

## 0 Ningbo Companies on the Global Stage

## Accelerating Integration into the Global Supply Chain

By Jin Lu

Ningbo's Sunny Optical is set to return as an Apple supplier, according to a recent report by Ming-Chi Kuo, analyst at TF International Securities. By 2025, the company is expected to become a core supplier of CCMs for Apple's devices, with production based in Vietnam to support the next-generation M5-powered MacBooks.

The news has placed Sunny Optical and other Apple supply chain companies back into the spotlight for investors, who are now closely watching the potential impact of this partnership. If these predictions hold true, what could this mean for Sunny Optical's growth, and what strategic steps have enabled the company to reach this position?

## Higher Potential Gains

Founded in 1984, Sunny Optical entered Apple's supply chain in 2021 by providing front cameras for the iPhone 13. During this time, the company's stock price surged 45%, reaching a record high of HKD 257.56 per share and a peak market capitalization exceeding HKD 280 billion. However, financial reports indicate that the anticipated boost from working with Apple did not translate to significant growth, as the global smartphone market had entered a period of declining demand.

Industry data reflects this downturn: Canalsys reported an 11.3% year-on-year drop in global smartphone shipments in 2022, marking the lowest level in a decade, followed by an additional 4% decrease in 2023, down to 1.14 billion units.

Now, with the potential for Sunny Optical to rejoin Apple's supply chain in 2024, experts predict a stronger revenue and profit outlook than during its initial partnership. Apple's upcoming product lines are anticipated to generate substantial demand amid an AI-driven upgrade cycle, impacting not only phones and PCs but also rapidly evolving VR, AR, and XR de-



Ningbo's Sunny Optical. [Photo by Xu Neng]

velopmental achievements, and strengthening people-to-people ties. Drawn by the exhibition's appeal, he personally attended, capturing moments of this unique cultural exchange in numerous photos.

Held at Conda Art Materials Bangladesh Co. Ltd., the exhibit saw employees lining up to view beautiful images showcasing Ningbo's cultural charm and urban vitality. Early morning, visitors marveled at scenes depicting Ningbo's landscapes, with many expressing a desire to visit.

## Commitment to Quality

Sunny Optical's success hinges on its ability to deliver high-quality, innovative products that align with the latest tech trends.

One example is its alignment with leading camera technology. The iPhone 16 series,

released in September, builds on hardware and software advancements introduced in the iPhone 15 with Pro and Pro Max models featuring the tetraprism camera. This advanced periscope design incorporates a folded glass structure to reflect light multiple times, enabling longer focal lengths and higher optical zoom without adding bulk. Similar technology appears in Huawei's P70 flagship models, and with the market dominance of Apple and Huawei, periscope lenses and variable aperture designs are likely to become standard across the industry.

Currently, Apple and Huawei primarily source their periscope lenses from Largan Precision, but Sunny Optical is competitive, having launched its own 5x and 10x optical zoom modules and mass-produced periscope cameras in 2023.

At the core of Sunny Optical's competitive edge is its technical innovation. Creating a compact long-focus camera, as achieved with the tetraprism design, demands advanced miniaturization and precision engineering. Sunny Optical delivers with its high-precision optical alignment, ensuring sub-micron alignment and enabling mass production of compact

cameras fit for XR and IoT applications, where size and performance are critical.

In the VR sector, where optical component performance is paramount, Sunny Optical is the preferred supplier for global brands like Meta and Pico, establishing itself through its expertise in integrated, miniaturized, and high-performance optical design.

Production relocation also strengthens Sunny's competitiveness. Responding to both supply chain shifts and component production trends in Southeast Asia, Sunny Optical proposed a \$2-2.5 billion industrial center in Vietnam in 2023. With Apple planning MacBook production in Vietnam, Sunny Optical's proximity could facilitate tighter collaboration with the tech giant.

Thanks to these internal strengths and the opportunities within the sector, Apple may indeed re-integrate Sunny Optical into its supply chain, potentially expanding to include components for MacBook models.

## Takeaways from Sunny's Success

For Apple's extensive network of suppliers, several key takeaways emerge:

1. Product Quality: Chinese suppliers in Apple's ecosystem are

increasingly focusing on quality and performance. In 2023, Goertek and Changyong Precision invested 4.716 billion yuan and 8.189 billion yuan in research and development, respectively, highlighting the fact that Apple's reputation ultimately relies on the strength and quality of its suppliers.

