2021 Annual Results
Corporate Presentation

March 2022
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Agenda

1. Financial Highlights
2. Operation Review
3. Outlook
4. Appendix
Financial Highlights
Solid Results Performance

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the year ended 31 December</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(RMB mn)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>38,001.8</td>
<td>37,496.9</td>
<td>-1.3%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>8,697.9</td>
<td>8,736.2</td>
<td>+0.4%</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>5,642.9</td>
<td>5,634.9</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Income Tax Expense</td>
<td>(702.6)</td>
<td>(579.0)</td>
<td>-17.6%</td>
</tr>
<tr>
<td>Effective Tax Rate (%)</td>
<td>12.5</td>
<td>10.3</td>
<td>-2.2ppt</td>
</tr>
<tr>
<td>Profit for the Year Attributable to Owners of the Company</td>
<td>4,871.8</td>
<td>4,988.0</td>
<td>+2.4%</td>
</tr>
<tr>
<td>Earnings per Share – Basic (RMB cents)</td>
<td>445.8</td>
<td>456.5</td>
<td>+2.4%</td>
</tr>
</tbody>
</table>
Well-controlled Operating Expenses

<table>
<thead>
<tr>
<th>For the year ended 31 December (RMB mn)</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(as % of revenue)</td>
<td>(as % of revenue)</td>
<td>(as % of revenue)</td>
</tr>
<tr>
<td>Revenue</td>
<td>37,848.7</td>
<td>100.0%</td>
<td>38,001.8</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>3,138.3</td>
<td>8.3%</td>
<td>3,531.2</td>
</tr>
<tr>
<td>• Selling and Distribution Expenses</td>
<td>278.6</td>
<td>0.7%</td>
<td>313.5</td>
</tr>
<tr>
<td>• R&amp;D Expenditure</td>
<td>2,209.3</td>
<td>5.9%</td>
<td>2,499.1</td>
</tr>
<tr>
<td>• Administration Expenses</td>
<td>650.4</td>
<td>1.7%</td>
<td>718.6</td>
</tr>
</tbody>
</table>
Healthy Financial Position

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Ratio (Times)</strong></td>
<td>1.8</td>
<td>1.9</td>
<td>2.4</td>
</tr>
<tr>
<td><strong>Operating Cash Inflow (RMB mn)</strong></td>
<td>4,661.6</td>
<td>7,160.0</td>
<td>6,979.0</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents (RMB mn)</strong></td>
<td>7,601.1</td>
<td>11,560.3</td>
<td>14,992.7</td>
</tr>
<tr>
<td>• Pledged Bank Deposits (RMB mn)</td>
<td>6.1</td>
<td>3.4</td>
<td>18.3</td>
</tr>
<tr>
<td>• Financial Assets at Fair Value through Profit or Loss (RMB mn)</td>
<td>5,662.8</td>
<td>8,480.2</td>
<td>8,275.3</td>
</tr>
<tr>
<td>• Short Term Fixed Deposits, Bank Balances and Cash (RMB mn)</td>
<td>1,932.2</td>
<td>3,076.7</td>
<td>6,699.1</td>
</tr>
<tr>
<td><strong>Net Cash per Share (RMB cents)</strong></td>
<td>212.6</td>
<td>511.8</td>
<td>818.1</td>
</tr>
<tr>
<td><strong>Gearing Ratio (%)</strong></td>
<td>17.2</td>
<td>16.8</td>
<td>15.6</td>
</tr>
<tr>
<td><strong>ROE (%)</strong></td>
<td>31.6</td>
<td>29.4</td>
<td>24.2</td>
</tr>
<tr>
<td><strong>Capital Expenditure (RMB mn)</strong></td>
<td>3,167.9</td>
<td>2,798.4</td>
<td>2,588.9</td>
</tr>
</tbody>
</table>
Diversified Business Portfolio

Revenue Breakdown by Product Applications

For the year ended 31 December

2019

86.6%

2020

84.5%

2021

78.9%

Handset Related Products
Vehicle Related Products
AR/VR Related Products
Digital Camera Related Products
Optical Instruments
Other Products
Continued Improving Consolidated Gross Profit Margin

### Consolidated Gross Profit Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit Margin</td>
<td>20.5%</td>
<td>22.9%</td>
<td>23.3%</td>
</tr>
</tbody>
</table>

For the year ended 31 December

### Gross Profit Margins by Business Segments

<table>
<thead>
<tr>
<th>Segment</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Optical Components</td>
<td>45.2%</td>
<td>42.8%</td>
<td>39.5%</td>
</tr>
<tr>
<td>Optoelectronic Products</td>
<td>9.3%</td>
<td>12.6%</td>
<td>13.7%</td>
</tr>
<tr>
<td>Optical Instruments</td>
<td>41.3%</td>
<td>39.2%</td>
<td>45.1%</td>
</tr>
</tbody>
</table>

For the year ended 31 December
2 Operation Review
Continued to Make Breakthroughs in Technology
Built High-tech Barriers

