THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Q Technology (Group) Company Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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)

TERMINATION OF EXISTING CONTINUING CONNECTED TRANSACTION AND NEW CONTINUING CONNECTED TRANSACTION AND NOTICE OF EXTRAORDINARY GENERAL MEETING

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

Gram Capital Limited
嘉林資本有限公司

Gram Capital Limited

Terms used in this circular (including this cover page) are defined in the section headed "Definitions" of this circular.

A notice convening the EGM to be held at Room 901, 9/F, Block 4C, Software Industrial Base, Xuefu Road, Nanshan District, Shenzhen, the PRC on Friday, 11 September 2026 at 10:30 a.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use in connection with the EGM is enclosed with this circular. If you are not able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or its adjournment (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or its adjournment should you so wish. If you attend the EGM in person, the authority of your form of proxy will be revoked.

21 August 2026

CONTENTS

In this circular, unless the context requires otherwise, the following expressions shall have the following meanings:

"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
"Articles"	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"CCT Announcement"	the announcement of the Company dated 27 July 2026 in relation to, *inter alia*, the termination of the Heyuan Youhua Purchase Agreement and the entering into of the QT Investment Purchase Framework Agreement
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"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 meaning ascribed to it under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the 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 at Room 901, 9/F, Block 4C, Software Industrial Base, Xuefu Road, Nanshan District, Shenzhen, the PRC on Friday, 11 September 2026 at 10:30 a.m., or any adjournment thereof

"EGM Notice"	the notice convening the EGM as set out on pages EGM-1 to EGM-2 of this circular
"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 (for itself and on behalf of its subsidiaries) and Heyuan Youhua (for itself and on behalf of its subsidiaries) for a term from 1 January 2025 to 31 December 2027 (both days inclusive)
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	the independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Chu Chia-Hsiang, Mr. Xiaomin Fu and Ms. Hui Hiu Ching, who have no material interest in the QT Investment Purchase Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps), to advise the Independent Shareholders on the transactions contemplated under the QT Investment Purchase Framework Agreement and the proposed annual caps
"Independent Financial Adviser" or "Gram Capital"	Gram Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, 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"	all Shareholders other than the Shareholders with a material interest in the transactions contemplated under 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
"Latest Practicable Date"	17 August 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
"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
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"Mr. Fan"	Mr. Fan Fuqiang, an executive Director of the Company, who was interested in approximately 0.24% of the issued Shares and 0.99% equity interest of Heyuan Youhua as at the Latest Practicable Date
"Mr. He"	Mr. He Ningning, the chairman, an executive Director and a controlling shareholder of the Company, who was interested in approximately 63.07% of the issued Shares as at the Latest Practicable Date
"Mr. Hu"	Mr. Hu Sanmu, an executive Director and the chief executive officer of the Company, who was interested in approximately 0.27% of the issued Shares, and 0.26% equity interest of Heyuan Youhua as at the Latest Practicable Date
"percentage ratio(s)"	has the meaning ascribed to it under the Listing Rules
"PRC" or "China"	the People's Republic of China, and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan

"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., a company incorporated in the British Virgin Islands with limited liability, which is a controlling shareholder of the Company and wholly-owned by Mr. He as at the Latest Practicable Date
"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
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the 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 dated 27 July 2026 entered into between the Company and Heyuan Youhua, pursuant to which the parties mutually agreed to terminate the Heyuan Youhua Purchase Agreement with effect from the Effective Date
"%"	per cent.

This circular has been printed in English and Chinese. In the event of any inconsistency, the English text of this circular shall prevail over its Chinese text.

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)

Executive Directors:
Mr. He Ningning *(Chairman)*
Mr. Hu Sanmu *(Chief Executive Officer)*
Mr. Fan Fuqiang

Independent non-executive Directors:
Mr. Chu Chia-Hsiang
Mr. Xiaomin Fu
Ms. Hui Hiu Ching

Registered office:
Cricket Square, Hutchins Drive P.O. Box 2681
Grand Cayman KY1-1111 Cayman Islands

Headquarters and principal place of business in the PRC:
No. 3 Taihong Road
Hi-tech Industry Park, Kunshan,
Jiangsu Province, PRC

No.89 Laisi Road
Yushan Town, Kunshan,
Jiangsu Province, PRC

Principal place of business in Hong Kong:
Flat 07, 17/F, Topsail Plaza
11 On Sum Street, Shatin,
New Territories, Hong Kong

21 August 2026

To the Shareholders,

Dear Sir or Madam,

TERMINATION OF EXISTING CONTINUING CONNECTED TRANSACTION AND NEW CONTINUING CONNECTED TRANSACTION AND NOTICE OF EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

Reference is made to the Announcement regarding the renewal of the Heyuan Youhua Purchase Agreement and the transactions contemplated thereunder. Reference is also made to the CCT Announcement regarding the termination of the Heyuan Youhua Purchase Agreement, the entering into of the QT Investment Purchase Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps).

