

## What’s Hot Today:

### ► China smartphone

#### Sunny Optical/Q-Tech lens shipment -16/-20% in Mar

Both Sunny Optical and Q-Tech reported further shipment declines in March, driven primarily by smartphone model cycles and escalating tariff tensions. The two companies remain heavily dependent on the China market, with 75% and 82% of their respective revenues coming from domestic sales.

As the US administration’s decision to raise tariffs on Chinese goods from 20% to 145%, it heightened risks for China’s handset supply chain and haunted the outlook for global smartphone demand. This could lead to slower growth than previously expected. IDC had forecasted a 2.3% YoY expansion in the handset market in February, but uncertainty persists amid ongoing trade tensions.

Given the uncertainties on the outcome of the tariff event, the near-term volatility of the sector and the potential return seem unjustified. Sunny Optical and Q-Tech currently trade at forward P/E multiples of 19.1x and 12.8x.

#### Sunny Optical (2382.HK, HK\$62.2, HK\$68.0bn)

##### Mar HLS shipment dropped 16% YoY

Sunny Optical shipment of HLS (handset lens sets)/HCM (handset camera modules) reached 94mn/37mn in Mar, -16/-11% YoY, respectively. VLS (Vehicle lens sets) shipment grew by 16% to 9.8mn units in Mar. In 1Q25, its HLS shipment dropped 7% to 297mn units.

#### Q-Tech (1478.HK, HK\$6.03, HK\$7.1bn)

##### Mar CCM shipment down 20% YoY

Q-Tech shipped 29mn CCM (camera modules for mobile phones) in Mar, down 20% YoY. In 1Q25, a total of 87mn CCM were delivered, a YoY drop of 16%. (Research Department)

China & HK Indices		CLOSE	1D	YTD		
HSI		20,681	2.1%	3.1%		
HSCBI		7,668	1.8%	5.2%		
HSCCI		3,643	1.4%	-3.6%		
CSI300		3,735	1.3%	-5.1%		
Shanghai A		3,379	1.2%	-5.4%		
Shanghai B		253	0.9%	-5.4%		
Shenzhen A		1,954	2.5%	-4.5%		
Shenzhen B		1,165	1.3%	-3.9%		
Key Int'l Indices		CLOSE	1D	YTD		
Dow Jones		39,593	-2.5%	-6.9%		
S&P 500		5,268	-3.5%	-10.4%		
Nasdaq		16,387	-4.3%	-15.1%		
NIKKEI Index		32,743	-5.4%	-17.9%		
FTSE Index		7,913	3.0%	-3.2%		
CAC Index		7,126	3.8%	-3.5%		
DAX Index		20,562	4.5%	3.3%		
Commodities		CLOSE	1D	YTD		
GOLD	(US\$/oz.)	3,176	3.0%	22.3%		
STEEL	(US\$/oz.)	1,675	5.2%	-6.2%		
SILVER	(US\$/oz.)	31	0.6%	7.8%		
CRUDE OIL	(US\$/bbl)	60	-3.7%	-16.7%		
COPPER	(US\$/oz.)	8,988	3.8%	2.5%		
ALUMINIUM	(US\$/oz.)	2,370	0.9%	-7.1%		
PLATINUM	(US\$/oz)	935	-0.0%	3.8%		
ZINC	(US\$/oz.)	2,641	3.0%	-11.3%		
WHEAT	(US\$/bu)	538	-0.8%	-2.3%		
CORN	(US\$/bu)	488	1.7%	4.4%		
SUGAR	(US\$/lb)	N/A	N/A			
SOY BEAN	(US\$/bu)	1,036	1.3%	-0.2%		
PVC	(US\$/t.)	N/A	N/A	-2.7%		
CRB		285	1.9%	3.0%		
BDI			-5.4%	27.3%		
Exchange Rates						
	USD	HKD	EUR	JPY	CHF	RMB
USD		7.759	0.893	144.450	0.824	7.318
HKD	0.129		0.115	18.617	10.616	0.943
EUR	1.120	8.691		161.800	1.084	8.205
JPY	0.007	5.371	0.618		0.570	0.051
CHF	1.213	9.418	1.084	175.367		8.846
RMB	0.137	1.060	0.122	19.760	0.113	
Market Sentiment			CURRENT		5D	
CDS Monitor - USD SR 5Y						
Greece				N/A		N/A
Ireland				83		-2.4%
Italy				139		-0.6%
Portugal				207		-0.0%
Spain				108		0.3%
VIX				40		35.6%
Source: Bloomberg						

