

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**

2016 Annual Results Announcement Corporate Presentation

March 2017

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Financial Highlights

Financial Highlights



	»» 2015	»» 2016	Change
<i>(RMB mn)</i>	<i>For the year ended 31 December</i>		
Revenue	10,696.2	14,611.8	+36.6%
Gross Profit	1,763.4	2,680.1	+52.0%
Profit Before Tax	862.3	1,446.4	+67.7%
Income Tax Expense	(98.8)	(174.8)	+77.0%
Effective Tax Rate	11.5%	12.1%	+0.6ppt
Profit for the Year Attributable to Owners of the Company	761.6	1,270.8	+66.8%
Basic Earnings per Share <i>(RMB cents)</i>	70.9	117.6	+65.9%

Operating Expenses Analysis

2014

2015



2016

(RMB mn)

For the year ended 31 December

(as % of revenue)

(as % of revenue)

(as % of revenue)

	2014	2014	2015	2015	2016	2016
Revenue	8,426.5	100.0%	10,696.2	100%	14,611.8	100%
Total Operating Expenses	712.3	8.5%	854.0	8.0%	1,179.5	8.2%
• Selling and Distribution Expenses	89.3	1.1%	95.0	0.9%	153.9	1.1%
• R&D Expenditure	392.3	4.7%	502.1	4.7%	694.4	4.8%
• Administrative Expenses	230.7	2.7%	256.9	2.4%	331.2	2.3%

Solid Financial Position

2014

2015

»»2016

For the year ended 31 December

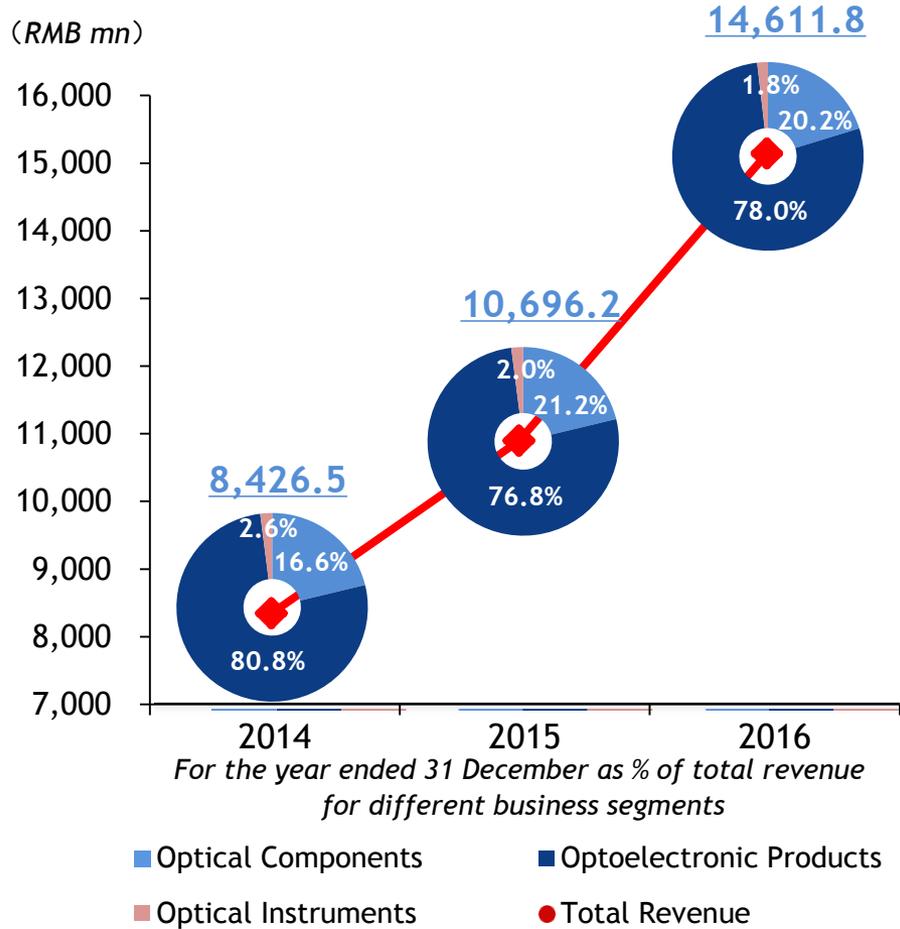
Current Ratio (Times)	1.8	1.6	1.4
Operating Cash (Outflow) Inflow (RMB mn)	(182.9)	1,701.5	1,615.5
Cash and Cash Equivalents (RMB mn)	903.9	2,096.6	2,754.7
• <i>Pledged Bank Deposits (RMB mn)</i>	4.4	129.6	101.0
• <i>Financial Assets Designated as at Fair Value through Profit and Loss (RMB mn)</i>	374.9	1,708.3	2,027.5
• <i>Bank Balances and Cash (RMB mn)</i>	524.6	258.7	626.2
Net Cash per Share (RMB cents)	35.7	131.6	156.5
Gearing Ratio (%)	9.3	8.9	7.8
ROE (%)	17.3	19.9	25.9
Capital Expenditure (RMB mn)	369.5	411.2	972.7



