

# Q Tech (1478 HK)

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## Company Update

**BUY**

UNCHANGED

Close price: HK\$11.10

Target Price: HK\$13.80 (+24%)

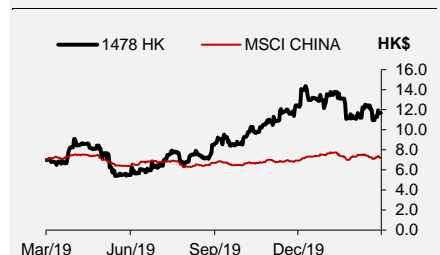
Prior TP HK\$15.40

### Key Data

HKEx code	1478 HK
12 Months High (HK\$)	14.78
12 Month Low (HK\$)	4.03
3M AvgDail Vol. (mn)	8.37
Issue Share (mn)	1,157.48
Market Cap (HK\$mn)	14,445.30
Fiscal Year	12/2019
Major shareholder (s)	He Ningning (65.10%)

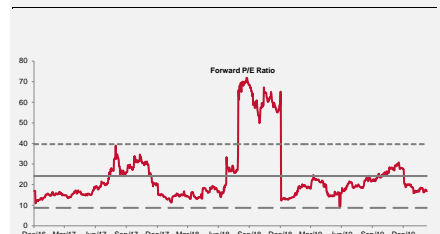
Source: Company data, Bloomberg, OP Research  
Closing price are as of 09/03/2020

### Price Chart



	1mth	3mth	6mth
Absolute %	-0.5	-9.6	26.6
Rel. MSCI CHINA %	0.8	-14.0	19.7

### PE



### Company Profile

Q Technology is a leading PRC-based manufacturer focusing on mid-to-high end camera module and fingerprint module market for Chinese branded smart phone and tablet PC manufacturers.

## FY19 results beat on better CCM product mix

- Q Tech reported FY19 results with revenue/net profits up 62%/3667% yoy to RMB13.2bn/RMB542mn, beat our/market expectations on better than expected ASP and GPM in CCM segment.
- We cut our FY20/21E earnings estimate by 10.2%/8.4% to RMB667mn /RMB968mn respectively.
- Maintain BUY with TP HK\$13.80 revised down from HK\$15.40 based on same 15x FY21E P/E.

**FY19 results beat on faster than expected CCM product mix upgrade.** Q Tech registered 62% yoy growth in FY19 total revenue to RMB13.2bn, mainly driven by (1) 53.9% yoy growth in CCM shipments thanks to market share expansion, (2) 6.9% yoy growth in CCM ASP due to product mix upgrade, and (3) 58.2% yoy growth in FPM ASP owing to higher contribution from under-panel products. Overall GPM improved by 4.7ppts to 9.0%, beat OP/market consensus by 0.5-0.6ppts. The margin expansion is attributed to (1) lower marginal cost thanks to higher utilization rate of CCM capacity, (2) over 2ppts improvement from labor saving as the result of automation upgrade; and (3) product mix optimization. Opex ratios were kept largely stable (~0.1% selling exp. ratio and ~1% admin exp. ratio). As a result, the company has achieved RMB542mn in FY19 net earnings, beyond its pre-announced range of RMB500-520mn. The board proposed a final dividend of HK\$10 cents (FY18: nil), representing a payout ratio of 19%.

The company guided at least 20% yoy increase in FY20E CCM shipments, of which contribution from 10M+/32M+ products should be no less than 60%/25%. The company expect COVID-19 impacts on operation to be gone by the end of March.

**We cut our FY20/21E earnings estimate by 10.2%/8.4% to RMB667mn /RMB968mn respectively.** We revise up our FY20/21E revenue estimates by 5.9%/10.1% to RMB17.1bn/RMB21.6bn respectively as we expect higher CCM ASP driven by product mix upgrade to mitigate the soften shipment outlook in FY20E. We tuned down our FY20/21E GPM by 0.6ppts/0.9ppts to 8.2%/8.5% on lower visibility and stability on upstream supply. As a result, our FY20/21E diluted EPS has been revised down to HK\$0.636/HK\$0.922 respectively.

**Maintain BUY.** Maintain our BUY rating on Q Tech with TP HK\$13.80 revised down from HK\$15.40 based on same 15x FY21E PE.

**Risks:** 1) RMB depreciating more than expected; 2) pre-longed impact from COVID-19 on SEA market and overseas supply chain, 3) faster than expected ASP erosion; 4) slower ramp-up of the yield rate for ultra-high-end product.