Fig1: Sunny Optical HLS shipment dropped 7% in Q1

Shipment (mn units)	2021	2022	2023	2024	2024.10	2024.11	2024.12	2025.01	2025.02	2025.03
<b>Monthly</b>										
HLS (handset lens sets)	1,440	1,193	1,171	1,324	116	111	105	106	97	94
HCM (handset camera modules)	674	517	567	534	34	37	53	37	35	37
VLS (Vehicle lens sets)	68.0	78.9	90.8	102.3	8.7	7.5	6.4	12.8	8.8	9.8
<b>YoY</b>										
HLS (handset lens sets)	-6%	-17%	-2%	13%	-2%	-6%	-2%	3%	-7%	-16%
HCM (handset camera modules)	14%	-23%	10%	-6%	-38%	-28%	13%	-41%	-32%	-11%
VLS (Vehicle lens sets)	21%	16%	15%	13%	12%	10%	35%	6%	13%	16%
<b>YTD</b>										
HLS (handset lens sets)	1,440	1,193	1,171	1,324	1,108	1,219	1,324	106	203	297
HCM (handset camera modules)	674	517	567	534	443	480	534	37	72	109
VLS (Vehicle lens sets)	68	79	91	102	89	96	102	13	22	31
<b>YoY</b>										
HLS (handset lens sets)	-6%	-17%	-2%	13%	17%	15%	13%	3%	-2%	-7%
HCM (handset camera modules)	14%	-23%	10%	-6%	-5%	-8%	-6%	-41%	-37%	-30%
VLS (Vehicle lens sets)	21%	16%	15%	13%	12%	11%	13%	6%	9%	11%

Source: Company report, Sunwah Kingsway Research

Fig2: Q Tech Shipment dropped 16% in Q1

Shipment (mn units)	2021	2022	2023	2024	2024.10	2024.11	2024.12	2025.01	2025.02	2025.03
<b>Monthly</b>										
Camera Modules for Mobile Phone	479	417	366	422	38	40	31	35	23	29
32MP-		297	219	211	18	19	12	16	12	12
32MP+		121	148	212	20	21	18	19	11	17
<b>YoY</b>										
Camera Modules for Mobile Phone	22%	-13%	-12%	15%	11%	9%	-12%	-11%	-18%	-20%
32MP-			-26%	-4%	-7%	-1%	-28%	-23%	-14%	-42%
32MP+			23%	43%	35%	19%	3%	3%	-22%	10%
<b>YTD</b>										
Camera Modules for Mobile Phone	479	417	366	422	351	392	422	35	58	87
32MP-	-	297	219	211	179	198	211	16	28	40
32MP+	-	121	148	212	172	193	212	19	30	47
<b>YoY</b>										
Camera Modules for Mobile Phone	22%	-13%	-12%	15%	20%	18%	15%	-11%	-14%	-16%
32MP-			-26%	-4%	-2%	-2%	-4%	-23%	-19%	-28%
32MP+			23%	43%	53%	49%	43%	3%	-8%	-2%

