

Sunny Optical Technology (Group) Company Limited

舜宇光學科技(集團)有限公司

Stock Code: 2382.HK



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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

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

# 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>	
<b>Revenue</b>	<b>3,984.3</b>	<b>100.0%</b>	<b>5,812.8</b>	<b>100.0%</b>	<b>8,426.5</b>	<b>100.0%</b>
<b>Total Operating Expenses</b>	<b>377.9</b>	<b>9.5%</b>	<b>505.2</b>	<b>8.7%</b>	<b>712.3</b>	<b>8.5%</b>
• <b>Selling and Distribution Expenses</b>	<b>64.4</b>	<b>1.6%</b>	<b>87.9</b>	<b>1.5%</b>	<b>89.3</b>	<b>1.1%</b>
• <b>R&amp;D Expenditure</b>	<b>163.4</b>	<b>4.1%</b>	<b>251.0</b>	<b>4.3%</b>	<b>392.3</b>	<b>4.7%</b>
• <b>Administrative Expenses</b>	<b>150.1</b>	<b>3.8%</b>	<b>166.3</b>	<b>2.9%</b>	<b>230.7</b>	<b>2.7%</b>

# Solid Financial Position



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2012

2013



2014

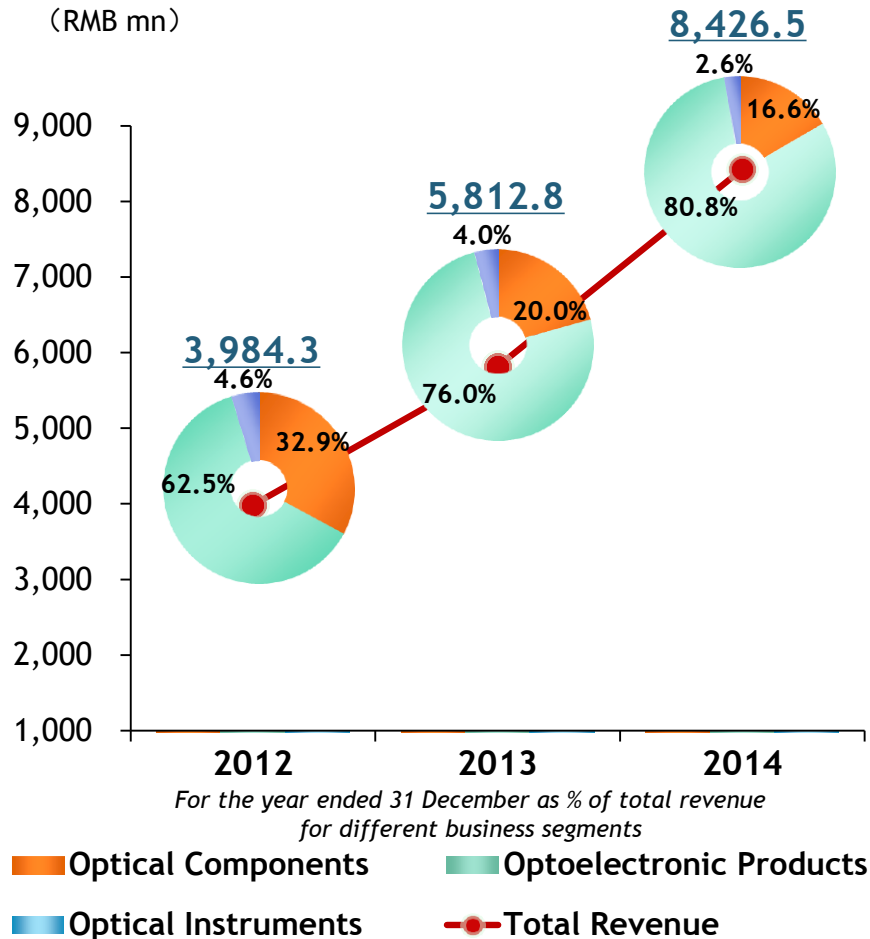
*For the year ended 31 December*

<b>Current Ratio (Times)</b>	2.2	2.1	1.8
<b>Operating Cash Inflow (Outflow) (RMB mn)</b>	256.8	667.8	(182.9)
<b>Cash and Cash Equivalents (RMB mn)</b>	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
<b>Net Cash per Share (RMB cents)</b>	53.2	134.5	35.7
<b>Gearing Ratio (%)</b>	3.4	10.5	9.3
<b>ROE (%)</b>	17.5	15.4	17.3
<b>Capital Expenditure (RMB mn)</b>	308.3	318.5	369.5