### Exhibit 1: Forecast and Valuation

Year to Dec (RMB mn)	FY18A	FY19A	FY20E	FY21E	FY22E
Revenue	8,135	13,170	17,112	21,578	24,145
Growth (%)	2	62	30	26	12
Net Profit	14	542	667	968	1,082
Growth (%)	(97)	3,667	23	45	12
Diluted EPS (HK\$)	0.015	0.533	0.636	0.922	1.031
EPS growth (%)	(97)	3,411	19	45	12
Change to previous EPS (%)			(10.2)	(8.4)	
Consensus EPS (HK\$)			0.668	0.854	
ROE (%)	0.7	21.8	21.2	25.2	22.9
P/E (x)	731.4	20.8	17.5	12.0	10.8
P/B (x)	5.0	4.0	3.3	2.7	2.2
Yield (%)	0.0	0.9	1.1	1.6	1.7
DPS (HK\$)	0.000	0.100	0.119	0.173	0.193

Source: Bloomberg, OP Research

## Exhibit 2: Earnings revision

(RMB mn)	FY20E			FY21E			OP Comments
	New	Old	% Chg	New	Old	% Chg	
<b>Shipments (mn pcs)</b>							
CCM shipments	508	532	(4.6)	584	585	(0.2)	
Fingerprint shipment	102	106	(4.2)	102	106	(4.2)	To reflect our more conservative view on the global demand.
<b>ASP (RMB per pcs)</b>							
HCM ASP	28	25	14.1	32	28	13.4	Driven by higher contribution 32M+ high-end products
Fingerprint ASP	28	29	(3.2)	27	28	(3.3)	
<b>Revenue by segment (RMB mn)</b>							
Compact camera module	14,224	13,060	8.9	18,800	16,620	13.1	
Fingerprint module	2,838	3,062	(7.3)	2,727	2,945	(7.4)	
<b>Revenue</b>	<b>17,112</b>	<b>16,152</b>	<b>5.9</b>	<b>21,578</b>	<b>19,595</b>	<b>10.1</b>	
Gross profit	1,401	1,418	(1.2)	1,832	1,831	0.1	
Gross margin	8.2%	8.8%	(0.6)	8.5%	9.3%	(0.9)	
Opex	(655)	(675)	(2.9)	(765)	(761)	0.5	
EBIT	759	783	(3.1)	1,084	1,122	(3.4)	
<b>Net Profit</b>	<b>667</b>	<b>744</b>	<b>(10.3)</b>	<b>968</b>	<b>1,058</b>	<b>(8.5)</b>	
Diluted EPS (HK\$)	0.636	0.708	(10.2)	0.922	1.007	(8.4)	

