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

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 of the Laws of Hong Kong).

The Board wishes to inform the shareholders of the Company 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 year ended 31 December 2017, 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 2017 may increase by more than 100% as compared with that for the year ended 31 December 2016.

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 of 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 year ended 31 December 2017, it is expected that the consolidated profit attributable to the Shareholders for the year ended 31 December 2017 may increase by more than 100% as compared with that for the year ended 31 December 2016. The Board believes that the expected increase is mainly due to the following factors: (i) although the total sales volume of camera modules declined on a year-on-year basis due to intense market competition, the average selling price of camera modules recorded a steady year-on-year increase attributable to the significant enhancement of product portfolio, which resulted in a steady year-on-year increase in the overall sales revenue of camera modules; (ii) gross profit margin of camera module segment improved on a year-on-year basis due to the enhancement of product mix which pushed up the added value of camera module products; and (iii) although the average selling price of fingerprint modules recorded a significant year-on-year decline, the sales volume of fingerprint recognition modules recorded a significant year-on-year increase, which resulted in a steady year-on-year increase in the overall sales revenue of fingerprint recognition modules. In the meantime, the Board is also aware that the market competition remains intense. There is work to be done to improve the Group's utilisation of production capacity, the rate of automated production and the introduction of new products and new technologies. The application of new technologies will take time and effort to be reflected in the Group's results. These factors may have an impact on the operational results of the Company. The Company will continue to promote its core strategy on intelligent vision products and strive to create greater investment value for the Shareholders.

The Company is in the process of preparing the consolidated financial statement of the Group for the year ended 31 December 2017, 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 year ended 31 December 2017, which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company and are subject to finalisation or possible adjustments. The annual results announcement for the year ended 31 December 2017 is expected to be published by the end of March 2018 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 and Executive Director

Hong Kong, 15 January 2018

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.