The purpose of this circular is to provide you with, among others, (i) details of the termination of the Heyuan Youhua Purchase Agreement and the entering into of the QT Investment Purchase Framework Agreement, (ii) details of the proposed annual caps for the transactions contemplated under the QT Investment Purchase Framework Agreement, (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the QT Investment Purchase Framework Agreement and the proposed annual caps, (iv) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders in respect of the QT Investment Purchase Framework Agreement and the proposed annual caps, (v) a notice convening the EGM, and (vi) other information as required under the Listing Rules.

2. TERMINATION OF EXISTING CONTINUING CONNECTED TRANSACTION AND NEW 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 "4. Reasons for and Benefits of Entering into the QT Investment Purchase Framework Agreement", the Board announced that on 27 July 2026, after arm's length negotiations, 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.

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 September 2026 assuming the QT Investment Purchase Framework Agreement will be approved by the Independent Shareholders in 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. The Group expects its purchases of Products from QT Investment Group to increase steadily through 2028, driven by the anticipated recovery of the smartphone market and the Group's continued optimisation of its product mix. According to Goldman Sachs's research notes titled "*Global Smartphone Shipments, at -10%/+3%/+1% in 2026-28*" published in June 2026 and Counterpoint Technology Market Research's latest "*Smartphone Market Outlook Tracker*" published in May 2026, the global smartphone market is expected to register growth in 2027 and 2028. In terms of shipment volume, Goldman Sachs projects year-on-year growth of 3% and 1% in 2027 and 2028, respectively; while Counterpoint Technology Market Research projects year-on-year growth of 3% and 5% in 2027 and 2028, respectively. In addition, both reports indicate a continuing trend towards premiumization in the smartphone market. Counterpoint forecasts that the penetration rate of GenAI smartphones in the high-end segment will increase from approximately 36% in 2025 to 52% in 2027; while Goldman Sachs expects high-end models priced above US$600 to be a key growth driver, with shipments achieving a compound annual growth rate of 5% through 2028.

The increasing penetration of GenAI and the growing proportion of high-end models are expected to accelerate the upgrade of voice coil motor (VCM) products from traditional open-loop motors to higher-specification closed-loop motors, optical image stabilization motors and variable aperture motors, which generally command higher unit prices and generate greater demand for higher-performance components. As QT Investment Group possesses established manufacturing capabilities in these higher-end products, the Group expects demand for the Products supplied by QT Investment Group to increase correspondingly.

In addition, according to publicly available information from independent research institutions including Frost & Sullivan, International Data Corporation (IDC) and Omdia, IoT smart terminal devices, such as agricultural drones, handheld smart camera devices, AI smart glasses, are expected to experience significant growth in the coming years. In particular, the handheld smart camera device segment is projected to achieve a compound annual growth rate of approximately 18% during the five-year period ending in 2030. The growth of these applications is expected to drive increasing demand for camera modules and related components. Accordingly, the Group expects its procurement of the Products to increase steadily during the financial years ending 2027 and 2028; 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. Demand for the Products is affected by, among others, the seasonal nature of the smartphone industry, with procurement demand typically increasing ahead of new smartphone launches as downstream manufacturers ramp up production for new product releases and year-end promotional campaigns, particularly during the peak season from the third to fourth quarters (e.g., August to October). The proposed annual caps have therefore taken into account expected peak-season procurement demand and incorporated appropriate headroom to accommodate seasonal fluctuations; 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. Although alternative suppliers are available, the qualification and onboarding of new suppliers involve stringent technical, quality and delivery requirements and the process would normally take approximately two to six months. Given QT Investment Group's established supply capability and proven product quality and long-standing cooperation with the Group, particularly its manufacturing capabilities in high-end products such as optical image stabilisation motors and variable aperture motors, the Group expects to continue sourcing a significant portion of its product requirements from QT Investment Group, provided that the terms offered by QT Investment Group are on normal commercial terms or are no less favourable to the Group than those available from Independent Third Party suppliers.

