

Sunny Optical Technology (Group) Company Limited

舜宇光學科技(集團)有限公司

Stock Code: 2382.HK



**Expert in
Optics**

2017 Annual Results Announcement Corporate Presentation

March 2018



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Financial Highlights

Financial Highlights



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	» 2016	» 2017	Change
<i>(RMB mn)</i>	<i>For the year ended 31 December</i>		
Revenue	14,611.8	22,366.3	+53.1%
Gross Profit	2,680.1	4,802.8	+79.2%
Profit Before Tax	1,446.4	3,318.3	+129.4%
Income Tax Expense	(174.8)	(404.2)	+131.2%
Effective Tax Rate	12.1%	12.2%	+0.1 ppt
Profit for the Year Attributable to Owners of the Company	1,270.8	2,901.6	+128.3%
Basic Earnings per Share <i>(RMB cents)</i>	117.6	266.8	+126.8%

Operating Expenses Analysis



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» 2015

» 2016

» 2017

(RMB mn)

For the year ended 31 December

(as % of revenue)

(as % of revenue)

(as % of revenue)

	2015		2016		2017	
Revenue	10,696.2	100.0%	14,611.8	100.0%	22,366.3	100.0%
Total Operating Expenses	854.0	8.0%	1,179.5	8.2%	1,762.2	7.8%
• Selling and Distribution Expenses	95.0	0.9%	153.9	1.1%	205.1	0.9%
• R&D Expenditure	502.1	4.7%	694.4	4.8%	1,168.2	5.2%
• Administrative Expenses	256.9	2.4%	331.2	2.3%	388.9	1.7%



»» 2015

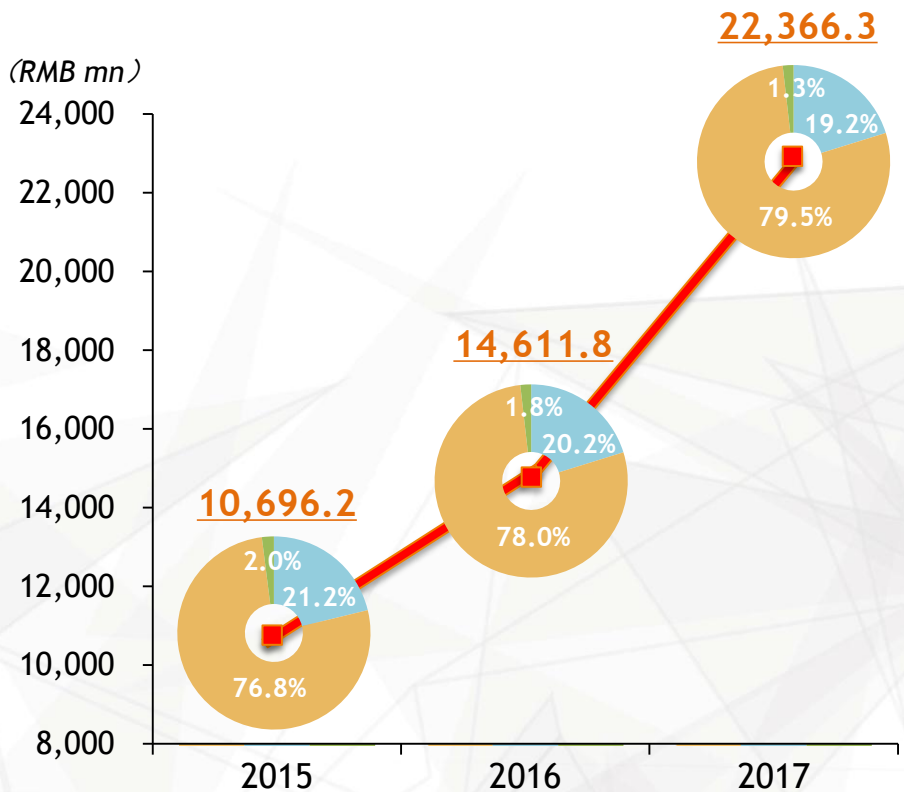
»» 2016

»» 2017

For the year ended 31 December

Current Ratio <i>(Times)</i>	1.6	1.4	1.5
Operating Cash Inflow <i>(RMB mn)</i>	1,701.5	1,615.5	2,436.3
Cash and Cash Equivalents <i>(RMB mn)</i>	2,096.6	2,754.7	3,339.5
• <i>Pledged Bank Deposits (RMB mn)</i>	129.6	101.0	140.3
• <i>Financial Assets Designated as at Fair Value through Profit and Loss (RMB mn)</i>	1,708.3	2,027.5	1,952.3
• <i>Bank Balances and Cash (RMB mn)</i>	258.7	626.2	1,246.9
Net Cash per Share <i>(RMB cents)</i>	131.6	171.2	183.1
Gearing Ratio <i>(%)</i>	8.9	7.8	8.6
ROE <i>(%)</i>	19.9	25.9	38.8
Capital Expenditure <i>(RMB mn)</i>	411.2	972.7	1,765.5