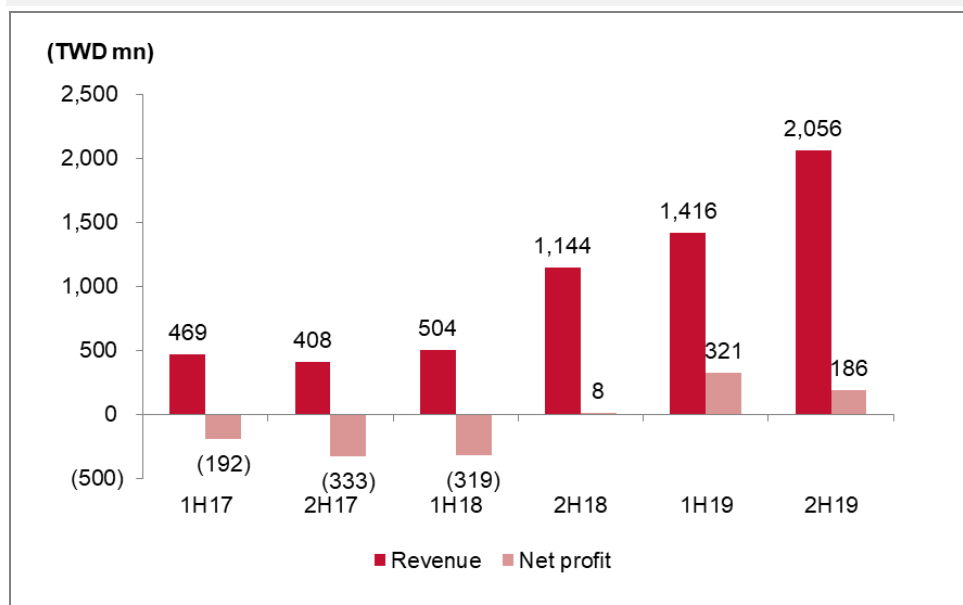
Source: OP Research

**Exhibit 3: FY19 results review**

RMB mn	1H18	2H18	1H19	2H19A	2H19E	Act. Vs Est.	OP Comments	FY18A	FY19A
<b>Revenue</b>	<b>3,207</b>	<b>4,928</b>	<b>5,061</b>	<b>8,109</b>	<b>7,249</b>	<b>11.9%</b>	Revenue from CCM beat expectations on better than expected ASP	<b>8,135</b>	<b>13,170</b>
COGS	(3,168)	(4,614)	(4,646)	(7,344)	(6,650)	10.4%		(7,782)	(11,990)
<b>Gross profit</b>	<b>39</b>	<b>314</b>	<b>415</b>	<b>765</b>	<b>600</b>	<b>27.5%</b>		<b>353</b>	<b>1,180</b>
Other income & gains	94	(11)	(29)	8	51	-83.3%		83	(21)
Selling exp	(9)	(9)	(6)	(9)	(20)	-56.5%		(19)	(15)
Admin exp	(39)	(42)	(42)	(86)	(71)	21.9%		(81)	(128)
R&D	(99)	(167)	(139)	(257)	(225)	14.0%		(266)	(396)
Listing exp	0	0	0	0	0	n.a.		0	0
Other opex	0	0	0	0	0	n.a.		0	0
<b>Operating profit (EBIT)</b>	<b>(14)</b>	<b>84</b>	<b>199</b>	<b>421</b>	<b>334</b>	<b>26.0%</b>		<b>70</b>	<b>620</b>
Provision for other items	0	0	0	0	0	n.a.		0	0
Finance costs	(21)	(23)	(23)	(29)	(23)	29.6%		(44)	(53)
Profit after financing costs	(36)	62	175	392	312	25.7%		26	567
Associated cos	(25)	0	25	15	68	-77.8%	Slower than expected growth in the HLS business of Newmax due to capacity constraint	(25)	40
Jointly controlled cos	0	0	0	0	0	n.a.		0	0
Pre-tax profit	(61)	62	200	407	379	7.2%		1	607
Tax	9	4	(19)	(45)	(47)	-2.5%		13	(65)
Minority interests	0	0	0	0	0	n.a.		0	0
<b>Net profit</b>	<b>(51)</b>	<b>66</b>	<b>180.833</b>	<b>362</b>	<b>333</b>	<b>8.6%</b>	Beat market/OP expectations	<b>14</b>	<b>542</b>
<b>YoY%</b>									
Revenue	-11%	14%	58%	65%	47%			2%	62%
Gross profit	-91%	-30%	963%	143%	91%			-60%	234%
Net profit	-125%	-72%	-453%	450%	407%			-97%	3667%
<b>Key ratios</b>									
						(in ppts)			
GPM	1.2%	6.4%	8.2%	9.4%	8.3%	1.15	Thanks to significant upgrade on CCM product mix	4.3%	9.0%
Selling exp	0.3%	0.2%	0.1%	0.1%	0.3%	(0.17)		0.2%	0.1%
Admin exp	1.2%	0.9%	0.8%	1.1%	1.0%	0.09		1.0%	1.0%
R&D	3.1%	3.4%	2.8%	3.2%	3.1%	0.06		3.3%	3.0%
EIT	26.2%	-6.0%	11.0%	11.6%	14.9%	(3.35)		-50.5%	11.4%
Net margin	-1.6%	1.3%	3.6%	4.5%	4.6%	(0.13)		0.2%	4.1%