Source: Company report, Sunwah Kingsway Research

Fig3: Valuation and stock performance

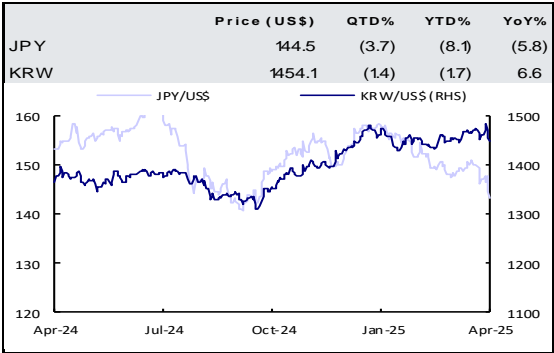
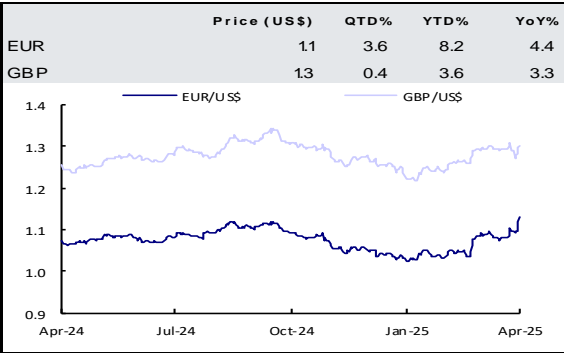
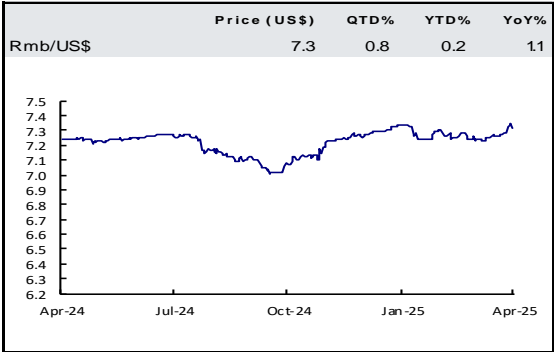
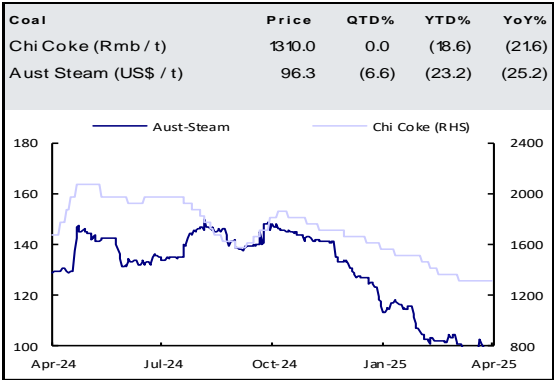
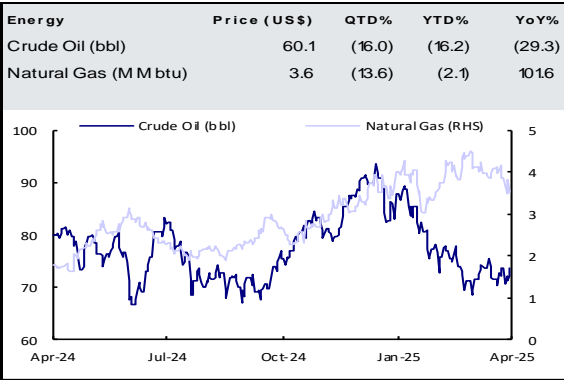
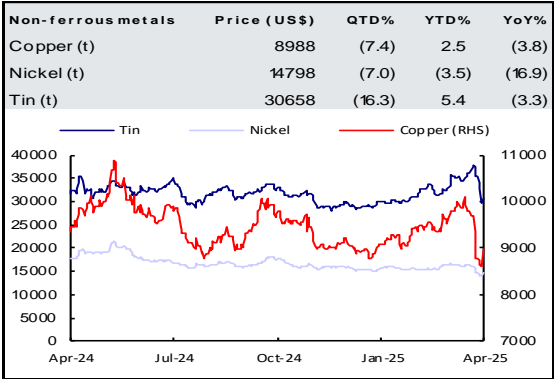
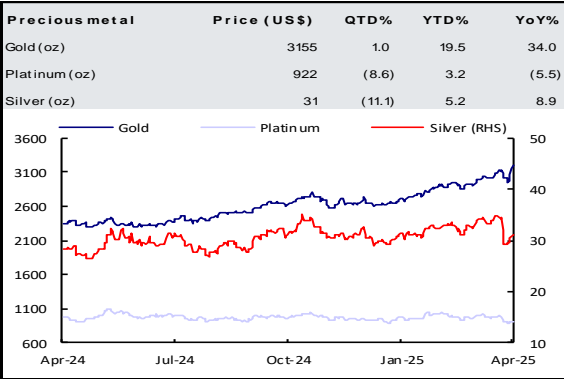
Company	Ticker	P/E			Stock performance		
		2025E	2026E	2027E	1M	3M	YTD
Sunny Optical	2382.HK	19.1	15.8	13.3	-29%	1%	10%
Q Tech	1478.HK	12.8	10.5	9.3	-21%	8%	-7%
HSI					-13%	7%	3%
HSTECH					-18%	12%	8%