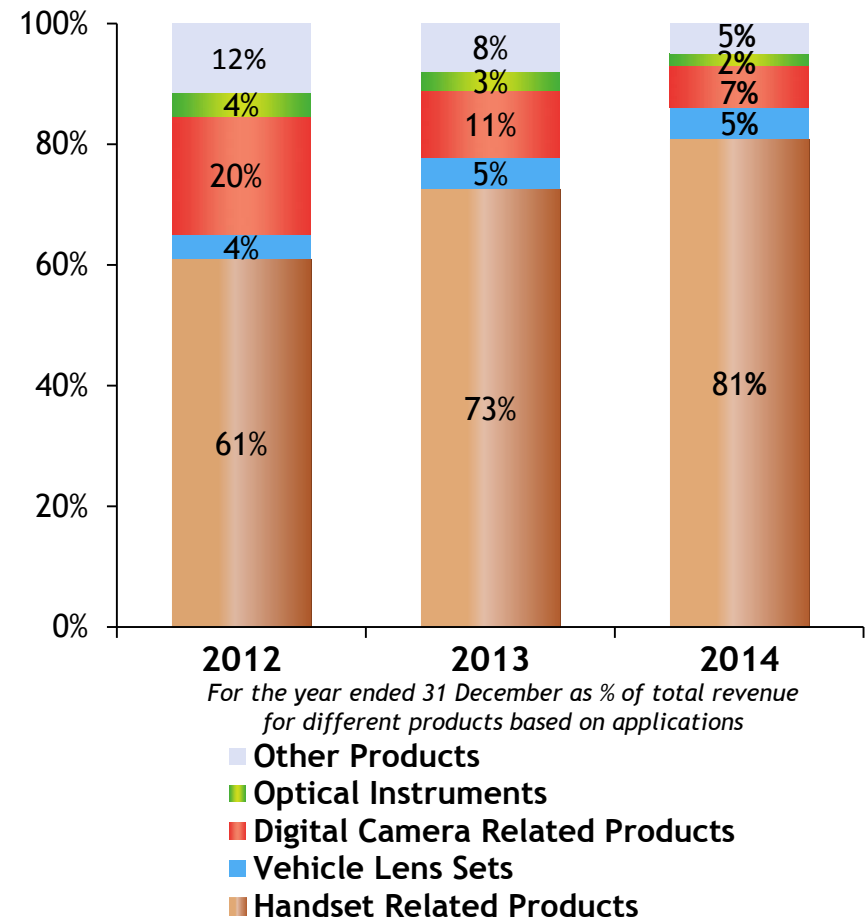
# Revenue Breakdown

## Revenue Breakdown by Business Segments

(RMB mn)



