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)

TERMINATION OF EXISTING CONTINUING CONNECTED TRANSACTION AND NEW CONTINUING CONNECTED TRANSACTION

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

Gram Capital Limited
嘉林資本有限公司

TERMINATION OF EXISTING CONTINUING CONNECTED TRANSACTION

Reference is made to the Announcement in relation to, among other things, the renewal of the Heyuan Youhua Purchase Agreement and the transactions contemplated thereunder.

For reasons set out in the paragraph headed "Reasons for and benefits of entering into the QT Investment Purchase Framework Agreement", the Company entered into the Termination Agreement with Heyuan Youhua, pursuant to which, the Company and Heyuan Youhua mutually agreed to terminate the Heyuan Youhua Purchase Agreement with effect from the Effective Date.

For the avoidance of doubt, prior to the Effective Date, the Heyuan Youhua Purchase Agreement shall remain valid and in full effect.

NEW CONTINUING CONNECTED TRANSACTION

The Board announces that on 27 July 2026, after arm's length negotiations, the Company entered into the QT Investment Purchase Framework Agreement.

As at the date of this announcement, QT Investment is wholly owned by Mr. He. Accordingly, QT Investment is a connected person of the Company and the transactions contemplated under the QT Investment Purchase Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the highest annual cap under the QT Investment Purchase Framework Agreement is more than 5%, the QT Investment Purchase Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps) are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

TERMINATION OF EXISTING CONTINUING CONNECTED TRANSACTION

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For the avoidance of doubt, prior to the Effective Date, the Heyuan Youhua Purchase Agreement shall remain valid and in full effect.

NEW CONTINUING CONNECTED TRANSACTION

The Board announces that on 27 July 2026, after arm's length negotiations, the Company entered into the QT Investment Purchase Framework Agreement. Details of the QT Investment Purchase Framework Agreement are set out below:

Date:	27 July 2026
Parties:	(a) the Company; and (b) QT Investment
Contract period:	From the Effective Date to 31 December 2028 (both dates inclusive).
Subject matter:	During the contract period, the Group will from time to time purchase, and QT Investment Group will from time to time supply the Products to the Group in the ordinary and usual course of business.
Pricing policy:	The price of the Products will be determined with reference to the price at which comparable types of products are sold to the Group by suppliers which are Independent Third Parties on normal commercial terms and in the ordinary and usual course of business and such price shall be no less favourable to the Group than that available from suppliers which are Independent Third Parties. In considering whether to purchase from QT Investment Group, the Group will seek quotations from at least two suppliers which are Independent Third Parties offering the same or comparable products. The Group will purchase the Products from QT Investment Group if the price and quality of the products offered are comparable to or more favourable to the Group than those offered by such Independent Third Parties for the same or comparable products.

The Directors (including the independent non-executive Directors) consider that such pricing policies are fair and reasonable, are in line with the prevailing industry practice and the Company's actual business circumstances, and are in the interests of the Company and the Shareholders as a whole.

Existing annual caps: The existing annual cap for the year ending 31 December 2026 under the Heyuan Youhua Purchase Agreement is RMB380,000,000.

Historical transaction amount: The aggregated transaction amounts under the Heyuan Youhua Purchase Agreement, and the transactions conducted with Actutek before it became a connected person of the Company from 1 January 2026 up to 30 June 2026 were approximately RMB285.8 million: (i) the historical transaction amounts for the transactions between the Group and Heyuan Youhua from 1 January 2026 up to 30 June 2026 was approximately RMB188.4 million; and (ii) the historical transaction amounts for the transactions among the Group, TDK and Actutek (before Actutek became a connected person of the Company) from 1 January 2026 up to 30 June 2026 was approximately RMB97.4 million.