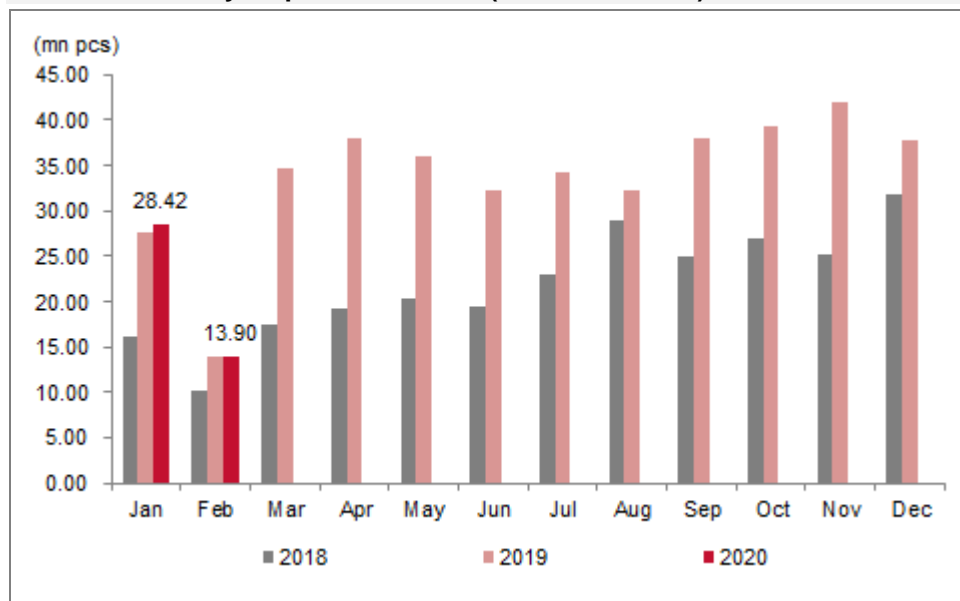
Source: Company, OP Research

**Exhibit 4: Newmax results review**



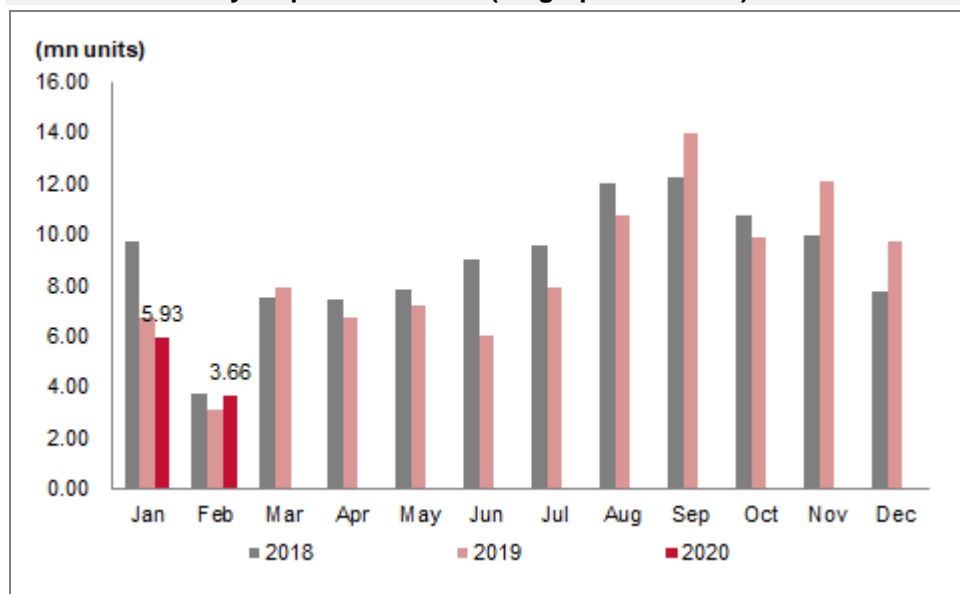
Source: Newmax, OP Research

**Exhibit 5: Monthly shipments of CCM (Camera module)**



Source: Company, OP Research

**Exhibit 6: Monthly shipments of FPM (Fingerprint module)**



Source: Company, OP Research

# Financial Summary

Year to Dec	FY18A	FY19A	FY20E	FY21E	FY22E
<b>Income Statement (RMB mn)</b>					
Compact camera module	6,273	10,360	14,224	18,800	21,508
Fingerprint module	1,832	2,759	2,838	2,727	2,586
Others	30	51	51	51	51
<b>Turnover</b>	<b>8,135</b>	<b>13,170</b>	<b>17,112</b>	<b>21,578</b>	<b>24,145</b>
YoY%	2	62	30	26	12
COGS	(7,782)	(11,990)	(15,711)	(19,746)	(22,146)
<b>Gross profit</b>	<b>353</b>	<b>1,180</b>	<b>1,401</b>	<b>1,832</b>	<b>1,999</b>
Gross margin	4.3%	9.0%	8.2%	8.5%	8.3%
Other income	83	(21)	13	16	36
Selling & distribution	(19)	(15)	(28)	(32)	(34)
Admin	(81)	(128)	(155)	(177)	(194)
R&D	(266)	(396)	(473)	(556)	(609)
Other opex	0	0	0	0	0
<b>Total opex</b>	<b>(366)</b>	<b>(539)</b>	<b>(655)</b>	<b>(765)</b>	<b>(837)</b>
<b>Operating profit (EBIT)</b>	<b>70</b>	<b>620</b>	<b>759</b>	<b>1,084</b>	<b>1,198</b>
Operating margin	0.9%	4.7%	4.4%	5.0%	5.0%
Provisions	0	0	0	0	0
Finance costs	(44)	(53)	(57)	(57)	(57)
Profit after financing costs	26	567	702	1,027	1,141
Associated companies & JVs	(25)	40	50	64	77
Pre-tax profit	1	607	751	1,091	1,218
Tax	13	(65)	(84)	(123)	(137)
Minority interests	0	0	0	0	0
<b>Net profit</b>	<b>14</b>	<b>542</b>	<b>667</b>	<b>968</b>	<b>1,082</b>
YoY%	(97)	3,667	23	45	12
Net margin	0.2%	4.1%	3.9%	4.5%	4.5%