Source: Bloomberg consensus, Sunwah Kingsway Research, data as of Apr 10

Kingsway coverage list

Name	Ticker	Market Cap (HK\$'m)	Price (HK\$)	1D (%)	Rec.	TP (HK\$)	Upside (%)	PER (X)*			Dividend FY2	Absolute performance			Latest update date
								Hist	FY1	FY2		5D%	1M%	3M%	
HANG SENG INDEX	HSI		20,681.78	2.1				9.8	9.4	8.7	4.0%	(10.9)	(13.0)	8.5	
HANG SENG CHINA ENT IND	HSCEI		7,668.38	1.8				9.3	9.0	8.2	3.6%	(10.1)	(12.4)	11.2	
CSI 300 INDEX	SHSZ300		3,735.11	1.3				14.5	14.6	12.5	3.0%	(3.8)	(5.2)	0.1	
FUYAO GLASS	3606 HK	145,677	48.90	1.5	LONG	41.50	(15.1)	16.0	13.6	11.6	4.6%	(10.8)	(8.9)	(6.9)	1-Sep-20
BEUR	3718 HK	1,227	0.35	0.0	LONG	1.80	421.7	47.9	4.6	4.3	6.7%	(2.8)	(10.4)	(21.6)	30-Mar-21
BINJIANG SERVICES	3316 HK	6,620	23.95	(1.6)	LONG	23.50	(1.9)	11.4	9.8	8.6	7.8%	(5.3)	(1.8)	25.7	N/A
BYDE	285 HK	69,962	31.05	6.7	NEUTRAL	17.60	(43.3)	15.5	11.7	9.2	3.2%	(23.6)	(37.5)	(20.6)	N/A
CHINA LILANG	1234 HK	4,167	3.48	0.3	LONG	5.32	52.9	8.5	7.3	6.5	10.5%	(7.9)	(17.3)	(10.3)	N/A
CHINASOFT INTL	354 HK	12,677	4.64	3.3	LONG	12.80	175.9	21.9	14.5	11.8	1.9%	(9.0)	(27.0)	1.1	27-Oct-20
CHINA TIAN LUN GAS	1600 HK	2,327	2.37	(0.8)	LONG	8.70	267.1	7.1	N/A**	N/A**	N/A**	(12.9)	(9.5)	(33.1)	26-Feb-20
DUIBA GROUP	1753 HK	204	0.19	6.8	LONG	5.55	2836.5	N/A**	N/A**	N/A**	N/A**	(5.5)	(14.5)	(20.6)	N/A
EDVANTAGE GROUP	382 HK	1,932	1.64	0.0	LONG	4.50	174.4	2.5	2.3	2.3	13.2%	(16.3)	(20.0)	(19.2)	3-May-22
EVERGREEN PG	1962 HK	314	0.49	7.8	LONG	1.75	260.8	7.7	N/A**	N/A**	N/A**	(2.0)	(6.7)	4.3	26-Jan-21
HUAHONG SEMI	1347 HK	58,702	30.20	2.4	NEUTRAL	26.30	(12.9)	118.6	42.3	26.5	0.0%	(4.0)	(22.0)	44.8	29-Jul-21
KINGDEE INTL	268 HK	43,081	12.14	8.0	NEUTRAL	17.62	45.1	N/A**	260.2	96.2	0.0%	(9.8)	(25.1)	53.5	20-Aug-20
MEIDONG AUTO	1268 HK	2,585	1.92	(3.0)	LONG	19.76	929.2	N/A**	6.9	5.3	9.1%	(13.9)	(21.3)	(2.0)	3-Apr-23
MINGYUAN CLOUD	909 HK	5,389	2.79	4.9	NEUTRAL	28.00	903.6	N/A**	N/A**	N/A**	1.4%	(9.7)	(27.9)	16.7	N/A
PLOVER BAY TECH	1523 HK	5,590	5.07	7.0	LONG	1.70	(66.5)	18.9	15.6	12.8	0.9%	(21.4)	(10.6)	17.2	6-Aug-20
POU SHENG INTL	3813 HK	2,636	0.50	0.0	LONG	2.80	465.7	4.9	4.6	4.1	14.5%	(11.6)	(16.1)	1.0	16-Nov-20
Q TECH	1478 HK	7,173	6.03	4.0	NEUTRAL	4.97	(17.6)	24.2	12.8	10.5	1.7%	(21.7)	(20.6)	7.5	10-Aug-22
SUNNY OPTICAL	2382 HK	68,097	62.20	5.4	LONG	160.80	158.5	23.6	19.1	15.8	1.2%	(16.6)	(29.5)	(0.8)	17-Aug-22
TRYLY INTL	732 HK	2,845	0.90	2.3	LONG	2.80	211.1	9.4	N/A**	N/A**	N/A**	(21.7)	(23.1)	(23.7)	8-Apr-21
XINYI ENERGY	3868 HK	7,371	0.88	2.3	LONG	1.62	84.1	9.2	7.9	7.3	7.4%	(10.2)	(9.3)	18.9	29-Feb-24
XINYI GLASS	868 HK	30,892	7.09	3.7	LONG	18.60	162.3	8.9	8.8	8.3	5.7%	(9.1)	(7.2)	2.5	28-Feb-23
XINYI SOLAR	968 HK	22,515	2.48	2.5	LONG	7.20	190.3	20.3	11.6	8.1	5.3%	(17.9)	(28.1)	(21.0)	29-Feb-24
XTEP INTL	1368 HK	13,706	4.94	(0.2)	LONG	11.91	141.1	9.1	9.1	8.3	5.7%	(4.6)	(9.9)	(9.2)	17-Apr-23
YONGDA AUTO	3669 HK	4,597	2.43	2.5	LONG	6.73	177.0	21.4	11.8	8.9	6.8%	(12.6)	(16.5)	10.5	28-Mar-23
YUEXU PROPERTY	123 HK	19,241	4.78	1.7	LONG	13.00	172.0	17.4	9.1	8.9	5.5%	(3.4)	(11.2)	1.3	10-Feb-23
WEIMOB	2013 HK	5,641	1.56	4.0	LONG	14.40	823.1	N/A**	N/A**	N/A**	0.0%	(13.3)	(37.1)	(17.0)	25-Nov-21

