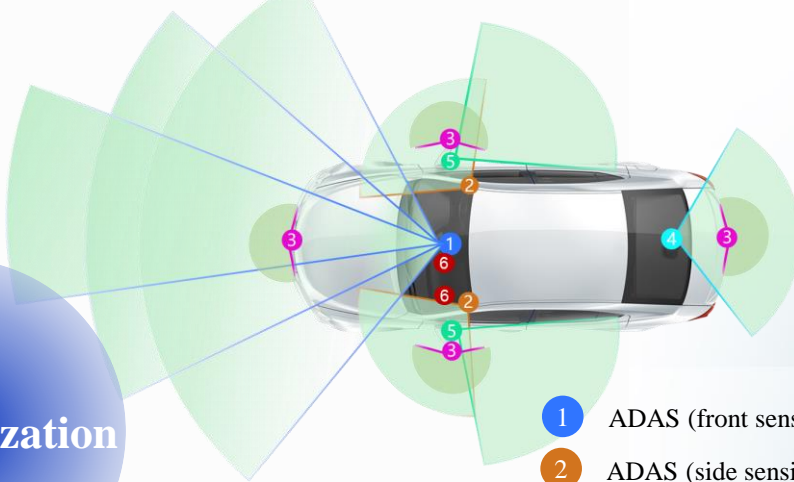
Rapid Development of Optical Components is Driven by the Increasing Adoption in Multi-sensing and Projection Functions

Digitization

Intelligentization

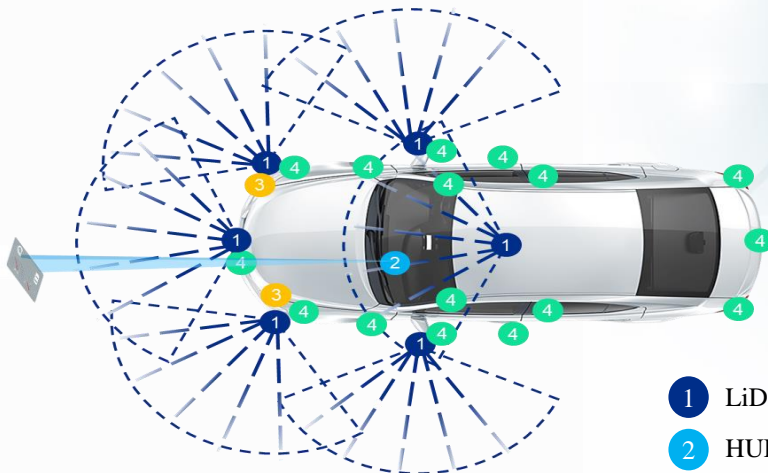
Electrification

- Increase in the number of vision sensors



- 1 ADAS (front sensing)
- 2 ADAS (side sensing)
- 3 360° surround view
- 4 Rear-view for parking
- 5 CMS
- 6 In-cabin monitoring

