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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 REDEMPTION OF THE WEALTH MANAGEMENT PRODUCT

REDEMPTION OF THE WEALTH MANAGEMENT PRODUCTS

On 9 January 2023 and 21 December 2023, the Group redeemed a total of RMB200 million of Wealth Management Products issued by CITIC Bank in two installments, i.e. the Redemptions. The total unaudited income arising from the Redemptions amounted to approximately RMB7,462,000.

IMPLICATION UNDER THE LISTING RULES

Pursuant to the requirements under Rule 14.22 of the Listing Rules, as: (i) in the Redemption on 21 December 2023, an applicable percentage ratio exceeds 5% but is less than 25%; and (ii) one of the applicable percentage ratios calculated on a consolidated basis for both Redemptions exceeds 5% but is less than 25%, the Redemptions constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

REDEMPTION OF THE WEALTH MANAGEMENT PRODUCTS

On 13 April 2022 and 2 August 2022, the Group (through its wholly-owned subsidiary, Kunshan QT China) subscribed for the low-risk Wealth Management Products issued by CITIC Bank with its idle own funds and entered into subscriptions with CITIC Bank in the principal amount of RMB200 million in aggregate. Pursuant to the relevant subscription agreement, the funds for subscription of the Wealth Management Products are mainly invested in standardized debt fixed income assets and/or other fixed income assets such as debt asset products, cash assets, funds and asset-backed securities. On 9 January 2023 and 21 December 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	13 April 2022	Xinyin Wealth Management Anyingxiang Fixed Income Stable One Month Holding Period No. 4 Wealth Management Product (信銀理財安盈象固收穩健一個月持有期4號理財產品)	CITIC Bank	100,000	Non-guaranteed principal with Floating return	Non-fixed term	9 January 2023	100,000	1,802
2	2 August 2022	CITIC Securities Xinxin Xiangrong No.1 Collective Asset Management Plan (中信證券信信向榮1號集合資產管理計劃)	CITIC Bank	100,000	Non-guaranteed principal with Floating return	Non-fixed term	21 December 2023	100,000	5,660
Total				<u>200,000</u>				<u>200,000</u>	<u>7,462</u>

The unaudited income arising from the Redemptions are approximately RMB7,462,000 in total, with an average annualized rate of return of approximately 2.43% and 4.08% 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 CITIC Bank Subscriptions have been redeemed and the Group did not hold any outstanding wealth management products of CITIC 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 RMB7,462,000. 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.

CITIC 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, CITIC 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

Pursuant to the requirements under Rule 14.22 of the Listing Rules, as: (i) in the Redemption on 21 December 2023, an applicable percentage ratio exceeds 5% but is less than 25%; and (ii) one of the applicable percentage ratios calculated on a consolidated basis for both Redemptions exceeds 5% but is less than 25%, the Redemptions constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is 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
“CITIC Bank”	China CITIC Bank Corporation 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: 601998.SH and 0998.HK), 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 CITIC Bank on 9 January 2023 and 21 December 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 CITIC Bank and subscribed by the Group under relevant subscription agreement
“Subscriptions”	the subscription of the Wealth Management Products made by the Group from CITIC Bank on 13 April 2022 and 2 August 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, 21 December 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.