



**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**

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# Agenda

1

**Financial Overview**

2

**Operation Review**

3

**Strategy and Outlook**

4

**ESG Performance Review**

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**Appendix**





**1**

# Financial Overview

# Both Revenue and Profit of the Group Showed Substantial Growth



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Optics

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

# Revenue Scale Expansion Showcased Operational Advantages



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

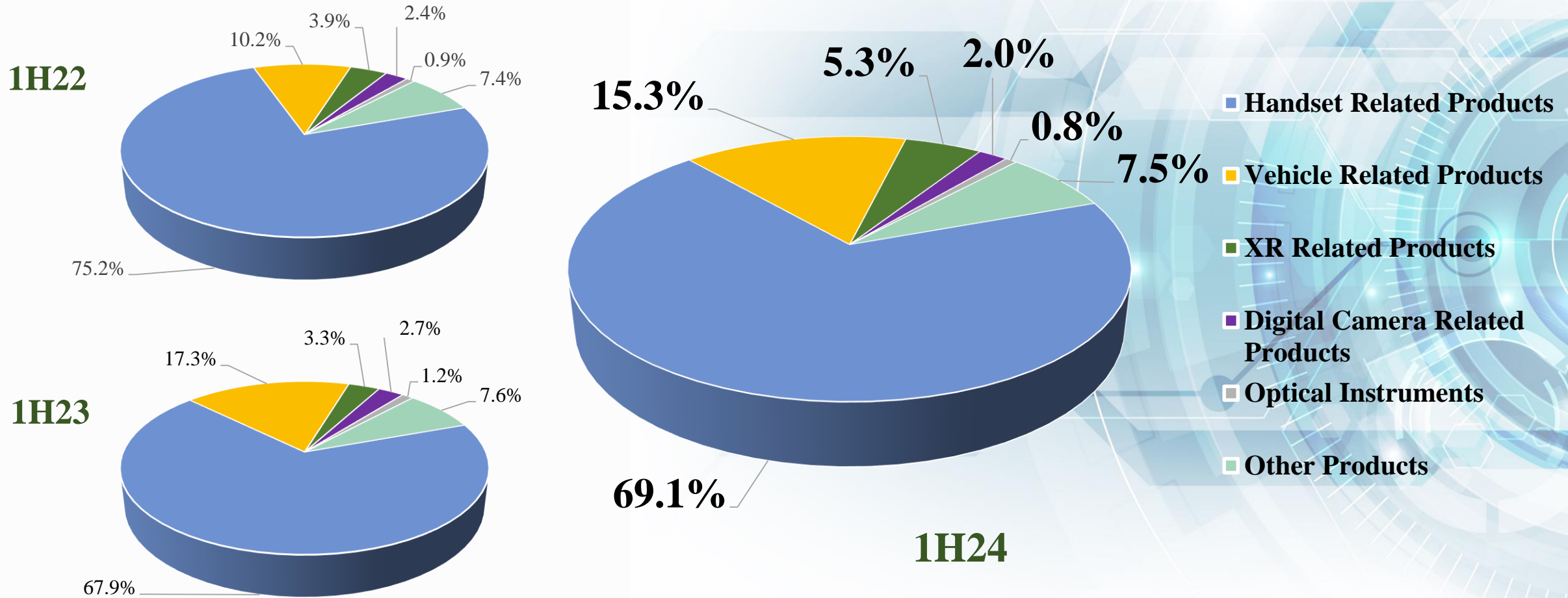
# Financial Position Maintained Solid



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

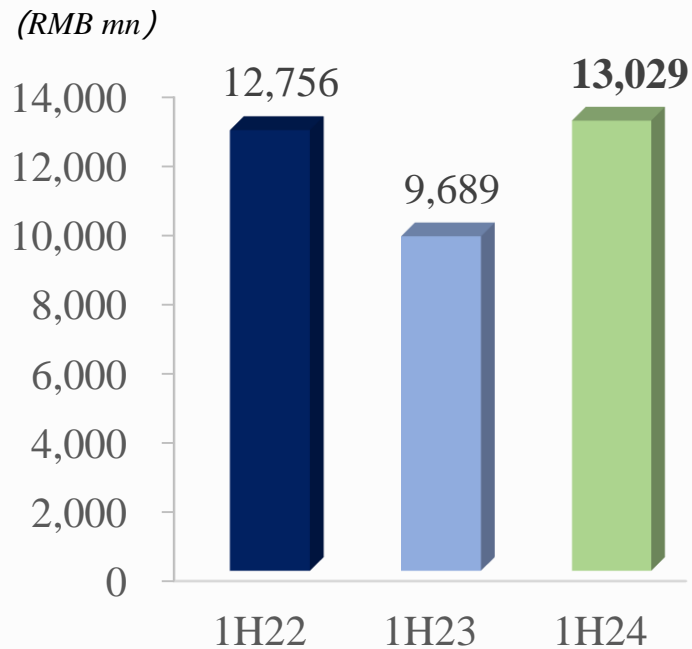
## Revenue Breakdown by Product Applications