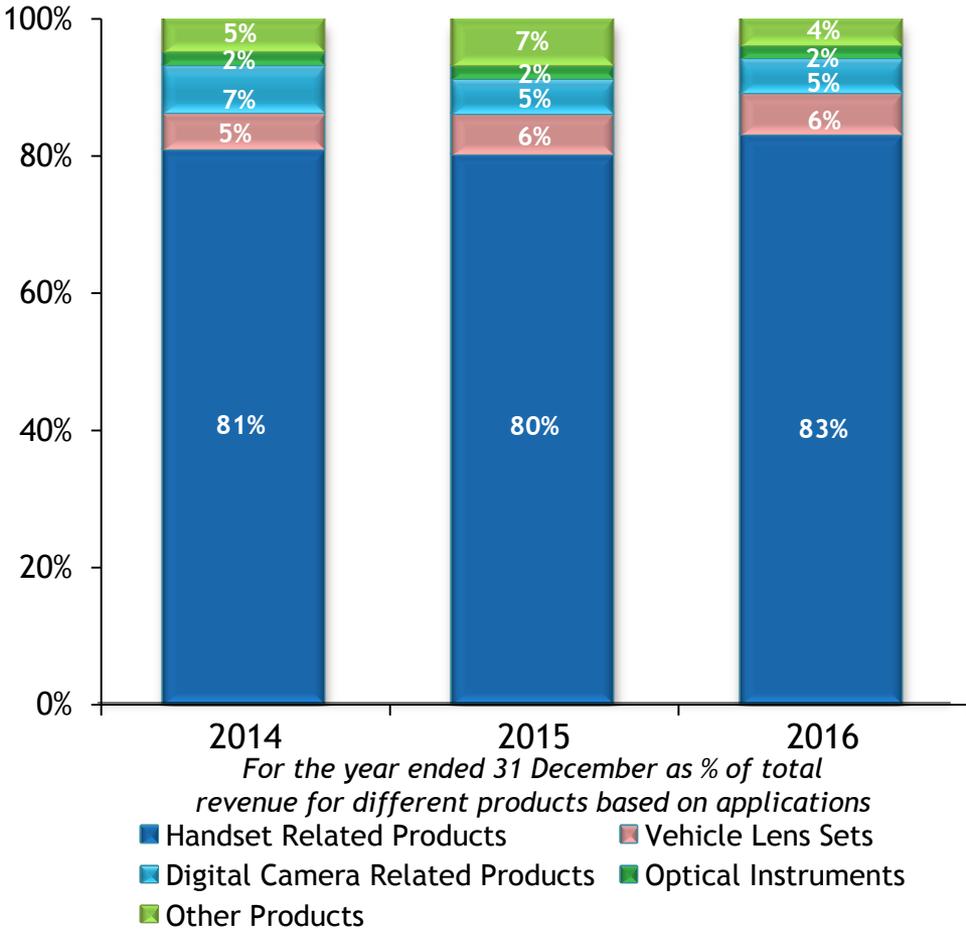
Revenue Breakdown



Revenue Breakdown by Business Segments

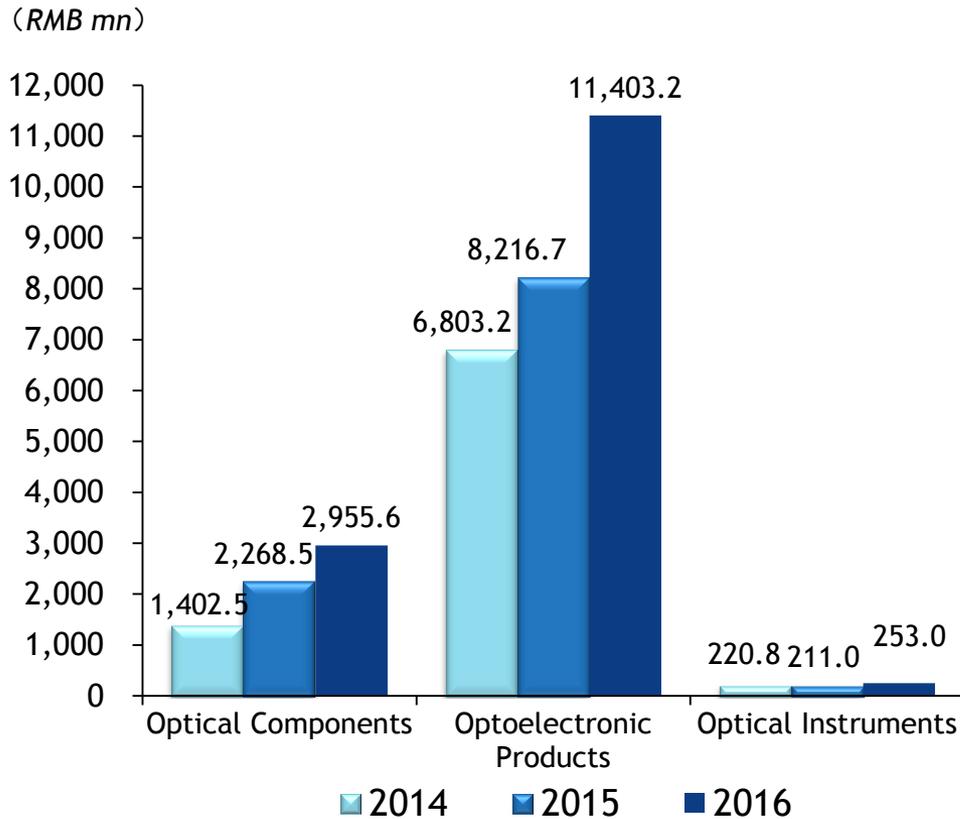


Revenue Breakdown by Product Applications



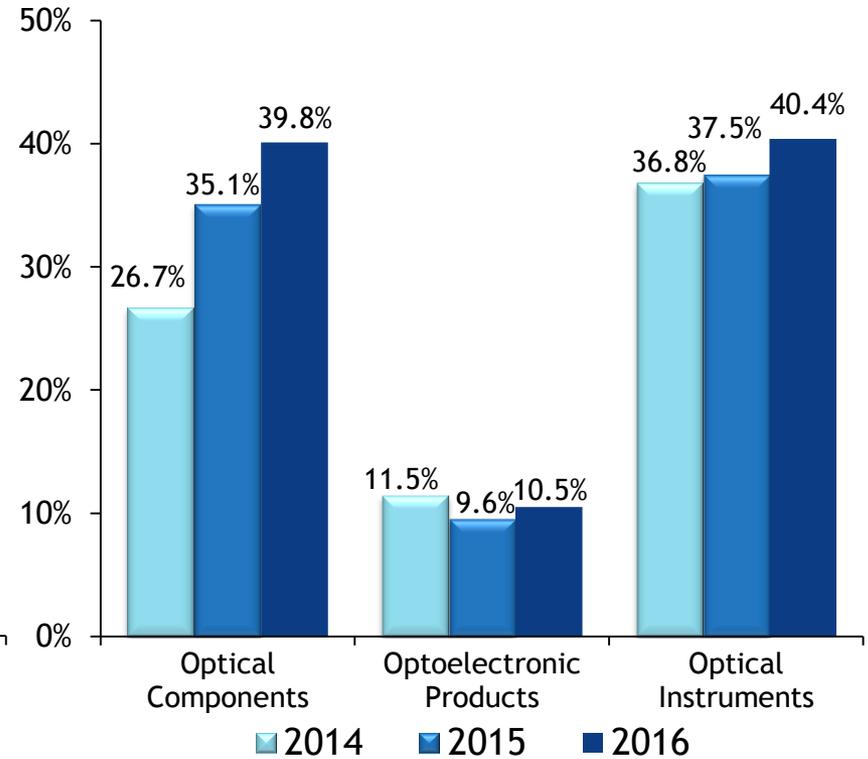
Revenue and Gross Profit Margins by Business Segments

Revenue by Business Segments



For the year ended 31 December

Gross Profit Margins by Business Segments



For the year ended 31 December

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Review of Operations & Development Strategies

Significant Achievements in R&D Hi-tech Barriers

Obtained
411 Patents



2014



2015



2016

Optical Components



- 13-mega pixel handset lens sets have commenced mass production
- The R&D of 16-mega pixel handset lens sets has completed
- The R&D of 13-mega pixel (FNO1.8/ultra-thin/OIS) handset lens sets have completed
- A manufacturing method of optical lens has obtained a national invention patent
- 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
- “Micro-camera lens”, “One high resolution optical lens”, “One athermal surveillance camera lens”, “One new long-wave infrared wide-angle lens” have obtained national invention patents
- 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 handset lens sets have commenced mass production
- 10-mega pixel above handset lens sets with 6 pieces of plastic aspheric lenses (“6P”) have commenced mass production
- VR/AR lenses and lens sets have undergone mass production
- “Near infrared interactive projection lens sets”, “An automatic gluing machine”, and “A long-wave infrared wide angle lens sets” etc. have obtained national invention patents

Optoelectronic Products



- The R&D of OIS handset camera modules has completed
- “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
- 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
- “A non-film tool and non-film technique applied in process of COB”, “The testing method of evaluating module motor curve based on image MTF”, “One automatic focusing device of high pixel module”, etc. have obtained national invention patents
