

What's Hot Today:

► Q-Tech (1478 HK, HK\$9.14, HK\$10.9bn) Growth Intact

Despite Near Term Pressure

Q Technology is a leading camera module maker in China. It reported 2H25 revenue of RMB12.0bn (+42% YoY / +36% HoH), while net profit reached RMB1.18bn (+623% YoY / +284% HoH). Both revenue and earnings hit record highs and came in above the company's prior guidance. Cash flow remained stable with net cash at RMB3.3bn. A final dividend of 40 HK cents was declared, bringing the full-year dividend to 55 HK cents, up 450% YoY.

Fig 1: Comparison of Financial data on YoY/HoH

	2H24		1H25		2H25		YoY	HoH
	RMB'bn	% of Rev	RMB'bn	% of Rev	RMB'bn	% of Rev		
CCM	7.6	90%	8.0	90%	11	90%	43%	36%
FRM	0.78	9%	0.83	9%	1.1	9%	38%	31%
Others	0.09	1%	0.05	1%	0.11	1%	20%	118%
Total Revenue	8.5		8.8		12.0		42%	36%
COGS	8.4		8.2		11.08			
Gross Profit	0.58	7%	0.65	7%	0.96	8%	+1%	+1%
S&M Expenses	0.01	0.1%	0.01	0%	0.03	0%	232%	136%
R&D Expenses	0.10	1%	0.08	1%	0.09	1%	-11%	10%
G&A Expenses	0.22	3%	0.28	3%	0.38	3%	72%	35%
Core Operating Profit	0.26	3%	0.28	3%	0.47	4%	83%	67%
Net income to parent	0.16	2%	0.31	3%	1.18	10%	623%	284%

Source: Company Data, Sunwah Kingsway Research

Camera Module Growth Accelerated on Better Mix: Camera modules remained the main growth driver in 2H25, with revenue reaching RMB10.9bn (+43% YoY / +36% HoH), accounting for 90% of total revenue. Growth was mainly driven by higher shipments. Handset camera module shipments rose to 251mn units (+22% YoY / +37% HoH), with 32MP-and-above products making up 42% of total shipments. The mix also moved further upmarket, as the contribution from periscope camera modules increased to 6.6% of total camera modules shipments in FY25 from 1.8% last year. Non-handset camera modules saw even stronger momentum, with 2H25 shipments reaching 17mn units (+163% YoY / +116% HoH) mainly due to rising demand from automotive LiDAR, IoT and drones, as well as continued share gains with customers. The improvement in handset mix and the faster growth of non-handset business continued to lift blended camera module ASP, which stayed on an upward trend and reached RMB43 in 2H25 from RMB 29.8 in 1H25.

Biometric modules also delivered solid growth, with 2H25 revenue reaching RMB1.1bn (+38% YoY / +31% HoH), accounting for 9% of total revenue. It was mainly because of both higher shipments and better ASP, with shipments rising to 108mn units (+6% YoY / +15% HoH) and ASP increasing to RMB10 from RMB 6.7 in 1H24.

Supported by scale expansion and mix improvement in both businesses, overall GPM reached 8.0% in 2H25, with camera module GPM at 7.2% and biometric module GPM at 12.3%.

China & HK Indices	CLOSE	1D	YTD
HSI	25,834	1.4%	0.8%
HSCEI	8,816	1.7%	-1.1%
HSCCI	4,315	-0.3%	7.5%
CSI300	4,671	0.1%	0.9%
Shanghai A	4,283	-0.3%	4.2%
Shanghai B	264	-0.7%	4.2%
Shenzhen A	2,831	0.2%	6.9%
Shenzhen B	1,237	0.2%	-2.2%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	46,946	0.8%	-2.3%
S&P 500	6,699	1.0%	-2.1%
Nasdaq	22,374	1.2%	-3.7%
Nikkei Index	54,120	0.7%	7.5%
FTSE Index	10,317	0.6%	3.9%
CAC Index	7,935	0.3%	-2.6%
DA-X Index	23,564	0.5%	-3.8%

