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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 the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform Shareholders and potential investors that based on the preliminary review of the unaudited management accounts of the Group for the eleven months ended 30 November 2015 by the Board, sales and shipment plan for December 2015, and the information currently available to the Board, it is expected that the unaudited consolidated profit of the Group for the twelve months ended 31 December 2015 will decrease by approximately 30% or more as compared with that for the twelve months ended 31 December 2014.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

This announcement is made by Q Technology (Group) Company Limited (the “Company” and, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange (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 preliminary review of the unaudited management accounts of the Group for the eleven months ended 30 November 2015 by the Board, sales and shipment plan for December 2015, and the information currently available to the Board, it is expected that the unaudited consolidated profit of the Group for the twelve months ended 31 December 2015 will decrease by approximately 30% or more as compared with that for the twelve months ended 31 December 2014 (the “Corresponding Period”) of approximately RMB195,506,000.

The Board is of the view that such decrease was mainly due to the following factors:

1. **Decrease in average selling price** – The decrease in average selling price of the same resolution products was faster than the decrease in average purchasing price of raw materials, which was ultimately caused by increasing market competition, and the pace of migration to higher resolution products, with higher average selling prices, is not fast enough to offset such decrease.
2. **Increase in manufacturing cost** – such increase was mainly caused by the increasing labour cost;
3. **Foreign exchange loss** – Such loss was mainly caused by the significant decrease in the exchange rate for RMB against USD for the eleven months ended 30 November 2015. The sales and purchasing of the Group are largely settled in RMB and USD respectively, and the fact that some of the purchasing of the Group is settled in RMB could not offset such loss.

Notwithstanding the above, the Board is of the view that the overall operations of the Group as a whole remain sound and intact, with the expected increase in sales volume for the twelve months ended 31 December 2015 as compared with that for the Corresponding Period, the relationships with our customers and suppliers remain stable, customer base has been optimized as planned at the beginning of 2015, and that research and development of our new products is in steady progress as expected. The Group will continue to monitor the status of the industry as well as the cost of operations, maintain and strengthen relationship with our customers, expand our customer base, promote research and development of new products and increase the proportion of high resolution products so as to improve the operations of the Group.

As the Company is still in the process of preparing for the consolidated financial results of the Group for the twelve months ended 31 December 2015, the information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the information currently available to it, which has not been reviewed or audited by the independent auditors or the audit committee of the Company and the actual results of the Group for the twelve months ended 31 December 2015 may be different from what is disclosed in this announcement. Shareholders and investors are advised to read carefully the results announcement of the Company for the twelve months ended 31 December 2015, which is expected to be published by the end of March 2016.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company (the “Shares”).

By Order of the Board
Q Technology (Group) Company Limited
He Ningning
Chairman and Executive Director

Hong Kong, 21 December 2015

As at the date of this announcement, the Executive Directors are Mr. He Ningning (Chairman), Mr. Wang Jianqiang (Chief Financial Officer) and Mr. Yang Peikun (Chief Executive Officer); and the Independent Non-executive Directors are Mr. Chu Chia-Hsiang, Ms. Chen Jun and Mr. Ng Sui Yin.