- New packing technology of COB has completed R&D and commenced mass production
- Ultra-thin front dual-camera modules of handsets without bracket have commenced mass production
- 10-mega pixel above dual-camera modules of handsets have commenced mass production
- New TOF modules, structured light modules and binocular stereo cameras have commenced mass production
- “Personalized Parameters Delivery Method and System for New Module” and “Correction Method of Single Mobile Phone Camera Correction of Light Source” etc. have obtained national invention patents

Optical Instruments



- The R&D of fully-automatic high-speed Gas Chromatography/Quadrupole Mass Spectrometry (GC/MS) with some internationally leading performance indexes has completed successfully
- 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 detectors and electron capture detectors 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
- “A Kind of Micro - Video Image Objective Compensation Method” and “A test instrument for Displacement and inclination integration” etc. have obtained national invention patents

Awards and Recognitions

TINNO Mobile
“Quality Gold Prize”



Lenovo
“Outstanding Serviceability”



Huawei
“The Core Partner
Silver Prize
Year 2016 ”



Huawei
“The Best
Collaboration Partner
Year 2016”



Dahua
“2015 Best Strategic
Partner”



“Top 100 Enterprises in China
Electronic Information Industry”,
ranking 54th



“China’s Top 500 Private Enterprises”,
ranking 472nd



Sony
“Excellent Partner”

Included as a constituent stock in
the “MSCI Global Standard Index-
China Index” and “Hang Seng China
(Hong Kong-Listed) 100 Index”



Fortune (Chinese Edition)
in “2016 China Top 500 list”,
ranking 458th



Hong Kong Investor Relations
Association
“The Best Investor Relationship
Company (Mid-Cap Stock)” prize

“The Gas Chromatography-Mass
Spectrometer MSQ8100”
won the gold prize in BCEIA2015