<b>EBITDA</b>	<b>248</b>	<b>890</b>	<b>1,093</b>	<b>1,480</b>	<b>1,642</b>
EBITDA margin	3.0%	6.8%	6.4%	6.9%	6.8%
<b>EPS (RMB)</b>	<b>0.013</b>	<b>0.472</b>	<b>0.562</b>	<b>0.816</b>	<b>0.912</b>
YoY%	(97)	3,628	19	45	12
DPS (HK\$)	0.000	0.100	0.119	0.173	0.193
Year to Dec	FY18A	FY19A	FY20E	FY21E	FY22E
<b>Cash Flow (RMB mn)</b>					
EBITDA	248	890	1,093	1,480	1,642
Chg in working cap	(444)	288	(148)	(228)	(104)
Others	36	0	0	0	0
<b>Operating cash</b>	<b>(160)</b>	<b>1,178</b>	<b>945</b>	<b>1,252</b>	<b>1,539</b>
Interests paid	0	0	0	0	0
Tax	(13)	(2)	(49)	(84)	(123)
<b>Net cash from operations</b>	<b>(173)</b>	<b>1,176</b>	<b>896</b>	<b>1,168</b>	<b>1,415</b>
Capex	(522)	(790)	(684)	(647)	(724)
Investments	873	0	0	0	0
Dividends received	0	0	0	0	0
Sales of assets	0	0	0	0	0
Interests received	26	14	22	26	46
Others	9	0	0	0	0
<b>Investing cash</b>	<b>387</b>	<b>(776)</b>	<b>(662)</b>	<b>(622)</b>	<b>(679)</b>
<b>FCF</b>	<b>214</b>	<b>400</b>	<b>234</b>	<b>546</b>	<b>737</b>
Issue of shares	55	176	0	0	0
Buy-back	0	0	0	0	0
Minority interests	0	0	0	0	0
Dividends paid	0	0	(116)	(122)	(177)
Net change in bank loans	(346)	205	0	0	0
Interest paid	(136)	(53)	(57)	(57)	(57)
Others	(156)	69	0	0	0
<b>Financing cash</b>	<b>(584)</b>	<b>397</b>	<b>(173)</b>	<b>(179)</b>	<b>(234)</b>
<b>Net change in cash</b>	<b>(370)</b>	<b>797</b>	<b>61</b>	<b>367</b>	<b>502</b>
Exchange rate or other Adj	5	(486)	0	0	0
Opening cash	465	100	412	473	840
<b>Closing cash</b>	<b>100</b>	<b>412</b>	<b>473</b>	<b>840</b>	<b>1,342</b>
<b>CFPS (HK\$)</b>	<b>(0.182)</b>	<b>1.155</b>	<b>0.854</b>	<b>1.113</b>	<b>1.349</b>