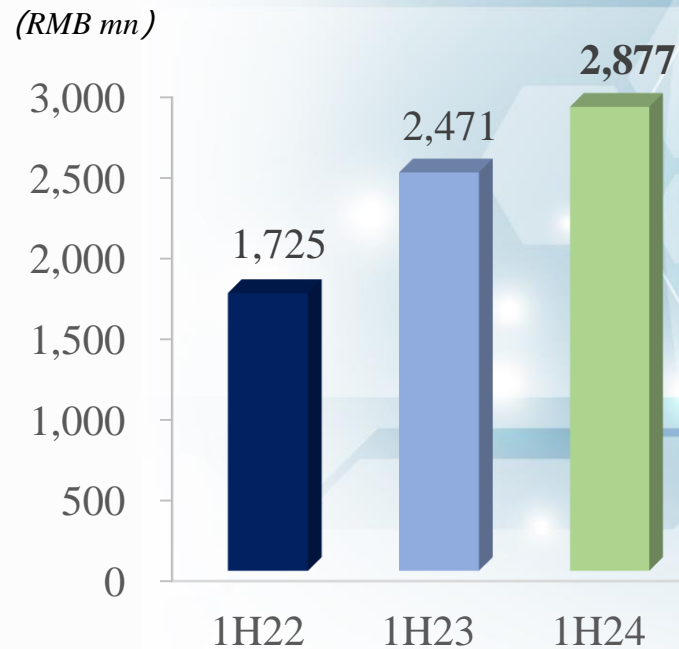


## Revenue for Each Product Application

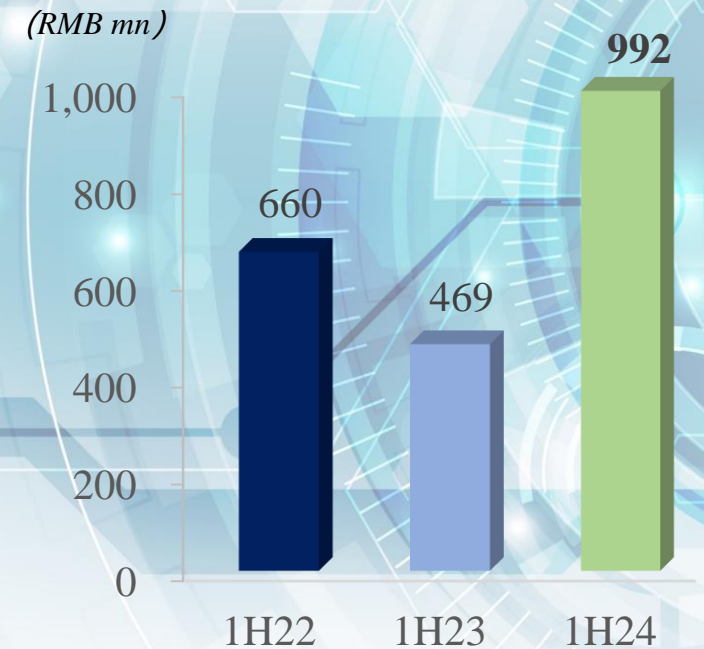
### Handset Related Products



### Vehicle Related Products

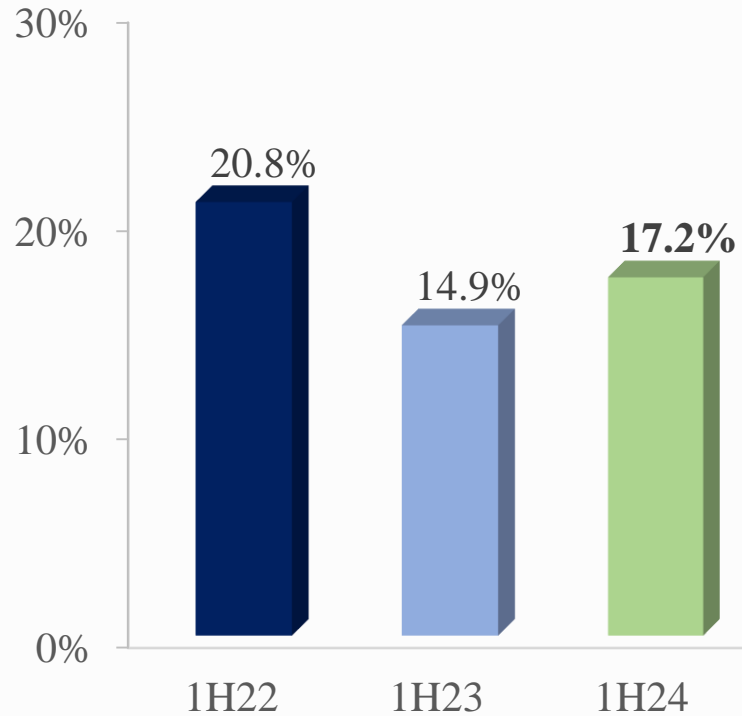


### XR Related Products

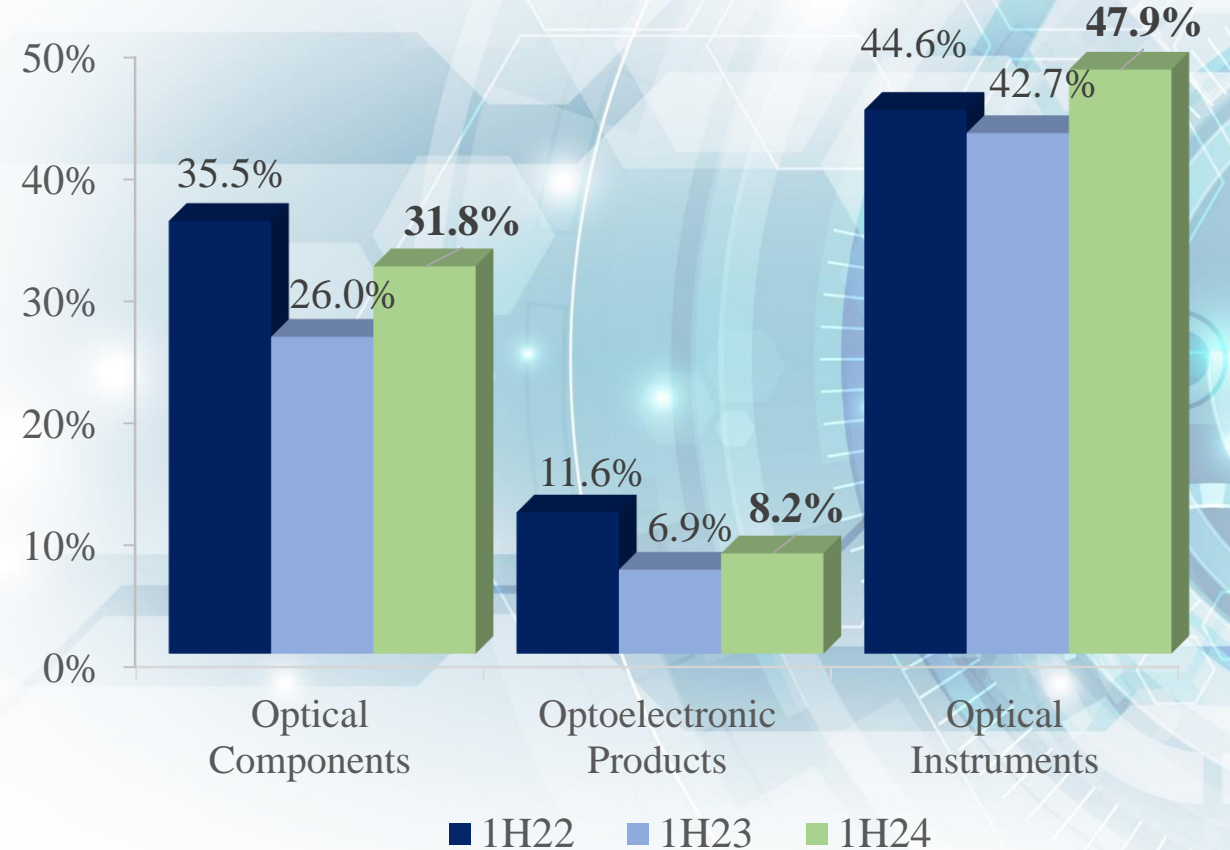


# Gross Profit Margins of Three Business Segments Improved Significantly

## Consolidated Gross Profit Margin



## Gross Profit Margins by Business Segments





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# 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**
  - *sore 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