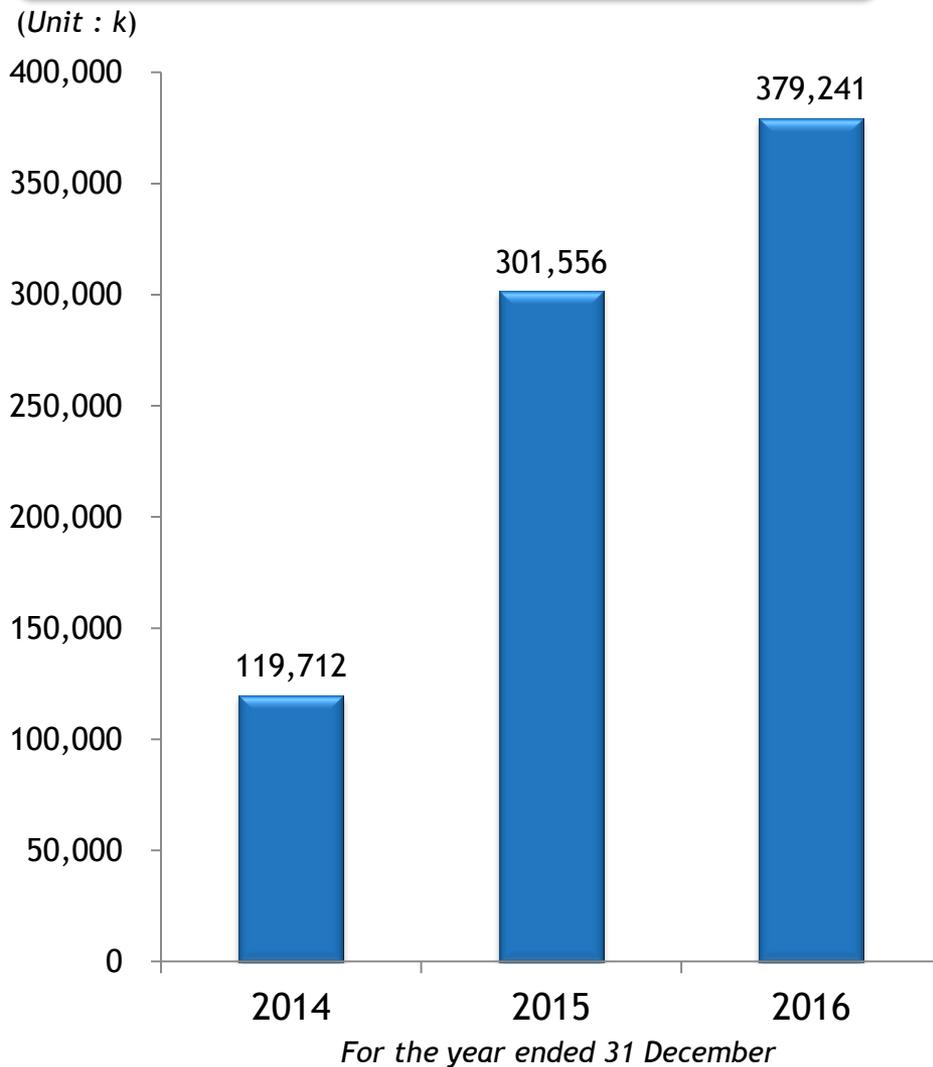
Ranked top 3 among the Technology/Hardware Companies
of the “Best CEO”, “Best CFO”, “Best IR Professional”,
the “2016 Asia Best IR”, the “2016 Asia Best Analyst
Day”, the “Best Website” and was awarded the “Most
Honored Company”



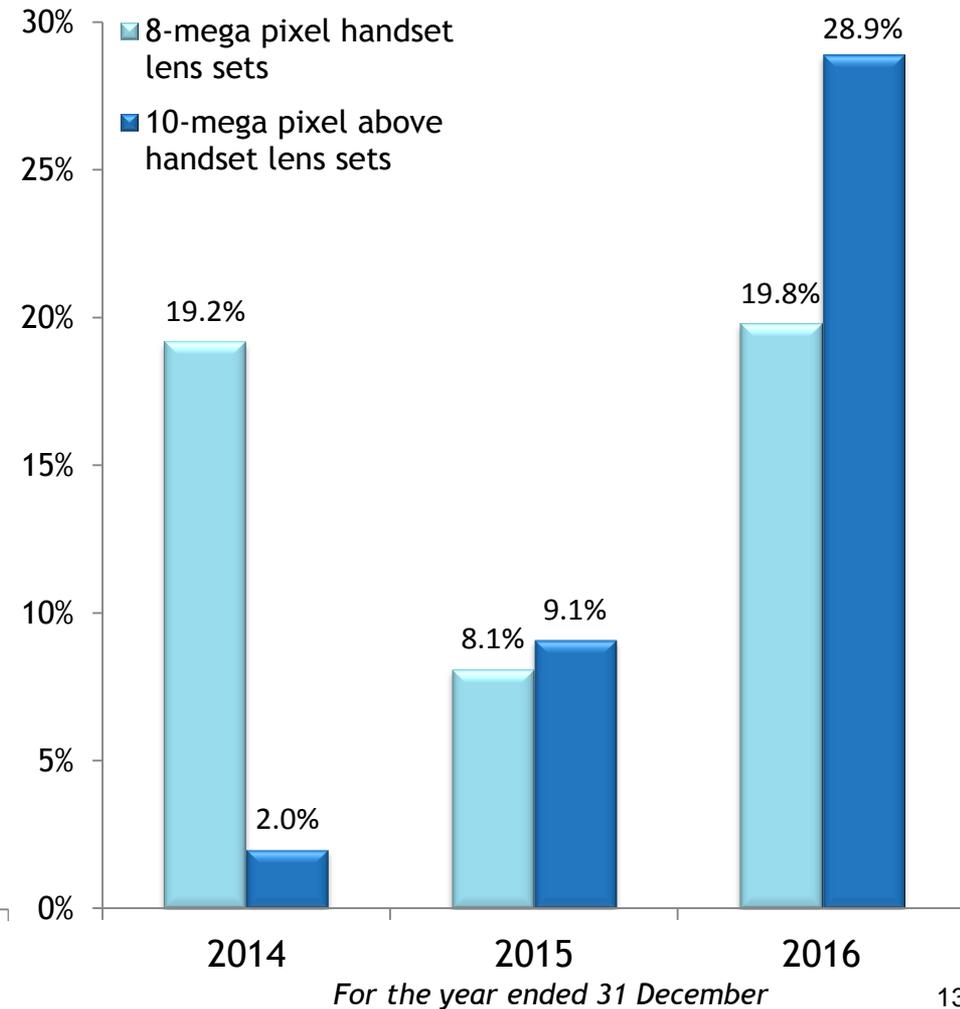
Continue to Gain Global Market Share Strive for Domestic No.1 and Global No.2