## Revenue Breakdown by Product Applications



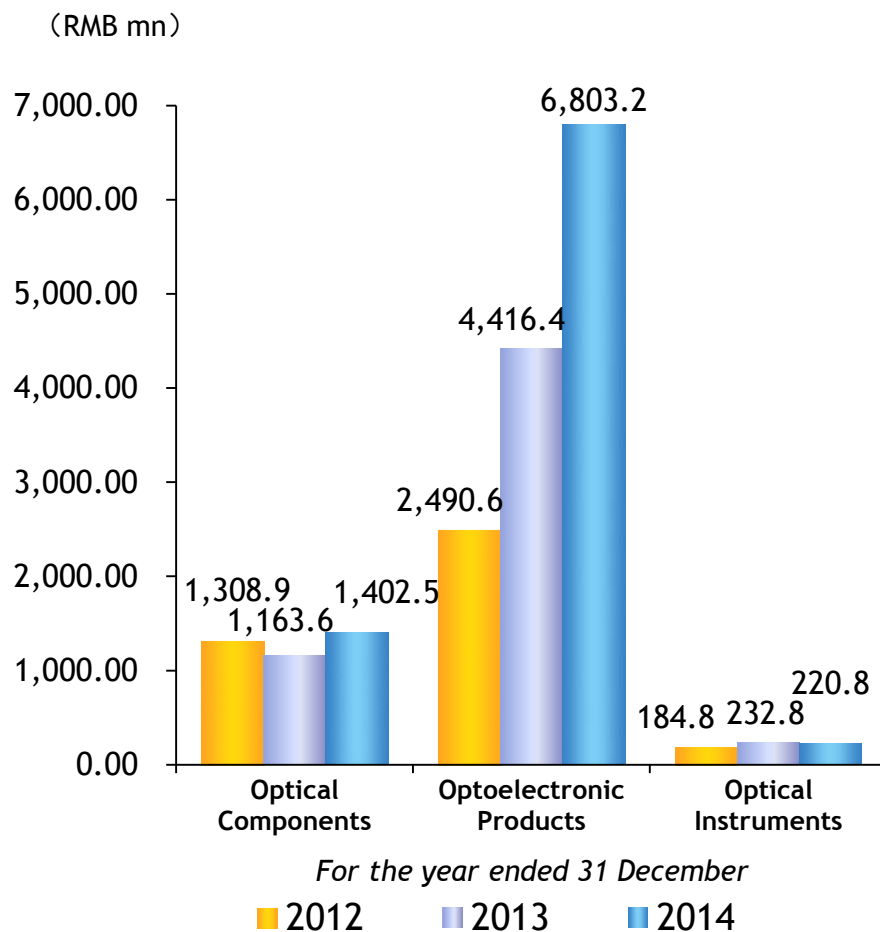


# Sales and Gross Profit Margins by Business Segments

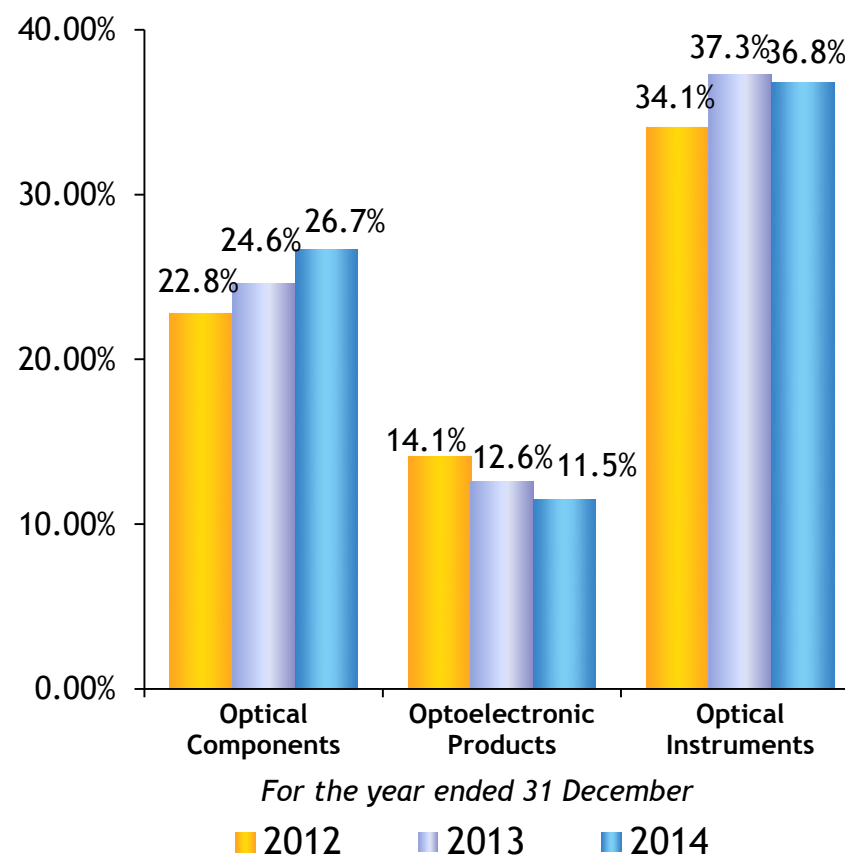


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## Revenue by Business Segments



## 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 239 Patents



2012

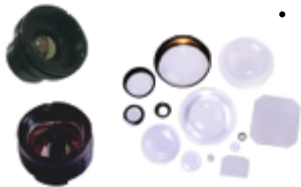


2013



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

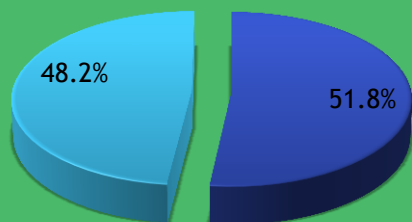
- The project of "Development and Application of Trans-scale Three-dimensional Optoelectronic Vibrating Measuring Instruments" was supported by the dedicated funds for development of major National scientific instruments and equipment from the Ministry of Science and Technology
- The "Three-Dimensional 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 」

