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)

INSIDE INFORMATION

This announcement is made by Q Technology (Group) Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") 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 Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of Company dated 22 November 2024 (the "**Announcement**"). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcement.

As disclosed in the Announcement, India Q Tech with the assistance of its Indian legal and tax advisers filed the grounds of appeal against the FAO to the ITAT on 22 November 2024. India Q Tech also filed an application to the ITAT for a stay of demand with respect to the payment of the Taxes pursuant to the FAO. On 29 November 2024, during the hearing of the application for a stay of demand, ITAT found that there were possible apparent factual errors with respect to the FAO, including erroneous application of legal provisions or miscalculation of tax demand in the FAO, and directed the Assessing Office to rectify accordingly. India Q Tech received a rectification order on 9 January 2025 issued by the Assessing Office with respect to the FAO, pursuant to which the Assessing Office made certain rectifications on the FAO, including (among others) a reduction in the aggregate amount of Income Tax and Interest payable by India Q Tech by approximately INR502,955,000 (equivalent to approximately RMB42,845,000), so that the aggregate amount payable has been adjusted to approximately INR1,295,387,000 (equivalent to approximately RMB110,349,000) (the "**Updated Taxes**"). As of the date of this announcement, the rectification procedure of the FAO is still in process, and the amount of the Updated Taxes may be subject to further adjustments.

After seeking advice of its Indian legal counsel and tax advisors, India Q Tech still has objections to the rationale of tax assessment and applicable financial data used to calculate the Updated Taxes, and will continue to vigorously defend its position. As at the date of this announcement, the appeal proceedings in relation to the tax dispute are still ongoing, and India Q Tech may consider taking out further appeal proceedings, if appropriate. The Group is still assessing the impact of the relevant event on the financial statements and will adjust the deferred tax assets and make a provision for tax liabilities of India Q Tech in relation to the above matter in accordance with the applicable accounting standards. The Company will keep its shareholders and potential investors informed of any further material development by way of announcement(s) as and when appropriate.

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

In this announcement, the RMB amounts have been converted from INR amounts at the rate of RMB1,000=INR11,739 as of 14 January 2025. Such conversions are for the convenience of the readers only. No representation is made that the INR amounts have been or could have been or could be converted into RMB, or vice versa, at such rate or at any other rates on any relevant dates.

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

Hong Kong, 14 January 2025

As at the date of this announcement, the executive directors of the Company 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 Ms. Hui Hiu Ching.