Proposed annual caps and basis of determination: The proposed annual caps for the transactions contemplated under the QT Investment Purchase Framework Agreement for the three years ending 31 December 2028 are set out below:

For the four months ending 31 December(Note)	**For the year ending 31 December**	
2026	**2027**	**2028**
(RMB)	*(RMB)*	*(RMB)*
325,000,000	765,000,000	870,000,000

Note: Commencing from 1 September 2026 assuming the QT Investment Purchase Framework Agreement will be approved by the Independent Shareholders prior to 1 September 2026

Proposed annual caps are determined with reference to the following:

(a) the Group's estimated demand for the Products required for its production for the four months ending 31 December 2026 having considered:

(i) the historical transaction amounts of the Group's purchases of the Products from Heyuan Youhua, TDK and Actutek for each of the years ended 31 December 2024 and 2025, and for the six months ended 30 June 2026. In particular, the historical transaction amount for the six months ended 30 June 2026 amounted to approximately RMB285.8 million. For the avoidance of doubt, the historical transactions conducted with TDK and Actutek were conducted prior to Actutek became a connected person of the Company;

(ii) the Group's latest orders on hand from its customers and the forecast of the Group's demand for the Products for the coming four months from QT Investment Group, taking into account the expansion of geographical areas and range of the Products as a result of the expansion of members within QT Investment Group; and

(iii) the seasonal factor of the industry in which the Group operates, under which order values in the second half of the year are generally higher than those in the first half, having considered that the purchase of the Products from Heyuan Youhua, TDK and Actutek (as the case may be) for the six months ended 30 June 2025 accounted for approximately 43% of that for the full year of 2025; and

(b) the Group's expectations on the future market supply of the Products and the available alternative suppliers of the Products having considered the Group's business development plans, the global development of smartphones and Internet of Things (IoT) smart devices in 2026, as well as the expected growth in global shipments of smartphones and IoT smart devices in 2027 and 2028.

INTERNAL CONTROL MEASURES

The following internal control policies and procedures are adopted by the Company to ensure that the transactions contemplated under the QT Investment Purchase Framework Agreement are conducted on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole:

(a) the finance department and the legal compliance department of the Company will review all execution contracts under the QT Investment Purchase Framework Agreement in order to ensure that (i) the terms and conditions of the relevant transactions are fair and reasonable; (ii) the terms and conditions of the relevant transactions are in the interests of the Company and the Shareholders as a whole; (iii) the terms and conditions of the relevant transactions are comparable with terms and conditions of transactions with Independent Third Parties; and (iv) the terms and conditions of the relevant transactions are capable of being executed. The finance department and the legal compliance department of the Company will regularly review the implementation of the QT Investment Purchase Framework Agreement;

(b) in considering whether to purchase products from QT Investment Group, the purchase department of the Company will seek quotations from at least two suppliers which are Independent Third Parties offering the same or comparable products and compare them with the quotations provided by the members of QT Investment Group. The Group will purchase from the relevant members of QT Investment Group if the price and quality of the products offered by them are comparable to or more favourable to the Group than those offered by such Independent Third Parties for the same or comparable products;

(c) the finance department will maintain monthly statistics on the relevant transaction amounts, and will communicate with the sales and purchase department of the Group in time for possible future changes in the maximum amount of relevant transactions and reasons for such changes. In order to ensure that the relevant transaction amounts will not exceed the relevant annual caps, the Company will set up the annual caps in its enterprise resource planning system. A buffer will be maintained for each relevant transaction to allow the management to monitor and control the actual transaction amount of each relevant transaction. If the cumulative actual transaction amount of the relevant transaction reaches 80% of the annual caps, the finance department will maintain weekly statistics on the actual transaction amounts instead and will give risk warnings to the sales and purchase departments of the Group and the senior management in time. In the event of the need to revise the annual caps of the relevant transaction due to market environment and business development needs, the finance department will report to the Board immediately for the Board to consider and arrange the relevant Listing Rules compliance procedures in time. In the event that any terms or conditions of the relevant transaction (including but not limited to pricing) is discovered to be unfair or not in accordance with normal commercial terms, the finance department will immediately report to the Board and the audit committee of the Company for amendment and rectification;

(d) the independent non-executive Directors and the external auditor of the Company will conduct annual review of the relevant transactions to ensure compliance with the Listing Rules;

(e) the audit committee of the Company, which comprised all the independent non-executive Directors, and the external auditor of the Company will review and analyze the implementation of the relevant transactions in the annual reports of the Company to ensure that the relevant transactions are fair and reasonable; and

(f) the Company will arrange compliance trainings by its legal adviser, external auditor or other external consultants for the Directors, senior management and staff from the relevant departments of the Company from time to time, primarily focusing on the rules relating to connected transactions under Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS OF ENTERING INTO THE QT INVESTMENT PURCHASE FRAMEWORK AGREEMENT

The Group has historically sourced the Products from Heyuan Youhua and TDK (an Independent Third Party) as part of its ordinary and usual course of business. Following the restructuring of TDK's relevant business in January 2026 by transferring the relevant business to Actutek, and the subsequent acquisition of Actutek by a member of QT Investment Group, which was completed on 1 June 2026, Actutek has become a wholly-owned subsidiary of QT Investment Group and a connected person of the Company. At the same time, Heyuan Youhua is also a member of QT Investment Group as at the date of this announcement.