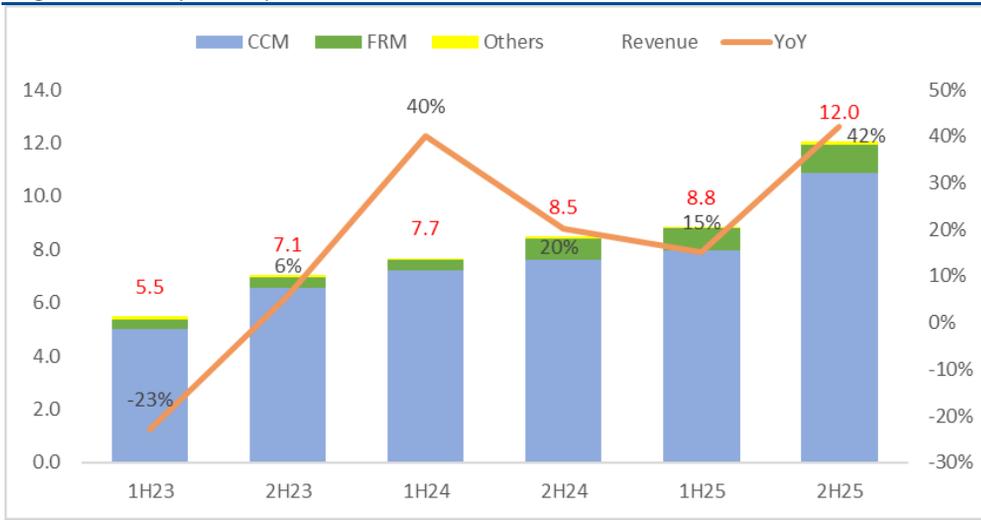
Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	5,006	-0.3%	15.9%
STEEL (US\$/oz.)	2,672	-1.0%	5.1%
SILVER (US\$/oz.)	80	0.2%	12.4%
CRUDE OIL (US\$/bbl)	93	-5.3%	66.0%
COPPER (US\$/oz.)	12,855	-1.1%	3.5%
ALUMINIUM (US\$/oz.)	3,395	-3.4%	13.4%
PLATINUM (US\$/oz.)	2,115	4.3%	2.8%
ZINC (US\$/oz.)	3,269	-1.0%	4.9%
WHEAT (US\$/bu)	597	-3.4%	18.7%
CORN (US\$/bu)	454	-2.8%	1.8%
SUGAR (US\$/lb)	124	0.7%	
SOYBEAN (US\$/bu)	1,155	-5.7%	8.7%
PVC (US\$/t)	5,858	2.3%	40.0%
CRB	359	-1.5%	3.0%
BDI			8.0%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.830	0.869	159.070	0.788	6.892
HKD	0.128		0.111	20.314	10.060	0.880
EUR	1.151	9.008		183.030	1.103	7.938
JPY	0.006	4.923	0.546		0.495	0.043
CHF	1.270	9.940	1.103	201.959		8.759
RMB	0.145	1.136	0.126	23.068	0.114	

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece		N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	23	-7.8%

