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Q Tech

Q TECHNOLOGY (GROUP) COMPANY LIMITED

丘鈦科技(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1478)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that, based on the information currently available to the Company and the preliminary review by the Board on the unaudited management accounts of the Group for the year ended 31 December 2020, which have not been reviewed or audited by the independent auditors and/or the audit committee, it is expected that the consolidated profit attributable to the Shareholders of the Group for the year ended 31 December 2020 may increase by approximately 40% to 60% as compared to the consolidated profit attributable to the Shareholders of approximately RMB542,372,000 for the year ended 31 December 2019.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Q Technology (Group) Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available to the Company and the preliminary review by the Board on the unaudited management accounts of the Group for the year ended 31 December 2020 (the “**Year**”), which have not been reviewed or audited by the independent auditors and/or the audit committee, it is expected that the consolidated profit attributable to the Shareholders of the Group for the Year may increase by approximately 40% to 60% as compared to the consolidated profit attributable to the Shareholders of approximately RMB542,372,000 for the year ended 31 December 2019 (the “**Pervious Year**”).

The Board believes that the expected increase in the profit attributable to the Shareholders for the Year is mainly due to the following factors: (i) despite the decrease in the sales volume of camera modules and fingerprint recognition modules of the Group for the Year as compared to that of the Previous Year due to the decline of the global sales volume of smartphones as affected by the macroscopic factors such as the raging COVID-19 epidemic and the continuing international trading disputes, however, benefited from the significant progress achieved on the strategic of product mix optimization pursued by the Group for years, the average selling price of camera modules has increased significantly year-on-year, propelling a solid growth in sales revenue of the Group for the Year as compared to that of the Previous Year; and (ii) the substantial optimization on the product mix of camera modules helped to enhance the added value of camera module business and the notable results on the production automation upgrading and transformation contributed to a continuing optimization on costs such as labor cost and depreciation, resulting in a good enhancement on the gross profit margin of camera module business of the Group for the Year as compared with that of the Previous Year.

The information contained in this announcement is only based on the information currently available to the Company and the preliminary review by the Board on the unaudited management accounts of the Group for the Year, which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company. Therefore, the actual financial results of the Group for the Year may differ from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully about the announcement of the Company for the annual results for the Year, which is expected to be published in mid-to-late March 2021 in accordance with the requirements of the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Q Technology (Group) Company Limited
He Ningning
Chairman and Executive Director

Hong Kong, 15 January 2021

As at the date of this announcement, the Executive Directors are Mr. He Ningning (Chairman), Mr. Hu Sanmu (Chief Executive Officer) and Mr. Fan Fuqiang; and the Independent Non-executive Directors are Mr. Ko Ping Keung, Mr. Chu Chia-Hsiang and Mr. Ng Sui Yin.