- Increase in the adoption of multi-sensing and projection functions



- 1 LiDAR
- 2 HUD
- 3 Smart headlamp
- 4 Ground projection lamp

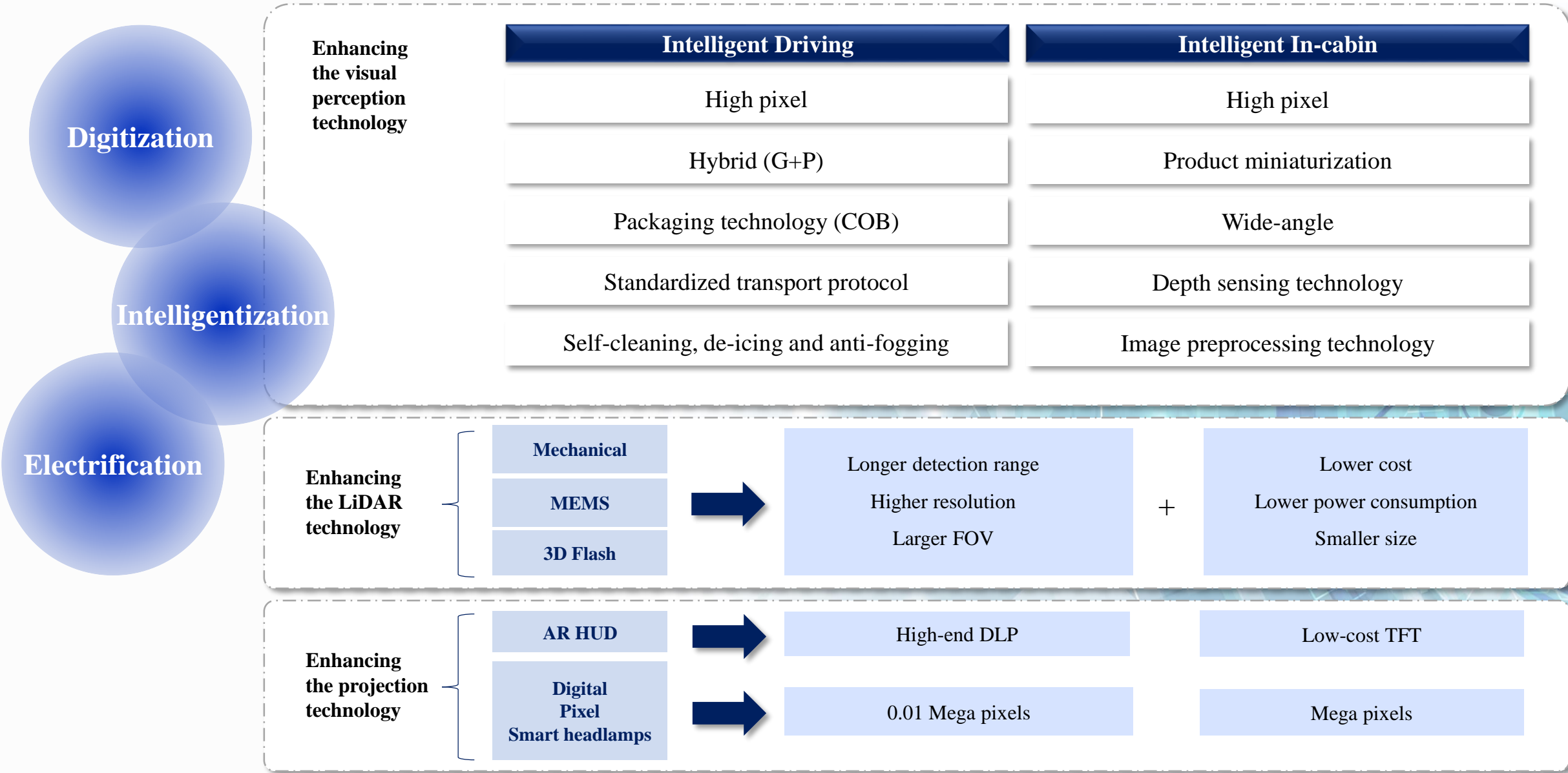
Intelligent Driving



Intelligent In-cabin



Continuous Innovation of Multi-sensor Integration and Projection Technology Enhances Intelligent Driving Experience



XR is Expected to be the Next "New Personal Terminal and Productivity Tool"

- AI accelerates the growth of AR glasses with a promising development outlook
- Value of optical components becomes the most expensive part of the BOM cost of AR devices
- SRG will capture the majority of market share in AR optical waveguides field



B-side industry applications (VR)



C-side entertainment applications (VR)



Daily life office (MR)