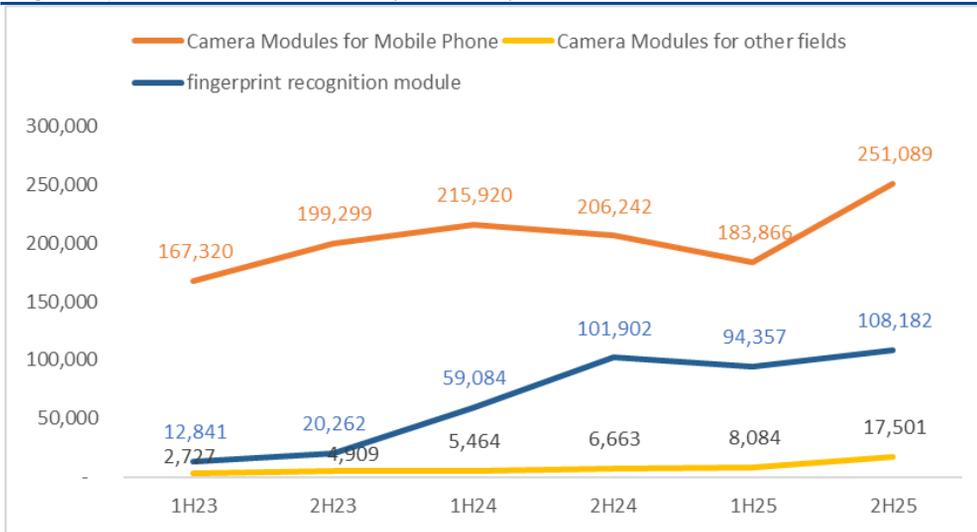
Source: Bloomberg

Fig 2: Revenue (RMB'bn) and YoY



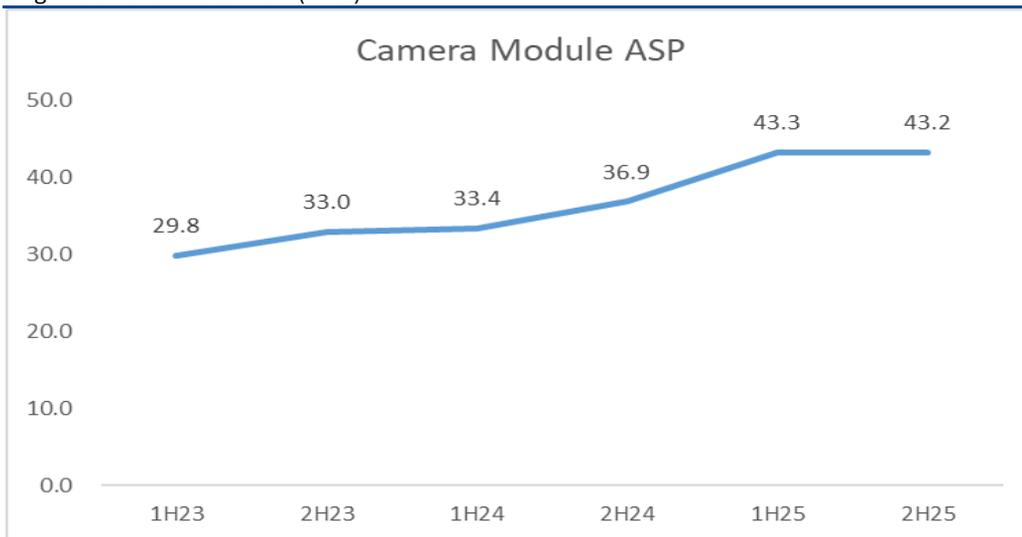
Source: Company Data, Sunwah Kingsway Research

Fig 3: Shipments of Camera Module (thousands)



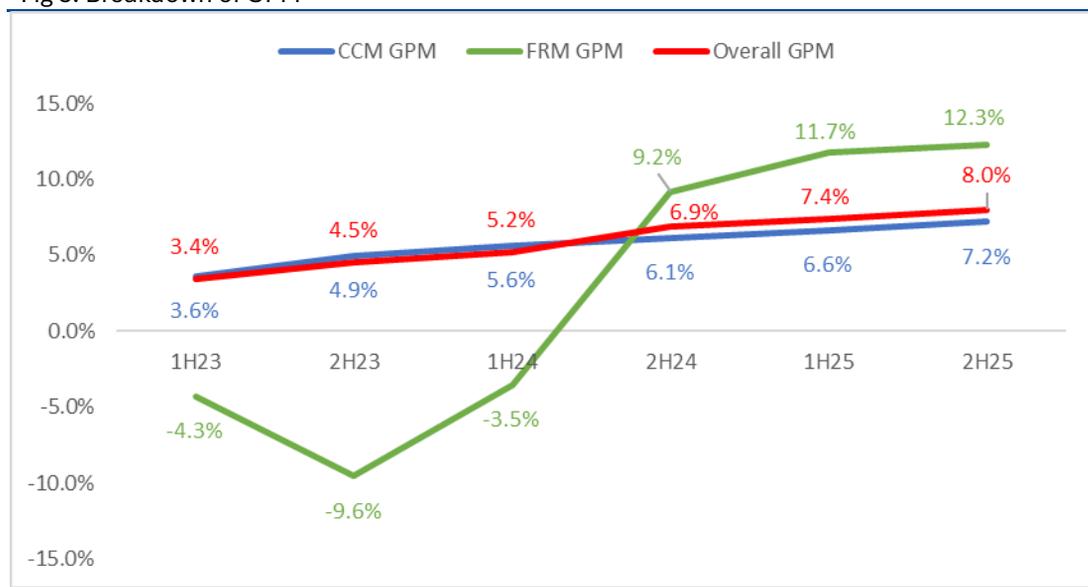
Source: Company Data, Sunwah Kingsway Research