3. 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 became a wholly-owned subsidiary of QT Investment Group and a connected person of the Company. At the same time, Heyuan Youhua was also a member of QT Investment Group as at the Latest Practicable Date.

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 considered 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. The consolidation also reduces the administrative burden associated with maintaining multiple framework agreements and provides the Group with greater flexibility to allocate purchase orders among different members of QT Investment Group based on production requirements, product availability, delivery schedules and supplier capabilities.

The Company will continue to compare the prices, product specifications, quality standards and delivery performance offered by members of QT Investment Group with those offered by independent suppliers for similar products. In accordance with the Group's internal control procedures set out under "9. Internal Control Measures" of this circular, before purchasing products from members of QT Investment Group, the Group's purchasing department will obtain quotations from at least two Independent Third Party suppliers offering the same or comparable products and compare such quotations with those provided by members of QT Investment Group. The Group will place purchase orders with the relevant members of QT Investment Group only where the prices and quality offered are comparable to or more favourable to the Group than those offered by Independent Third Party suppliers for the same or comparable products. Accordingly, the Directors consider that consolidating such purchases under the QT Investment

Purchase Framework Agreement is operationally efficient and commercially appropriate, while ensuring that the prices and terms of the transactions contemplated thereunder remain competitive and on normal commercial terms. As the transactions previously contemplated under the Heyuan Youhua Purchase Agreement will be consolidated under the QT Investment Purchase Framework Agreement, the Company therefore proposed to terminate the Heyuan Youhua Purchase Agreement.

4. 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.

5. 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.

As at the Latest Practicable Date, QT Investment was 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.

6. LISTING RULES IMPLICATIONS

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.

7. DIRECTORS' INTERESTS AND ABSTENTION FROM VOTING

Given that Mr. He is beneficially interested in QT Investment and Heyuan Youhua, and both Mr. Hu and Mr. Fan hold directorships in QT Investment Group and are beneficially interested in Heyuan Youhua, each of them have abstained from voting on the Board resolutions approving the QT Investment Purchase Framework Agreement and the Termination Agreement.

Save as disclosed above, none of the Directors had a material interest in the transactions contemplated under the QT Investment Purchase Framework Agreement and the Termination Agreement and was 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.

8. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Chu Chia-Hsiang, Mr. Xiaomin Fu and Ms. Hui Hiu Ching, who have no material interest in the QT Investment Purchase Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps), has been formed to advise the Independent Shareholders as to whether the terms of the QT Investment Purchase Framework Agreement and the proposed annual caps are fair and reasonable, on normal commercial terms or better, in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

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 and the transactions contemplated thereunder (including the proposed annual caps).

9. 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 comprises 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.

10. THE EGM

The EGM will be held at Room 901, 9/F, Block 4C, Software Industrial Base, Xuefu Road, Nanshan District, Shenzhen, the PRC on Friday, 11 September 2026 at 10:30 a.m. for the purpose of considering and, if thought fit, approving the QT Investment Purchase Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps).

A notice convening the EGM is set out on pages EGM-1 to EGM-2 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. If you are not able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or its adjournment (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or its adjournment should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Under Article 66 of the Articles, a resolution put to the vote at the EGM shall be decided by way of a poll, save that the chairman of the EGM may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The results of the poll will be published on the Company's website (www.qtechsmartvision.com) and the HKEXnews website (www.hkexnews.hk) pursuant to Rule 13.39(5) of the Listing Rules.

Mr. He, Mr. Hu, Mr. Fan, Mr. Wang Jianqiang (a family member of Mr. He) and their respective associates (holding in aggregate 767,921,000 Shares, representing approximately 64.27% of the issued share capital of the Company as at the Latest Practicable Date) will abstain from voting in respect of the relevant resolution(s) to approve the QT Investment Purchase Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps) at the EGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, no other Shareholder has a material interest in the transactions contemplated under the QT Investment Purchase Framework Agreement and is required to abstain from voting at the EGM.

11. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 8 September 2026 to Friday, 11 September 2026 (both days inclusive), during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 7 September 2026.

12. RECOMMENDATIONS

The Directors (including the members of the Independent Board Committee whose opinion have been set forth in the "Letter from the Independent Board Committee" of this circular after having been advised by Gram Capital in this regard) consider that the terms of the QT Investment Purchase Framework Agreement and the proposed annual caps are fair and reasonable, on normal commercial, in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the members of the Independent Board Committee) recommend the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the EGM to approve the QT Investment Purchase Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps).

Your attention is drawn to the letter from the Independent Board Committee set out on pages 19 to 20 of this circular and the letter from Gram Capital set out on pages 21 to 33 of this circular.