AR
New Personal Terminal
+
Productivity Tool

End Devices



AR Device

XR Display



LCoS Optical Engine



Pancake Optical Engine



Micro LED Optical Engine



Optical Waveguide Display Modules

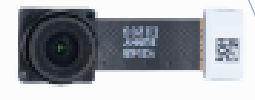
Perception & Interaction



Eye/Facial Tracking



Gesture Recognition



VST Camera



3D Camera



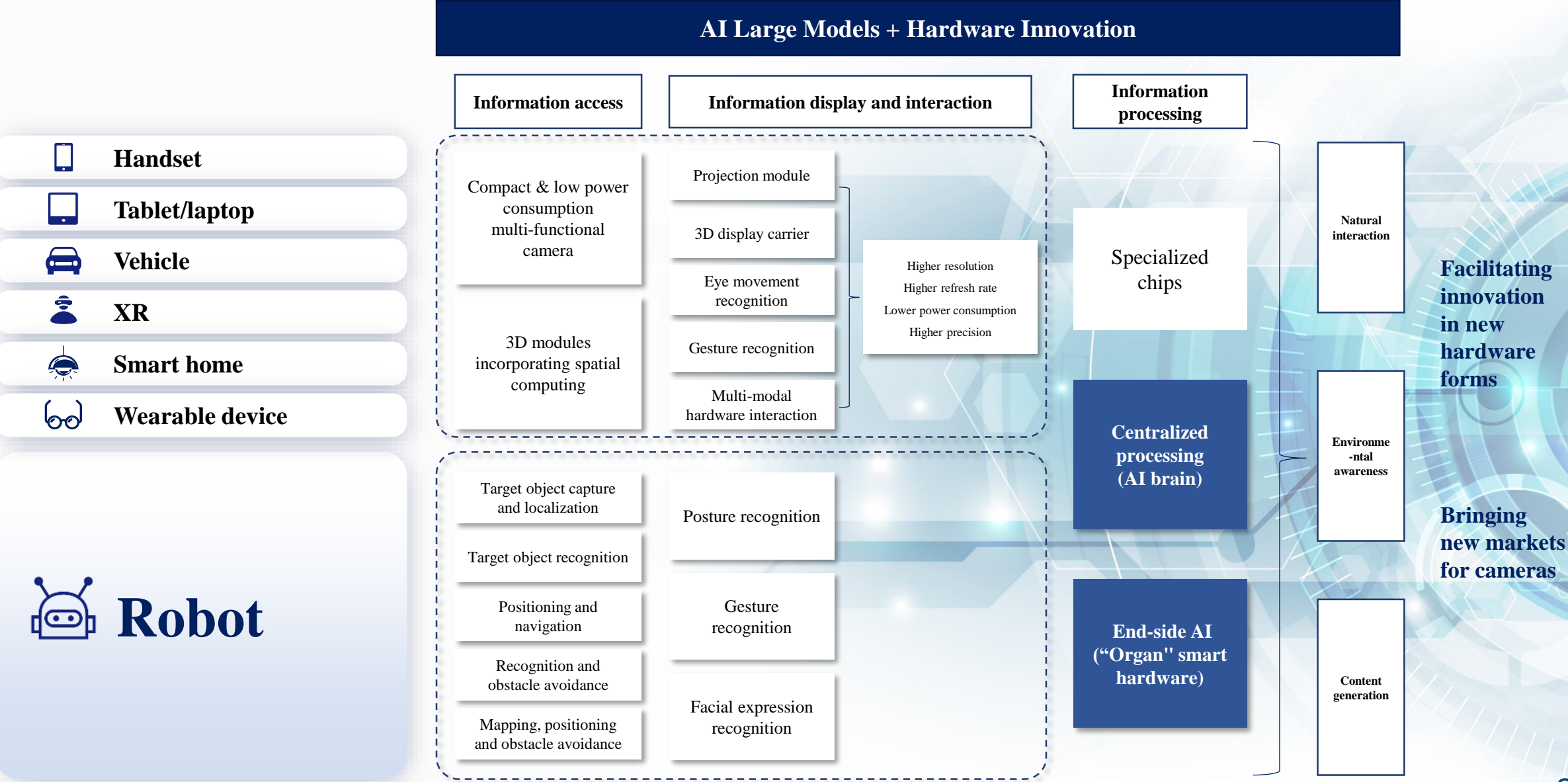
6 DOF Camera

Camera Specifications Upgrades Boost Smartphone Imaging Technology Improvement

- AI tech and foldable smartphone lead the growth of high-end smartphones and promote a new round of replacement
- Upgraded product specifications for handset camera modules drive continued improvement in smartphone imaging technology
- Actuator technology innovation with module/actuator/lens set integration solutions to achieve high performance, compact and differentiated handset camera modules



Main Camera	<ul style="list-style-type: none">• Large image size + Large aperture• Hybrid (G+P)• Miniaturized (X/Y/Z axis)	<ul style="list-style-type: none">• Variable aperture• Sensor-shift stabilization
Ultra-wide Angle	<ul style="list-style-type: none">• Small distortion• Ultra-thin	<ul style="list-style-type: none">• Large aperture
Telephoto	<ul style="list-style-type: none">• Prism-centered/prism-post• Low-height telephoto• Dual periscope/telephoto	<ul style="list-style-type: none">• Internal focus between groups
Front Camera	<ul style="list-style-type: none">• Ultra-miniaturized head• AF/OIS• Small wide angle (90°)	<ul style="list-style-type: none">• Ultra-thin• Large aperture



