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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 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 2018, 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 before tax for the year ended 31 December 2018 may decrease by approximately 95% as compared with that of the corresponding period of the previous year.

**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 Company and the preliminary review by the Board on the unaudited management accounts of the Group for the year ended 31 December 2018, which have not been reviewed or audited by the independent auditors and/or the audit committee, it is expected that the consolidated profit attributable to the Shareholders before tax for the year ended 31 December 2018 may decrease by approximately 95% as compared with that of the corresponding period of the previous year.

The Board believes that the expected decrease in profit is primarily attributable to the following factors:

1. Although the sales volume of camera module products has recorded significant increase in the year of 2018, however, the upgrading of the product mix optimization of camera module products takes time, the proportion of low value-added camera modules with low pixels has increased and the average selling price of camera module products has decreased, which resulted in the increase in the proportion of depreciation and labour costs, hence affected the overall gross profit margin of camera module products;
2. The selling price of coating fingerprint recognition modules has dropped obviously, whilst the proportion of optical under-glass fingerprint recognition modules which commenced bulk shipment in the second half of 2018 has yet to be improved, which affected the overall gross profit margin of fingerprint recognition module products;
3. The central parity rate of RMB against USD has depreciated more than 5% from 6.5342 at the end of 2017 to 6.8632 at the end of 2018, which further increased the costs of materials and bank borrowings denominated in USD and led to an exchange loss recorded by the Group; and
4. According to the announcement made by Newmax Technology Co., Ltd., an associated company of the Company, it still recorded a cumulative loss as of the end of the third quarter of 2018.

The Company is in the process of preparing the consolidated financial results of the Group for the year ended 31 December 2018, 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 2018, 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 year ended 31 December 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 annual results for the year ended 31 December 2018, which is expected to be published in mid-to-late March 2019 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, 15 January 2019

*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.*