Fig 4: Camera Module ASP (RMB)



Source: Company Data, Sunwah Kingsway Research

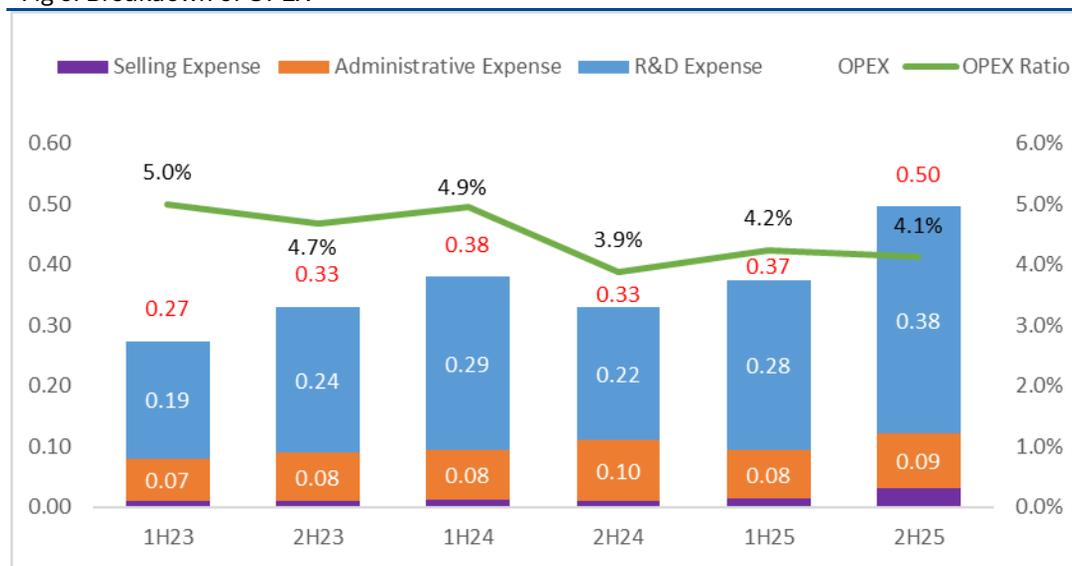
Fig 5: Breakdown of GPM



Source: Company Data, Sunwah Kingsway Research

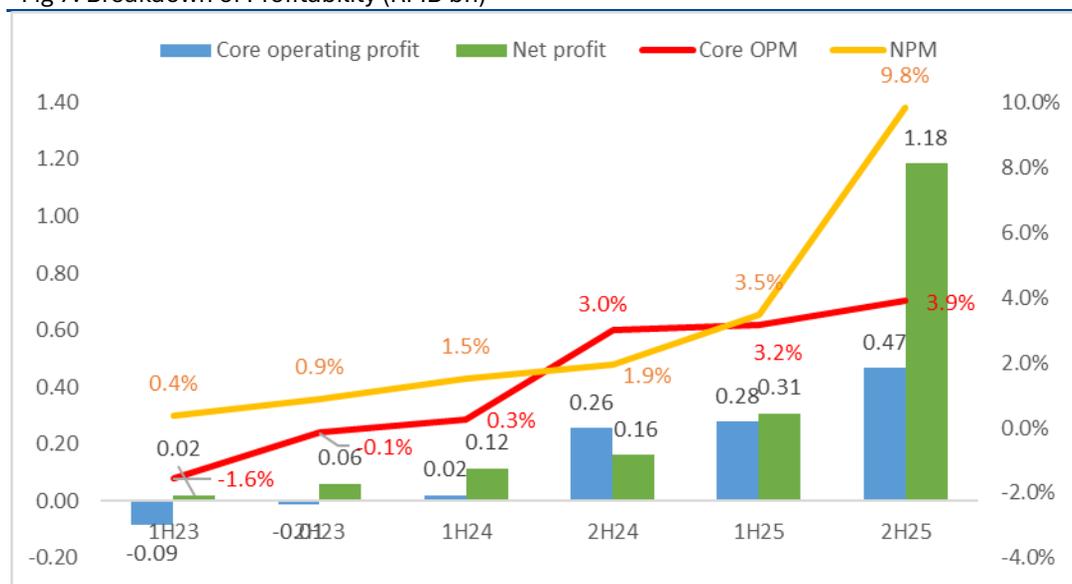
Improving Core Profit Margin: Core operating profit reached RMB470mn in 2H25 (+83% YoY / +67% HoH), while core OPM improved to 3.9%, the highest level in recent years. The improvement was driven by solid cost control, with the OPEX ratio kept at 4.0%. Net profit reached RMB1.18bn in 2H25 (+623% YoY / +284% HoH), with NPM at 9.8%. The