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
AND
REVISION OF THE OBJECTIVE OF SHIPMENT OF CAMERA MODULES

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.

POSITIVE PROFIT ALERT

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 six months ended 30 June 2020, which have not been reviewed or audited by the independent auditors and/or the audit committee, it is expected that the Group's consolidated profit attributable to the Shareholders for the six months ended 30 June 2020 may increase by approximately 50% to 90% as compared to the consolidated profit attributable to the Shareholders of approximately RMB180,833,000 for the six months ended 30 June 2019.

REVISION OF THE OBJECTIVE OF SHIPMENT OF CAMERA MODULES

Based on the information currently available to the Company and the unaudited shipment volume of camera modules of the Group for the six months ended 30 June 2020, which have not been reviewed or audited by the independent auditors and/or the audit committee(for details, please refer to the voluntary announcement of the Company dated 13 July 2020), the Board is of the view that it will be a great pressure to achieve the objective of shipment of camera modules, which was released in the annual results announcement of the Company for the year 2019 dated 9 March 2020, hence, the Company revised that objective to "endeavor to achieve that the shipment of camera modules in 2020 will decrease by not more than 5% to increase by approximately 5% comparing with that of the previous year".

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**").

POSITIVE PROFIT ALERT

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 six months ended 30 June 2020, it is expected that the consolidated profit attributable to the Shareholders for the six months ended 30 June 2020 may increase by approximately 50% to 90% as compared to the consolidated profit attributable to the Shareholders of approximately RMB180,833,000 for the six months ended 30 June 2019.

The Board believes that the expected increase in the consolidated profit is mainly due to the following factors: (i) although the shipment of camera modules did not achieve the expected growth, the product mix of camera modules recorded a significant enhancement. During the period from January 2020 to June 2020, the proportion of shipment of camera modules with resolutions of 10 mega pixels and above and the proportion of shipment of camera modules with resolutions of 32 mega pixels and above accounted for approximately 72.8% and 27.5% of the total shipment of camera modules respectively, both has exceeded the shipment objectives disclosed in the annual results announcement of the Company for the year 2019,which helps the Group to enhance the added value of camera modules significantly, and also helps to reduce marginal costs of labor and depreciation. In the meantime, the labor cost is further optimized as compared with the same period of last year due to the continuing progress of production automation upgrading and transformation; however, (ii) the substantial fluctuation of the exchange rate of RMB against USD affected by the trade disputes have impacted the operating profit of the Group.

REVISION OF THE OBJECTIVE OF SHIPMENT OF CAMERA MODULES

Based on the information currently available to the Company, the shipment volume of camera modules of the Group for the six months ended 30 June 2020, which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company, was approximately 180.21 million units (for details, please refer to the voluntary announcement of the Company dated 13 July 2020), recorded a year-on-year decrease of approximately 1.3% due to the impacts such as the long-term stringent restrictions on social activities in major global economies caused by the outbreak of COVID-19 and the trade disputes between the major global economies, which is significantly lower than the objective of "endeavor to achieve that the shipment of camera modules in 2020 will increase by not less than 20% comparing with that of the previous year" released in the annual results announcement of the Company for the year 2019 dated 9 March 2020 (the "**Objective of Shipment of CCM**") (for details, please refer to the annual results announcement of the Company for the year 2019 dated 9 March 2020). Taking account of the cumulative total shipment volume of camera modules for the six months ended 30 June 2020 and the market forecast for the rest of this year, it will be difficult to achieve the Objective of Shipment of CCM, hence, the Company revised the Objective of Shipment of CCM to "endeavor to achieve that the shipment of camera modules in 2020 will decrease by not more than 5% to increase by approximately 5% comparing 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 six months ended 30 June 2020, which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company. The actual results of Group for the six months ended 30 June 2020 and the shipment of camera modules finally achieved by the Group of this year may differ from the information contained in this announcement. Shareholders and potential investors are advised to read carefully about the announcement of the Company for the interim results announcement for the six months ended 30 June 2020, which is expected to be published in mid-to-late August 2020 in accordance with the Listing Rules, and the disclosure after the date of this announcement.

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, 13 July 2020

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.