Morning Snapshot

SUNWAH KINGSWAY

新華滙富

Hong Kong & China Market Daily

16 June 2025

What's Hot Today:

China Handset Components

Weak lens shipment in May

Sunny Optical (2382.HK, HK\$66.80, HK\$73.1bn) May handset lens shipment down 5.2% YoY

In May 2025, Sunny Optical shipped 98.1mn HLS and 37.7mn HCM units, down 5.2% and 17.1% YoY, and declined by 4.8% and 3.9% MoM, respectively. This also ended the steady growth seen in HCM throughout Q1.

Since early 2024, Sunny Optical has seen a consistent decline in shipments, driven by its decision to exit low-end, price-sensitive segments amid rising competition. The company now focuses on high-value modules, which is gradually lifting ASPs to offset volume growth.

Q-Tech (1478.HK, HK\$7.50, HK\$8.92bn) May handset camera module shipment decreased 17.5% YoY

In May 2025, Q-Tech shipped 32.4mn CCM units, down 17.5% YoY but up 1.9% MoM. High-resolution modules over 32MP made up 51%, showing a strong shift to higher quality products.

Although total volume stayed weak, Q-Tech has been steadily growing its share of high-end modules since 2024. This supports its move toward higher-margin items. The slight MoM increase may be an early sign of recovery, helped by better product mix in a diversed market.

Our views – IDC data shows that the global smartphone market recovered in 2024 after two years of decline, with shipments rising by about around 7% YoY. This trend continued into 1Q25, though at a slower pace, with shipments up by 1.5% YoY to about 304.9mn units. The demand in China is believed to be largely supported by the government subsidies, while in the U.S., distributors stocking up ahead of potential tariff changes.

China & HK Indices CLOSE 1D HSI 23,892 -0.6% HSCB 8,655 -0.9% HSCCI 4,118 1.3% CSI300 3,864 -0.7% Shanghai A 3,540 -0.8% Shanghai B 255 -0.5% Shenzhen A 2,093 -1.3% Shenzhen B 1,160 -1.0% Key Int'l Indices CLOSE 1D Dow Jones 42,197 -1.8% S&P 500 5,976 -1.1% Nasdaq 19,406 -1.3% NIKKEI Index 38,151 0.8%	19.1% 18.7% 8.9% -1.8% -4.3% -4.3% 2.2% -4.3% YTD -0.8%
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Dow Jones 42,197 -1.8% S&P 500 5,976 -1.1% Nasdaq 19,406 -1.3%	-0.8%
Dow Jones 42,197 -1.8% S&P 500 5,976 -1.1% Nasdaq 19,406 -1.3%	-0.8%
S&P 500 5,976 -1.1% Nasdaq 19,406 -1.3%	
Nasdaq 19,406 -1.3%	
	1.6%
NIKKEI Index 38,151 0.8%	0.5%
	-4.4%
FTSE Index 8,850 -0.4%	8.3%
CAC Index 7,684 -1.0%	4.1%
DAX Index 23,516 -1.1%	18.1%
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Commodities CLOSE 1D	YTD
GOLD (US\$/oz.) 3,432 1.4%	31.2%
STEEL (US\$/oz.) 1,947 -0.7%	9.0%
SILVER (US\$/oz.) 36 -0.1%	25.3%
CRUDE OIL (US\$/bbl) 72 7.3%	2.9%
COPPER (US\$/oz.) 9,645 -0.0%	10.0%
ALUMINIUM (US\$/oz.) 2,503 -0.5%	-1.9%
PLATINUM (US\$/oz) 1,228 -5.4%	35.7%
ZINC (US\$/oz.) 2,623 -1.1%	-11.9%
	-1.6%
CORN (US¢/bu) 443 0.6%	-0.4%
SUGAR (US¢/lb) N/A N/A	0.40/
SOYBEAN (US¢/bu) 1,054 2.7%	3.1%
7/0 (1/00/)	-6.8%
PVC (US\$/t.) N/A N/A	3.0%
CRB 309 2.4%	07.40/
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CRB 309 2.4% BDI	97.4%
CRB 309 2.4% BDI Exchange Rates	
CRB 309 2.4% BDI Exchange Rates USD HKD EUR JPY CHF	RMB
CRB 309 2.4% BDI Exchange Rates USD HKD EUR JPY CHF USD 7.850 0.866 144.070 0.811	RMB 7.183
CRB 309 2.4% BDI Exchange Rates USD HKD EUR JPY CHF	RMB

