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 eleven months ended 30 November 2019, which have not been reviewed or audited by the independent auditors and/or the audit committee, it is expected that the Group will record a consolidated profit attributable to the Shareholders of approximately RMB500,000,000 to RMB520,000,000 for the year ended 31 December 2019 as compared to a consolidated profit attributable to the Shareholders of approximately RMB14,399,000 for the year ended 31 December 2018.

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 eleven months ended 30 November 2019, which have not been reviewed or audited by the independent auditors and/or the audit committee, it is expected that the Group will record a consolidated profit attributable to the Shareholders of approximately RMB500,000,000 to RMB520,000,000 for the year ended 31 December 2019 as compared to a consolidated profit attributable to the Shareholders of approximately RMB14,399,000 for the year ended 31 December 2018.

The Board believes that the expected profit attributable to the Shareholders is mainly due to the following factors: (i) the gross profit margin of overall products of camera modules improved apparently as compared with that of the previous year due to a significant increase of sales volumes of camera modules and the significant enhancement of product mix during the second half of 2019; (ii) despite the slight decrease in sales volumes of fingerprint recognition modules, the gross profit margin of overall products of fingerprint recognition modules improved apparently as compared with that of the previous year due to the significant enhancement of product mix; (iii) the labour cost has improved apparently as compared with that of the previous year, which was mainly attributable to the upgrading of the production automation that has gradually demonstrated results; and (iv) Newmax Technology Co., Ltd., an associated company of the Company, has significantly improved its managing situation for the period from January 2019 to November 2019 as compared with that of the corresponding period of the previous year and has recorded a profit, which have not been finally audited by the independent auditors. However, the exchange rate of RMB against USD fluctuated fiercely from January 2019 till the date of this announcement due to the influence of trade disputes, which has impacted on the operating profit of the Group.

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 eleven months ended 30 November 2019, which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company, and the consolidated profit of the Group may also be affected if the exchange rate of RMB against USD experienced sharp fluctuation. Therefore, the actual financial results of the Group for the year ended 31 December 2019 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 ended 31 December 2019, which is expected to be published in mid-March 2020 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, 11 December 2019

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