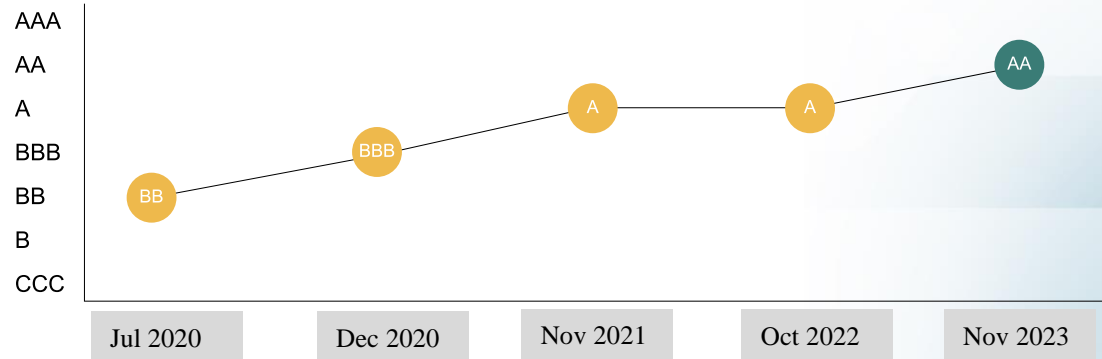


4

ESG Performance Review



MSCI Rating Improvement



ESG Selected Indexes

Hang Seng (Mainland and HK) Corporate Sustainability Index

Hang Seng Corporate Sustainability Benchmark Index

Hang Seng Corporate Sustainability Index

HSI ESG Enhanced Select Index

Hang Seng Climate Change 1.5°C Target Index

HSI ESG Index

HSI ESG Enhanced Index

HSI Low Carbon Index

Hang Seng ESG 50 Index

Awards

- Sunny Optical Intelligence (Yuyao)
 - **National Green Low - Carbon Factory**
- Sunny Zhejiang Optics, Sunny Optoelectronics
 - **Provincial Green Factory**
- Sunny Automotive Optech
 - **Water-saving Enterprise in Zhejiang Province**
- The 5th InnoESG Prize
 - **Organizational ESG Impact Award**
- 13th Public Welfare Festival 2023
 - **Model Enterprise of Sustainable Development of the Year**
- 2024 International Green Zero-carbon Festival
 - **Green and Sustainable Development Contribution Award**
- **Included in the Fortune China ESG Impact List 2024**

Improving Energy and Resource Management Catered for Emission Reduction Targets



Expert in
Optics



Increased Energy Efficiency

- Introduced an advanced electrified and digitalized energy management platform at the group level
- Introduced energy-saving equipment
- Optimized the layout and operating parameters of workshops and equipment
- Reduced energy consumption by process and tech innovation
- Piloted the establishment of energy-efficient engine rooms



Increased Resource Use Efficiency

- Used water-saving equipment
- Optimized production process
- Optimized reclaimed water recovery scheme
- Optimized packaging materials and methods
- Used circulating tools



Implemented Energy Transformation

- Transit to renewable energy:
 - Invested in solar photovoltaic equipment
 - Increased the purchase of green electricity



舜宇光学科技
SUNNY OPTICAL TECHNOLOGY

2024 Annual Targets:

- The proportion of clean energy usage will increase by ~10 ppt versus 2023.
- Greenhouse gas (Scope 1 and Scope 2) emissions intensity will decrease by more than 10% versus 2023.

Progress Towards 2024 Targets:

- **The proportion of clean energy usage was ~23% in 1H2024, representing an increase of ~7 ppt versus the whole year of 2023.**
- **In 1H2024, greenhouse gas (Scope 1 and Scope 2) emissions intensity decreased by ~9% versus the whole year of 2023.**



5

Appendix

Business Development Focused on the Field of Optoelectronics



Expert in
Optics

1984

Established and engaged into the optical industry

1995

Extended the business into the field of image digitization

2003

Commenced production of handset camera modules

2004

- Enhanced R&D and production capability of handset lens sets
- Acquired plastic aspherical lens technology
- Entered into the field of vehicle lens sets

2007

Listed on the Main Board of the Hong Kong Stock Exchange

2012

Established subsidiaries in the U.S.A. and Republic of Korea

2013

- Successfully placed 97,000,000 new shares and raised net proceeds of approximately HKD770 million
- Achieved a series of strategic cooperation agreements with Konica Minolta Optical (Shanghai) Co., Ltd.