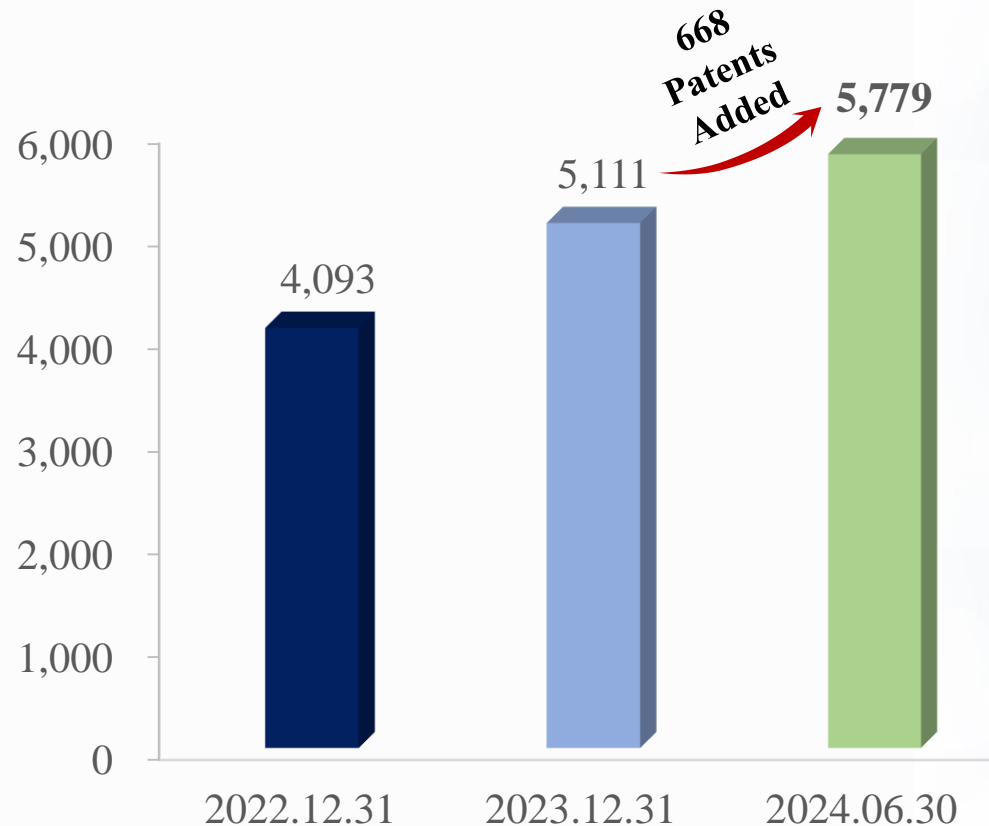
- **Completed the R&D of the fifth generation production line for post-processing inspection of handset lens sets**
  - *achieved an efficiency improvement of over 50% compared to the last-generation product line.*
  - *integrating functions such as spatial frequency response, stray light detection, 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.