EUR	1.155	9.066		166.370	1.067	8.291
JPY	0.007	5.447	0.601		0.563	0.050
CHF	1.232	9.675	1.067	177.556		8.851
RMB	0.139	1.093	0.121	20.040	0.113	
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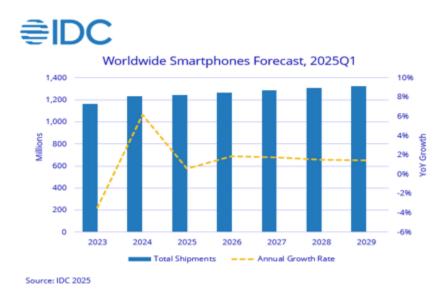


Following a modest recovery in global smartphone demand in 2024, overall shipments began to stabilize. Yet for leading module makers like Sunny Optical and Q-Tech, volume gains remained limited, as intensified competition and a maturing low-end supply chain reshaped market dynamics. The two companies responded with a shift in strategy: Sunny is phasing out low-margin segments to support ASPs, whereas Q-Tech focuses in high-resolution modules. Instead of seeking volume growth, they are now focusing on premiumization and product value.

Looking ahead, global smartphone growth is expected to stay soft amid macro headwinds and trade risks. Nevertheless, demand for advanced optical modules is supported by the upgrading cycle driven by AI phones, foldables, and periscope cameras.

We are constructive on Sunny Optical's positioning in the high-end module segment. The rising share of high-value products supports both ASP and margins. Meanwhile, Sunny is pivoting towards automotive optics and XR, which now make up nearly 30% of revenue. As a leading player in these high-margin, fast-expanding markets with healthier industry dynamics, Sunny is experiencing another structural upgrades. The ticker is trading at 15.8x FY25E P/E. (Research Department)

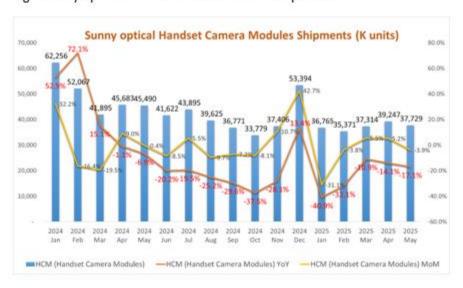
Fig1: Worldwide smartphone shipments



Source: IDC, Sunwah Kingsway Research

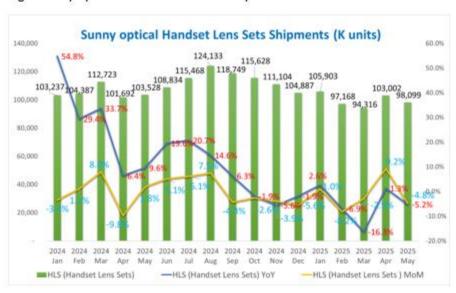


Fig2: Sunny optical handset camera modules shipments



Source: Sunwah Kingsway Research

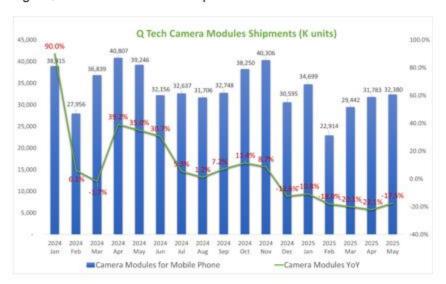
Fig3: Sunny optical Handset Lens Sets shipments



Source: Sunwah Kingsway Research

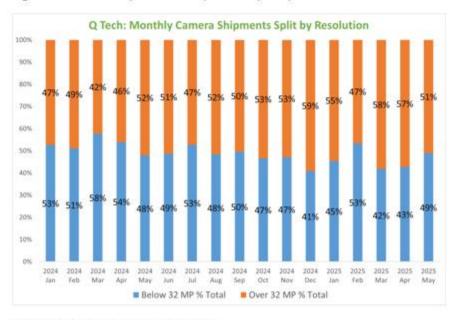


Fig4: Q Tech camera modules shipments



Source: Sunwah Kingsway Research

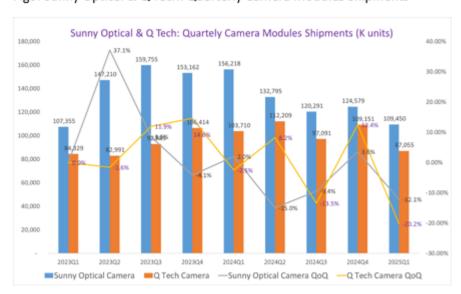
Fig5: Q Tech Monthly Camera Shipments Split by Resolution