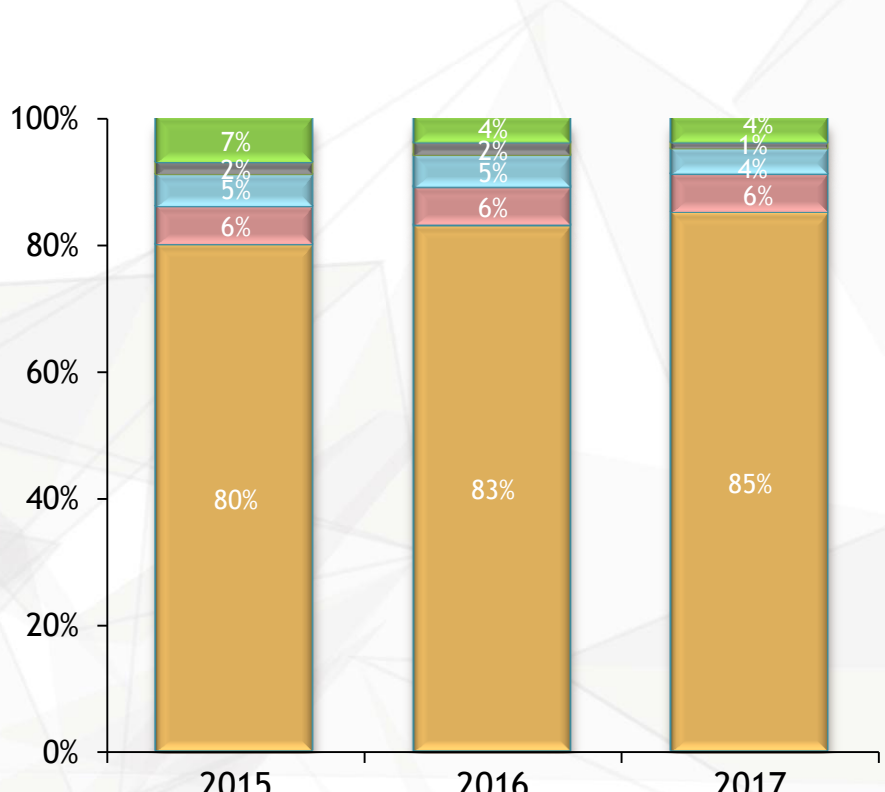
Revenue Breakdown by Business Segments



For the year ended 31 December as % of total revenue for different business segments

- Optical Components
- Optoelectronic Products
- Optical Instruments
- Total Revenue

Revenue Breakdown by Product Applications

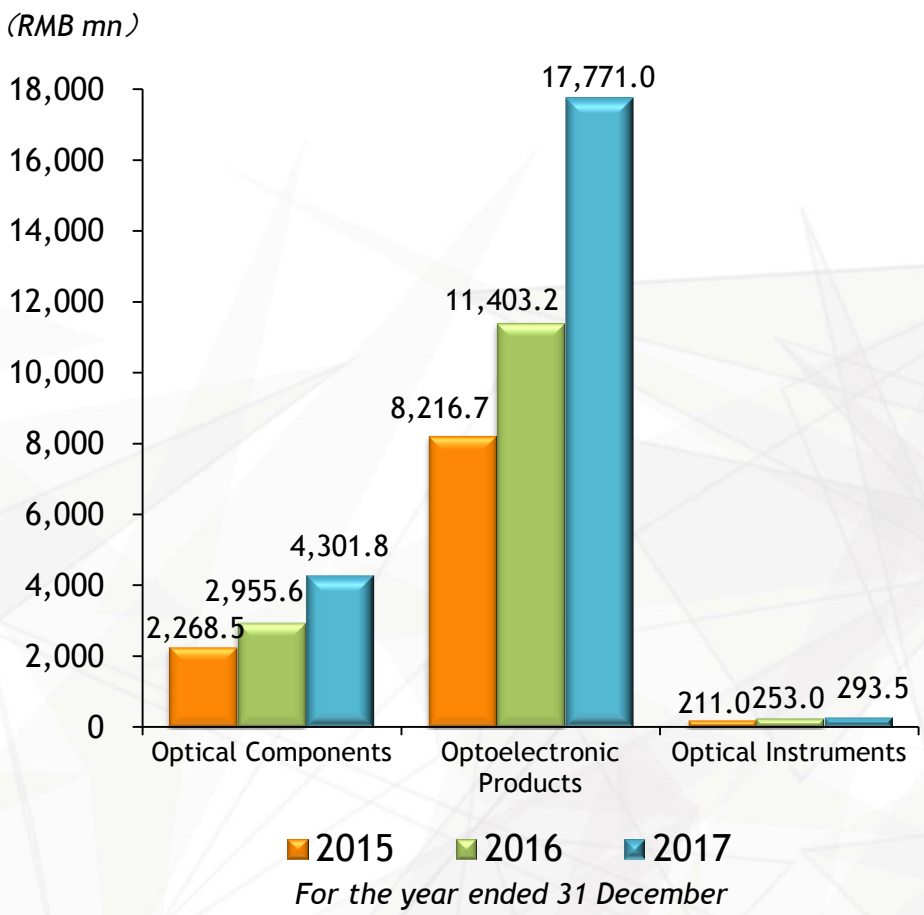


For the year ended 31 December as % of total revenue for different products based on applications

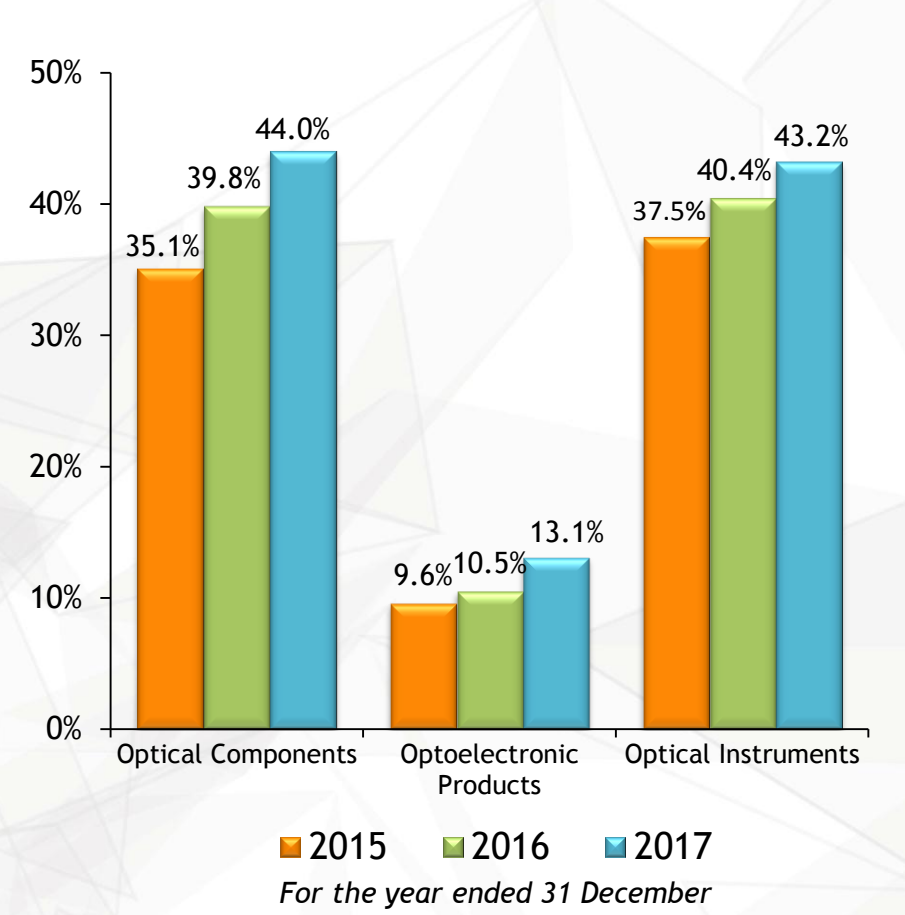
- Handset Related Products
- Digital Camera Related Products
- Vehicle Lens Sets
- Optical Instruments
- Other Products