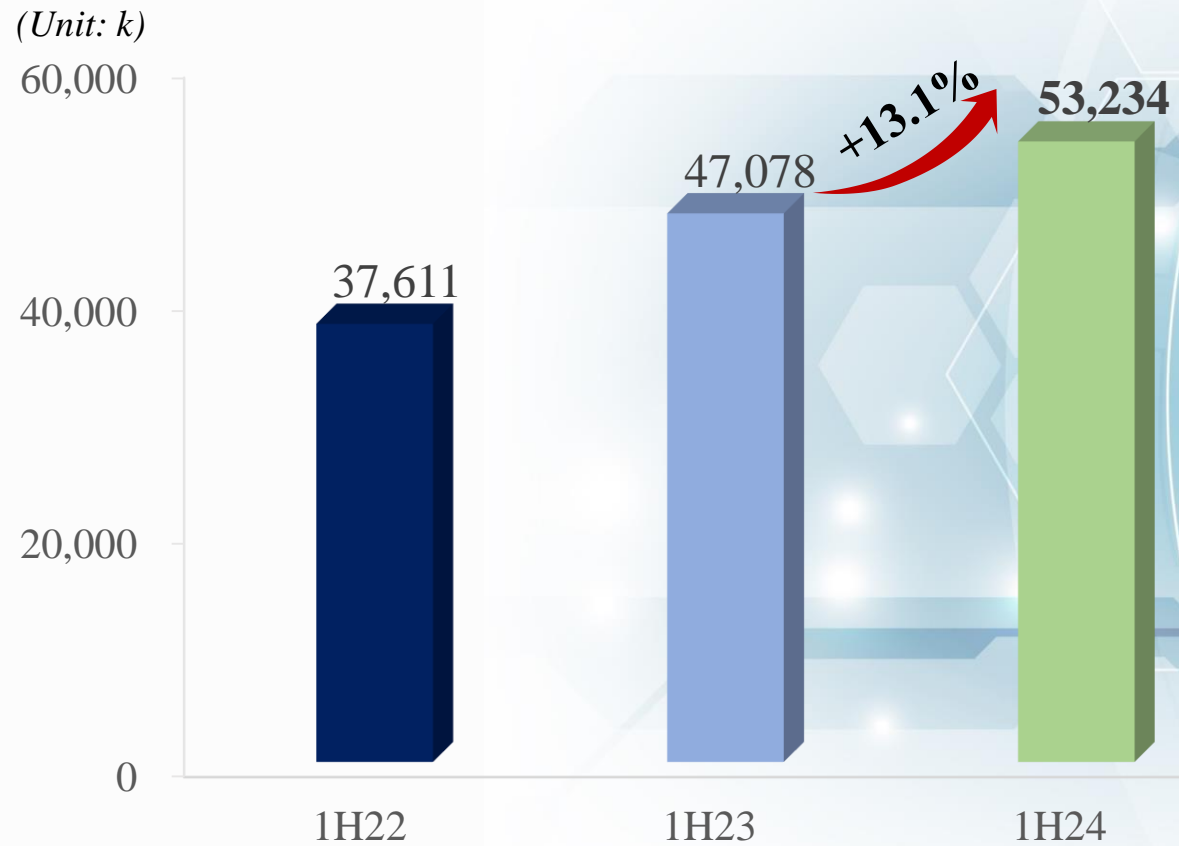


# The Leading Position in Vehicle Lens Sets Industry Became More Consolidated



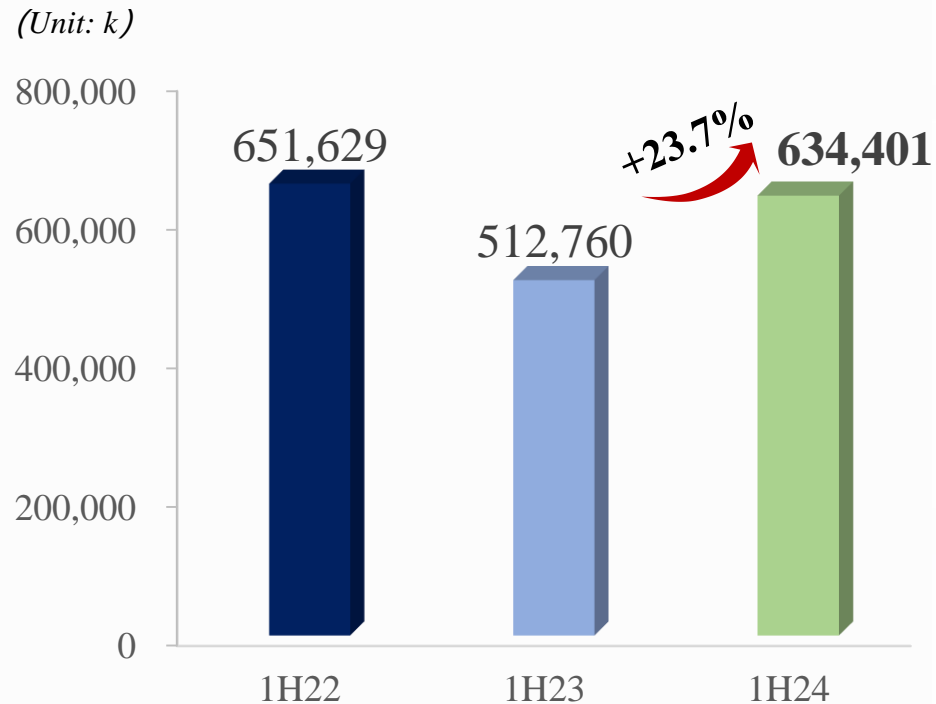
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Shipment Volume of  
the Company's Vehicle Lens Sets