Further, the Group will require the Products from other members of QT Investment Group in the production of camera modules, in particular when producing dual-/multi-camera modules of the connected type or with a shared substrate, including components such as holders, card trays and metal case, and the use of moulds, jigs and fixtures to facilitate its research and development, prototyping and mass production of its principal products (including but not limited to camera modules, biological recognition modules, LiDAR, and other various products), especially when launching a new project or commencing new production capacity.

In view of the above change in circumstances, the Company considers that it would be more efficient and appropriate to consolidate the Group's continuing purchases of the Products from Heyuan Youhua, Actutek and other companies which will become a member of QT Investment Group or controlled by QT Investment Group from time to time under one single framework agreement with QT Investment Group. The QT Investment Purchase Framework Agreement provides a unified contractual framework for the relevant transactions, facilitates consistent administration and monitoring of the continuing connected transactions, and enables the Group to continue sourcing the Products from its existing suppliers in accordance with its operational needs.

Accordingly, the Company terminated the Heyuan Youhua Purchase Agreement and entered into the QT Investment Purchase Framework Agreement with QT Investment Group to cover the Group's continuing purchases of the Products from Heyuan Youhua, Actutek, and purchases from other members of or companies controlled by QT Investment Group.

In view of the above and the internal control procedures in place in order to ensure that the transactions conducted under the QT Investment Purchase Framework Agreement will be on terms no less favourable to the Group than terms offered by Independent Third Parties, the Board considers that the terms of the QT Investment Purchase Framework Agreement and the transactions contemplated thereunder are fair and reasonable, entered into on normal commercial terms or better, in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP

The Group is principally engaged in the design, research and development, manufacture and sales of camera modules, biological recognition modules and LiDAR, with a focus on mid to-high end camera modules, biological recognition modules and LiDAR markets for intelligent mobile terminals such as global smartphone and tablet brands, IoT and smart vehicles. At the same time, the Group is also engaged in the research and development, production, sales and after-sales service of automated equipment and software.

INFORMATION ON QT INVESTMENT GROUP

QT Investment is a company incorporated in British Virgin Islands with limited liability and is an investment holding company. QT Investment Group is principally engaged in the development, production and sales of autofocusing voice coil motors, linear motors, connectors, holders, card trays, metal case and other precise electronic products, moulds, jigs and fixtures, domestic trade, import and export of goods and technologies.

LISTING RULES IMPLICATIONS

As at the date of this announcement, QT Investment is wholly owned by Mr. He. Accordingly, QT Investment is a connected person of the Company and the transactions contemplated under the QT Investment Purchase Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the highest annual cap under the QT Investment Purchase Framework Agreement is more than 5%, the QT Investment Purchase Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps) are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Given his interest in QT Investment and Heyuan Youhua, Mr. He abstained from voting on the Board resolutions approving the QT Investment Purchase Framework Agreement and the Termination Agreement due to conflict of interests. As Mr. Hu and Mr. Fan have interests in Heyuan Youhua, and it is contemplated that Heyuan Youhua would sell the Products to the Group under the QT Investment Purchase Framework Agreement, they abstained from voting on the Board resolutions approving the QT Investment Purchase Framework Agreement and the Termination Agreement as a matter of good corporate governance.

Save as disclosed above, none of the Directors has a material interest in the transactions contemplated under the QT Investment Purchase Framework Agreement and the Termination Agreement and is therefore required to abstain from attending the Board meeting and/or voting on the Board resolutions approving the entering into of the QT Investment Purchase Framework Agreement, the Termination Agreement, and the respective transactions contemplated thereunder.

EGM

The Company will convene and hold the EGM to approve the QT Investment Purchase Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps).

