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
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 2021, 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 six months ended 30 June 2021 may increase by approximately 40% to 60% as compared to the consolidated profit attributable to the Shareholders of approximately RMB335,522,000 for the six months ended 30 June 2020.

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 2021, 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 9 July 2021), the Board is of the view that it is become challenging to achieve the objective of shipment of camera modules in 2021, which was released in the annual results announcement of the Company for the year 2020 dated 26 March 2021, hence, the Company revised that objective to "endeavor to achieve that the shipment of camera modules in 2021 will increase by not less than 25% as compared 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 2021, 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 six months ended 30 June 2021 (the "**Period**") may increase by approximately 40% to 60% as compared to the consolidated profit attributable to the Shareholders of approximately RMB335,522,000 for the six months ended 30 June 2020 (the "**Corresponding Period**").

The Board believes that the expected significant year-on-year increase in profit attributable to the Shareholders is mainly due to the following factors: (i) during the Period, the product mix of camera modules of the Group continued to be optimized and the added value of camera module products increased; (ii) during the Period, the effect of the transformation of full-automatic digital intelligent factory was further demonstrated, which continuously promoted the optimization of labor costs; and (iii) during the Period, the Group achieved solid growth in the sales volumes of camera modules and fingerprint recognition modules as compared with that of the Corresponding Period, which improved the rate of capacity utilization and helped to reduce the proportion of depreciation and other costs.

REVISION OF THE OBJECTIVE OF SHIPMENT OF CAMERA MODULES

Due to the time of COVID-19 outbreak was beyond expectation and the long-term stringent restrictions on social activities in certain important sales areas of smartphones, as well as the short supply of key parts in the smartphone supply chain, the sales of smartphone were affected. 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 2021, which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company, was approximately 223.83 million units (for details, please refer to the voluntary announcement of the Company dated 9 July 2021), recorded a year-on-year increase of approximately 24.2%, which is lower than the objective of "endeavor to achieve that the shipment of camera modules in 2021 will increase by not less than 30% as compared with that of the previous year" released in the annual results announcement of the Company for the year 2020 dated 26 March 2021 (the "**Objective of Shipment of CCM**") (for details, please refer to the annual results announcement of the Company for the year 2020 dated 26 March 2021). Taking account of the cumulative total shipment volume of camera modules for the six months ended 30 June 2021 and the market forecast for the rest of this year, it is become challenging 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 2021 will increase by not less than 25% as compared with that of the previous year". And the other objectives remain unchanged.

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 Period, 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 Period and the shipment of camera modules finally achieved by the Group 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 interim results for the Period, which is expected to be published in mid-to-late August 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, 16 July 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.