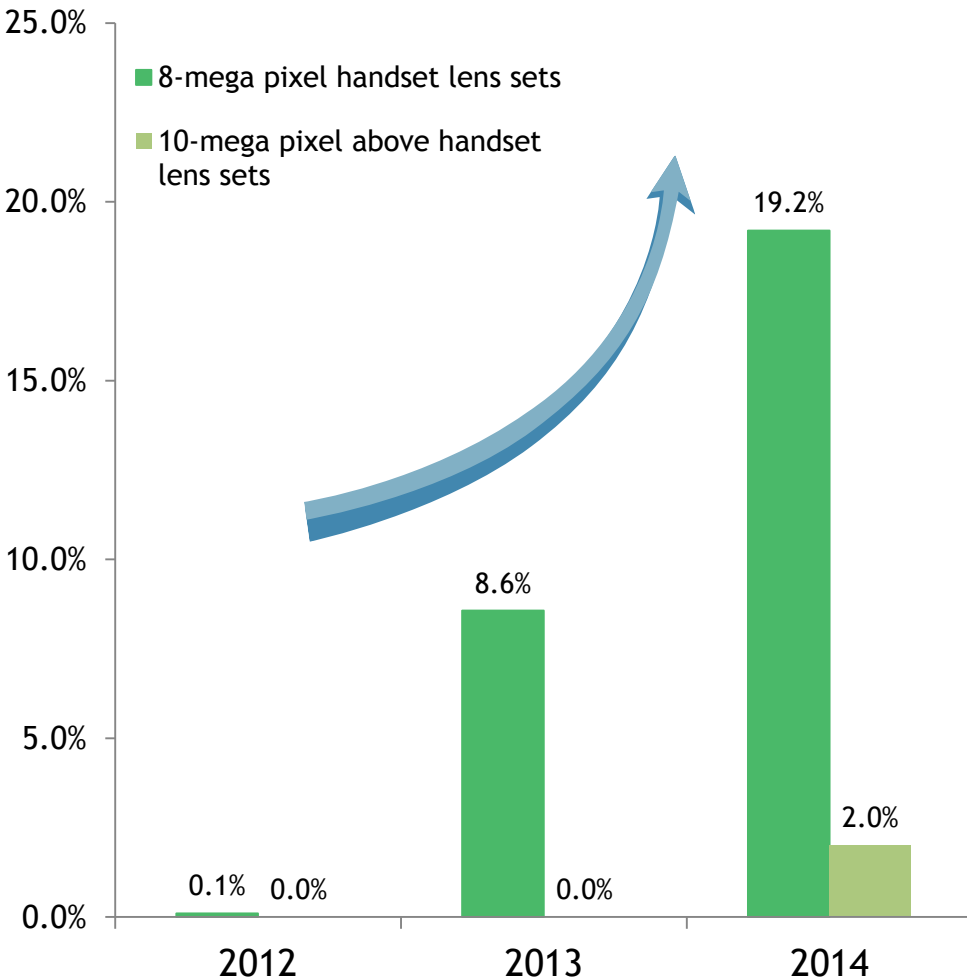
 2014 Xiaomi  
「 Excellent Technology  
Support 」

 Yulong Coolpad  
「 Core Supplier Award 」

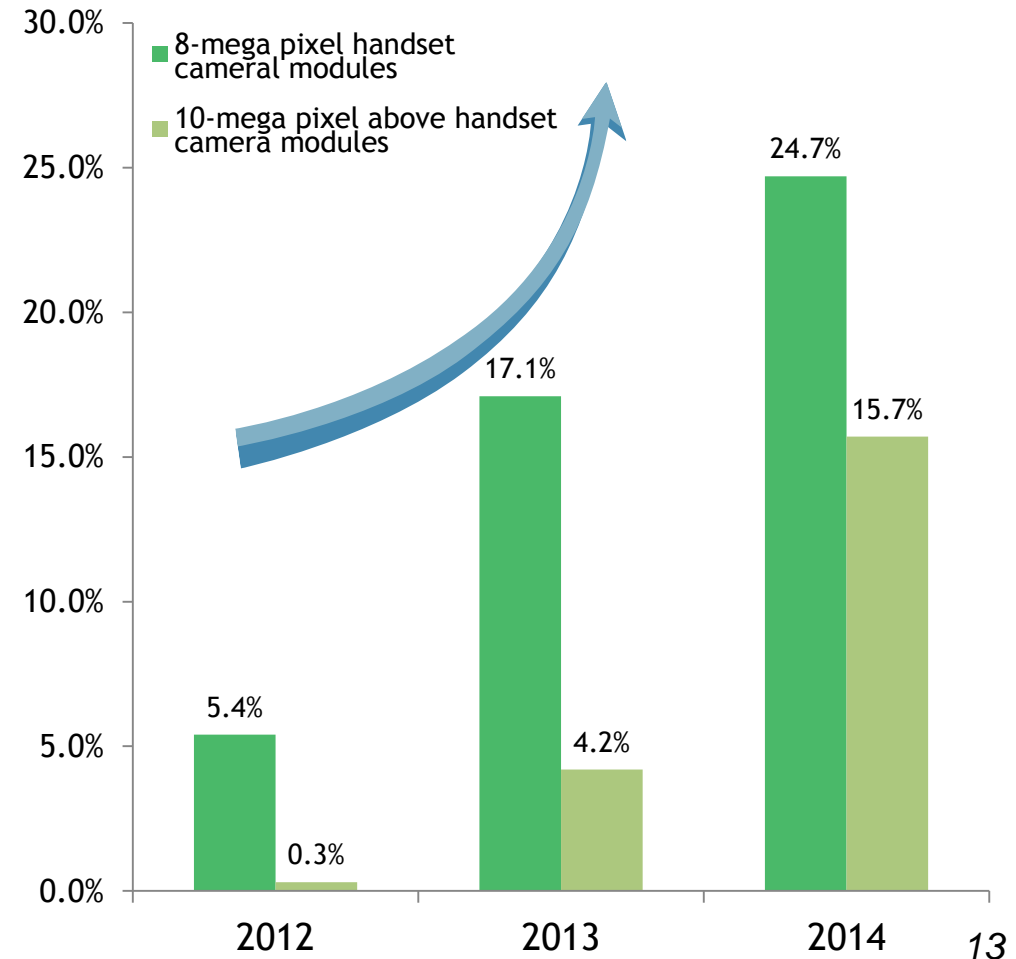
# Solidify No.1 Market Share in Domestic Market and Further Capture Overseas Clients