13. GENERAL

Your attention is also drawn to the general information set out in Appendix I to this circular.

Yours faithfully,
By order of the Board
Q Technology (Group) Company Limited
He Ningning
Chairman and Executive Director

The following is the text of the letter of recommendation from the Independent Board Committee, prepared for the purpose of inclusion in this circular from the Independent Board Committee to the Independent Shareholders regarding the QT Investment Purchase Framework Agreement and the transactions contemplated thereunder.

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)

21 August 2026

To the Independent Shareholders,

Dear Sir or Madam,

TERMINATION OF EXISTING CONTINUING CONNECTED TRANSACTION AND NEW CONTINUING CONNECTED TRANSACTION

We refer to the circular of the Company dated 21 August 2026 (the "**Circular**") of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context requires otherwise.

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders in respect of the QT Investment Purchase Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps), details of which are set out in the "Letter from the Board" contained in the Circular.

Having taken into account the terms of the QT Investment Purchase Framework Agreement and the proposed annual caps and the advice of Gram Capital, and the principal factors and reasons taken into consideration by Gram Capital in arriving at its opinion, we consider that:

(a) the transactions contemplated under the QT Investment Purchase Framework Agreement are in the ordinary and usual course of business of the Group;

(b) the terms of the QT Investment Purchase Framework Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole; and

(c) the proposed annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the EGM to approve the QT Investment Purchase Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps).

Yours faithfully,
The Independent Board Committee

Mr. Chu Chia-Hsiang **Mr. Xiaomin Fu** **Ms. Hui Hiu Ching**

Independent non-executive Directors

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transaction for the purpose of inclusion in this circular.

Gram Capital Limited
嘉林資本有限公司

Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

21 August 2026

To: The independent board committee and the independent shareholders of Q Technology (Group) Company Limited

Dear Sirs,

CONTINUING CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser 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) (the "**Transaction**"), details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 21 August 2026 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 27 July 2026, 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.

On even date, the Company entered into the QT Investment Purchase Framework Agreement with QT Investment, pursuant to which, 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.

With reference to the Board Letter, the Transaction is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Chu Chia-Hsiang, Mr. Xiaomin Fu and Ms. Hui Hiu Ching (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of Transaction are on normal commercial terms and are fair and reasonable; and (ii) whether the Transaction is in the interests of the Company and the Shareholders as a whole and conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolutions to approve the Transaction at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

We were not aware of (i) any relationships or interests between Gram Capital and the Company; or (ii) any services provided by Gram Capital to the Company relating to any transaction of the Company with executed agreement, during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Transaction. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, QT Investment or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transaction. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources and such sources are reliable.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transaction, we have taken into consideration the following principal factors and reasons:

Information on the Group

With reference to the Board Letter, 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, Internet of Things (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.

Set out below are the audited financial information of the Group for the two years ended 31 December 2025, as extracted from the Company's annual report for the year ended 31 December 2025 (the "**2025 Annual Report**"):

	For the year ended 31 December 2025	**For the year ended 31 December 2024**	**Year-on-year change**
	RMB'000	*RMB'000*	*%*
Revenue	20,876,518	16,151,336	29.3
– Camera modules	18,810,269	14,819,475	26.9
– Biological recognition modules	1,911,271	1,178,377	62.2
– Others	154,978	153,484	0.97
Gross profit	1,618,362	984,904	64.3
Profit for the year	1,493,619	279,068	435.2

As shown in the above table, the Group's revenue increased by approximately 29.3% from approximately RMB16,151 million for the year ended 31 December 2024 ("**FY2024**") to approximately RMB20,877 million for the year ended 31 December 2025 ("**FY2025**"). With reference to the 2025 Annual Report, the Group's revenue was primarily derived from the sales of camera modules and the increase in the Group's revenue from sales of camera modules was primarily attributable to (i) the significant increase in sales volume of camera modules for non-handset fields of approximately 111.0% and periscope camera modules of approximately 256.4%; and (ii) the increase in the average unit price for camera module products of approximately 19.7% driven by the rapidly growing demand for camera module products.

With the significant increase in sales volume of camera module products as aforementioned, which outpaced the corresponding increase in cost of sales, the Group's gross profit increased by approximately 64.3% from approximately RMB985 million for FY2024 to approximately RMB1,618 million for FY2025; while the Group's gross profit margin increased by approximately 1.7 percentage points from approximately 6.1% for FY2024 to approximately 7.8% for FY2025.