Source: Sunwah Kingsway Research



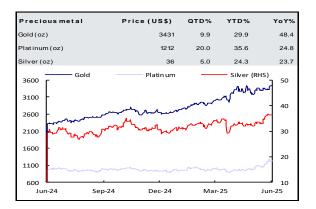
Fig6: Sunny Optical & Q Tech: Quarterly Camera Modules Shipments



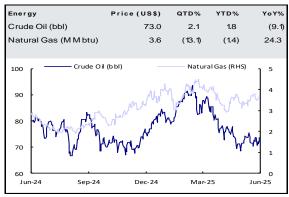
Source: Sunwah Kingsway Research

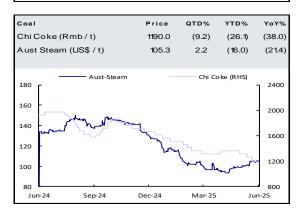


Market Watch - Major Commodities and Currencies



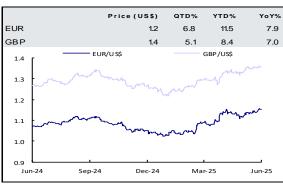
Non-ferrous metals	Price (US\$)	QTD%	YTD%	YoY%
Copper (t)	9645	(0.7)	10.0	(1.0
Nickel (t)	15128	(5.0)	(1.3)	(13.9
Tin (t)	32694	(10.8)	12.4	1.2
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Source: Bloomberg



US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Business Inventories	MoM		17-Jun-25
Retail Sales	MoM		17-Jun-25
Industrial Production	MoM		17-Jun-25
Initial Jobless Claims	WoW		18-Jun-25
Housing Starts / Building Permits	MoM		18-Jun-25
Existing Home Sales	MoM		23-Jun-25
Consumer Confidence	MoM		24-Jun-25
New home Sales	MoM		25-Jun-25
Wholesale Inventories	MoM		26-Jun-25
Durable Goods Orders	MoM		26-Jun-25
GDP	QoQ		26-Jun-25
Personal Income & Spending	MoM		27-Jun-25
ISM Manufacturing PMI	MoM		1-Jul-25
Trade Balance	MoM		3-Jul-25
Factory Orders	MoM		3-Jul-25
Employment Report	MoM		3-Jul-25
СРІ	MoM		15-Jul-25
PPI	MoM		16-Jul-25
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Retail Sales	MoM		16-Jun-25
Industrial Production	MoM		16-Jun-25
PMI Manufacturing	MoM		30-Jun-25
Foreign Exchange Reserves	QoQ		7-Jul-25
Money Supply - M2	MoM		9-Jul-25
PPI	MoM		9-Jul-25
СРІ	MoM		9-Jul-25
Trade Balance	MoM		14-Jul-25
GDP	YoY		15-Jul-25

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Unemployment Rate	MoM		17-Jun-25
CPI	MoM		20-Jun-25
Trade Balance	MoM		26-Jun-25
Money Supply - M2	MoM		30-Jun-25
Retail Sales	MoM		2-Jul-25
РМІ	MoM		4-Jul-25
Foreign Currency Reserve	MoM		7-Jul-25
GDP	QoQ		31-Jul-25
Producer Prices Index	QoQ		15-Sep-25
Industrial Production	QoQ		15-Sep-25
Composite Interest Rate	MoM		

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(852) 2283 7307 (852) 2283 7618