**Optical Components**

**Smartphone Related**
- Ultra-thin miniaturized head lens sets used for foldable phones
- 200MP ultra-large image size (1/1.22") lens sets
- Ultra-large image size (1/1.12") lens sets with 8P
- Wide-angle lens sets with 2 freeform lenses
- Large image size (1/1.5") periscope lens sets dedicated to ultra-high-definition portrait shooting

**Vehicle Related**
- 2MP / 3MP hybrid ADAS lens sets containing multiple plastic lenses after tackling temperature excursion for cost reduction and performance improvement
- ADAS lens sets with automatic defrosting and demisting functions the first in the industry, applied in L3-L4 platform-based projects from various OEMs

**Mass Production Achieved**
- All-plastic rear-view lens sets solved the reliability problem
- Various 8MP ADAS lens sets including various projects based on platforms of NVIDIA, Qualcomm and Horizon Robotics, etc.
- HUD-freeform lenses
- Core optical engine for holographic AR HUD
- Core lens sets for various 0.01MP projecting modules applied in smart headlamps

**R&D Completed**
- New-generation VR positioning lens sets tackled temperature excursion and improved the stability of spatial orientation
- Binocular VR optical modules improved distortion and chromatism, optimised display effect

**Emerging Optics**
- VR eyepieces with two fresnel lenses improved immersive experience through enlarging field of view
Developed Advantageous Businesses In-depth
Continued to Carry Out R&D Innovation

**Optoelectronic Products**

**Smartphone Related**
- Cost-effective 5X optical zoom periscope camera modules
- Ultra-large image size (1/1.12"") camera modules

**Vehicle Related**
- 3MP panoramic modules
- 3MP ultra-wide angle modules
- Super high resolution Carlog modules
- 8MP sensing modules for external environment
- 1.7MP/2MP/5MP sensing modules for external environment
- 2MP OMC modules
- 1.3MP/2MP DMC modules

**R&D Completed**
- 8MP sensing modules obtained more than 10 designated customers based on the platforms of Horizon Robotics, Mobileye and NVIDIA, among which projects with Horizon Robotics and Mobileye have achieved mass production

**Mass Production Achieved**
- 1.7MP/2MP/5MP sensing modules for external environment
- 2MP OMC modules
- 1.3MP/2MP DMC modules
- Automotive-grade COB production line was established and has the capability of mass production

**Recognition Business**
- Structured light modules made breakthroughs in the application scenario of identity verification
- Dual-camera and structured light modules in the application scenario of smart door locks with facial recognition were recognized by customers
- Visual AI chips were taped-out

**Positioning Business**
- Solutions for the visual system of service robots have commenced application in the clients

**Robot Vision**
Increased R&D Investment
Further Enhanced Market Competitiveness

Microscopes

R&D Completed
**25X flat field multiphoton excitation dedicated objectives**
the first in China for commercial use, achieved breakthroughs in near-infrared single-photon and multiphoton in-depth and high spatial resolution with large numerical aperture and broadband achromatic correction

Mass Production Achieved
**All series of objective lenses of super apochromat**
currently have the largest numerical aperture and achromatic correction range in China, and can realize high resolution and high precision imaging in scientific research field

Industrial Field

R&D Completed
**AA equipment for VR modules**
used in active alignment for VR modules and liquid crystal displays
**Integrated production line for the testing of handset lens sets**

Mass Production Achieved
**Vehicle plain glass with large size inspection equipment**
used for appearance inspection of the glass of active center stack

Medical Field

R&D Completed
**Chromosome caryotype auto microscopic scanner**
applied in prenatal examination, screening and diagnosis, genetic diseases diagnosis, hematologic tumor diagnosis and other fields, and replaced imported equipment successfully
Focused on Patent Layout
Strengthened Competitive Advantages

Equipped with professional management team, and actively carried out the layout of independent intellectual property rights

In 2021, 875 new authorized patents were added, including 469 invention patents

As at 31 December 2021, 3,970 patents are pending approval, mainly related to the fields of smartphone, vehicle imaging and sensing system, 3D technology and LiDAR, AR/VR, robotic vision and other fields
Made Breakthroughs in a New International Customer Extended Industrial Leadership

**Shipment Volume of the Company’s Handset Lens Sets**

- 2019: 1,343,173 (unit: k)
- 2020: 1,529,757 (unit: k)
- 2021: 1,439,545 (unit: k)

Shipment Volume of the Company’s 6P and above Handset Lens Sets

- 2019: 314,060 (unit: k)
- 2020: 377,806 (unit: k)
- 2021: 369,229 (unit: k)

-5.9% decrease from 2019 to 2020.