Along with the aforesaid increase in the Group's gross profit and the recognition of a gain on partial disposal of Kunshan Q Tech Microelectronics (India) Private Limited (a former subsidiary of the Company) of approximately RMB857 million, the Group's net profit increased by approximately 435.2% from approximately RMB279 million for FY2024 to approximately RMB1,494 million for FY2025.

Information on QT Investment

With reference to the Board Letter, 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.

As at the Latest Practicable Date, QT Investment is wholly-owned by Mr. He, an executive Director and the controlling shareholder of the Company. QT Investment is a connected person of the Company.

Reasons for and benefits of the Transaction

With reference to the Board Letter, 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 line 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 Latest Practicable Date.

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, the Company considered 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. The consolidation also reduces the administrative burden associated with maintaining multiple framework agreements and provides the Group with greater flexibility to allocate purchase orders among different members of QT Investment Group based on production requirements, product availability, delivery schedules and supplier capabilities.

We understood from the Directors that the Products will be used as core components and auxiliary tools for the production of camera modules and biological recognition modules, the revenue generated from which accounted for over 99% of the Group's revenue for FY2024 and FY2025. Furthermore, pursuant to the terms of the QT Investment Purchase Framework Agreement, the price of the Products to be sourced from the QT Investment Group will be determined with reference to the price of the same or comparable products available from Independent Third Party suppliers, and such price shall be no less favourable to the Group than that available from Independent Third Party suppliers. In light of the rapidly growing demand for camera module products, the entering into of the QT Investment Purchase Framework Agreement shall ensure the stable supply of the Products (which is crucial to the Group's camera module business) at fair price to maximise the Group's profitability.

Having considered the above, we are of the view that the Transaction is conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Principal terms of the Transaction

Set out below are the principal terms of the Transaction, details of which are set out under the section headed "2. Termination of Existing Continuing Connected Transaction and New Continuing Connected Transaction" of the Board Letter:

Date:	27 July 2026
Parties:	the Company; and 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 policies

With reference to the Board Letter, 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 Company adopted certain internal control policies and procedures to ensure that the Transaction are conducted on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as whole, details of which are set out under the section headed "9. Internal Control Measures" of the Board Letter. Having considered that (i) the finance department and the legal compliance department of the Company will review all individual contracts under the QT Investment Framework Purchase Agreement to ensure the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as whole; (ii) in considering whether to purchase from QT Investment Group, the purchase department of the Company will seek quotations from at least two Independent Third Party suppliers that offer the same or comparable products and compare the prices offered; and (iii) the finance department of the Company will maintain monthly statistics on the relevant transaction amounts to ensure that the annual caps will not be exceeded, we consider that the effective implementation of the internal control measures will ensure the fair pricing of the Transaction and that the annual caps will not be exceeded.

For our due diligence purpose, the Company had randomly selected and provided one set of transaction invoice in relation to the purchase of the Products from Heyuan Youhua for each of FY2024, FY2025 and the six months ended 30 June 2026 ("**1H2026**"), together with the price for the same or comparable products offered by other Independent Third Party suppliers. As the transaction invoices obtained covered the procurement of the Products for the most recent two full financial years and the first half of 2026, we consider the samples are sufficient, adequate and representative for us to assess the effectiveness of the internal control measures. After reviewing the sampled transaction invoices, we noted that the prices offered by Heyuan Youhua were no less favourable to the Group than those offered by other Independent Third Party suppliers to the Group for the same or comparable products.

With reference to the 2025 Annual Report, the Company's independent non-executive Directors have reviewed the continuing connected transactions of the Company for FY2025 (including the procurement of the Products under the Heyuan Youhua Purchase Agreement, which shall form part of the Transaction under the QT Investment Purchase Framework Agreement upon effective) and confirmed that such transaction have been (i) entered into in the ordinary and usual course of business of the Group; (ii) entered into on normal commercial terms or better terms; (iii) entered into in accordance with the agreements governing them on terms that are fair and reasonable for the interests of Shareholders as a whole; and (iv) the total annual transaction amount of FY2025 has not exceeded the annual cap.

Furthermore, the independent auditor of the Company was engaged to report on the Group's continuing connected transaction in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and by reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The independent auditor of the Company has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group in accordance with Rule 14A.56 of the Listing Rules. The independent auditor of the Company had reported that (i) nothing has come to the auditor's attention that causes the auditor to believe that the continuing connected transactions have not been approved by the Board; (ii) for transactions involving the provision of goods or services by the Group, nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group; (iii) nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and (iv) with respect to the aggregate transaction amount of each of the continuing connected transactions, nothing has come to the auditor's attention that causes the auditor to believe that the continuing connected transactions have exceeded the relevant annual caps.