Revenue and Gross Profit Margins by Business Segments

Revenue by Business Segments



Gross Profit Margins by Business Segments



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Review of Operations & Development Strategies

Significant Achievements in R&D Hi-tech Barriers



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Obtained 634 Patents
223 New Patents Added

»» 2015

»» 2016

»» 2017

Optical Components



- The R&D on 23-mega pixel handset lens sets has completed
- The R&D on high-resolution handsets lens sets equipped with large aperture, large pixel size, and wide angle have completed
- 13-mega pixel(ultra-thin), 13-mega pixel (OIS) handset lens sets have commenced mass production
- 16-mega pixel, 16-mega pixel(ultra-thin), 16-mega pixel(OIS) handset lens sets have commenced mass production
- The R&D on iris recognition handset lens sets and dual-camera lens sets have completed
- 10-mega pixel above dual-camera handset lens sets have commenced mass production
- 13-mega pixel with wide angle handset lens sets have commenced mass production
- 16-mega pixel with large aperture (FNo.1.8) handset lens sets have commenced mass production
- 10-mega pixel above handset lens sets with 6 pieces of plastic aspherical lenses (“6P”) have commenced mass production
- VR/AR lenses and lens sets have undergone mass production
- A variety of high-end large aperture handset lens sets with 6 pieces plastic aspherical lenses have commenced mass production
- The R&D on handset lens sets with 7 pieces plastic aspherical lenses has been completed
- Hybrid handset lens sets have commenced mass production
- A variety of 20-mega pixel tiny handset lens sets have commenced mass production
- 16-mega pixel with FNo.1.65 handset lens sets have commenced mass production
- VR fresnel lenses have commenced mass production

Optoelectronic Products



- 20-mega pixel, wide-angle, OIS, dual-camera and PDAF camera modules have commenced mass production
- Iris recognition handset camera modules for mobile payment have commenced mass production
- New packing technology of COB has completed R&D and commenced mass production
- Ultra-thin front dual-camera modules of handset without bracket has commenced mass production
- 10-mega pixel above dual-camera modules of handset have commenced mass production
- New TOF module, structured light module and binocular stereo camera have commenced mass production
- The R&D on periscope-style tiny optical zoom modules and periscope-style dual camera modules with high magnification optical zoom function has been completed
- 16-mega pixel with FNo.1.65 handset camera modules have started mass production
- 3D structured-light products have been completed R&D and commenced batch production
- The qualification of automotive camera modules has been obtained by a globally renowned Tier 1 client

Optical Instruments

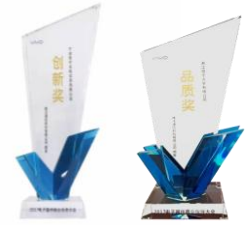


- The R&D on automatic industrial testing microscope first applied to 12-inch ultra-large wafer testing in China has completed
- 17 categories 42 kinds of standard water testing application scheme has completed
- “The objective lens of Microscope” has obtained a national invention patent
- Top grade ion-chromatography with self-designed and manufactured suppressor and eluent generator was released for the first time in China
- The R&D on high sensitivity miniaturized flame ionization detector and electron capture detector for gas chromatograph have completed
- “Digital Workshop for the Smart Manufacturing of Optoelectronic Camera Modules” has been successfully selected into “2016 Comprehensive Standardization and New Mode Application in Smart Manufacturing Project” of MIIT
- The LED invert fluorescence microscopes with automatic fluorescence switch first applied in China in life science field have commenced mass production
- The automatic production line solution of automotive camera modules has commenced mass production
- The equipment of IRCF defect inspection and IRCF module defect inspection based on AI have commenced mass production

Awards and Recognitions



Panasonic
"Best Delivery Supplier Award"



VIVO
"Innovation Award" and
"Quality Award"



Huawei Technologies "Core Partner Award",
Huawei Consumer BG "Best Collaboration Partner Award"



Bosch
"Global Supplier Award"



Hikvision
"Strategic Partner Award"



Sony
"Quality Contribution Award"



ZF Group
"Global Best Supplier Award"



"Hang Seng Index"
Constituent Stock



Forbes
Ranked 17th in "Top 50 Listed Companies in Asia"



Ranked Top three among Technology/Hardware Companies of the 2017 "Best CEO", "Best CFO", "Best IR Professional", "Best IR Company", "Best Analyst Day" and the "Best Website" again by Institutional Investor, and "Most Honored Company"