Gram Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the QT Investment Purchase Framework Agreement.

CIRCULAR

A circular containing, among other things, further information on (i) the QT Investment Purchase Framework Agreement; (ii) the notice of the EGM; (iii) the letter from Gram Capital Limited to both the Independent Board Committee and the Independent Shareholders regarding the QT Investment Purchase Framework Agreement and the transactions contemplated thereunder; and (iv) the recommendation of the Independent Board Committee to the Independent Shareholders in connection thereto, will be made available on the websites of the Stock Exchange and the Company and despatched to the Shareholders (if necessary) as soon as possible. It is currently expected that the circular will be made available to the Shareholders on or before 31 August 2026 as additional time would be required for finalising the information contained in the circular regarding the QT Investment Purchase Framework Agreement.

DEFINITIONS

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

"Actutek"	Actutek Corporation, a company incorporated in Taiwan with limited liability
"Announcement"	the announcement of the Company dated 10 November 2025 in relation to, inter alia, the renewal of the Heyuan Youhua Purchase Agreement
"Board"	the board of Directors
"Company"	Q Technology (Group) Company Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1478)
"connected person(s)"	has the same meaning ascribed to it under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company
"Effective Date"	the date on which the QT Investment Purchase Framework Agreement and the transactions contemplated thereunder are approved by the Independent Shareholders at the EGM
"EGM"	the extraordinary general meeting of the Company to be convened and held to, among others, consider and if thought fit, approve the QT Investment Purchase Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps)
"Group"	the Company and its subsidiaries

"Heyuan Youhua"	河源友華微機電科技有限公司 (transliteration "Heyuan Youhua Micro Electronic Technology Company Limited"), a company established in the PRC with limited liability
"Heyuan Youhua Purchase Agreement"	the purchase agreement dated 10 November 2025 entered into between the Company and Heyuan Youhua for a term from 1 January 2025 to 31 December 2027
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	an independent board committee of the Board comprising all the independent non-executive Directors, who have no material interest in the QT Investment Purchase Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps), namely Mr. Chu Chia-Hsiang, Mr. Xiaomin Fu and Ms. Hui Hiu Ching
"Independent Financial Adviser"	Gram Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the QT Investment Purchase Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps)
"Independent Shareholders"	the Shareholders who are not interested in or involved in the QT Investment Purchase Framework Agreement
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company or its connected persons
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Mr. Fan"	Mr. Fan Fuqiang, an executive Director of the Company, who is interested in approximately 0.24% of the issued Shares and 0.99% equity interest of Heyuan Youhua as at the date of this announcement
"Mr. He"	Mr. He Ningning, the chairman, an executive Director and a controlling shareholder of the Company, who is interested in approximately 63.07% of the issued Shares as at the date of this announcement

"Mr. Hu"	Mr. Hu Sanmu, an executive Director and the chief executive officer of the Company, who is interested in approximately 0.27% of the issued Shares, and 0.26% equity interest of Heyuan Youhua as at the date of this announcement
"PRC"	the People's Republic of China
"Products"	electronic components and other products: (1) electronic components including but not limited to open-loop motors, closed-loop motors, bi-directional voice coil motors, motors for periscope camera modules, optical image stabilization motors, variable aperture motors, connectors, holders, card trays and metal cases; and (2) other products including but not limited to moulds, jigs and fixtures to facilitate the Group's research and development, prototyping and mass production of its principal products (including but not limited to camera modules, biological recognition modules, LiDAR, and other various products)
"QT Investment"	Q Technology Investment Inc.
"QT Investment Group"	QT Investment, its subsidiaries, associated companies, jointly controlled entities and other companies controlled by QT Investment, excluding the Group
"QT Investment Purchase Framework Agreement"	the purchase framework agreement dated 27 July 2026 entered into between the Company and QT Investment in respect of the purchase of the Products
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiaries"	has the same meaning ascribed to it under the Listing Rules
"TDK"	TDK Taiwan Corporation, a company incorporated in Taiwan with limited liability, an Independent Third Party

"Termination Agreement"	the termination agreement entered into between the Company and Heyuan Youhua to terminate the Heyuan Youhua Purchase Agreement
"%"	per cent

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

Hong Kong, 27 July 2026

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. Xiaomin Fu and Ms. Hui Hiu Ching.