Futong Technology Development Holdings Limited
富通科技發展控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 465)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2)(a) 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 after a preliminary assessment by the Board of the unaudited consolidated management accounts of the Group, it is anticipated that the profit attributable to Shareholders for the six-month period ended 30 June 2017 may record a significant decline of more than 90% as compared to that of the corresponding period in 2016.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Futong Technology Development Holdings Limited (the "**Company**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the "**SFO**").

After preliminary assessment on the unaudited consolidated management accounts of the Company and its subsidiaries (the "**Group**"), the board of directors of the Company (the "Board") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that it is anticipated that the profit attributable to Shareholders for the six-month period ended 30 June 2017 may record a significant decline of more than 90% as compared to that of the corresponding period in 2016. Based on the information currently available, it is considered that such decline is mainly caused by (a) an increase in number of low profit margin products, and a supplier restructured its business programme which reduced the amount of rebate to the Company, which result in a drop of the gross profit ratio and an approximately 10-15% drop of gross profit as compared to that of the corresponding period in 2016 (despite an increase in the total revenue); and (b) an increase in administrative and financial expenses of approximately 15-20% as compared to that of the corresponding period in 2016. In view of the decline in profit attributable to Shareholders for the six-month period ended 30 June 2017, the Board will review the business mix of the Group and consider for any necessary change in business directions in the second half of 2017 where appropriate.

As the Company is still in the process of finalizing the unaudited consolidated results of the Group for the six-month period ended 30 June 2017, the information contained in this announcement (a) is only a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group which have not been reviewed by the Company's auditors and the audit committee; and (b) may be subject to adjustments upon further review.

Details of the financial information of the Group for the six-month period ended 30 June 2017 are expected to be published in the unaudited interim results announcement on or about August 2017 pursuant to the requirements of the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

For and on behalf of the Board
Futong Technology Development Holdings Limited
Chen Jian
Executive Director

Hong Kong, 17 July 2017

As at the date of this announcement, the executive Directors are Mr. Chen Jian, Ms. Zhang Yun (Chief Executive Officer) and Ms. Chen Jing; and the independent non-executive Directors are Mr. Lee Kwan Hung, Mr. Chow Siu Lui and Mr. Yuan Bo.