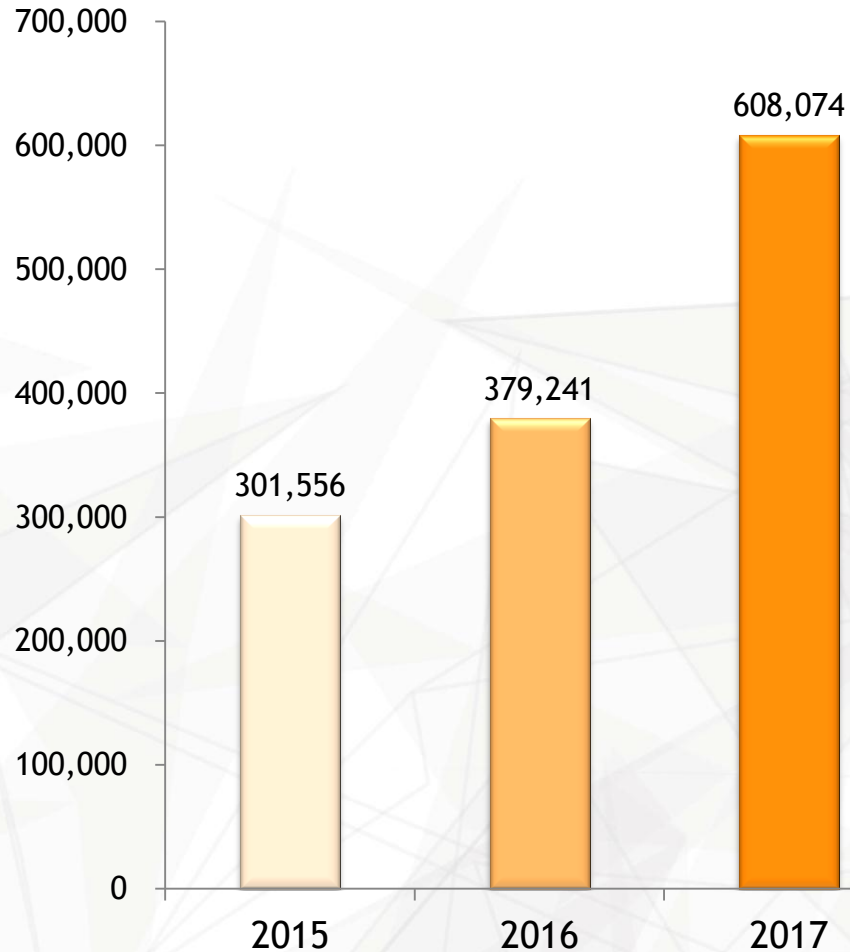
Continue to Gain Global Market Share Strive for Domestic No.1 and Global No.2



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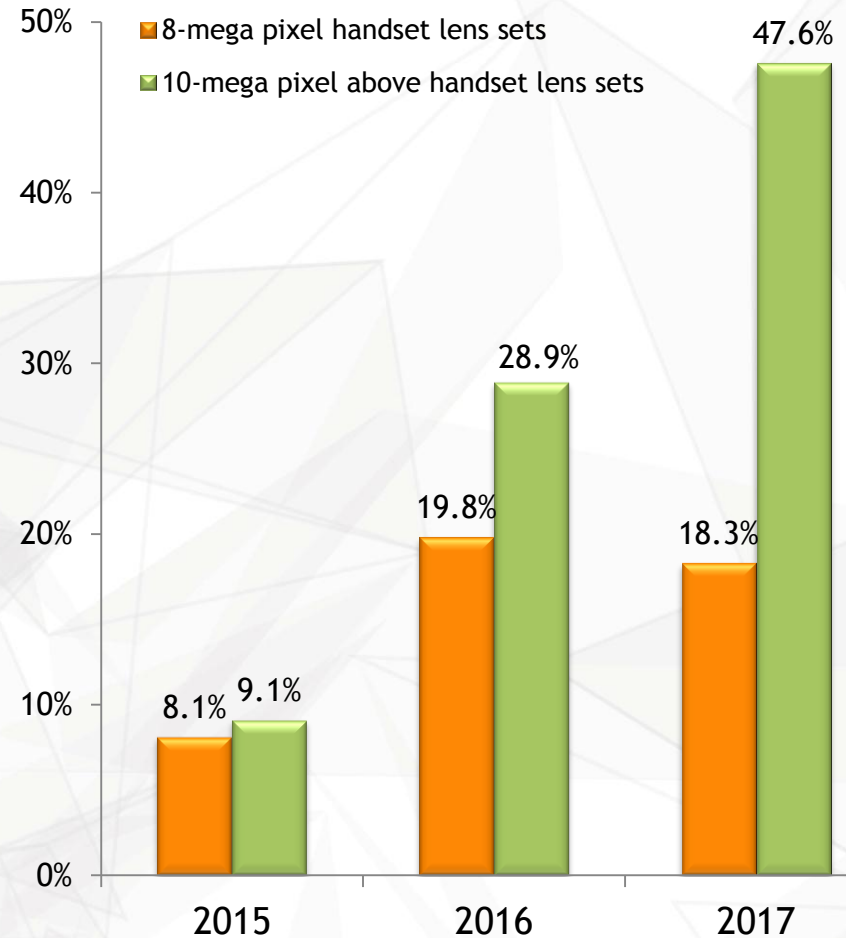
Shipment Volume of the Company's Handset Lens Sets

(Unit : k)