sharp gain in NP was mainly due to the one-off after-tax gain of about RMB812mn from the partial disposal of Q Technology India and the turned around performance of an associate company of Newmax Technology.

Fig 6: Breakdown of OPEX



Source: Company Data, Sunwah Kingsway Research

Fig 7: Breakdown of Profitability (RMB'bn)

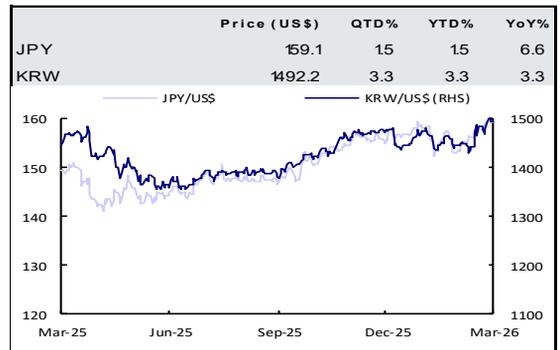
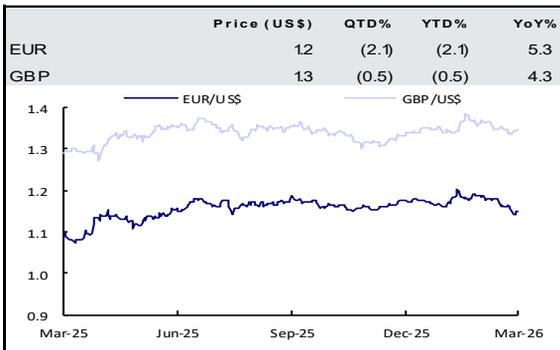
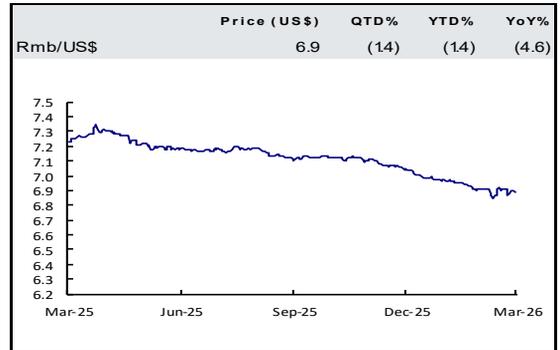
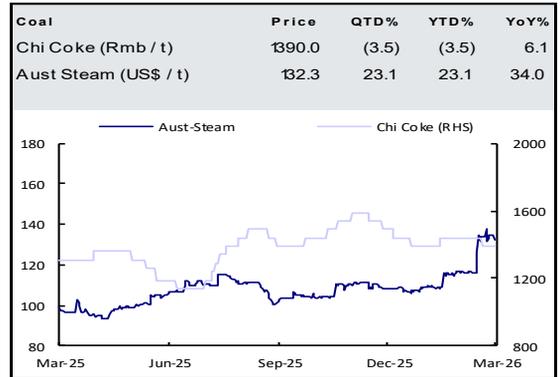
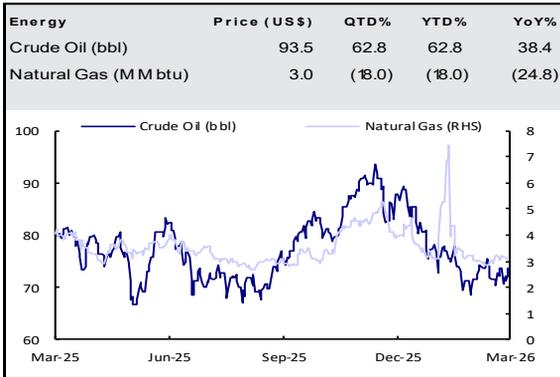
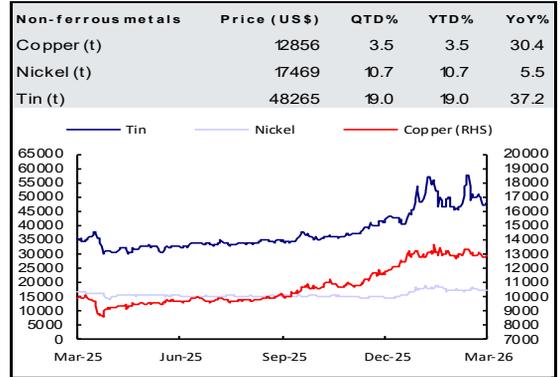