2. Diversification: To reduce their dependency on Apple, many Chinese suppliers have diversified their portfolios of clients. Sunny Optical has expanded into smartphones, automotive, security, and AR/VR sectors. Goertek has moved towards VR and AR, while Lens Technology has entered the fields of electric vehicles, smart wearables, and photovoltaics. Similarly, Lingyi iTech has branched into automotive and solar energy sectors.

3. Building Domestic Champions: A strong domestic leader in the supply chain is crucial for stability and resilience, reducing the impact of Apple's supplier reshuffling. Such a leader would support greater security and independence within the supply chain.

As consumer electronics rebound, China's supply chain is entering a new phase. With true independence and a focus on innovation powered by advanced technology, this supply chain has a solid foundation for future strength.

## Celebrating Three Centuries of Tradition in Ninghai

By Jin Yuhua

On the morning of November 10, Ningbo's historic Shi Yue Zhong Festival came to life in Shenzhen Town, Ninghai County, marking over three centuries of tradition in this annual celebration held in the middle of the tenth lunar month.

The festivities began with a parade led by musicians playing folk instruments, winding through the streets of the town. A spectacular "Nine Dragons Dance" performance set an energetic tone, officially kicking off the 14th Shi Yue Zhong Festival and Ninghai Forest Hot Springs Festival.

The Shi Yue Zhong temple fair in Shenzhen, recognized as an intangible cultural heritage event in Ningbo, draws vendors, performers, and tourists every year around the 15th day of the tenth lunar month. This year's fair offered an array of local specialties, especially foods from Shenzhen's various villages, including wonton soup, roasted duck, and Wanghai tea, providing visitors a taste of authentic rural flavors.

Throughout the festival, visitors enjoyed a rich lineup of activities, including traditional opera performances, a captivating light show, an art photography exhibit, and a village singing competition, among other attractions.

"Shenzhen, as a nationally recognized town known for its pristine ecological environment and as a center of trekking pole manufacturing, will continue to elevate the Shi Yue Zhong Festival as a celebration of our scenic landscapes, rich traditions, hot springs, and vibrant communities," said Hu Renjie, Party Secretary of Shenzhen Town.

"Our goal is to enhance Ninghai's reputation as a destination with a welcoming environment and rich cultural heritage, using cultural revitalization to fuel the broader revitalization of rural life," he added.

## 0 SPOTLIGHT

## Bangladesh Embraces Ningbo Through Photography Exhibition

By Yan Yiran

"These photographs should be in our national galleries and museums to give Bangladeshis more insight into Ningbo and China," said Yousuf Tushar, Secretary-General of the Bangladesh Photographers' Association, after visiting the recent "Ningbo in Photographs: An Exhibition Series in Global Companies" held in Bangladesh.

Tushar praised the exhibition's ability to spark curiosity about China among Bangladeshis, fostering admiration for its cultural and

developmental achievements, and strengthening people-to-people ties. Drawn by the exhibition's appeal, he personally attended, capturing moments of this unique cultural exchange in numerous photos.

Held at Conda Art Materials Bangladesh Co. Ltd., the exhibit saw employees lining up to view beautiful images showcasing Ningbo's cultural charm and urban vitality. Early morning, visitors marveled at scenes depicting Ningbo's landscapes, with many expressing a desire to visit.

"Ningbo's autumn is stunning. This photo makes me feel

the poetic rural scenery," said Rubel, a quality management representative. Ningbo's four seasons and lush landscapes gave him a fresh view of Chinese nature and culture.

Arif, a logistics manager, particularly admired Ningbo's dusk views, noting, "I love Ningbo's sunsets, the dazzling lights, and bustling streets—they seem to tell the city's story and its rich heritage. I'm eager to experience this city where antiquity coexists with modernity."

Golam Rahaman, a senior executive, was captivated by the nightscape of Sanjiangkou,



Ningbo in Photographs: An Exhibition Series in Global Companies. [Photo by Yousuf Tushar]

saying, "I am impressed by the city's beautiful skyline and technological progress."

The exhibition also underscored the common ground and potential for collaboration between China and Bangladesh. Daliya, a quality control

officer, was especially moved by an image of the Hangzhou Bay Bridge. "Bangladesh has the Padma Bridge, a symbol of our friendship with China. This photo evokes a deep connection and longing to see Ningbo," she said.

Chief Adviser: Zhao Qingchuan  
Proofreader: Yan Yiran