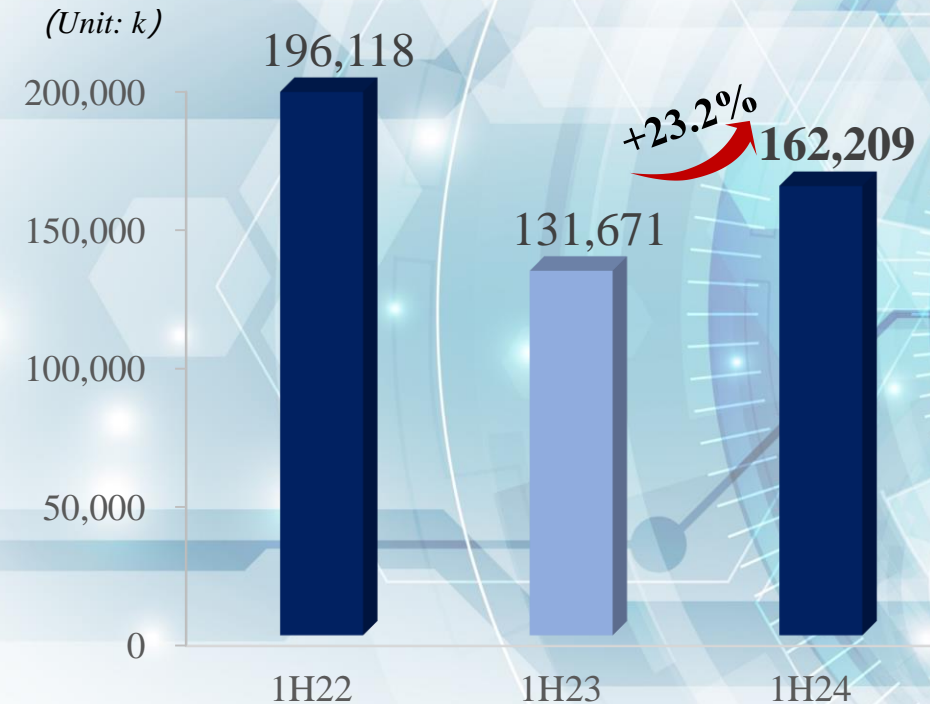


# High-end Handset Lens Sets Realized Rapid Growth

Shipment Volume of  
the Company's Handset Lens Sets

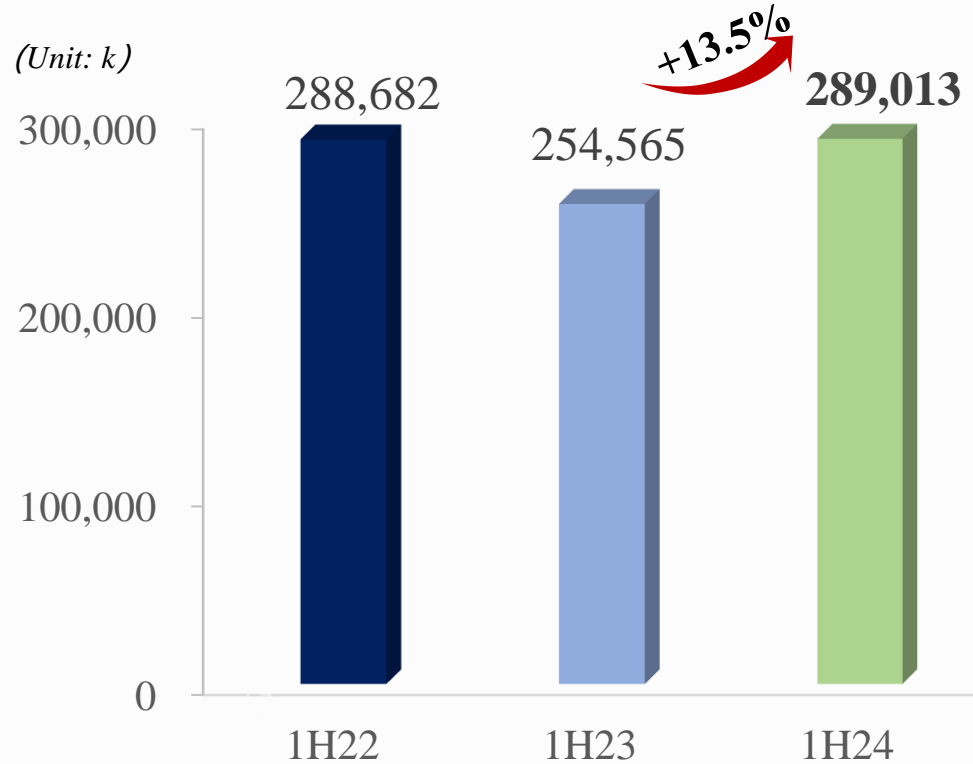


Shipment Volume of the Company's  
6P and Above Handset Lens Sets



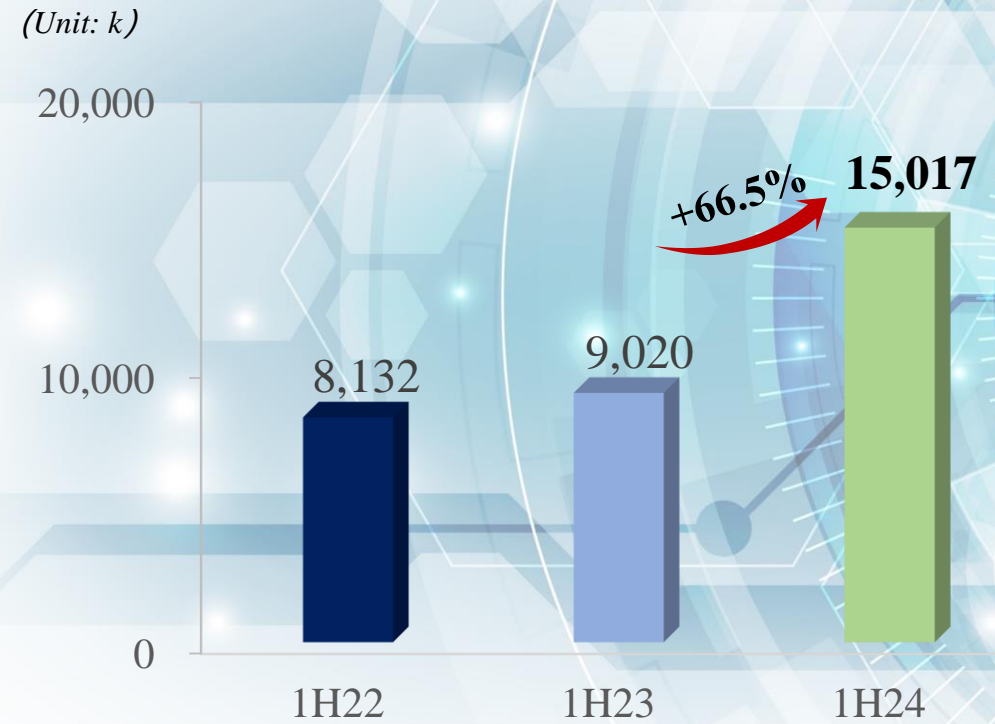
# Product Mix of Handset Camera Modules Resumed to Improve

Shipment Volume of  
the Company's Handset Camera Modules



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

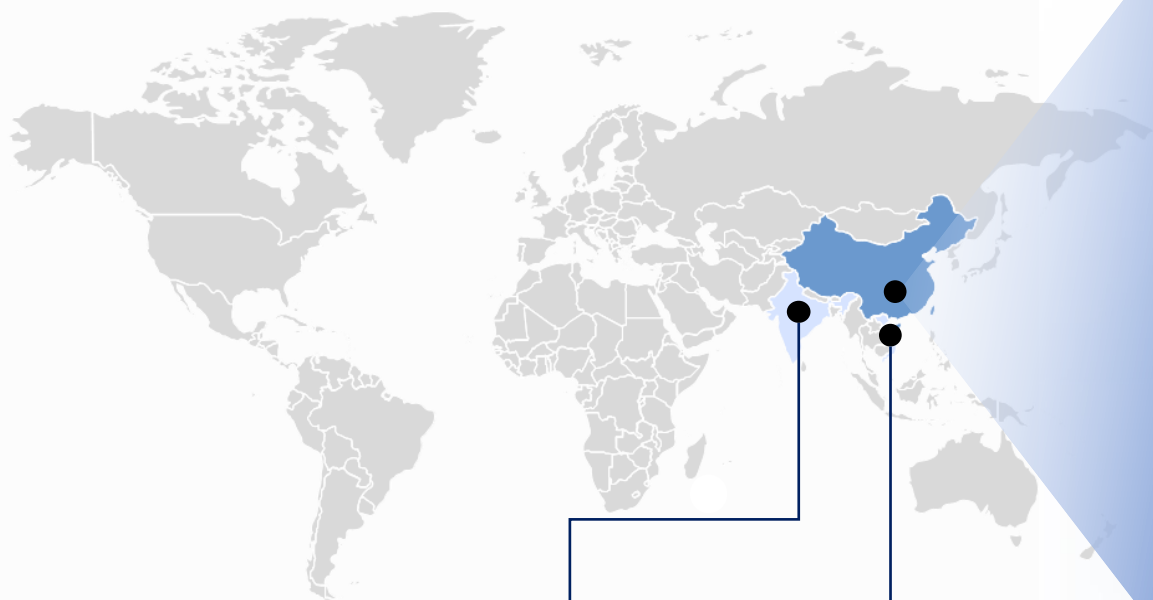
\* Large image size modules refer to modules with 1/1.5" and above image size



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



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## China



Yuyao Chengxi Production Base



Yuyao Yangming Production Base



Yuyao Lanjiang Production Base



## India



Handset camera module

## Vietnam



Handset camera module



Vehicle lens set





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# Strategy and Outlook

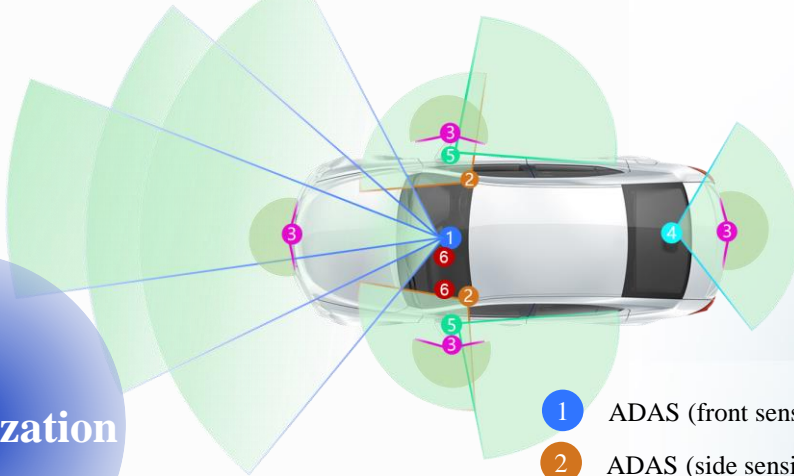
# Rapid Development of Optical Components is Driven by the Increasing Adoption in Multi-sensing and Projection Functions

