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)

UPDATE ON 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 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**").

Reference is made to the profit warning announcement of the Company dated 10 May 2018 (the "**Profit Warning Announcement**"). Capitalised terms used herein shall have the same meanings as defined in the Profit Warning Announcement, unless otherwise specified.

The Board wishes to further inform the Shareholders and potential investors that, based on the preliminary review by the Board on the latest unaudited management accounts of the Group, which have not been reviewed or audited by the independent auditors and/or the audit committee, and taking into consideration of the information currently available to the Board, the Group is expected to record a loss of approximately RMB50 million for the six months ended 30 June 2018 instead of a decrease of approximately 50% or more for the Group's consolidated profit attributable to the Shareholders before tax for the six months ended 30 June 2018 as compared to that of the corresponding period of the previous year as disclosed in the Profit Warning Announcement.

The Board believes that, save for those factors disclosed in the Profit Warning Announcement, the change is primarily attributable to the following factors:

1. The amount of exchange loss recorded by the Group was larger than that was expected on the date of the Profit Warning Announcement due to a sharp depreciation of RMB against USD of approximately 3.76% for the period from 10 May 2018 to 30 June 2018;

2. The actual total sales volume of camera modules for the two months of May 2018 and June 2018 was less than that was expected by the Company due to the periodical shortage of various kind of raw materials and components in different periods; and

3. The optimization of product mix of camera modules and fingerprint recognition modules was slower than expected.

The Company is in the process of preparing the consolidated financial statement of the Group for the six months ended 30 June 2018, the information contained in this announcement is only based on the information currently available to the Company and the preliminary assessment by the Board with reference to the preliminary review on the latest unaudited management accounts of the Group, which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company. The actual financial results of the Group for the six months ended 30 June 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 interim results for the six months ended 30 June 2018, which is expected to be published in mid-to-late August 2018 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, 13 July 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.