2014

Carried out the strategic layout of 3D imaging business

2015

- Established Zhejiang Sunny Optical Intelligence Technology Co., Ltd.
- Established Zhejiang Sunny Smartlead Technologies Co., Ltd., entering into the field of vehicle modules

2016

Established Sunny Optical (Zhejiang) Research Institute Co., Ltd. in Hangzhou

2018

Issued USD600 million 5- year bonds

2019

- Established Sunny OmniLight Technology Co., Ltd.
- Established production base in Andhra Pradesh, India, producing handset camera modules
- Established production base in Vinh Phuc, Vietnam, producing vehicle lens sets
- Established a new subsidiary in Germany

2020

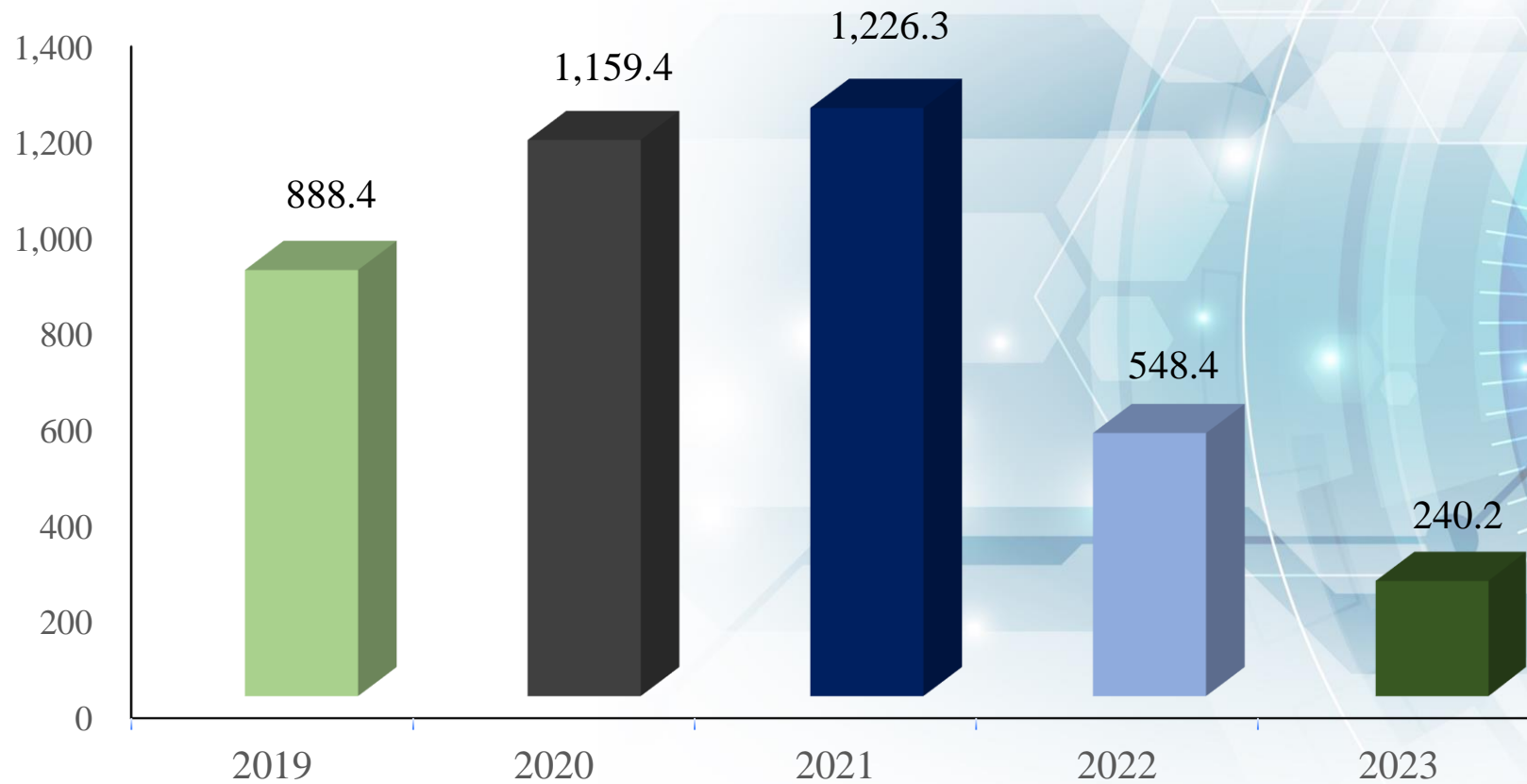
Established a production base of handset camera modules in Thai Nguyen, Vietnam