In light of our works as mentioned above, we consider the internal control measures in place are effective to ensure that the prices and terms of the Transaction will not be less favourable to the Group than those available to the Group from Independent Third Party suppliers.

Proposed annual caps

Set out below are the proposed annual caps for the Transaction for the three years ending 31 December 2028:

	For the four months ending 31 December 2026 ("2026 Period") *RMB million*	For the year ending 31 December 2027 ("FY2027") *RMB million*	For the year ending 31 December 2028 ("FY2028") *RMB million*
Proposed annual caps	325	765	870

With reference to the Board Letter, the proposed annual caps were determined with reference to (a) the Group's estimated demand for the Products required for its production for the 2026 Period based on (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; (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; and (b) the Group's expectations on the future market supply of the Products and the available alternative suppliers of the Products taking into account 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.

For our due diligence purpose, we obtained from the Company the underlying calculation of the proposed annual caps (the "**Calculation**"). We noted from the Calculation that over 95% of the proposed annual caps were determined to cater for the procurement of the Products under the Heyuan Youhua Purchase Agreement ("**Major Product**"). The estimated procurement amount of Major Product from QT Investment Group for the 2026 Period were formulated with reference to:

(i) the Group's aggregated historical procurement amounts of the Major Product from Heyuan Youhua, TDK and Actutek (the "**Major Product Procurement Amount(s)**") of approximately RMB314 million, RMB462 million and RMB286 million for FY2024, FY2025 and 1H2026, respectively;

(ii) the Major Product Procurement Amount for the first half of 2025 and the second half of 2025 accounted for approximately 42.5% and 57.5% respectively of the Major Product Procurement Amount for FY2025; and

(iii) the Group's demand for the Major Product based on its current order on hands was approximately RMB100 million for July and August 2026.

Based on the Major Product Procurement Amount for 1H2026 and the seasonality of the Group's demand for the Major Product for FY2025 (being the Group's latest full financial year), it is estimated that the Group's procurement amount of Major Product from Heyuan Youhua, TDK and Actutek shall be approximately RMB700 million in aggregate for the year ending 31 December 2026 (after rounding up to cater for possible business growth in the second half of 2026 in light of the rapidly growing demand for camera module products). Taking into account of the Major Product Procurement Amount for 1H2026 and the estimated demand of Major Product for July and August 2026, the procurement amount of the Major Product from QT Investment Group is estimated to be approximately RMB314 million for the 2026 Period.

Based on the above, we are of the view that the estimated procurement amount of the Major Product from QT Investment Group for the 2026 Period is fair and reasonable.

The estimated procurement amount of the Major Product from QT Investment Group for the each of FY2027 and FY2028 represented year-on-year growth of approximately 7.1% and 13.3% respectively as compared to that for the respective previous year. We noted from the Board Letter that, in determining the aforesaid growth rates, the Company had primarily considered the anticipated recovery of the smartphone market with reference the research published by certain research institutions such as Goldman Sachs Research, Counterpoint Research, Frost & Sullivan, International Data Corporation (IDC) and Omdia, in particular, the estimated increasing demand for high-end smartphones and the extended use of camera modules in light of the technological advancement of various industry in recent years, thereby driving the demand for the Major Product with higher specifications.

For our due diligence purpose, we searched for the credentials of the research institutions cited by the Company and we noted that:

(i) Goldman Sachs Research delivers global economic analysis, market forecasts and industry insights covering over 3,000 securities and 45 economies, it helps institutional and individual clients navigate global equity, fixed income, currency and commodity markets;

(ii) Counterpoint Research is a global technology market intelligence firm founded in 2012 by veteran industry analysts, it provides data-driven research, market tracking and strategic forecasts for mobile devices, semiconductors, AI, IoT and automotive technology system. Counterpoint Research had provided detailed analysis, research and sales trends and strategies to leading mobile operator, location platforms providers and over 100 OEM brands across 50 countries in different price tiers and technology specifications;

(iii) Frost & Sullivan is a global growth consulting firm with approximately 3,000 consultants and analysts worldwide that offers robust databases, deep industry knowledge and proprietary consult tools covering a wide range of industry sectors, including technology, AI and consumer electronics;

(iv) International Data Corporation is a global market research and advisory firm with over 1,000 analysts across more than 100 countries specialised in information technology, telecommunications and consumer tech industries. International Data Corporation tracked over 15 billion data points and over 800,000 companies annually; and

(v) Omdia is a global technology research and advisory group and being part of Informa TechTarget, Inc. (a company listed on the Nasdaq under the stock ticker "TTGT") that specialise in technology market research, market size, forecasting covering multiples tech industries such as AI, automotive, consumer electronics and IoT. Omdia conducts primary research with over 80,000 respondents and delivers over 4,000 market analysis annually.