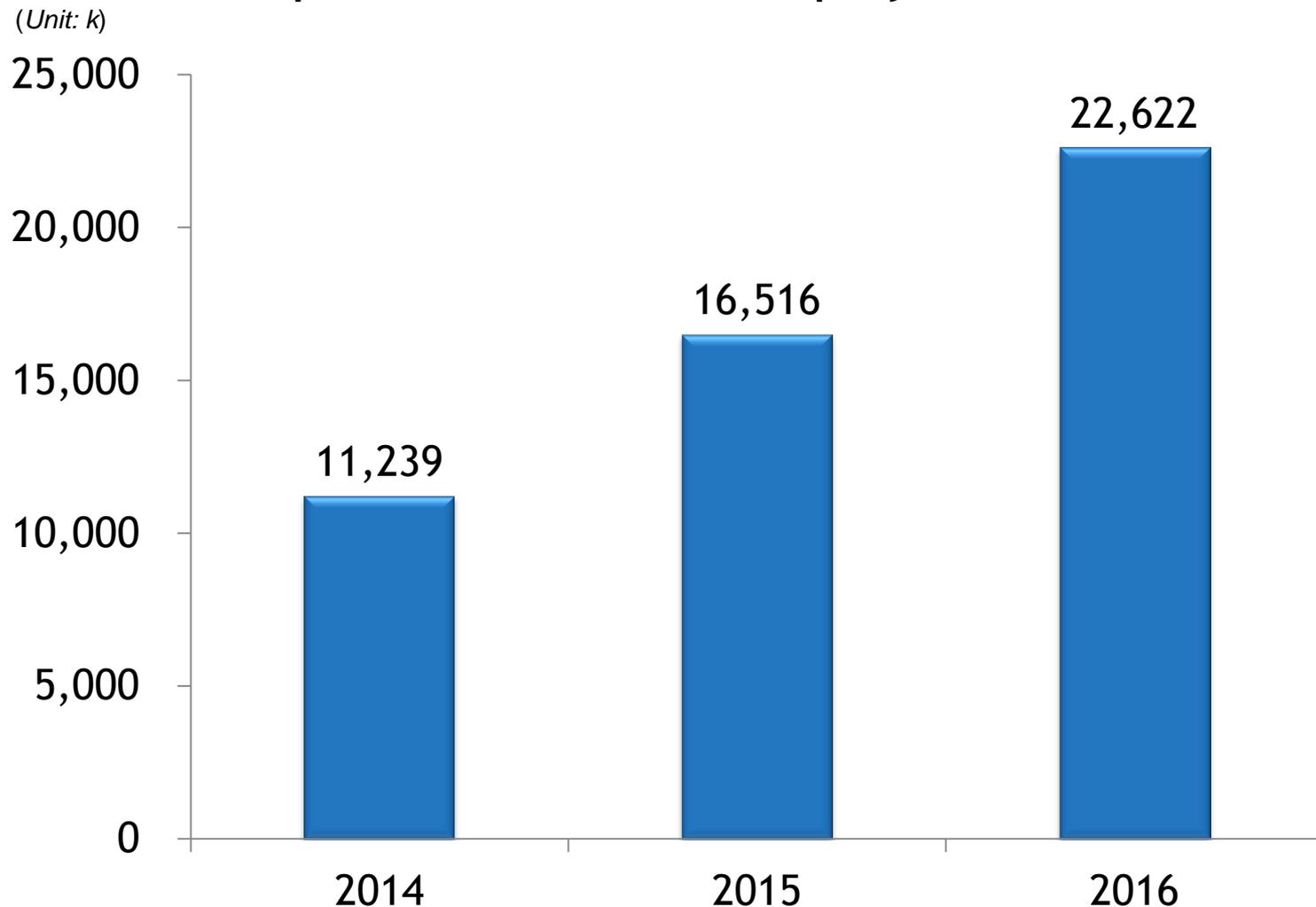
Shipment Volume of the Company's Handset Lens Sets



