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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)

DISCLOSEABLE TRANSACTION SUBSCRIPTION FOR WEALTH MANAGEMENT PRODUCT

SUBSCRIPTION FOR WEALTH MANAGEMENT PRODUCT

On 28 April 2023, the Group used its idle funds to subscribe for the Wealth Management Product of RMB200 million issued by ICBC, i.e. the Subscription.

IMPLICATION UNDER THE LISTING RULES

Pursuant to Rule 14.07 of the Listing Rules, as certain applicable percentage ratios in respect of the Subscription are more than 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

SUBSCRIPTION FOR WEALTH MANAGEMENT PRODUCT

References are made to the announcement of the Company dated 26 April 2023 in relation to the Group's redemption of wealth management product of RMB200 million issued by ICBC. On 28 April 2023, the Group (through its wholly-owned subsidiary, Kunshan QT China) continued to subscribe for the low-risk Wealth Management Product issued by ICBC with the principal amount of RMB200 million received from the aforementioned redemption. Principal terms of the Wealth Management Product are set out as follows:

Date of subscription: 28 April 2023

Parties: (i) Kunshan QT China, as the subscriber; and
(ii) ICBC, as the issuer.

Name of the Wealth Management Product:	ICBC accumulated exchange rate range linked legal person Renminbi structured deposit product – Designated account 2023 No. 157 Type Q (中國工商銀行掛鉤匯率區間累計型法人人民幣結構性存款產品-專戶型2023年第157期Q款)
Subscription amount:	RMB200 million
Term of investment period:	357 days (from 5 May 2023 to 26 April 2024)
Type of the product:	Guaranteed principal with floating return
Risk level of the product:	Level PR1 (very low)
Linked object:	USD/JPY central parity rate
Expected rate of return per annum:	Up to 3.24%, subject to the actual yield-to-maturity
Early termination:	Early termination is not allowed

It is expected that the Group may obtain a maximum wealth management interest income of approximately RMB6,338,000 upon maturity of the Subscription, the actual income is subject to the final settlement of the bank.

Prior to the Subscription, the Group did not hold any outstanding wealth management products of ICBC.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Group invests wealth management products with idle cash derived from its business operations to make full use of its idle funds and improve the rate of return on idle funds while achieving income balance and maintaining high liquidity and low risk without affecting its normal operations. At the same time, the Wealth Management Product offer a better potential return to the Group when compared to the deposit interest rates normally offered by commercial banks in the PRC and Hong Kong.

The Directors believe that the Subscription is on normal commercial terms, fair and reasonable, in line with the treasury policy of the Company and in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE PARTIES

The Group is primarily engaged in the design, research and development, manufacture and sales of camera modules and fingerprint recognition modules, and centred on mid-to-high end camera and fingerprint recognition module market for intelligent mobile terminals such as global smart phone and tablet PC brands, Internet of Things (IoT), smart vehicles, etc.

ICBC is a licensed bank under the laws of the PRC and is principally engaged in the provision of corporate and personal banking and other financial services in the PRC and is ranked among the top 20 commercial banks in the PRC banking industry (based on net core tier 1 capital) in 2022.

To the best of the Directors' knowledge, information and belief, after making all reasonable enquiries, ICBC and its ultimate beneficial owners are third parties independent of, and not connected with, the Company and its connected persons.

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GENERAL

None of the Directors is deemed to be interested in the Subscription. Therefore, no Director is required to abstain from voting on the approval of Subscription at the Board meeting.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context otherwise requires:

“Board”	the board of Directors
“Company”	Q Technology (Group) Company Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed and traded on the main board of the Stock Exchange (stock code: 1478)
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“ICBC”	Industrial and Commercial Bank of China Limited, a joint stock commercial bank incorporated in the PRC, the issued shares of which are listed and traded on the Main Board of the Shanghai Stock Exchange and the Main Board of the Stock Exchange (stock code: 601398.SH and 1398.HK)
“Kunshan QT China”	Kunshan QTech Microelectronics Co., Ltd., a company established in the PRC, and an indirect wholly-owned subsidiary of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holders of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wealth Management Product(s)”	structured deposit wealth management product(s) issued by ICBC and subscribed by the Group under relevant subscription agreement
“Subscription”	the subscription of the Wealth Management Product made by the Group from ICBC on 28 April 2023
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“%”	per cent.

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

Hong Kong, 28 April 2023

As at the date of this announcement, the executive Directors are Mr. He Ningning (chairman), Mr. Hu Sanmu (chief executive officer) and Mr. Fan Fuqiang; and the independent non-executive Directors are Mr. Chu Chia-Hsiang, Mr. Ko Ping Keung and Mr. Ng Sui Yin.