Source: Company, OP Research

Year to Dec	FY18A	FY19A	FY20E	FY21E	FY22E
<b>Ratios</b>					
Gross margin (%)	4.3	9.0	8.2	8.5	8.3
Operating margin (%)	0.9	4.7	4.4	5.0	5.0
Net margin (%)	0.2	4.1	3.9	4.5	4.5
Selling & dist'n exp/Sales (%)	0.2	0.1	0.2	0.1	0.1
Admin exp/Sales (%)	1.0	1.0	0.9	0.8	0.8
Payout ratio (%)	0.0	18.8	18.8	18.8	18.8
Effective tax (%)	(50.5)	11.4	12.0	12.0	12.0
Total debt/equity (%)	56.0	48.2	40.5	32.4	26.8
Net debt/equity (%)	51.3	33.9	26.6	12.7	0.8
Current ratio (x)	0.99	0.98	1.00	1.05	1.09
Quick ratio (x)	0.83	0.72	0.74	0.78	0.81
Inventory T/O (days)	33	58	58	58	58
AR T/O (days)	136	136	136	136	136
AP T/O (days)	144	181	181	181	181
Cash conversion cycle (days)	25	14	14	14	14
Asset turnover (x)	1.30	1.54	1.44	1.48	1.40
Financial leverage (x)	2.95	3.44	3.78	3.81	3.64
EBIT margin (%)	0.9	4.7	4.4	5.0	5.0
Interest burden (x)	0.02	0.98	0.99	1.01	1.02
Tax burden (x)	10.83	0.89	0.89	0.89	0.89
<b>Return on equity (%)</b>	<b>0.7</b>	<b>21.8</b>	<b>21.2</b>	<b>25.2</b>	<b>22.9</b>
<b>ROIC (%)</b>	<b>3.5</b>	<b>15.6</b>	<b>16.4</b>	<b>20.9</b>	<b>21.1</b>
Year to Dec	FY18A	FY19A	FY20E	FY21E	FY22E
<b>Balance Sheet (RMB mn)</b>					
Fixed assets	1,889	2,704	3,040	3,273	3,515
Intangible assets & goodwill	1	5	5	5	4
Associated companies & JVs	229	433	483	547	624
Long-term investments	0	0	0	0	0
Other non-current assets	92	130	122	115	107
<b>Non-current assets</b>	<b>2,211</b>	<b>3,272</b>	<b>3,649</b>	<b>3,939</b>	<b>4,251</b>
Inventories	704	1,913	2,507	3,151	3,534
AR	3,031	4,919	6,392	8,060	9,019
Prepayments & deposits	0	0	0	0	0
Other current assets	394	119	119	119	119
Cash	100	412	473	840	1,342
<b>Current assets</b>	<b>4,229</b>	<b>7,363</b>	<b>9,491</b>	<b>12,170</b>	<b>14,014</b>
AP	3,061	5,935	7,777	9,774	10,962
Tax	2	49	84	123	137
Accruals & other payables	28	257	334	421	471
Bank loans & leases	1,178	1,293	1,293	1,293	1,293
CB & othe debts	0	0	0	0	0
Other current liabilities	0	9	9	9	9
<b>Current liabilities</b>	<b>4,270</b>	<b>7,543</b>	<b>9,497</b>	<b>11,620</b>	<b>12,872</b>
Bank loans & leases	0	90	90	90	90
CB & othe debts	0	0	0	0	0
Deferred tax & others	66	135	135	135	135
MI	0	0	0	0	0
<b>Non-current liabilities</b>	<b>66</b>	<b>225</b>	<b>225</b>	<b>225</b>	<b>225</b>
<b>Total net assets</b>	<b>2,103</b>	<b>2,867</b>	<b>3,418</b>	<b>4,264</b>	<b>5,168</b>
<b>Shareholder's equity</b>	<b>2,103</b>	<b>2,867</b>	<b>3,418</b>	<b>4,264</b>	<b>5,168</b>
Share capital	9	9	9	9	9
Reserves	2,094	2,858	3,409	4,255	5,159
<b>BVPS (HK\$)</b>	<b>2.23</b>	<b>2.80</b>	<b>3.34</b>	<b>4.16</b>	<b>5.05</b>
Total debts	1,178	1,383	1,383	1,383	1,383
Net cash/(debts)	(1,078)	(971)	(910)	(543)	(41)