For the year ended 31 December

Shipment Volume Proportion of the Company's Handset Lens Sets by Pixels



For the year ended 31 December

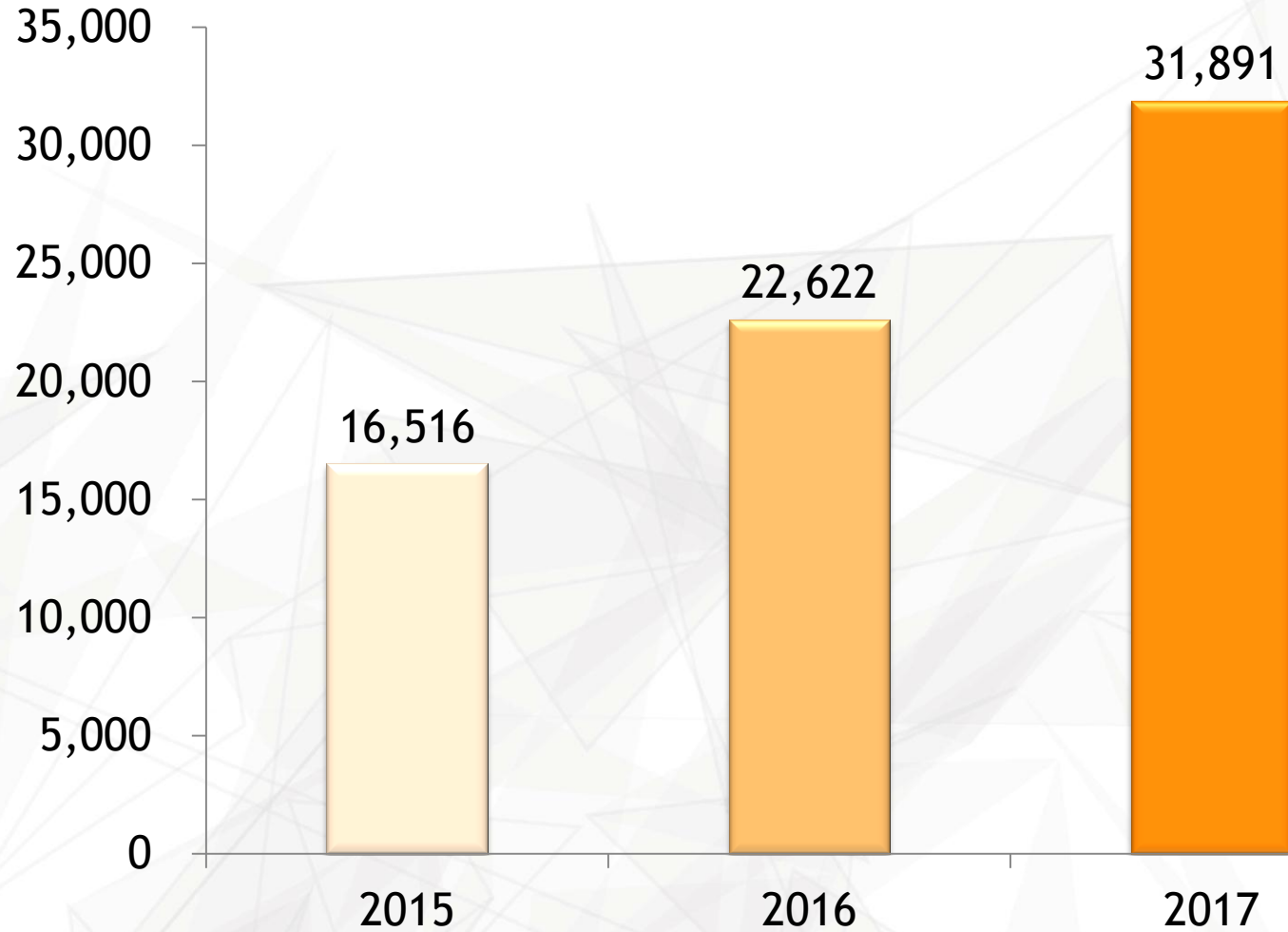
Maintain No.1 Position in Global Market Further Expand



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Shipment Volume of the Company's Vehicle Lens Sets

(Unit: k)