Digitization

Intelligentization

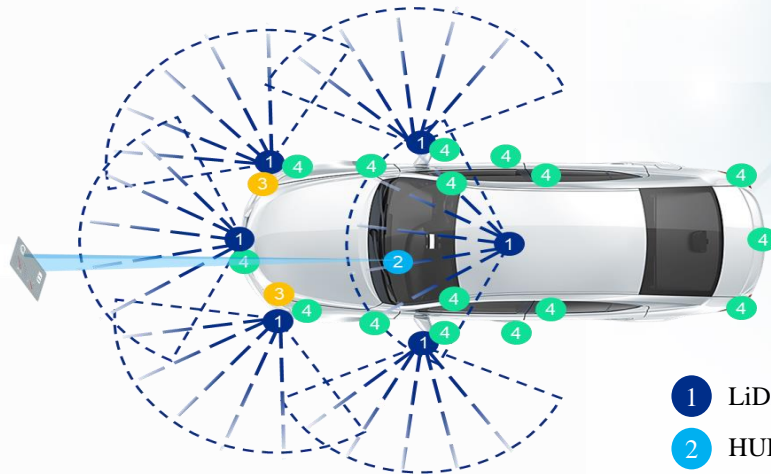
Electrification

- 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



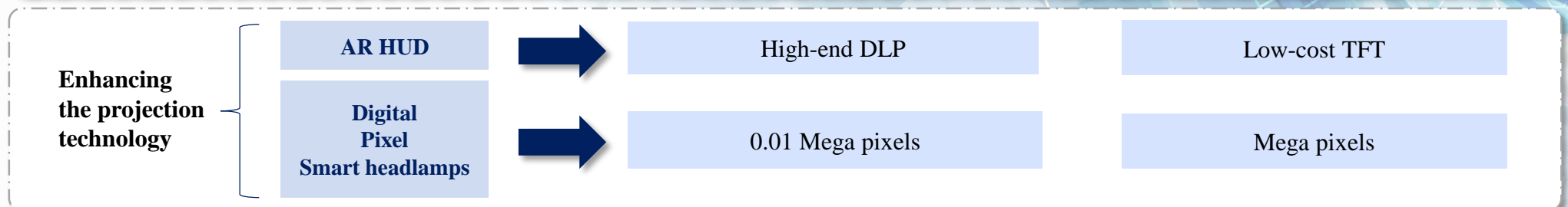
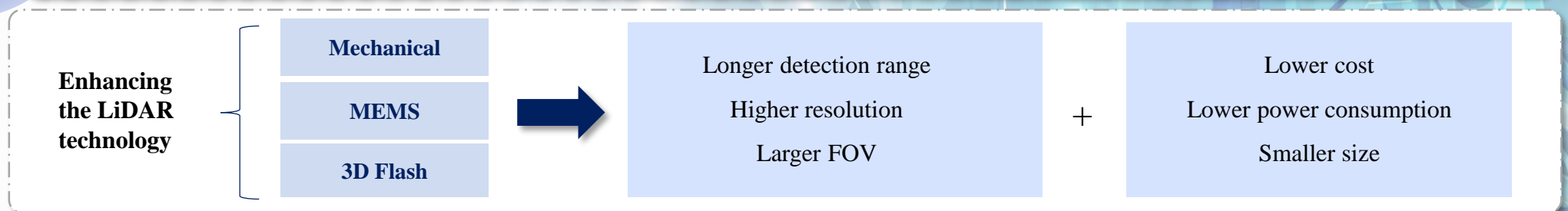
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Digitization

Intelligentization

Electrification

Enhancing the visual perception technology	Intelligent Driving	Intelligent In-cabin
	High pixel	High pixel
	Hybrid (G+P)	Product miniaturization
	Packaging technology (COB)	Wide-angle
	Standardized transport protocol	Depth sensing technology
	Self-cleaning, de-icing and anti-fogging	Image preprocessing technology





# 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

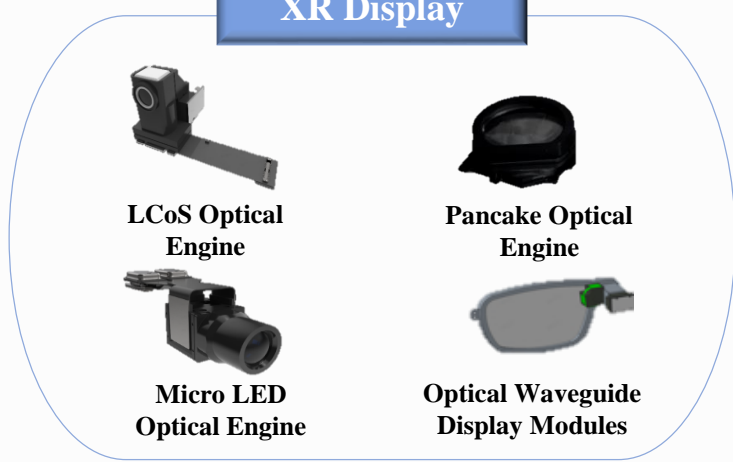


**AR**  
**New Personal Terminal**  
 +  
**Productivity Tool**

**End Devices**

**XR Display**

**Perception & Interaction**





# Camera Specifications Upgrades Boost Smartphone Imaging Technology Improvement



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- 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

- Large image size + Large aperture
- Hybrid (G+P)
- Miniaturized (X/Y/Z axis)
- **Variable aperture**
- **Sensor-shift stabilization**

## Ultra-wide Angle

- Small distortion
- Ultra-thin
- Large aperture







## Telephoto


- Prism-centered/prism-post
- Low-height telephoto
- Dual periscope/telephoto
- **Internal focus between groups**

