

Hong Kong Exchange and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Q Tech

Q TECHNOLOGY (GROUP) COMPANY LIMITED

丘鈇科技(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1478)

PROFIT WARNING

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 Part XIVA of the Securities and Futures Ordinance (Chapter 571, the 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 six months ended 30 June 2022, which have not been reviewed or audited by the independent auditors and/or the audit committee, it is expected that the consolidated profit of the Group attributable to the Shareholders for the six months ended 30 June 2022 (the “**Period**”) may decrease by approximately 50% to 70% as compared to the consolidated profit of the Group attributable to the Shareholders of approximately RMB570,741,000 for the six months ended 30 June 2021 (the “**Corresponding Period**”).

The Board believes that the expected year-on-year decrease in the profit attributable to the Shareholders is primarily due to the following factors: (i) the poor global market demand of the smartphones, the year-on-year decline in the average sales price of smartphones and the decrease in the sales volume of camera modules and fingerprint recognition modules applied in mobile phones as a result of the resurgence of the COVID-19 pandemic and the slowdown in the global economic growth; (ii) a decrease in capacity utilization rate as a result of the lockdown impact caused by the COVID-19 pandemic in February, April and May 2022; (iii) an increase in operating costs because of the epidemic prevention and control measures, which ultimately led to a year-on-year decrease in gross profit margin; (iv) an increase in unit labour cost because of the increases in the local minimum wage standard and the minimum social security payment ratio in Suzhou, where the Group’s operation center in Kunshan is located; and (v) the revenue contribution of Group’s strategic IoT and automotive camera module products increased, but such businesses continued to make losses due to the products are still in the market development stage, affecting the consolidated gross profit margin.

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 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 early-to-mid August 2022 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, 7 July 2022

As at the date of this announcement, the executive directors of the Company are Mr. He Ningning (chairman), Mr. Hu Sanmu (chief executive officer) and Mr. Fan Fuqiang; and the independent non-executive directors are Mr. Chu Chia-Hsiang, Mr. Ko Ping Keung and Mr. Ng Sui Yin.