Name of listed corporation	olders for the two previous trading days Name of substantial share holder	No. of shares bought/sold/involved	Average price per share
thina Literature Ltd.	CAO Huayi	20,000(L)	HKD 30.0610
			HKD 10.4000
obisko Cayman Ltd B	Xu Yao-Chang	17,000(L)	
uild King Holdings Ltd.	ZEN WEI PEU	500,000(L)	HKD 1.0702
reat Harvest Maeta Holdings Ltd.	Ablaze Rich Investments Limited	280,000(L)	HKD 0.1135
reat Harvest Maeta Holdings Ltd.	Lam Kw an	280,000(L)	HKD 0.1135
reat Harvest Maeta Holdings Ltd.	Yan Kim Po	280,000(L)	HKD 0.1135
reat Wall Terroir Holdings Ltd.	Cheung Siu Fai	100,000(L)	HKD 0.3250
uanze Medical Information Industry (Holding) Co., Ltd.	Meng A Capital Limited	100,000(L)	HKD 0.3310
luanze Medical Information Industry (Holding) Co., Ltd.	MENG XIANZHEN	100,000(L)	HKD 0.3310
uanze Medical Information Industry (Holding) Co., Ltd.	Yang Duanling	100,000(L)	HKD 0.3310
vesTech Holdings Ltd.	TIN YAT YU CAROL	98,000(L)	HKD 0.3380
enscare Scientific Co., Ltd B - H Shares	Li Hui	350,000(L)	HKD 8.6000
aXing Gas Group Co., Ltd H Shares	Xu Songqiang	20,000(L)	HKD 7.4700
aekna. Inc B	Xie Ling	420,000(L)	HKD 22.0300
acific Basin Shipping Ltd.	BANGA HARINDARPAL SINGH	25,000,000(L)	HKD 2.0285
acific Basin Shipping Ltd.	BANGA INDRA	25,000,000(L)	HKD 2.0285
acific Basin Shipping Ltd.	CARAVEL MARITIME VENTURES INC.	25,000,000(L)	HKD 2.0285
acific Basin Shipping Ltd.	THE CARAVEL GROUP LTD.	25,000,000(L)	HKD 2.0285
aradise Entertainment Ltd.	CHUN JA Y	68,000(L)	HKD 0.9900
inhuangdao Port Co., Ltd H Shares	长城人寿保险股份有限公司	1,000,000(L)	HKD 2.3171
hanghai INT Medical Instruments Co., Ltd H Shares	China Orient Asset Management (International) Holding Limited	8,000(L)	HKD 25.6500
henglong Splendecor International Ltd.	CHEN Degin	2,580,000(L)	HKD 0.3100
henglong Splendecor International Ltd.	SHENG Yingming	2,580,000(L)	HKD 0.3100
henglong Splendecor International Ltd.	SHENG Yingming	2,580,000(L)	HKD 0.3100
ino Land Co. Ltd.	Ng Chee Siong	26,000(L)	HKD 8.2162
unlight Real Estate Investment Trust	Henderson Sunlight Asset Management Limited	82,000(L)	HKD 2.1256
unshine Insurance Group Co. Ltd H Shares	CHEN ZHUIE	35,203,000(L)	HKD 3.2544
unshine Insurance Group Co. Ltd H Shares	ZHANG TONG	35,203,000(L)	HKD 3.2544
unshine Insurance Group Co. Ltd H Shares	北京竑煜咨询管理有限公司	35,203,000(L)	HKD 3.2544
unshine Insurance Group Co. Ltd H Shares	北京麟琪昊瑞咨询有限公司	35,203,000(L)	HKD 3.2544
unshine Insurance Group Co. Ltd H Shares	华杉瑞联基金管理有限公司	35,203,000(L)	HKD 3.2544
unshine Insurance Group Co. Ltd H Shares	4 杉瑞联基金管理有限公司	35,203,000(L)	HKD 3.2544
		35,203,000(L) 35,203,000(L)	
runshine Insurance Group Co. Ltd H Shares	华泰紫金投资有限责任公司		HKD 3.2544
unshine Insurance Group Co. Ltd H Shares	华泰证券股份有限公司	35,203,000(L)	HKD 3.2544
unshine Insurance Group Co. Ltd H Shares	南京华泰瑞联并购基金一号(有限合伙)	35,203,000(L)	HKD 3.2544
unshine Insurance Group Co. Ltd H Shares	南京瑞联管理咨询合伙企业(有限合伙)	35,203,000(L)	HKD 3.2544
Sunshine Insurance Group Co. Ltd H Shares	江苏华泰瑞联并购基金 (有限合伙)	35,203,000(L)	HKD 3.2544
Sunshine Insurance Group Co. Ltd H Shares	江苏天诚物业发展有限责任公司	35,203,000(L)	HKD 3.2544
unshine Insurance Group Co. Ltd H Shares	深圳前海瑞联七号投资中心(有限合伙)	35,203,000(L)	HKD 3.2544
Sunshine Insurance Group Co. Ltd H Shares	西藏竑煜企业管理有限公司	35,203,000(L)	HKD 3.2544
ransport International Holdings Ltd.	Kw ok Ping Luen Raymond	36,132(L)	HKD 8.6500
Venzhou Kangning Hospital Co., Ltd H Shares	WANG JIAN	9,100(L)	HKD 9.0533
/uXi AppTec Co., Ltd H Shares	Computershare Hong Kong Trustees Limited	2,108,689(L)	HKD 78.0449
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Source: HKEx



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