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GENES TECH GROUP HOLDINGS COMPANY LIMITED

靖洋集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8257)

PROFIT WARNING

This announcement is made by Genes Tech Group Holdings Company Limited (the “**Company**”) pursuant to Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the information currently available to the Board and the unaudited consolidated management accounts of the Company and its subsidiaries (together as the “**Group**”) for the three months ended 31 March 2018, the Group expects to record a decline in revenue in a range from approximately 50% to 55% and profit before tax in a range from approximately 90% to 95% for the three months period ended 31 March 2018 as compared with that for the three months period ended 31 March 2017.

Based on the information currently available to the Company, the Board believes that the decline in revenue and profit before tax of the Group is primarily attributable respectively to (i) the decrease in demand for the Group’s semiconductor manufacturing equipment (“**SME**”) and components and accessories of SME (“**Parts**”) as a results of the deterioration in market demand of semiconductors, which was driven by the slow-down in market demand for smartphones and the uncertainty in the cryptocurrency mining market, and (ii) the drop in gross profit of the Group as the results of the aforementioned declined revenue, an increase in employee benefit costs as well as an increase in the purchase costs of used SME and Parts in the secondary market.

The Company is in the process of finalising the quarterly results of the Group for the three months ended 31 March 2018. The information contained in this announcement is only based on a preliminary assessment by the Board on the information currently available to the Company and the unaudited consolidated management accounts of the Group for the three months ended 31 March 2018, which have not been audited or reviewed by the Company's auditors or the audit committee of the Company. The actual financial results of the Group for the three months ended 31 March 2018 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 quarterly results for the three months ended 31 March 2018, which is expected to be published on 15 May 2018.

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

By order of the Board
Genes Tech Group Holdings Company Limited
Yang Ming-Hsiang
Chairman and executive Director

14 May 2018

As at the date of this announcement, the executive Directors are Mr. Yang Ming-Hsiang, Mr. Fan Chiang-Shen and Ms. Wei Hung-Li; and the independent non-executive Directors are Mr. Kam Leung Ming, Mr. Cheng Chun Shing and Mr. Ho Pak Chuen Brian.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. Subject as set out above, the Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this announcement or any statement herein misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication. This announcement will also be published on the Company's website at www.genestech.com.