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 (Chapter 571, Laws of Hong Kong).

The Board wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review by the Board on the management accounts of the Group for the year ended 31 December 2016, 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 of the Company for the year ended 31 December 2016 may increase by more than 50% as compared with the profit for the year ended 31 December 2015.

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 Board and the preliminary review by the management on the unaudited management accounts of the Group for the year ended 31 December 2016, it is expected that the consolidated profit attributable to the shareholders of the Company for the year ended 31 December 2016 may increase by more than 50% as compared with that for the year ended 31 December 2015 (corresponding period of the previous year). The Board believes that the expected increase is mainly due to the following factors: (i) the substantial year-on-year increase in the sales volume of camera modules for the year ended 31 December 2016; (ii) the year-on-year increase in average selling price of camera modules; and (iii) the sales volume of fingerprint recognition modules recorded a substantial year-on-year increase for the year ended 31 December 2016. In the meantime, as many kinds of materials used in production of the Group were purchased from overseas and paid in U.S. dollar, but most of sales are settled in RMB, so the substantial decline in the exchange rate of RMB against U.S. dollar in 2016 has resulted in foreign exchange loss.

The Company is in the process of preparing the consolidated financial results of the Group for the year ended 31 December 2016, the information contained in this announcement is only based on the preliminary review by the management on the unaudited management accounts of the Group for the year ended 31 December 2016, which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company and are subject to possible adjustments. The annual results announcement of the Company is expected to be published in March 2017 in accordance with 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

Hong Kong, 11 January 2017

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. Chu Chia-Hsiang, Ms. Chen Jun and Mr. Ng Sui Yin.