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



Shipment Volume of the Company's Vehicle Lens Sets

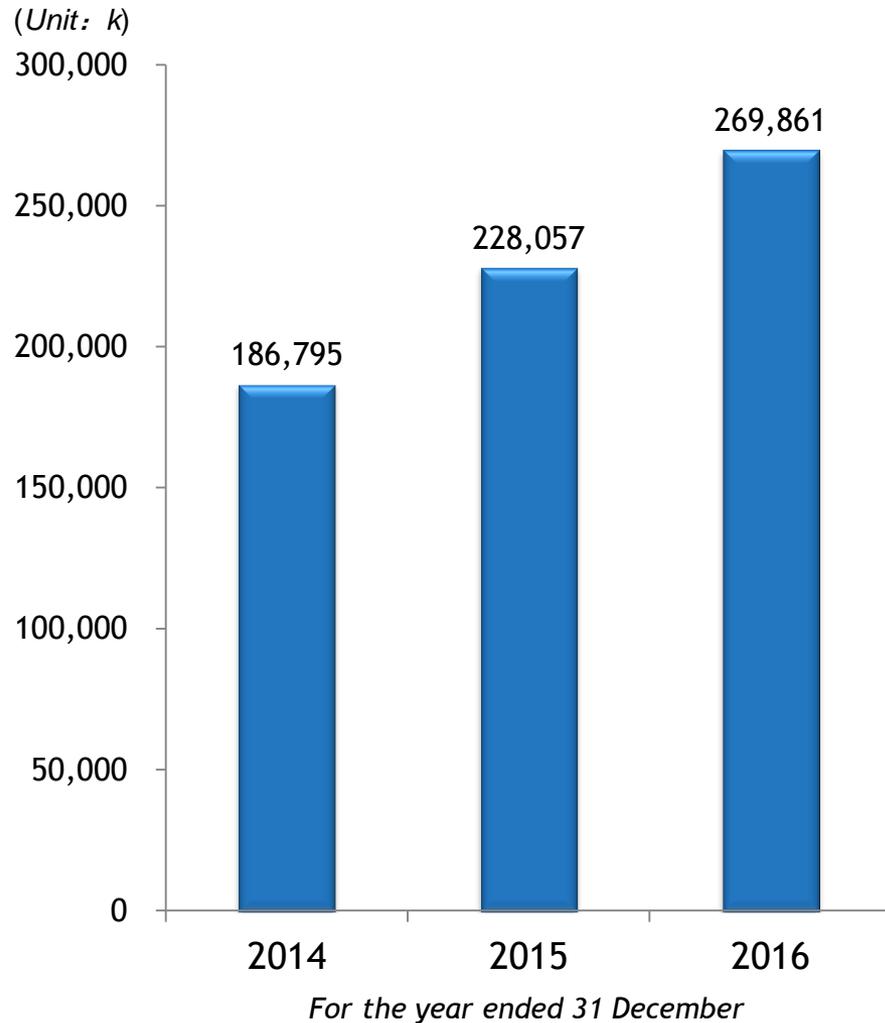


For the year ended 31 December

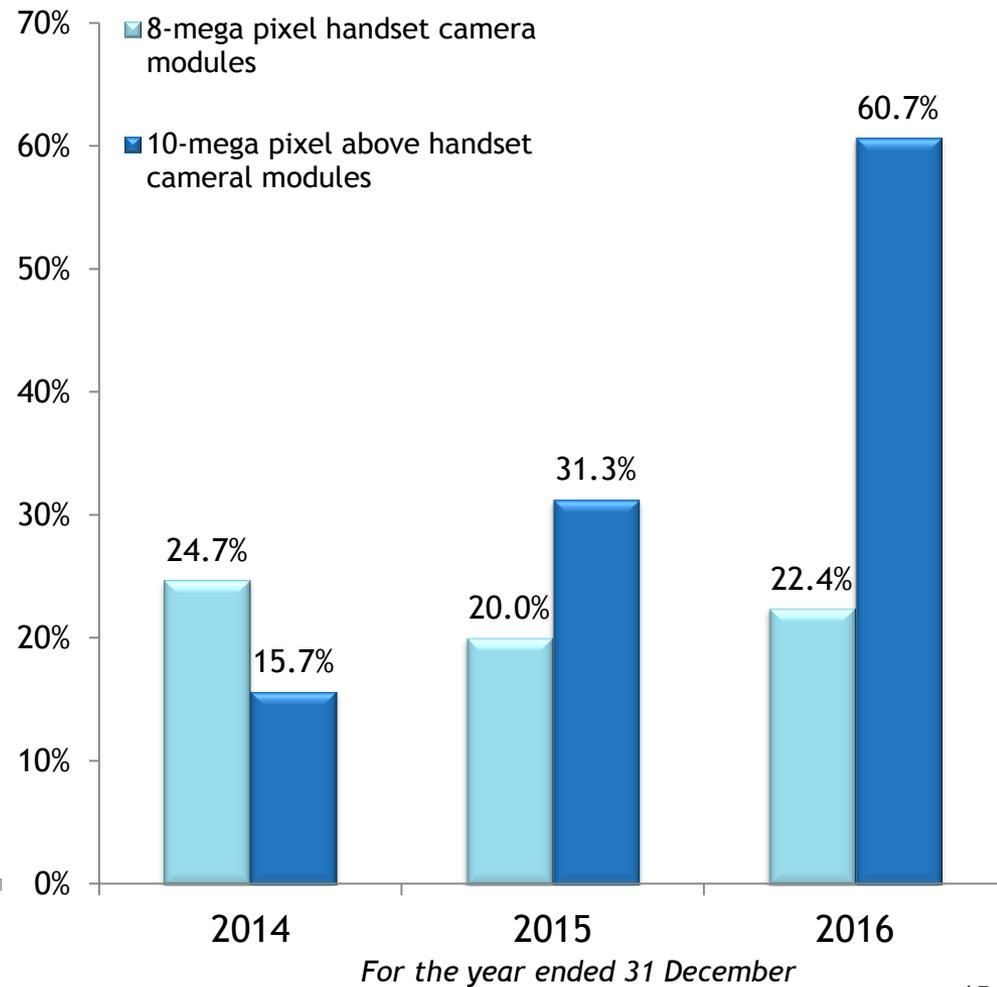
Solidify No.1 Position in Domestic Market Further Capture Overseas Clients