Source: Company Data, Sunwah Kingsway Research

Management guidance: The Mgt is further shifting its medium- to long-term strategy toward non-handset applications. In the near term, consumer electronics demand may still be affected by rising memory prices and other factors. Handset camera module shipments are expected to post only modest growth, with lower-end demand still facing pressure. However, smartphone premiumization is expected to continue, supporting further mix gains for higher-spec products such as periscope modules. Over the next five years, the company targets non-handset revenue to exceed 50% of total camera module revenue, while continuing to deepen vertical integration and enhance its capabilities in key components and modules. Overall, management remains constructive on the IoT and smart automotive markets, which it views as the key growth drivers going forward.

Our views: Q-Tech's 2H25 revenue and growth once again exceeded expectations, driven by solid end-market demand and continuous share gains with key customers. While rising memory prices may weigh on consumer electronics shipments, we believe the recent share-price correction has already reflected much of this concern. In our view, the company should still be able to sustain growth, supported by broad product range, together with the rapid expansion of non-handset businesses. Within smartphones, ongoing premiumization remains supportive, while the fast development of AI and XR also creates favorable structural opportunities for the company. Although near-term operating pressure may persist, we remain constructive on Q-Tech's medium- to long-term competitive position and growth prospects. The counter is trading at 10x FY26E P/E. (Research Department)