Based on the credentials of the research institutions cited by the Company, in particular their expertise in the tech industry, and the extended application of camera modules for IoT smart terminal devices as suggested by some of these research institutions, we consider the Group's business development plans and estimated demand for camera modules up to 31 December 2028 to be justifiable. We also consider the aforesaid growth rates adopted in formulating the proposed annual caps for FY2027 and FY2028 to be reasonable based on the significant increase in sales volume of camera modules achieved by the Group for FY2025. As such, we consider that estimated procurement amount of the Major Product from QT Investment Group for FY2027 and FY2028 are fair and reasonable.

We noted from the Calculation that estimated procurement amount of the Products other than the Major Product (the "**Other Products**") from QT Investment Group were determined with reference to the Group's historical procurement amounts of the Other Products of approximately RMB15.1 million, RMB99.9 million and RMB41.5 million for FY2024, FY2025 and 1H2026, respectively (regardless of whether they are procured from connected persons or Independent Third Party suppliers) (the "**Other Products Procurement Amount(s)**"). The estimated procurement amounts of the Other Products from QT Investment Group, which represented less than 5% of the proposed annual caps, are substantially less than the Other Products Procurement Amounts, in particularly that for FY2025. As such, we consider the estimated procurement amount of the Other Products from QT Investment Group for the 2026 Period, FY2027 and FY2028 to be justifiable.

In light of the above, we are of the view that the proposed annual caps for the 2026 Period, FY2027 and FY2028 are fair and reasonable.

Shareholders should note that as the proposed annual caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2028, and they do not represent forecasts of cost to be incurred from the Transaction. Consequently, we express no opinion as to how closely the actual cost to be incurred from the Transaction.

Having reviewed and considered the terms of the Transaction, in particular the key terms as listed above (including the pricing policy and the proposed annual caps; and no abnormal term observed), we are of the view that the terms of the Transaction are on normal commercial terms and are fair and reasonable.

LISTING RULES IMPLICATION

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the value of the transactions must be restricted by proposed annual caps for the period concerned under the QT Investment Purchase Framework Agreement; (ii) the terms of the Transaction must be reviewed by the independent non-executive Directors annually; and (iii) details of independent non-executive Directors' annual review on the terms of the Transaction must be included in the Company's subsequent published annual reports.

Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Transaction (i) have not been approved by the Board; (ii) was not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iii) has exceeded the annual caps.

In the event that the total amount of the Transaction is anticipated to exceed the annual caps, or that there is any proposed material amendment to the terms of the Transaction, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transaction.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Transaction and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into account that above factors and reasons, we are of the opinion that (i) the Transaction is conducted in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Transaction are on normal commercial terms and are fair and reasonable. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant ordinary resolutions to be proposed at the EGM to approve the Transaction and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 30 years of experience in investment banking industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(i) Long position in Shares and underlying Shares of the Company

Name of Director	Nature of interest	Number of Shares interested	Approximate percentage of interest in the Company *(Note 1)*
He Ningning	Interest of a controlled corporation	752,491,000 *(Note 2)*	62.98%
	Beneficial owner	1,180,000	0.1%
Hu Sanmu	Beneficial owner	3,345,000 *(Note 3)*	0.28%
Fan Fuqiang	Beneficial owner	2,985,000 *(Note 4)*	0.25%

Notes

(1) Based on the total number of 1,194,890,725 Shares in issue as at the Latest Practicable Date.

(2) Mr. He Ningning, an executive Director and the chairman of the Board, is the sole beneficial owner of QT Investment which beneficially owns 752,491,000 Shares. He is deemed to be interested in the Shares held by QT Investment by virtue of the SFO.

(3) Mr. Hu Sanmu is interested in share options to subscribe 175,000 Shares.

(4) Mr. Fan Fuqiang is interested in shares options to subscribe 175,000 Shares.