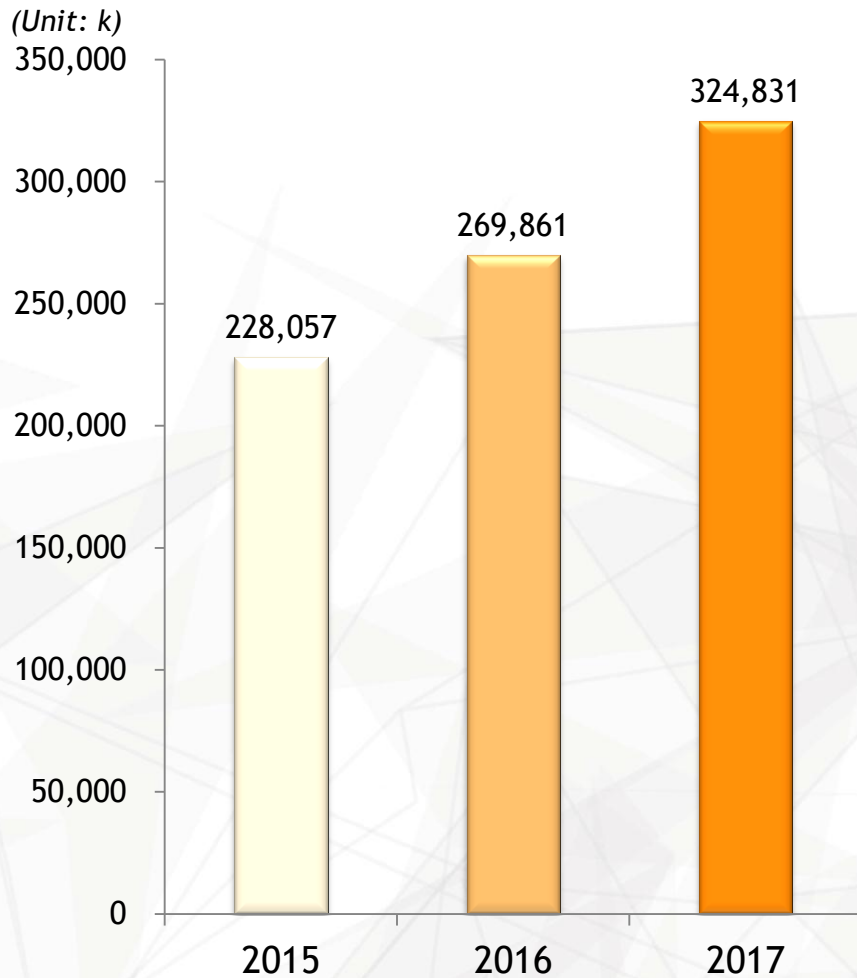
For the year ended 31 December

Solidify Leading Position in Domestic Market Further Capture Overseas Clients



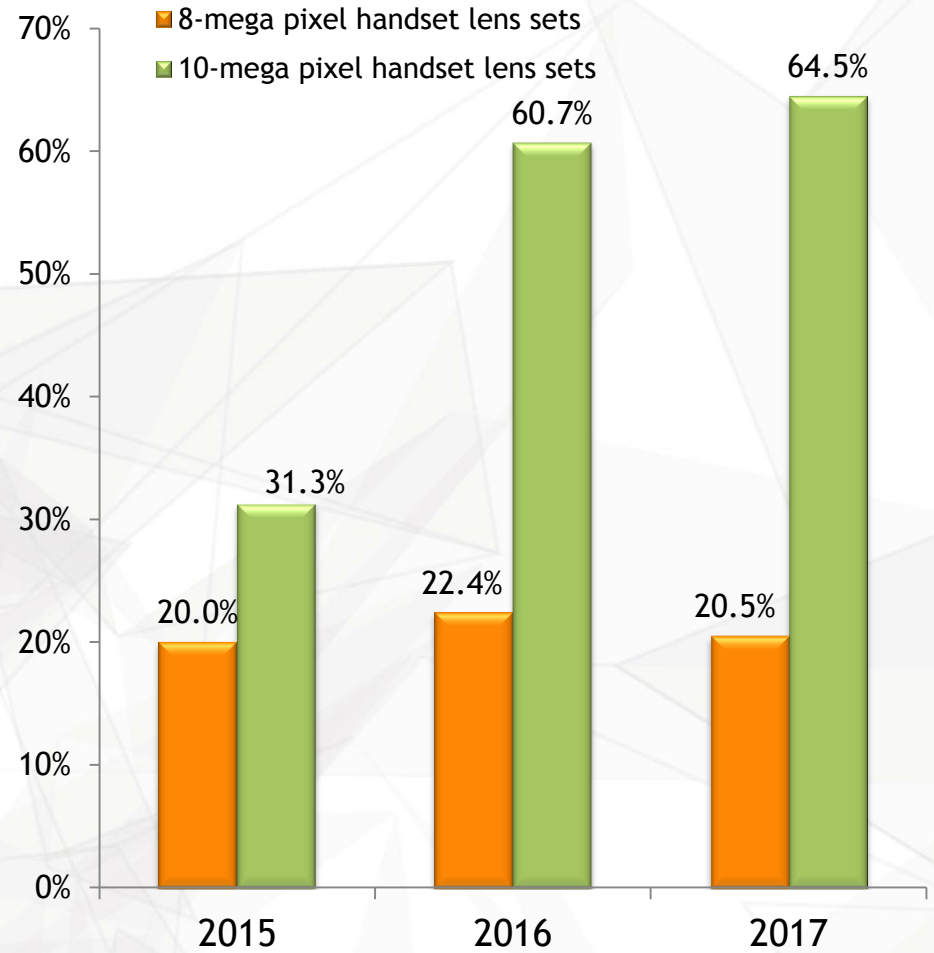
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Shipment Volume of the Company's Handset Camera Modules