Exhibit 7: Peer Group Comparison

Company	Ticker	Price	3-mth		Hist	PER FY1	PER FY2	EPS FY1	EPS FY2	YoY%	YoY% Cagr (%)	PEG (x)	Div yld	Div yld P/B	Hist	P/B FY1	Ebitda	Ebitda	Net	Gross	ROE	ROE	Shpx	Shpx
			Mkt cap	avg t/o																				
			(US\$m)	(US\$m)	(x)	(x)	(x)	YoY%	YoY% Cagr (%)															
Q Technology Gro	1478 HK	11.10	1,654	15.7	20.8	18.3	12.7	13.7	43.9	22.7	0.81	0.9	1.0	4.0	3.4	15.5	13.0	33.9	9.0	4.1	21.8	20.3	(0.5)	(10.8)
HSI		25,040.46			10.5	9.8	8.9	7.6	9.1	7.5	1.29	4.0	4.2	1.10	1.01						10.5	10.4	(8.6)	(5.5)
HSCEI		9,984.44			8.0	7.6	7.0	5.5	9.5	3.2	2.41	3.8	4.3	1.06	0.94						13.1	12.4	(6.7)	(4.1)
CSI300		3,997.13			14.2	11.7	10.4	21.8	12.6			2.1	2.6	1.82	1.58						12.8	13.5	2.5	2.6
Adjusted sector avg*					24.7	20.8	18.2	40.9	30.1	(45.2)	0.6	3.9	4.5	4.3	4.6	10.0	12.7	26.5	14.2	3.5	9.5	16.1	(4.9)	(0.8)
Sunny Optical	2382 HK	122.50	17,296	145.0	48.1	34.1	25.1	41.0	35.6	34.5	0.99	0.5	0.8	12.03	10.02	29.7	23.3	0.0	18.9	9.6	30.5	32.5	(3.1)	(12.7)
Truly Intl Hldgs	732 HK	1.01	428	1.5	42.8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.42	N/A	4.2	N/A	82.7	9.5	0.4	2.7	N/A	(7.3)	(1.0)
Cowell	1415 HK	1.60	171	1.9	12.1	8.6	5.6	41.2	54.2	42.3	0.20	7.0	8.3	0.55	0.50	0.9	0.6	0.0	9.8	2.6	5.4	8.6	(22.7)	26.0
Ofilm Group Co-A	002456 CH	16.89	6,595	487.7	N/A	86.6	30.5	N/A	184.1	(256.7)	N/A	N/A	0.1	5.19	5.00	26.0	14.6	175.2	12.3	(1.2)	(17.9)	5.5	6.2	20.6
Huizhou Speed -A	300322 CH	20.40	1,194	88.1	88.7	41.0	29.8	116.1	37.8	N/A	N/A	0.1	N/A	12.64	9.25	72.0	28.1	64.1	21.7	5.3	15.1	24.2	12.7	1.2
Crucialtec Co Lt	114120 KS	371.00	20	0.5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.31	N/A	(2.9)	N/A	38.6	(8.8)	(64.1)	(31.1)	N/A	(58.9)	(60.2)
Lite-On Tech	2301 TT	44.00	3,420	7.9	10.9	12.2	10.7	(10.7)	14.1	(0.9)	N/A	6.6	6.8	1.41	1.32	4.9	5.0	0.0	15.4	5.3	13.0	11.0	(6.8)	(11.2)
Primax Elec	4915 TT	45.30	675	5.3	9.4	8.1	7.4	16.8	8.8	N/A	N/A	5.3	6.8	1.70	1.33	7.0	4.8	0.0	12.0	2.6	17.5	14.6	(13.5)	(28.5)

\* Outliners and "N/A" entries are in red and excl. from the calculation of averages

