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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)**

### **DISCLOSEABLE TRANSACTION REDEMPTION OF THE WEALTH MANAGEMENT PRODUCT**

#### **REDEMPTION OF THE WEALTH MANAGEMENT PRODUCTS**

On 11 October 2023 and 27 October 2023, the Group redeemed a total of RMB170 million of Wealth Management Products issued by Industrial Bank in two installments, i.e. the Redemptions. The total unaudited income arising from the Redemptions amounted to approximately RMB5,904,000.

#### **IMPLICATION UNDER THE LISTING RULES**

No single Redemption has an applicable percentage ratio of more than 5%. Pursuant to Rule 14.22 of the Listing Rules, as one of the applicable percentage ratios of the two Redemptions calculated on an aggregated basis is more than 5% but less than 25%, the Redemptions would constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and would be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

#### **REDEMPTION OF THE WEALTH MANAGEMENT PRODUCTS**

On 19 September 2022 and 25 October 2022, the Group (through its wholly-owned subsidiary, Kunshan QT China) subscribed for the low-risk Wealth Management Products issued by Industrial Bank with its idle own funds and entered into subscriptions with Industrial Bank in the principal amount of RMB170 million in aggregate. Pursuant to the relevant subscription agreement, the funds for subscription of the Wealth Management Products are mainly invested in standardized fixed income assets such as bond products, cash assets, funds, asset-backed securities and fixed income derivatives such as bond lending. On 11 October 2023 and 27 October 2023, the Group redeemed the above-mentioned Wealth Management Products in two installments. A summary of the Redemptions is as follows:

No.	Date of subscription	Name of product	Product issuer	Subscription amount (RMB'000)	Type of product	Term	Redemption date	Redemption amount (RMB'000)	Wealth management income (RMB'000)
1	19 September 2022	Industrial Bank Wealth Management Golden Snow Globe Enjoy G Section 2022 Issue 7 which is regularly open for fixed-income wealth management products (興銀理財金雪球悅享G款2022年第7定期開放固收類理財產品)	Industrial Bank	80,000	Non-guaranteed principal with Floating return	Non-fixed term	11 October 2023	80,000	2,820
2	25 October 2022	Industrial Bank Wealth Management Golden Snow Globe Enjoy Type B 2022 Phase 1 Closed-end Fixed Income Wealth Management Products (興銀理財金雪球悅享B款2022年第1期封閉式固收類理財產品)	Industrial Bank	90,000	Non-guaranteed principal with Floating return	Fixed term	27 October 2023	90,000	3,084
Total				<u>170,000</u>				<u>170,000</u>	<u>5,904</u>

The unaudited income arising from the Redemptions are approximately RMB5,904,000 in total, with an average annualized rate of return of approximately 3.34% and 3.44% respectively. These proceeds will be used as general working capital and short-term investments (if applicable) of the Group. The Group's gain or loss arising from the Redemptions is subject to audit and/or review by the auditors.

As at the date of this announcement, the Wealth Management Products of the Group under the Industrial Bank Subscriptions have been redeemed and the Group did not hold any outstanding wealth management products of Industrial Bank.

## REASONS FOR AND BENEFITS OF THE REDEMPTIONS

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. In view of the Company's treasury policy and recent working capital arrangements, the Group carried out the Redemptions. Benefiting from the Redemptions, the Group obtained unaudited income of approximately RMB5,904,000. The Group intends to use the proceeds from the Redemptions (including principal and income) for general working capital and short-term investments (if applicable).

The Directors believe that the Redemptions are 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.

Industrial Bank 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, Industrial Bank and its ultimate beneficial owners are third parties independent of, and not connected with, the Company and its connected persons.

## **IMPLICATION UNDER THE LISTING RULES**

No single Redemption has an applicable percentage ratio of more than 5%. Pursuant to Rule 14.22 of the Listing Rules, as one of the applicable percentage ratios of the two Redemptions calculated on an aggregated basis is more than 5% but less than 25%, the Redemptions would constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and would be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **GENERAL**

None of the Directors is deemed to be interested in the Redemptions. Therefore, no Director is required to abstain from voting on the approval of Redemptions 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
“Industrial Bank”	Industrial Bank CO.,LTD., 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 (stock code: 601166.SH), on behalf of itself and its affiliates.
“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
“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
“Redemptions”	the redemption of the Wealth Management Products by the Group from Industrial Bank on 11 October 2023 and 27 October 2023
“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)”	the wealth management product(s) issued by Industrial Bank and subscribed by the Group under relevant subscription agreement
“Subscriptions”	the subscription of the Wealth Management Products made by the Group from Industrial Bank on 19 September 2022 and 25 October 2022
“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, 30 October 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.*