-2.3% decrease from 2019 to 2020.
Continued to Maintain Leading Position as Global No.1
Raised Barriers of Product Technology

Shipments Volume of the Company's Vehicle Lens Sets

(unit: k)

- 2019: 50,102
- 2020: 56,174 (increase of 12.0%)
- 2021: 67,980 (increase of 21.0%)

+21.0%
Consolidated Leading Position in the Industry
Carried out In-depth Cooperation with International Customers

Shipment Volume of the Company’s Handset Camera Modules

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>540,493</td>
<td>592,878</td>
<td>673,725</td>
</tr>
</tbody>
</table>

+13.6% increase

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

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31,459</td>
<td>60,927</td>
<td>45,110</td>
</tr>
</tbody>
</table>

-26.0% decrease

*Large image size modules refer to modules with 1/1.7” and above image size
Expanded Global Layout
Enhanced Large-scale and High-end Manufacturing Capabilities

Production Base
R&D Center

U.S.A

Henan
Zhejiang
Guangdong
Shanghai

China

South Korea
Vietnam

India

SUNNY OPTOTECH INDIA

Expert in Optics
Awards and Recognitions

Sunny Zhejiang Optics was awarded
“Best Delivery Award”
--ZTE Corporation
“2021 Excellent Supplier Award”
--Wingtech Technology Co., Ltd.
“2021 Quality Management Innovation Award of Zhejiang Provincial People’s Government”
--Zhejiang Provincial People’s Government

Sunny Automotive Optech was awarded
“Excellence in Technology Award”
--Jiangsu New Vision Automotive Electronics Co., Ltd.
“Excellent Supplier Award”
--Bosch Group

Sunny Opotech was awarded
“Best Technological Innovation Award”
--ZTE Corporation

Sunny Optical Intelligence was awarded
“Co-Innovation Award”
--Beijing Roborock Technology Co., Ltd.

Sunny Optical Technology

Moody’s credit rating was raised from “Baa2” to “Baa1”

MSCI ESG rating was raised from “BBB” to “A”

was included in
“Hang Seng Sustainable Development Enterprises Index” & “Hang Seng ESG 50 Index”

“Best Tech Constituent Stock”
--Hong Kong Outstanding Listed Enterprises Awards 2021 by “Economic Digest”

“The Most Remarkable Investor Relations Recognition”
Hong Kong Index Constituents (Hang Seng Index) Category
--Quam IR Awards 2020
Expert in Optics

Strive for Differentiated Breakthroughs of Smartphone Cameras

Front Camera
- Ultra-miniaturized head
- Front AF/OIS
- Under-screen camera with large aperture

Main Camera
- Large image size
- Large aperture
- Variable aperture
- Hybrid (G+P)
- Ultra-thin (foldable screen)
- Dual OIS & sensor-shift stabilisation

Ultra-wide Angle
- Wide angle
- Small distortion
- Freeform
- Fisheye camera (> 150°)
- Video stabilisation
- Combination of main camera with wide angle

Telephoto
- 2X~3X practical portrait
- 5X~10X ultra-long focal length
- Continuous optical zoom
- High resolution with large image size
- Telephoto & macro-shooting two in one
Rapid Progress of Autonomous Driving
Huge Potential in Optical Applications

- Vehicle Camera Related
  - Vehicle Lens Sets
  - Vehicle Modules

- Display Related
  - HUD / Smart Headlamp related products
    (including PGU, ground projection modules, key optical components and assemblies)

- LiDAR Related
  - LiDAR related products
    (including receiving and transmitting modules, key optical components and assemblies)

- Front-view (ADAS)
- In-cabin Monitoring
- Rear-view E-mirror
- Surround-view (360°)
- Rear-view for Parking

LiDAR Optical System
multi-solution (Mechanical, MEMS, 3D Flash, Polygon Scanning)

HUD Optical System
multi-solution (TFT, MEMS, DLP, LCOS)

Smart Headlamp Optical System
develop toward high resolution & intelligentization

Ground Projection Optical System

Vehicle Lens Sets
Vehicle Modules
Seize New Opportunities in Markets
Take the Lead in the Industry

Display/Sensing
Smart Eye
Inspection

Recognition
Robotic Vision
Positioning

Expert in Optics
System Solution
Embedded System
Hardware Sensing
4 Appendix
Milestones

1984
Established and engaged into the optical industry

1995
Extended the business into the field of image digitization

1995
Established and engaged into the optical industry

1984
Established and engaged into the optical industry

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

2004

2007
Listed on the Main Board of the Hong Kong Stock Exchange

2013
- Successfully placed 97,000,000 new shares and raised net proceeds of approximately HK$770 million
- Achieved a series of Strategic Cooperation Agreements with Konica Minolta Optical (Shanghai) Co., Ltd.

2013

2014
Carried out the strategic layout of 3D imaging business

2016
Established Sunny Optical (Zhejiang) Research Institute Co., Ltd. in Hangzhou

2019
- Established new production bases in India and Vietnam, producing handset camera modules and vehicle lens sets respectively
- Established Zhejiang Sunny Smartlead Technologies Co., Ltd. (formerly known as Ningbo Wissen Intelligent Sensing Technology Co., Ltd.), entered into the field of vehicle modules
- Established a new subsidiary in Germany

2019

2012
Established subsidiaries in the U.S.A and the Republic of Korea

2015
Established Zhejiang Sunny Optical Intelligence Technology Co., Ltd. in Hangzhou

2018
Issued US$600 million five-year bonds

2020
Established a new production base of handset camera modules in Vietnam

2020

2012
Established subsidiaries in the U.S.A and the Republic of Korea
Dividend Payout

For the year ended 31 December

For the year ended 31 December

(RMB million)
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 December 31, 2021
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