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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)

GRANT OF SHARE OPTIONS

This announcement is made by Q Technology (Group) Company Limited (The “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.06A of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces that on 5 June 2024, the Company granted share options (the “**Share Options**”) to 506 eligible participants (the “**Grantees**”) to subscribe for a total of 10,280,000 ordinary shares of HK\$0.01 each in the share capital of the Company (the “**Shares**”) in accordance with the terms and conditions of the post-IPO share option scheme adopted by the Company on 13 November 2014 (the “**Share Option Scheme**”), subject to acceptance by the Grantees. Details of the Share Options granted are set out as follows:

Date of Grant	:	5 June 2024 (the “ Date of Grant ”)
Type of Grantees	:	Employee participants (as defined in the Listing Rules)
Number of Share Options granted	:	10,280,000 Share Options (each Share Option shall entitle the holder of the Share Options to subscribe for one Share)

- Exercise price of Share Options granted : HK\$3.518 per Share, representing the highest of:
- (i) the closing price of HK\$3.40 per Share as stated in the daily quotations sheet of the Stock Exchange on the Date of Grant;
 - (ii) the average closing price of approximately HK\$3.518 per Share as stated in the Stock Exchange's daily quotations sheet for the five trading days (both dates inclusive) immediately preceding the Date of Grant; and
 - (iii) the nominal value of the Share (being HK\$0.01 per Share)

Exercise period and vesting: conditions of the Share Options : The vesting period, exercise period and corporate performance target of the Share Options granted are as follows:

Tranche	Number of Share Options to be vested per tranche	Vesting Period	Exercise Period	Corporate performance target
First	5,140,000	From Date of Grant to 31 March 2025	1 April 2025 to 31 December 2025	Conditional upon the Group's audited profit before taxation for the year ending 31 December 2024 after excluding the profits/(losses) of associates attributable to the Group and government subsidies is not less than RMB200 million, the first tranche of Share Options granted will become fully exercisable; and
Second	5,140,000	From Date of Grant to 31 March 2026	1 April 2026 to 31 December 2026	Conditional upon the Group's audited profit before taxation for the year ending 31 December 2025 after excluding the profits/(losses) of associates attributable to the Group and government subsidies is not less than RMB300 million, the second tranche of Share Options granted will become fully exercisable.

Having considered that (i) the first tranche of Share Options will vest only if the corporate performance target and the individual performance target set out below are met during the performance period commencing on 1 January 2024 and ending on 31 December 2024, which is not less than 12 months, and (ii) both tranches of Share Options will vest and be held for a period of more than 12 months in aggregate, the Remuneration Committee of the Company (the “**Remuneration Committee**”) and the Board are of the view that the granting of Share Options with shorter vesting periods aligns the interests of the Grantees with those of the Company and the shareholders of the Company (the “**Shareholders**”), rewards and motivates the Grantees to contribute to the success of the Group and reinforces their long-term commitment to serve the Group, which are in line with the objectives of the Share Option Scheme.

Individual performance target and claw-back mechanism : During each of the above exercise periods, if the Grantee’s performance appraisal result for the calendar year preceding the exercise period is Grade D, the Board may cancel all the Share Options exercisable by the Grantee during such exercise period; if the performance appraisal result of the Grantee for the calendar year preceding the exercise period is Grade C, the Board may cancel part of the Share Options exercisable by the Grantee during the exercise period.

If a Grantee ceases to be an eligible participant (including any employee and Director of any member of the Group) by reason of resignation or dismissal, material negligence, criminal offence, bankruptcy, or any one or more of these reasons, the Share Options granted to him/her shall lapse and shall not be exercisable (to the extent that they have not been exercised) on the same date or on the date on which a specified period of time expires in accordance with the provisions of the Share Option Scheme.

Financial assistance : The Group has not provided any financial assistance to the Grantee to facilitate the purchase of Shares under the Share Option Scheme.

As at the Date of Grant, the Company had 1,184,538,475 Shares in issue. Of the 10,280,000 Share Options granted above, 530,000 Share Options were granted to the following Grantees who are Directors, chief executives of the Company or their respective associates:

Name of Grantee	Capacity	Number of Share Options granted
Mr. Hu Sanmu	Executive Director and chief executive officer	175,000
Mr. Fan Fuqiang	Executive Director	175,000
Mr. Wang Jianqiang	Executive Director and general manager of a subsidiary of the Company, stepbrother of Mr. He Hingning, an executive Director	180,000
Total:		530,000

The grant of Share Options to each of Mr. Hu Sanmu, Mr. Fan Fuqiang and Mr. Wang Jianqiang has been approved by all the independent non-executive Directors of the Company pursuant to Rule 17.04(1) of the Listing Rules.

Save as disclosed above, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, none of the Grantees is (i) a Director, senior executive or substantial shareholder of the Company, or their respective associates (as defined in the Listing Rules); (ii) a participant with Share Options and awards granted and to be granted in excess of the 1% individual limit under Rule 17.03D of the Listing Rules; or (iii) a connected entity participant or service provider (as defined in the Listing Rules) with Share Options and awards granted and to be granted in excess of 0.1% of the total share capital in issue within any 12-month period. None of the grants is subject to the approval of the Shareholders of the Company.

The purpose of the grant of the Share Options is to provide the Grantees with an opportunity to have a personal stake in the Company with a view to achieving the following objectives: (i) recognise and acknowledge the contributions that the Grantees had or may have made to the Group; and (ii) attract, retain the Grantees, and motivate the Grantees to optimise their performance and efficiency to make new contributions for the benefit of the Group. Such contributions are or will be beneficial to the long-term growth of the Group, and are in the interests of the shareholders of the Company.

Upon the grant of the Share Options, the number of Shares available for future grant under the Share Option Scheme is 68,070,130 Shares.

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

Hong Kong, 5 June 2024

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 Ms. Hui Hiu Ching.