2023

- Issued USD400 million 3.5-year sustainability-linked bonds
- Established a new production base in Nghe Anh, Vietnam

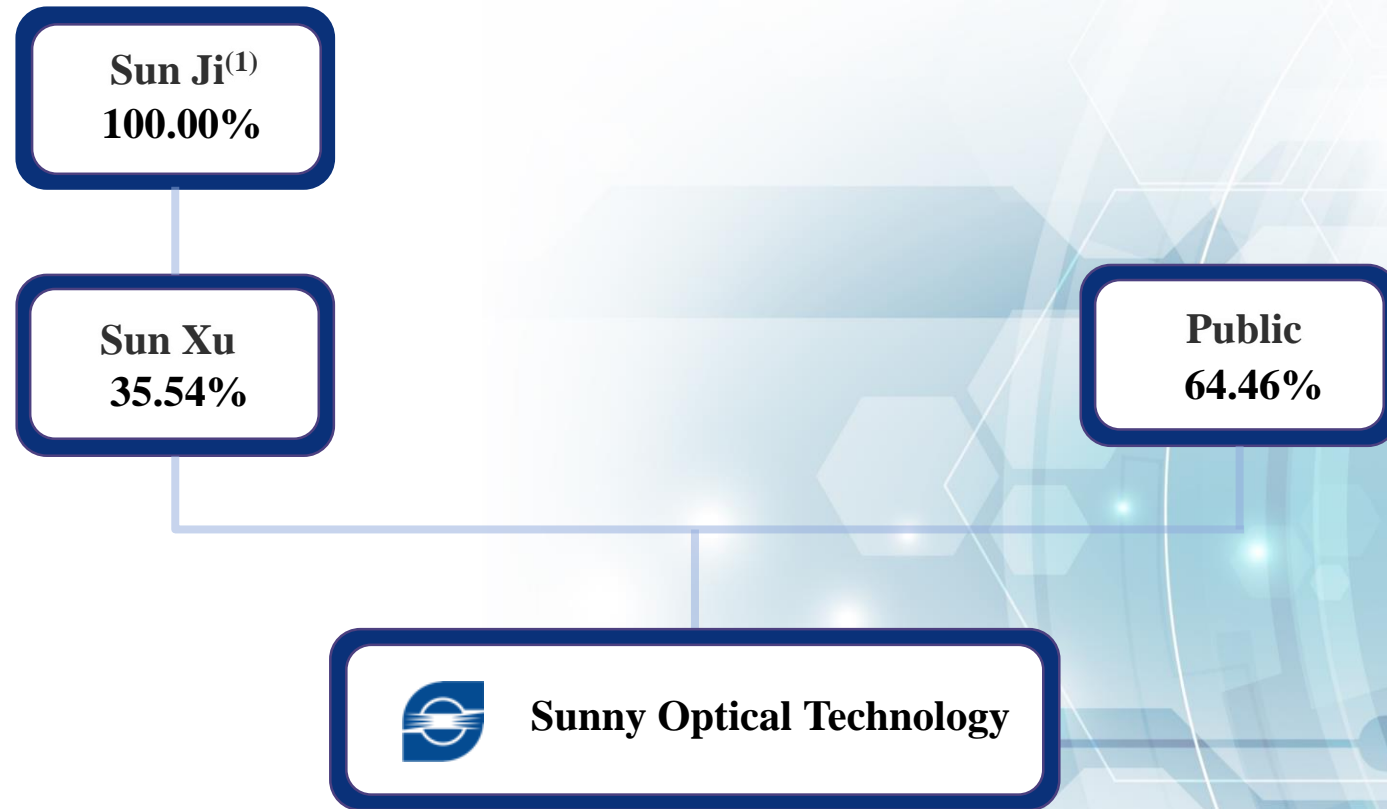
Dividends

(HKD mn)



For the year ended 31 December

Shareholding Structure Remained Stable



(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 2024*

Investor Relations Contacts:

Sunny Optical Technology

@ iroffice@sunnyoptical.com
jasmine@sunnyoptical.com
chris@sunnyoptical.com

☎ +852-3568 7038
+86 (574) 6253 0875

📍 Unit 2304-5, 23/F., Henley Building, 5 Queen's Road Central, Hong Kong
No. 66-68 Fengle Road, Yuyao City, Zhejiang Province, China

Media Relations Contacts:

Porda Havas

@ sunnyoptical@pordahavas.com

☎ +852-3150 6788