## Shipment Volume Proportion of Handset Lens Sets



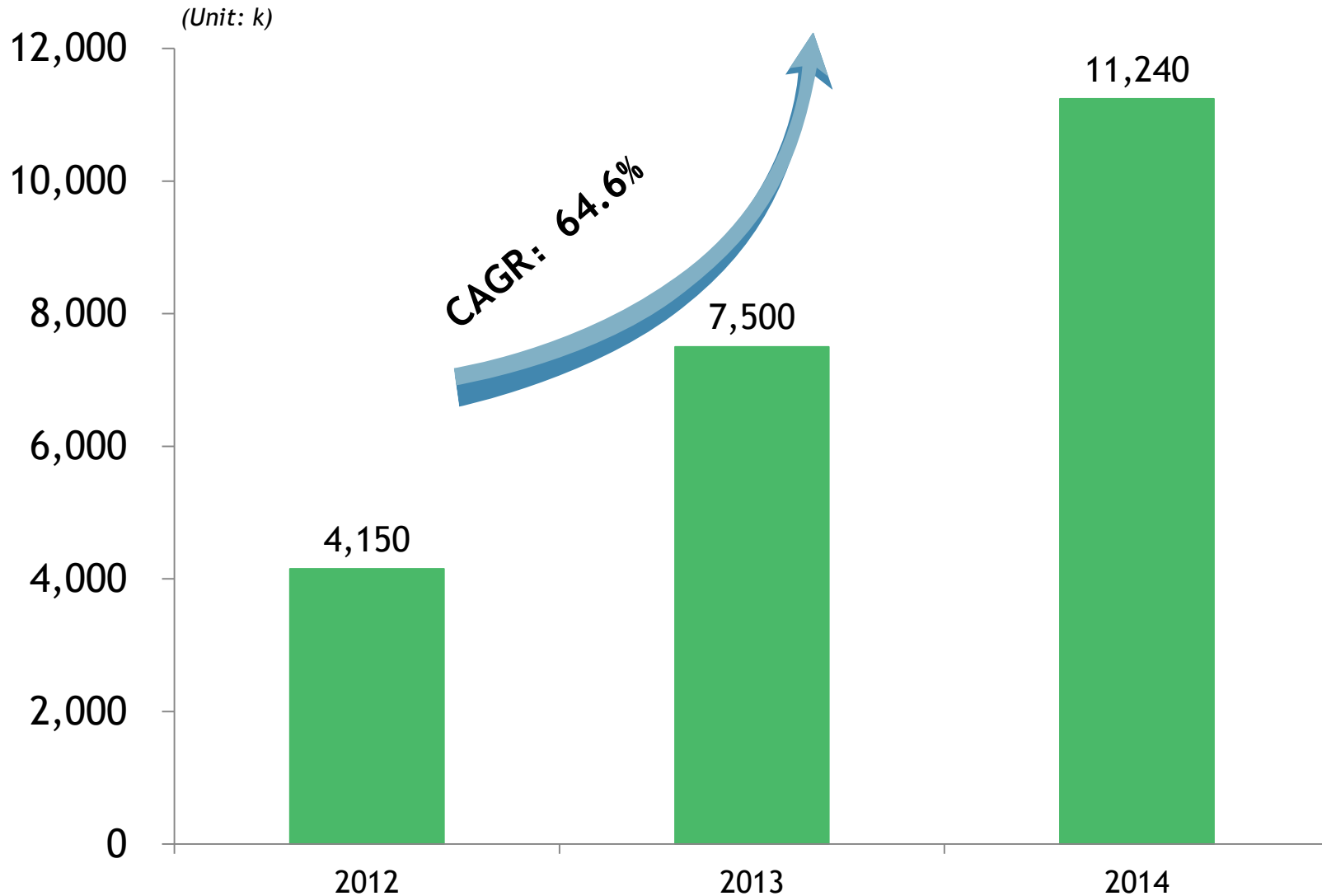
## Shipment Volume Proportion of Handset Camera Modules



# 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



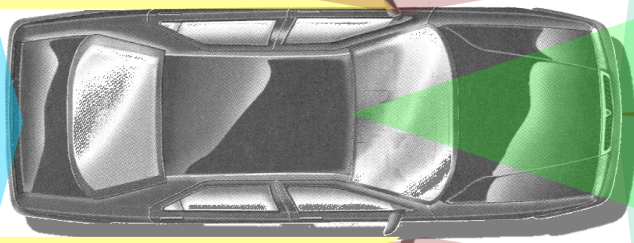
**Rear Vision**



**Interior Vision**



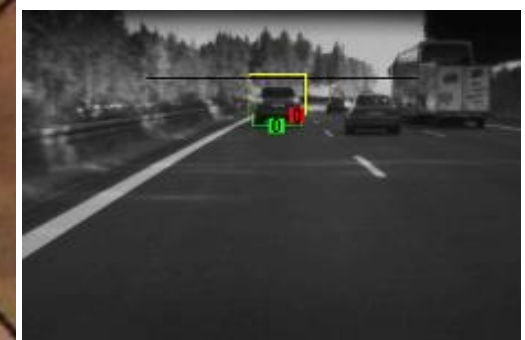
**Front Vision**



**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**

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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