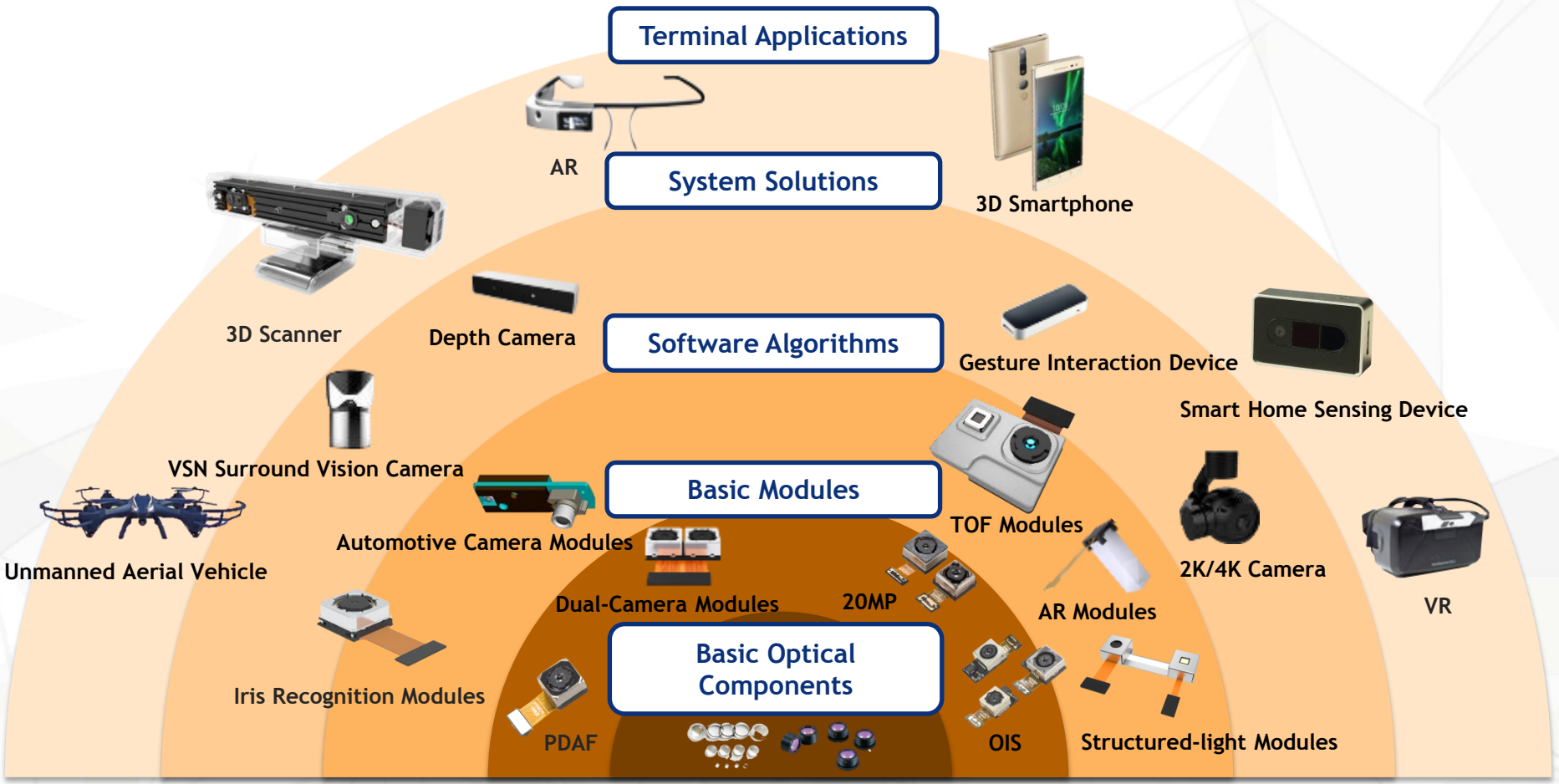
For the year ended 31 December

Shipment Volume Proportion of the Company's Handset Camera Modules by Pixels



For the year ended 31 December

Smart Optical System Solution Provider



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Open Forum

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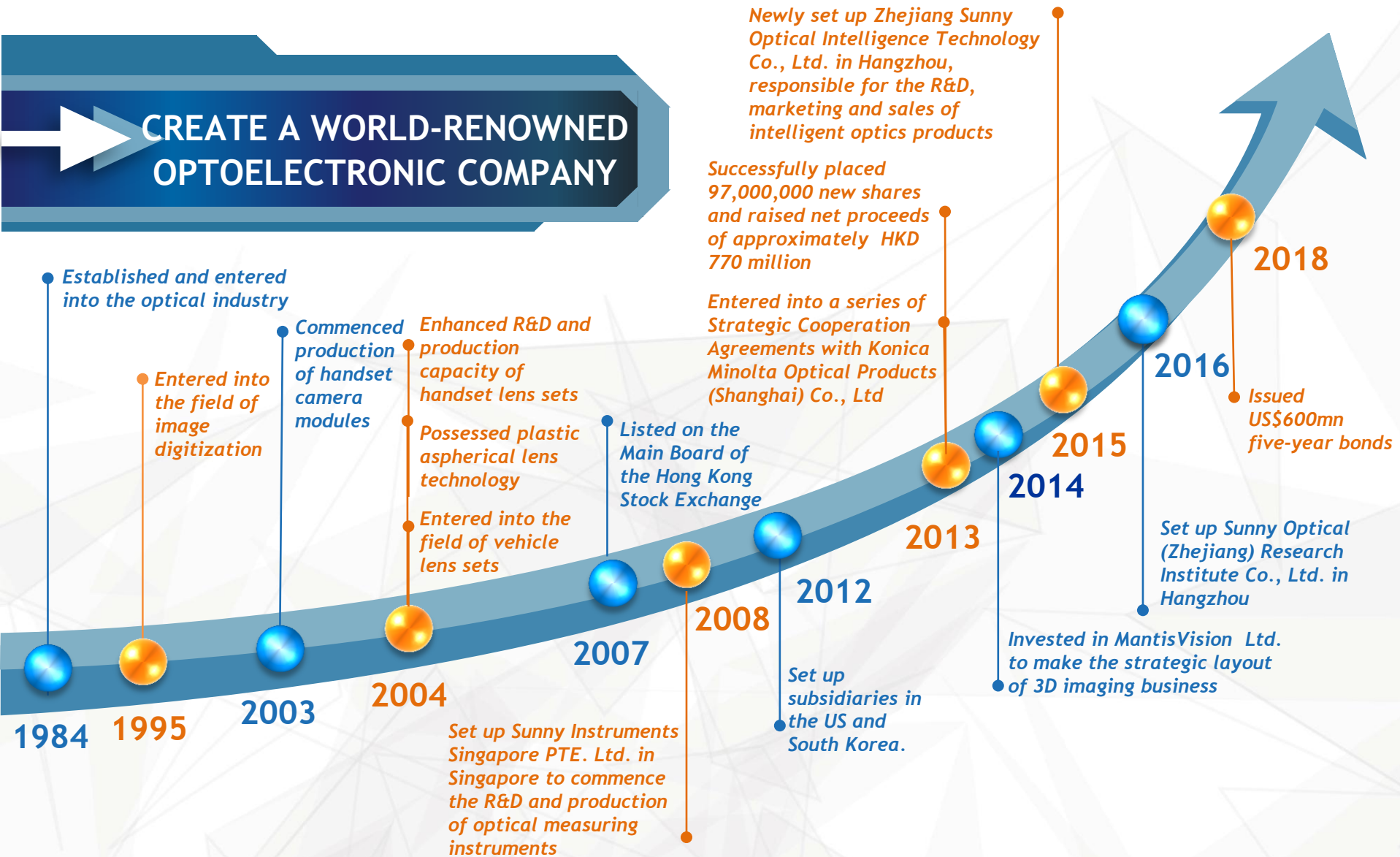
Appendix