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Industrial Production	MoM		16-Mar-26
Factory Orders	MoM		18-Mar-26
PPI	MoM		18-Mar-26
Durable Goods Orders	MoM		18-Mar-26
Initial Jobless Claims	WoW		19-Mar-26
Wholesale Inventories	MoM		19-Mar-26
New home Sales	MoM		19-Mar-26
Consumer Confidence	MoM		31-Mar-26
Business Inventories	MoM		1-Apr-26
ISM Manufacturing PMI	MoM		1-Apr-26
Retail Sales	MoM		1-Apr-26
Trade Balance	MoM		2-Apr-26
Employment Report	MoM		3-Apr-26
GDP	QoQ		9-Apr-26
Personal Income & Spending	MoM		9-Apr-26
CPI	MoM		10-Apr-26
Existing Home Sales	MoM		13-Apr-26
Housing Starts / Building Permits	MoM		
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
PMI Manufacturing	MoM		31-Mar-26
Foreign Exchange Reserves	QoQ		7-Apr-26
Money Supply - M2	MoM		9-Apr-26
PPI	MoM		10-Apr-26
CPI	MoM		10-Apr-26
Trade Balance	MoM		14-Apr-26
Retail Sales	MoM		16-Apr-26
Industrial Production	MoM		16-Apr-26
GDP	YoY		16-Apr-26

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Unemployment Rate	MoM		18-Mar-26
CPI	MoM		20-Mar-26
Trade Balance	MoM		26-Mar-26
Money Supply - M2	MoM		31-Mar-26
Retail Sales	MoM		1-Apr-26
PMI	MoM		8-Apr-26
Foreign Currency Reserve	MoM		9-Apr-26
GDP	QoQ		5-May-26
Producer Prices Index	QoQ		12-Jun-26
Industrial Production	QoQ		12-Jun-26
Composite Interest Rate	MoM		

Kingsway Research Team

Analyst
Howard Wong
Alan Li

Email
howard.wong@sunwahkingsway.com
alan.li@sunwahkingsway.com

Phone No.
(852) 2283 7307
(852) 2283 7306

Disclaimer

This document is not an offer to sell or the solicitation of an offer to buy or subscribe for any securities. The securities referred to in this document may not be eligible for sale in certain jurisdiction. Neither this document nor any portion hereof may be taken distributed or transmitted directly or indirectly into such jurisdiction nor to any residents thereof. Any failure to comply with this restriction may constitute a violation of the applicable laws and regulations and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. This document has been produced for private circulation and may not be copied, photocopied, duplicated, or redistributed without the prior written consent of Kingsway Financial Services Group Limited (“KFS”) and its affiliated companies (collectively, “Kingsway Group”).

This report is distributed in Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”) by KFS which is registered as a licensed corporation under the Securities and Futures Ordinance (Cap.571 of The Laws of Hong Kong) with the Securities and Futures Commission of Hong Kong (“SFC”) and its SFC CE number is ADF346.

The information contained in this report has been taken from sources believed to be reliable but no representation or warranty expressed or implied is made as to their accuracy or correctness. This report is published for the assistance of recipients but is not to be relied upon as authoritative or taken in substitution for the exercise of judgment by any recipient. It is not to be construed as an offer, invitation or solicitation to buy or sell any securities of the company or companies covered herein. Any recommendation contained in this report does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. All opinions and estimates reflect our judgment on the date of this report and are subject to change without notice.

KFS, including its parent, subsidiaries and/or affiliates, may act as lead or co-manager in an offering of the securities of any issuer discussed herein, may from time to time perform financial services or other advisory services for, or solicit financial services or other business from, any issuer.

Within the past year, KFS, including its parent, subsidiaries and/or affiliates, may have acted as market maker or traded on a principal basis in the financial instruments of any issuer discussed herein and may act as underwriter, placement agent, advisor or lender to such issuer.

KFS, including its parent, subsidiaries, affiliates, shareholders, officers, directors, and employees may have long or short positions in, and buy or sell, the securities, commodities or derivatives (including options) or any other financial instruments thereof, of any issuers.

An employee of KFS, including its parent, subsidiaries and/or affiliates, may act as director, or be represented on the boards of directors, of any such entities or issuers.

Copyright 2026 Kingsway Group. All rights reserved.

Head Office

Hong Kong
Kingsway Financial Services Group Limited
7/F, Tower One, Lippo Centre,
89 Queensway, Hong Kong
Tel: 852-2283-7000
Fax: 852-2877-2665

Affiliated & Overseas Offices

Guangdong
廣東新華滙富商業保理有限公司
601-5, Building 3
130 Jiaoxi Road, Nansha District,
Guangzhou, 511455, PRC