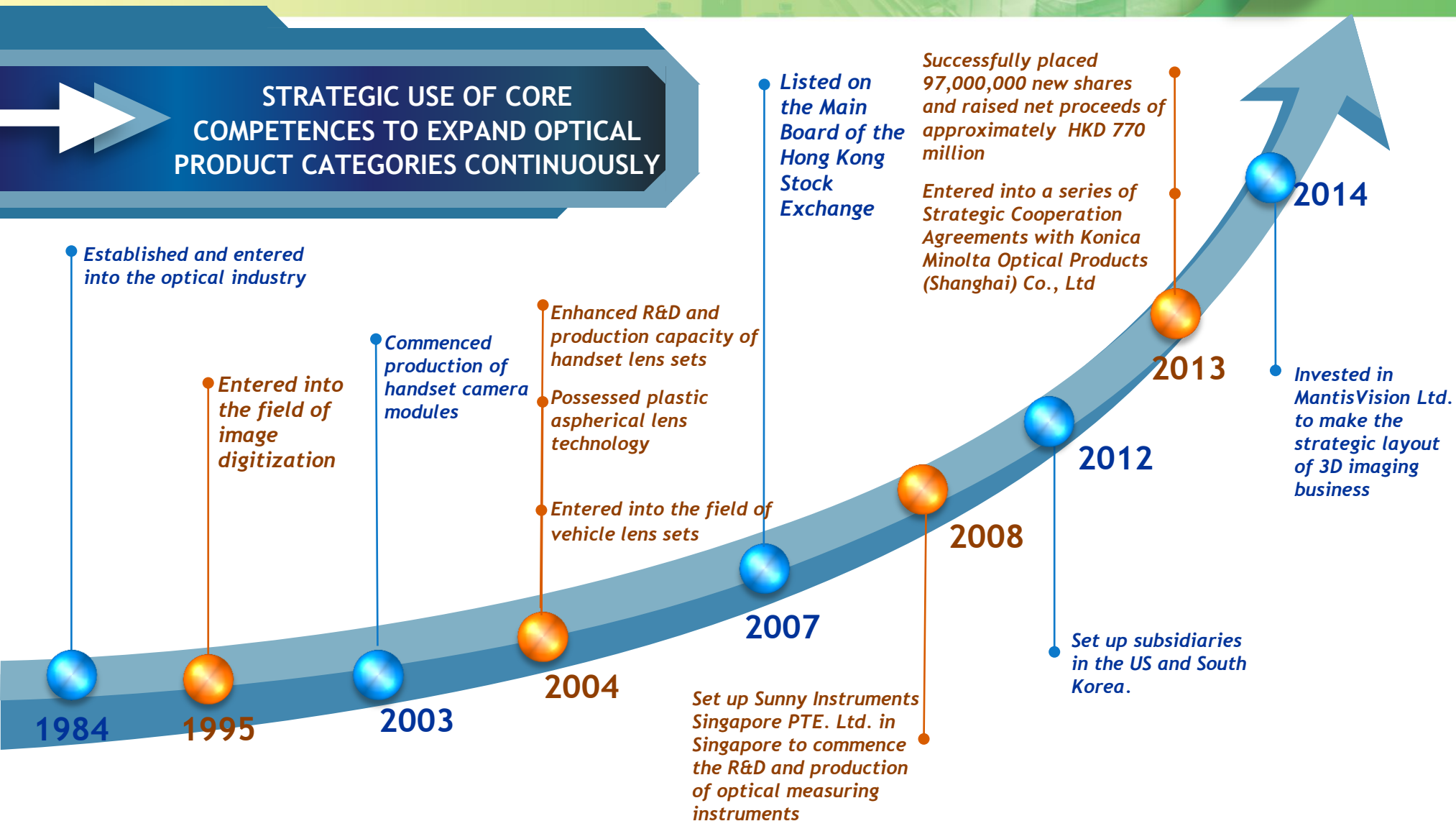
Microscopes, optical measuring and various high-end optical analytical instruments