## Front Camera

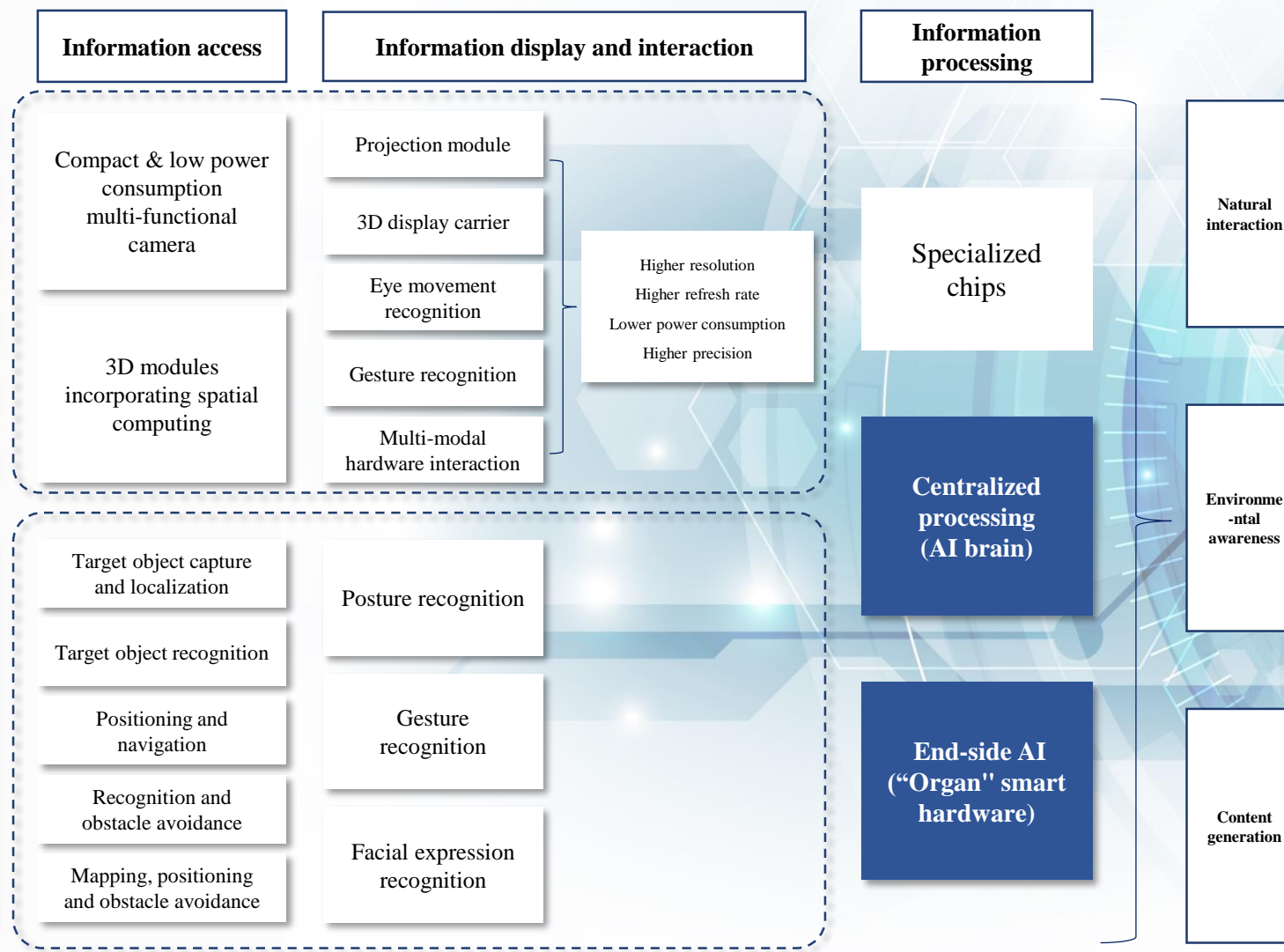
- Ultra-miniaturized head
- AF/OIS
- Small wide angle (90°)
- Ultra-thin
- Large aperture

## AI Large Models + Hardware Innovation

-  **Handset**
-  **Tablet/laptop**
-  **Vehicle**
-  **XR**
-  **Smart home**
-  **Wearable device**



# Robot



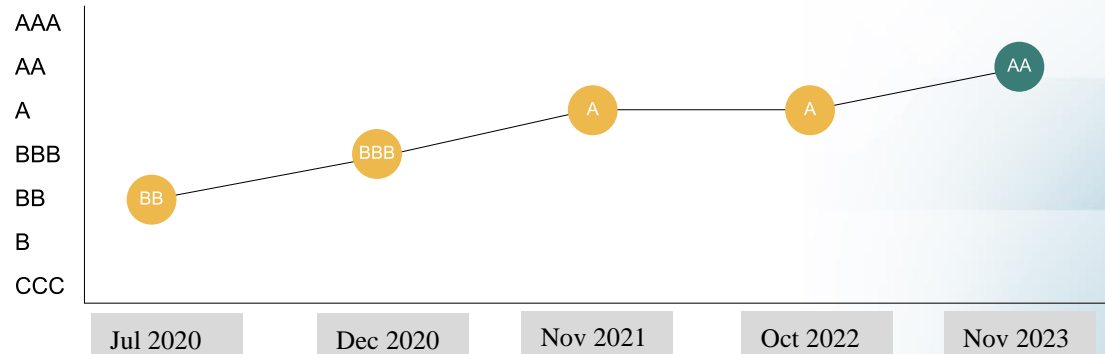


**4**

# **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 5<sup>th</sup> InnoESG Prize
  - **Organizational ESG Impact Award**
- 13<sup>th</sup> 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



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## 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



### 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.**



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# Appendix

# Business Development Focused on the Field of Optoelectronics



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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