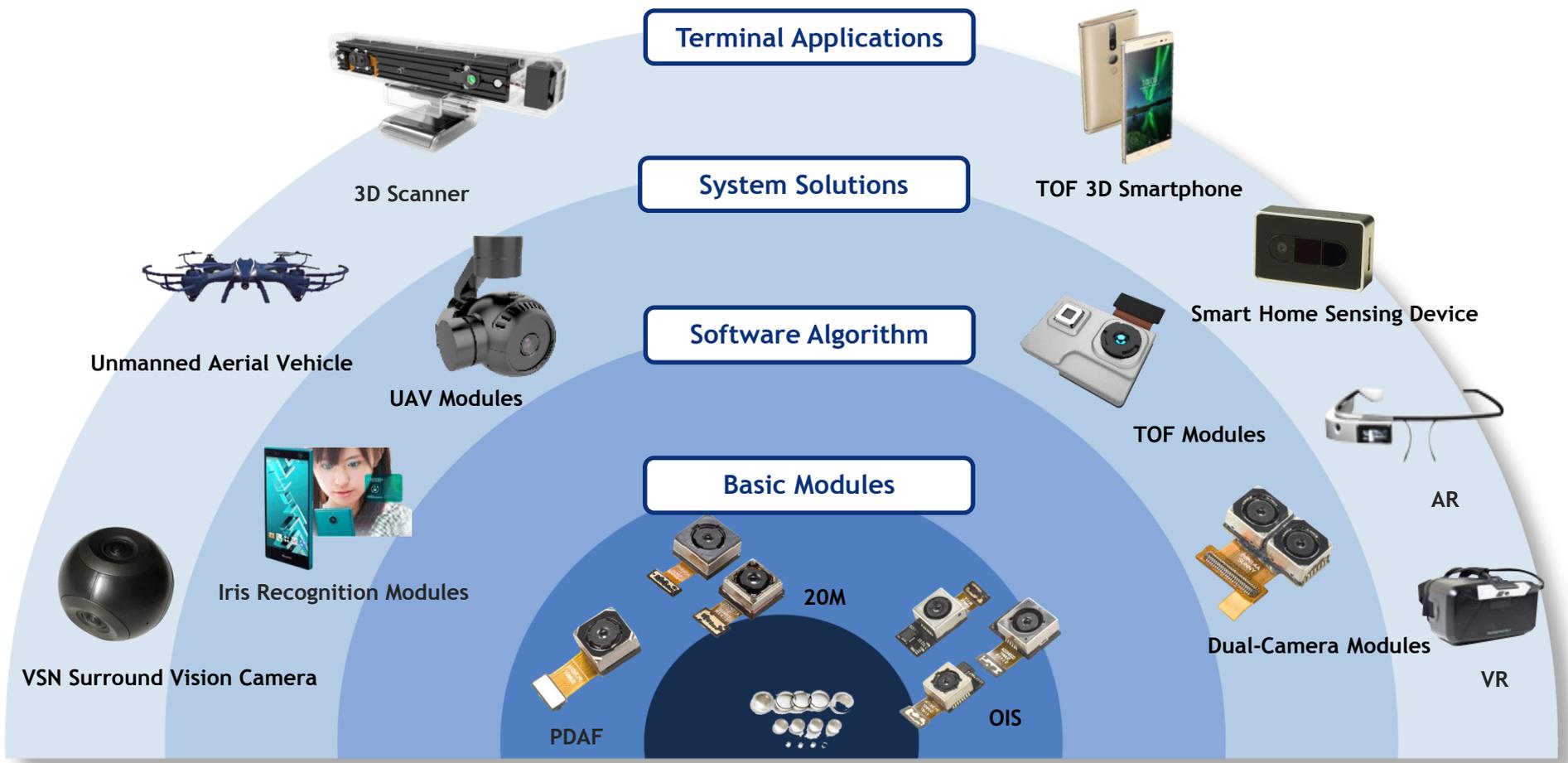


Shipment Volume of the Company's Handset Camera Modules



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





Basic Optical Components

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Open Forum



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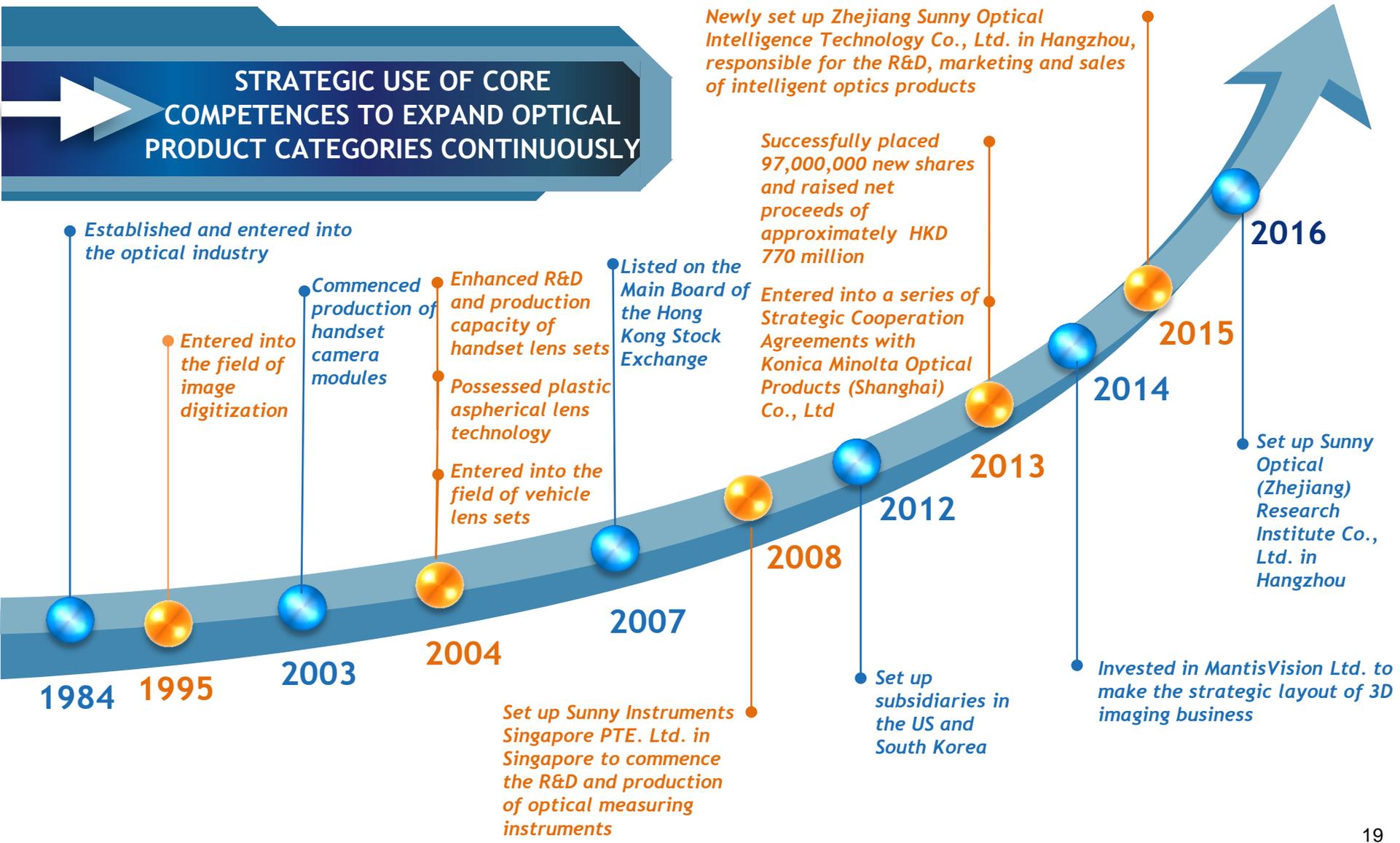