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Initial Jobless Claims	WoW		10-Apr-25
CPI	MoM		10-Apr-25
PPI	MoM		11-Apr-25
Business Inventories	MoM		16-Apr-25
Retail Sales	MoM		16-Apr-25
Industrial Production	MoM		16-Apr-25
Housing Starts / Building Permits	MoM		17-Apr-25
New home Sales	MoM		23-Apr-25
Durable Goods Orders	MoM		24-Apr-25
Existing Home Sales	MoM		24-Apr-25
Wholesale Inventories	MoM		29-Apr-25
Consumer Confidence	MoM		29-Apr-25
GDP	QoQ		30-Apr-25
Personal Income & Spending	MoM		30-Apr-25
ISM Manufacturing PMI	MoM		1-May-25
Factory Orders	MoM		2-May-25
Employment Report	MoM		2-May-25
Trade Balance	MoM		6-May-25
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Money Supply - M2	MoM		11-Apr-25
Trade Balance	MoM		14-Apr-25
Retail Sales	MoM		16-Apr-25
Industrial Production	MoM		16-Apr-25
GDP	YoY		16-Apr-25
PMI Manufacturing	MoM		30-Apr-25
Foreign Exchange Reserves	QoQ		7-May-25
PPI	MoM		10-May-25
CPI	MoM		10-May-25

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Unemployment Rate	MoM		22-Apr-25
CPI	MoM		23-Apr-25
Trade Balance	MoM		28-Apr-25
Money Supply - M2	MoM		30-Apr-25
Retail Sales	MoM		2-May-25
GDP	QoQ		2-May-25
PMI	MoM		7-May-25
Foreign Currency Reserve	MoM		8-May-25
Producer Prices Index	QoQ		12-Jun-25
Industrial Production	QoQ		12-Jun-25
Composite Interest Rate	MoM		

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