(ii) Long position in shares and underlying shares of QT Investment, an associated corporation of the Company

Name of Director	Nature of interest	Number of shares interested	Percentage of interest in QT Investment
He Ningning	Beneficial owner	2	100%

As at the Latest Practicable Date, save as disclosed above, none of the Directors was a director or employee of a company which had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which is not expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS OF THE GROUP

As at the Latest Practicable Date, save for (i) the service contracts of the Directors, and (ii) the Continuing Connected Transaction Agreements (as defined in the Company's announcement dated 10 November 2025), none of the Directors was materially interested in any contract or arrangement subsisting which is significant in relation to the business of the Group.

As at the Latest Practicable Date, save for (i) the property lease agreement dated 10 November 2025 entered into between 昆山丘鈦生物識別科技有限公司 (Kunshan QTech Biological Recognition Technology Limited) (which is an indirect wholly-owned subsidiary of the Company) as lessee and 唯安科技有限公司 (Van Telecom Limited) (which is indirectly wholly-owned by Mr. He) as lessor in relation to the leasing of certain factory buildings and workers' dormitories situated at Building No.2 and No. 3, 1999 Hanpu Road, Kunshan, Jiangsu Province, the PRC for a term from 1 January 2026 to 31 December 2028 and a maximum amount of rent and management fees for each of the three years ending 31 December 2028 of approximately RMB5,912,400, respectively; and (ii) the property lease agreement dated 21 August 2023 entered into between 深圳市丘鈦微電子科技有限公司 (Shenzhen Q Technology

Limited) (which is indirectly wholly-owned by the Company) as lessee and 深圳市西可德信通信技術設備有限公司 (Shenzhen Xike Dexin Telecom Equipment Co., Ltd.) as lessor in relation to the leasing of an office building located at Area D, Room 902, Building 4C Software Industrial Base, Keyuan Road, Hi-tech Park, Nanshan District, Shenzhen City, Guangdong Province, the PRC, for a term commencing from 1 January 2024 and ending on 31 December 2026, and a maximum amount of rent and management fees for each of the three years ending 31 December 2026 of approximately RMB330,480 (excluding tax), respectively, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2025 (being the date to which the latest published audited accounts of the Group were made up) acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or their respective close associates had any interest in a business, apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

7. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

Name	Qualification
Gram Capital Limited	a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, Gram Capital did not have any shareholding, directly or indirectly, in any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Gram Capital did not have any direct or indirect interest in any assets which have been, since 31 December 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they appear.

8. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.qtechsmartvision.com) from the date of this circular up to and including the date of the EGM:

(a) the QT Investment Purchase Framework Agreement;

(b) the Termination Agreement;

(c) the letter from Gram Capital, the text of which is set out in this circular; and

(d) the written consent referred to in the paragraph headed "7. Qualification and Consent of Expert" above.

9. MISCELLANEOUS

The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

The English text of this circular shall prevail over the Chinese text in case of inconsistency.

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of Q Technology (Group) Company Limited (the "**Company**") will be held at Room 901, 9/F, Block 4C, Software Industrial Base, Xuefu Road, Nanshan District, Shenzhen, the PRC on Friday, 11 September 2026 at 10:30 a.m. for the purpose of considering and, if thought fit, passing the following resolution(s) as ordinary resolution(s) of the Company.

Unless otherwise defined, capitalised terms used herein shall have the same meanings as ascribed to them in the circular of the Company dated 21 August 2026 (the "**Circular**").

ORDINARY RESOLUTION(S)

1. **"THAT:**

   (a) the QT Investment Purchase Framework Agreement dated 27 July 2026 entered into between the Company and QT Investment (a copy of which has been produced to the meeting marked "A" and signed by the chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

   (b) the proposed annual caps for the transactions contemplated under the QT Investment Purchase Framework Agreement for the four months ending 31 December 2026, the year ending 31 December 2027 and the year ending 31 December 2028 as set out in the Circular be and are hereby approved; and

(c) any one Director or any two Directors be and is/are hereby authorised to do all such acts and things and sign and execute all such documents and to take all such steps as he/she/they consider(s) necessary, desirable or expedient for the purposes of giving effect to or in connection with the QT Investment Purchase Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps)."

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

Hong Kong, 21 August 2026

As at the date of this notice, 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.

Notes:

1. A member of the Company entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.

2. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.

3. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting or any adjournment thereof should he/she so wish and in such event, the form of proxy shall be deemed to be revoked.

4. Where there are joint holders of any share, any one of such joint holders may vote at the meeting, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

5. The resolution set out in this notice will be voted by way of poll at the meeting pursuant to the Listing Rules.