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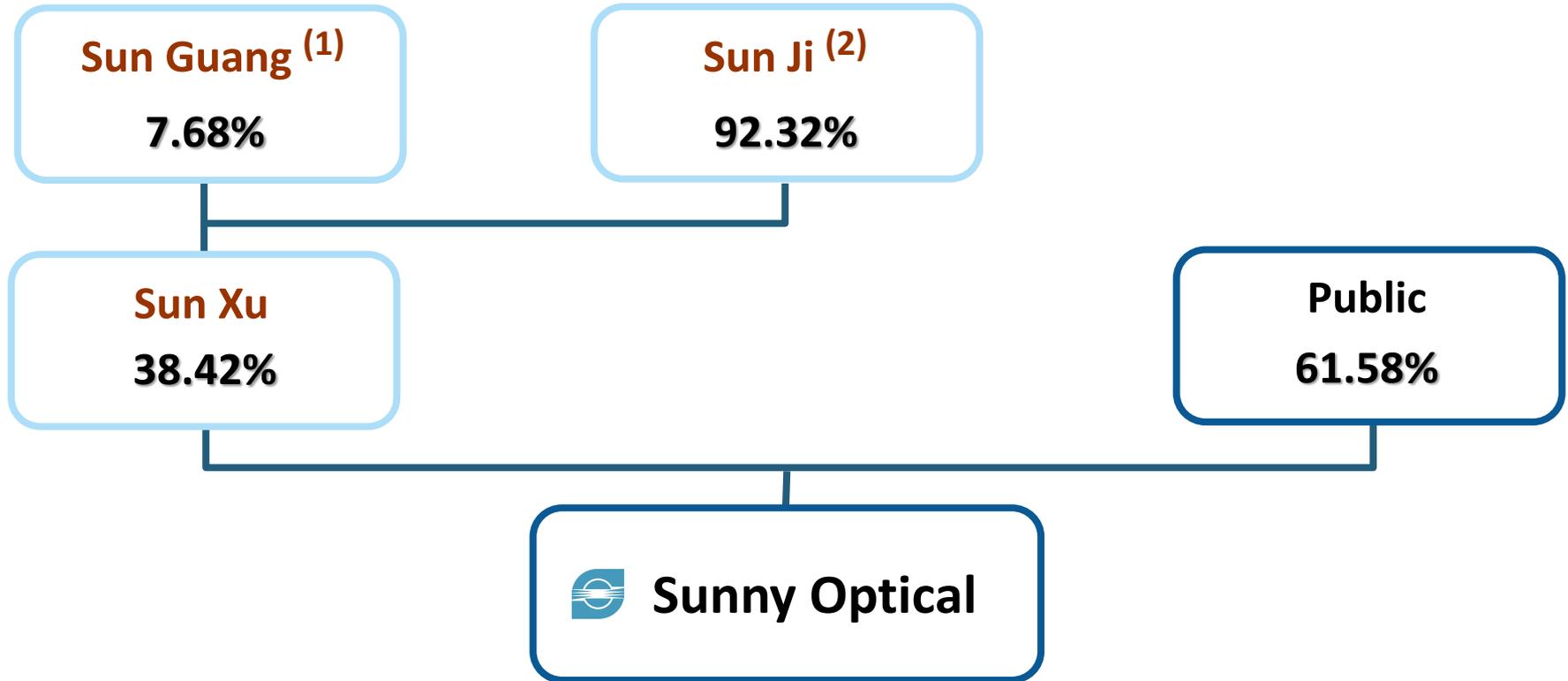
Appendix

Milestones

STRATEGIC USE OF CORE COMPETENCES TO EXPAND OPTICAL PRODUCT CATEGORIES CONTINUOUSLY



Shareholding Structure



(1) Mr. WANG Wenjian, the Honorary Chairman of the Board and non-executive Director of the Company, holds the entire issued share capital of Sun Guang Limited.

(2) 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.

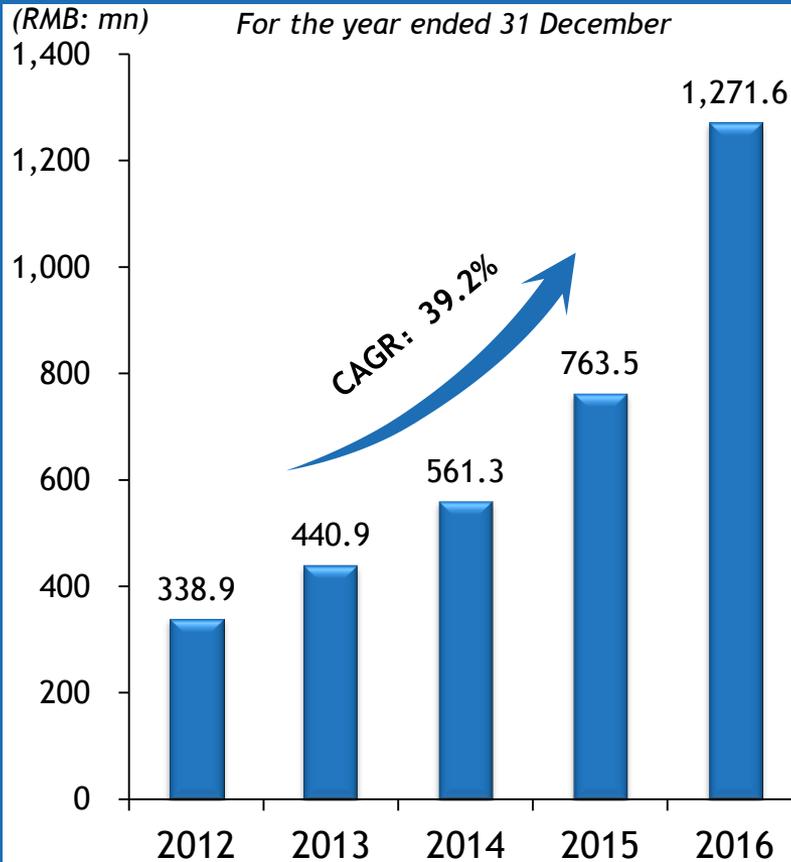
* As at 31 December 2016

Investment Highlights

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