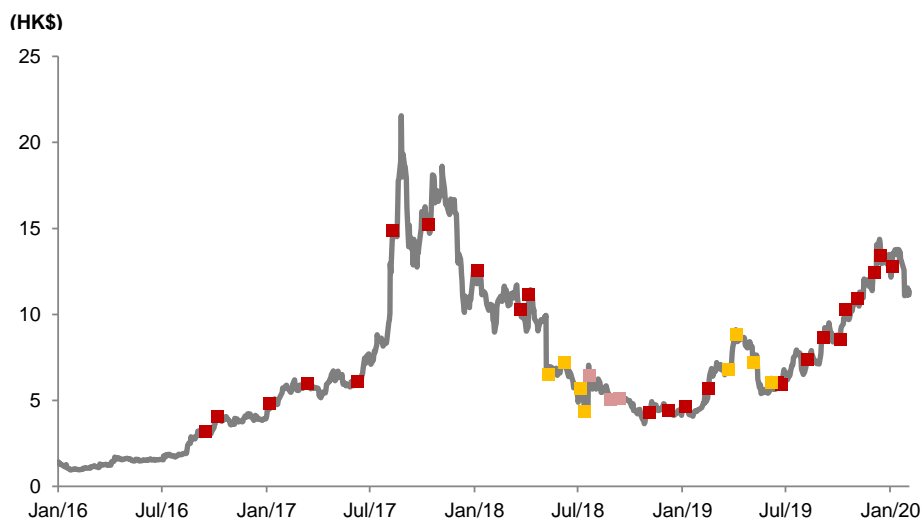
Source: Bloomberg, OP Research

## Our recent reports

Date	Company / Sector	Ticker	Title	Rating	Analyst
09/03/2020	Edvantage Group	382	1H20/21E positive profit alert - BUY	BUY	Dallas Cai/Megan Jin
24/02/2020	361 Degrees Intl	1361	COVID-19 impact to be inevitable on 1H20E	BUY	Megan Jin
20/02/2020	Ausnutria Dairy	1717	FY19E cow IMF growth beat expectations	BUY	Dallas Cai/Megan Jin
18/02/2020	Anta Sports	2020	Concrete yet manageable impacts from COVID-19	BUY	Dallas Cai/Megan Jin
13/02/2020	CH Display OPT	334	Better than feared coronavirus impacts, for now	HOLD	Dallas Cai
10/02/2020	TCL Electronics	1070	FY19E earnings beat expectations	BUY	Dallas Cai
05/02/2020	Xtep Intl	1368	4Q19 in line with expectations	BUY	Dallas Cai/Megan Jin
17/01/2020	Edvantage Group	382	FY20/21E saw a good start	BUY	Yuji Fung/Dallas Cai
17/01/2020	361 Degrees Intl	1361	4Q19 retail sales on track	BUY	Megan Jin
15/01/2020	Anta Sports	2020	Issuance of CB to optimize financial structure	BUY	Dallas Cai/Megan Jin
10/01/2020	Sunny Optical	2382	2019 shipment targets met - as expected	BUY	Yuji Fung/Dallas Cai
08/01/2020	Q Tech	1478	2019 full year shipments meet OP targets	BUY	Yuji Fung/Dallas Cai
31/12/2019	GT Service	2869	Introducing Longfor as 3rd largest shareholder	BUY	Dallas Cai/Yuji Fung
20/12/2019	Q Tech	1478	Top-up placement for CCM capacity expansion	BUY	Yuji Fung/Dallas Cai
17/12/2019	Aidigong	286	Transforming into a leading postpartum care player in China	NR	Yuji Fung
13/12/2019	Anta Sports	2020	Revealing higher visibility of post-M&A roadmap	BUY	Dallas Cai/Megan Jin
10/12/2019	Sunny Optical	2382	November saw strong HCM shipment growth	BUY	Yuji Fung/Dallas Cai
10/12/2019	Q Tech	1478	November shipments maintain full steam	BUY	Yuji Fung/Dallas Cai
03/12/2019	Xtep Intl	1368	Update on winter sales and new brand	BUY	Dallas Cai/Megan Jin
28/11/2019	Edvantage Group	382	Advantageous Educator in Greater Bay Area	BUY	Yuji Fung/Dallas Cai
14/11/2019	Ausnutria Dairy	1717	3Q results up to expectations	BUY	Dallas Cai/Megan Jin
14/11/2019	Anta Sports	2020	Dispose 5% of Amer for introduction of experienced investors	BUY	Dallas Cai/Megan Jin
11/11/2019	Sunny Optical	2382	October shipments in line with expectations	BUY	Yuji Fung/Dallas Cai
11/11/2019	Q Tech	1478	Another month of robust growth in October	BUY	Yuji Fung/Dallas Cai
30/10/2019	CH Display OPT	334	More shifting to processing mode in 3Q19	HOLD	Yuji Fung/Dallas Cai
22/10/2019	Li-Ning	2331	3Q19 saw solid retail performance	BUY	Dallas Cai/Megan Jin
21/10/2019	Q Tech	1478	Upgrade on diversified global footprint	BUY	Yuji Fung/Dallas Cai

## Historical recommendations and target price: Q Tech (1478 HK)

(as of 09/03/2020)



Date	Rating	TP (HK\$)	CLOSE (HK\$)	Date	Rating	TP (HK\$)	CLOSE (HK\$)
1 21 Jun 2019	SELL	5.00	6.07	6 21 Oct 2019	BUY	15.40	10.28
2 01 Jul 2019	BUY	7.40	5.95	7 11 Nov 2019	BUY	15.40	10.88
3 13 Aug 2019	BUY	9.20	7.35	8 10 Dec 2019	BUY	15.40	12.44
4 10 Sep 2019	BUY	9.20	8.67	9 20 Dec 2019	BUY	15.40	13.40
5 11 Oct 2019	BUY	10.00	9.15	10 08 Jan 2020	BUY	15.40	12.48

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<b>Relevant Benchmark</b>	Represents the stock closing price as at the date quoted in this report.

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