# Milestones

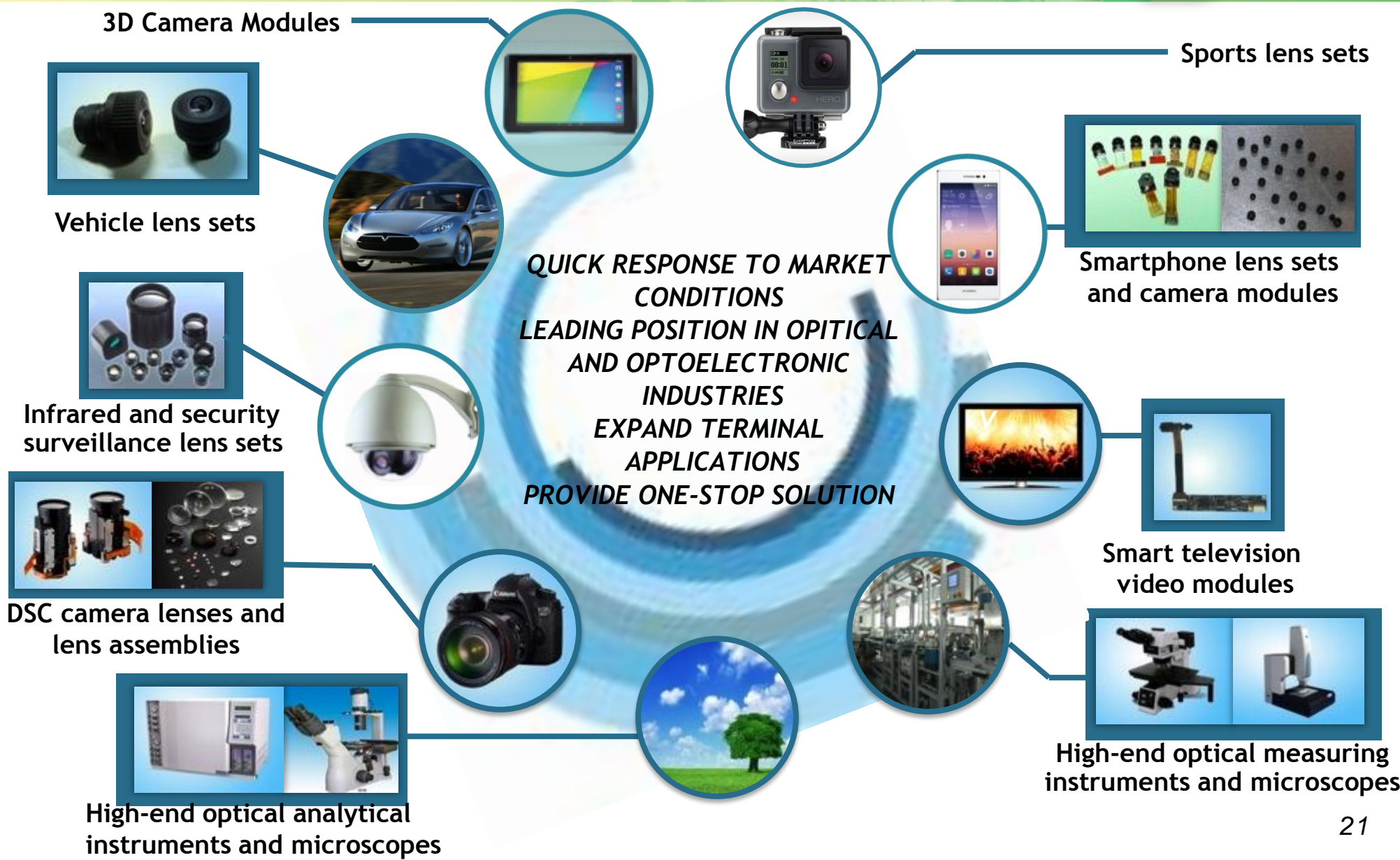


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STRATEGIC USE OF CORE  
COMPETENCES TO EXPAND OPTICAL  
PRODUCT CATEGORIES CONTINUOUSLY