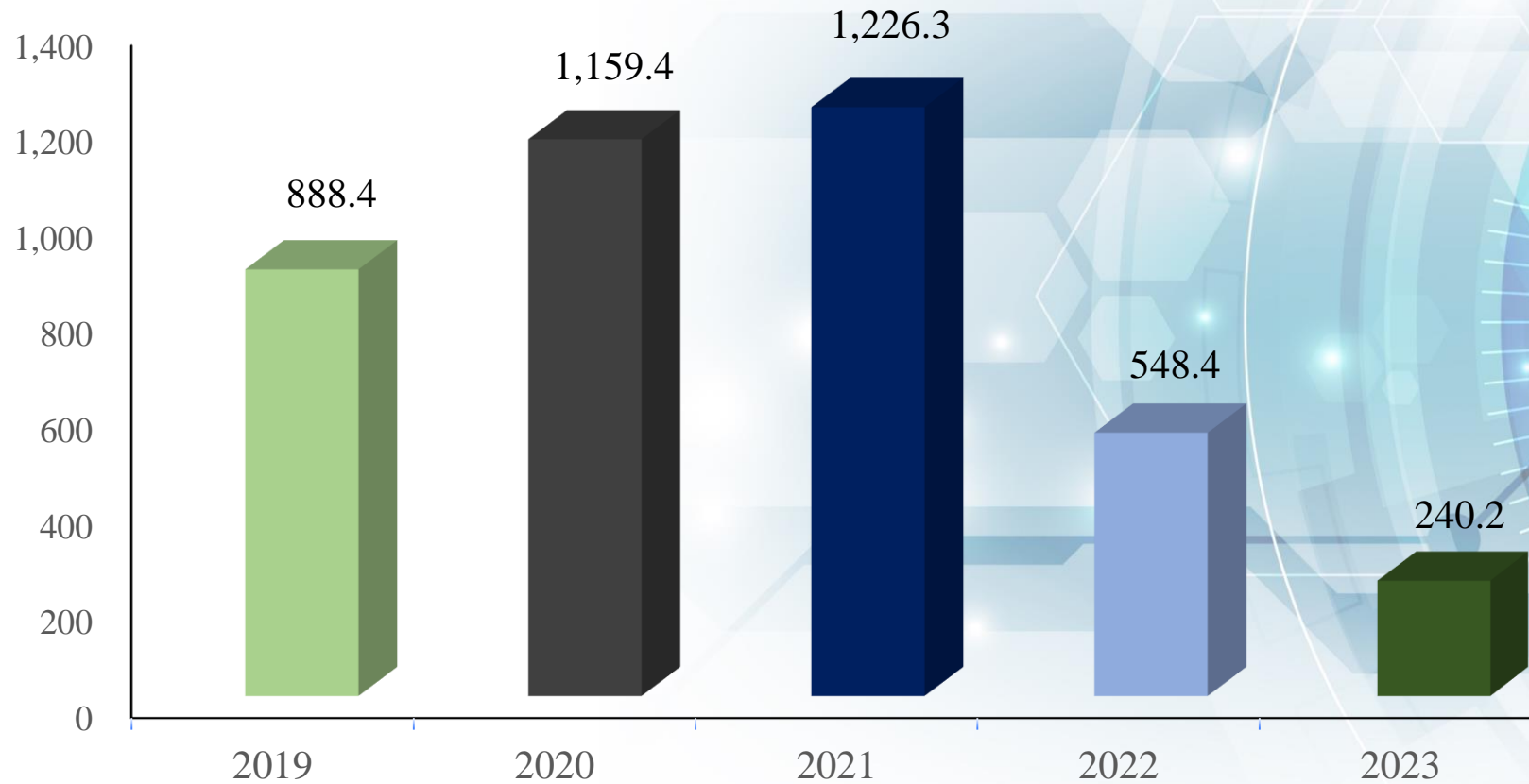
Established a production base of handset camera modules in Thai Nguyen, Vietnam

2023

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

## Dividends

(HKD mn)



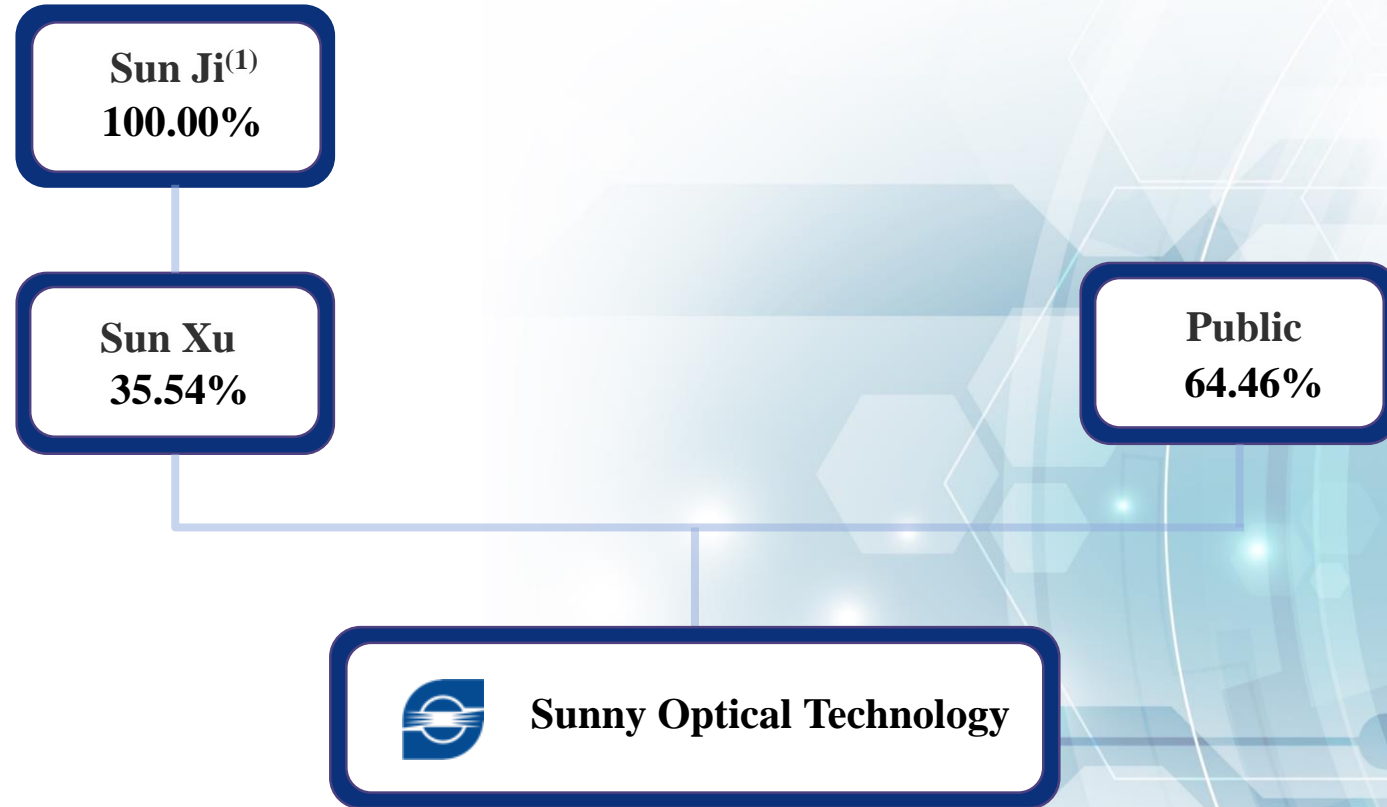
*For the year ended 31 December*



# Shareholding Structure Remained Stable



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(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

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