Milestones



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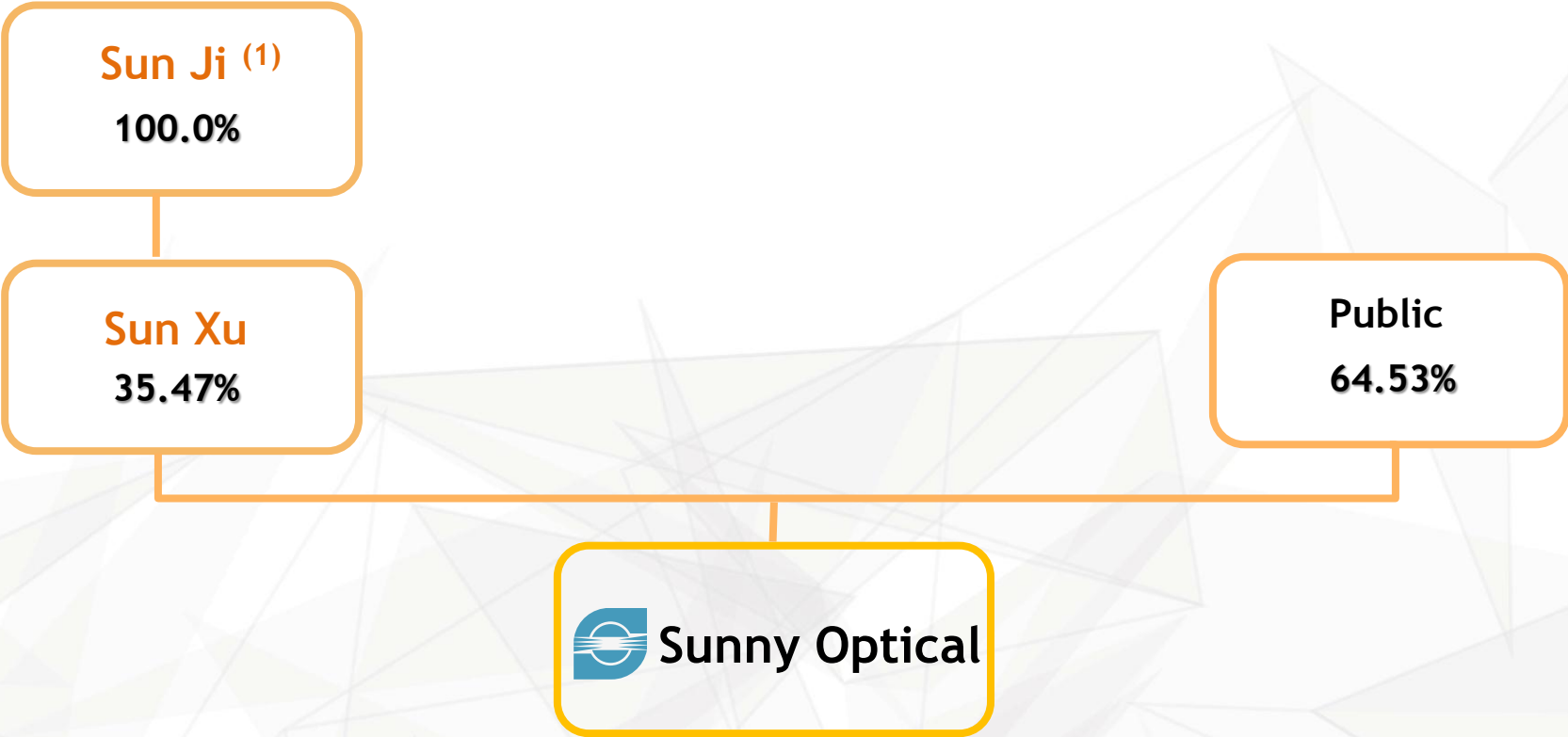
CREATE A WORLD-RENOWNED OPTOELECTRONIC COMPANY



Shareholding Structure



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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.

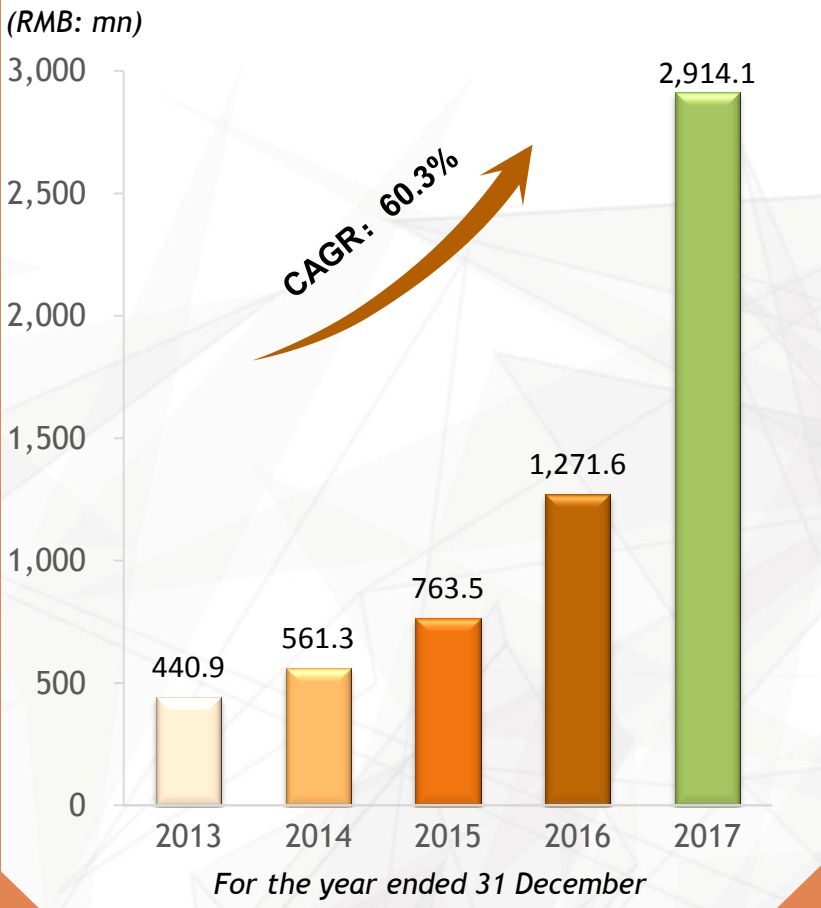
* As at 31 December 2017



CONTINUED GROWTH IN NET PROFIT

FINAL DIVIDENDS PAYOUT RATIO AT 20%-30% OF THE PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY

Net Profit



Dividends