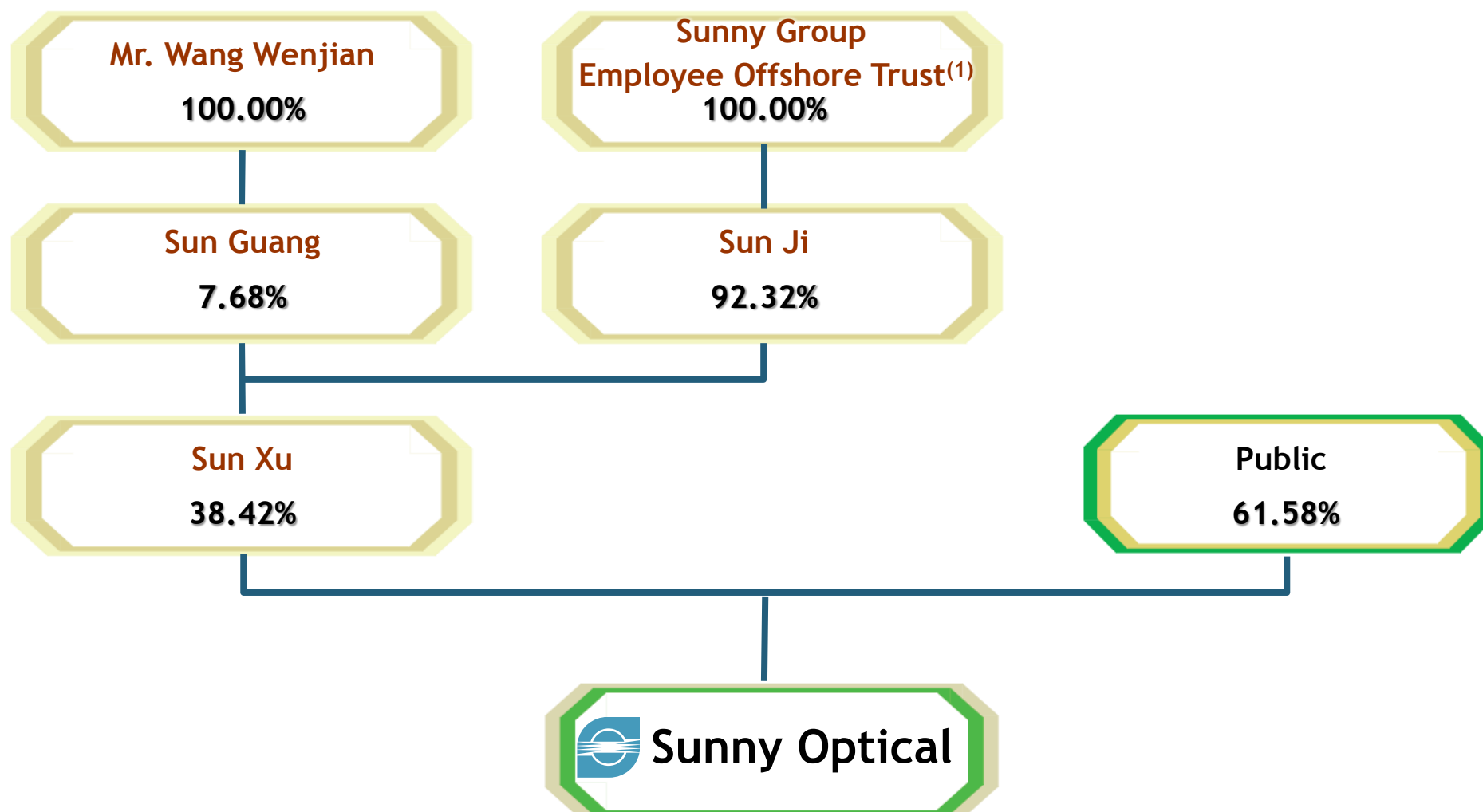
# Diversified Application Fields



# 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

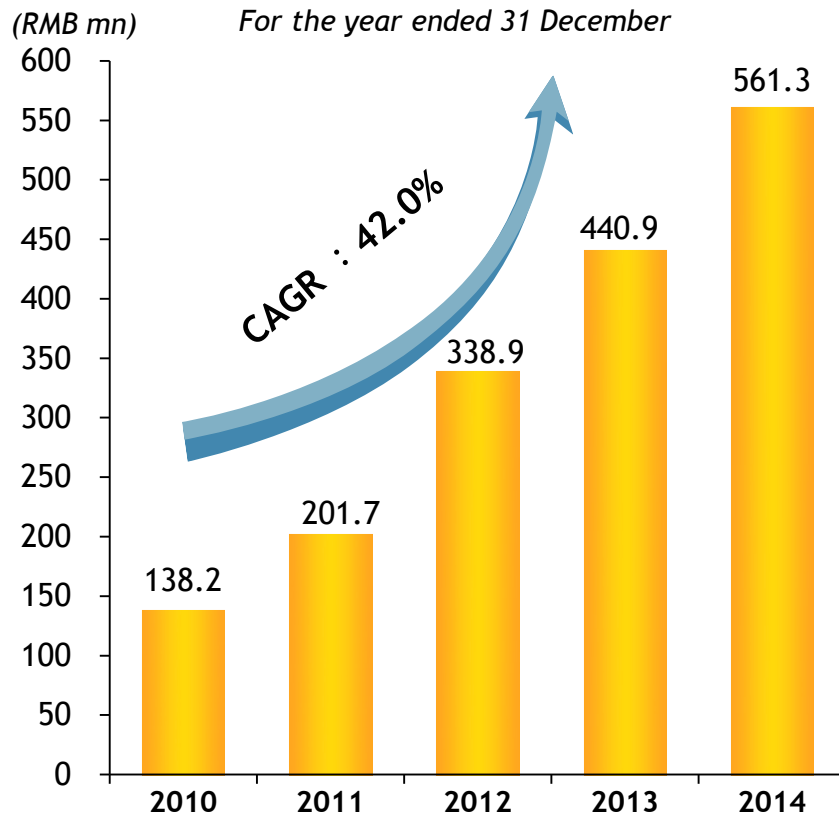


## Continued Growth in Net Profit

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

