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**Q Tech**

## **Q TECHNOLOGY (GROUP) COMPANY LIMITED**

**丘鈦科技（集團）有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1478)**

### **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

#### **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

**(a) The Supplemental Heyuan CK Supply Agreement III**

On 31 October 2019, the Company and Heyuan CK entered into the Supplemental Heyuan CK Supply Agreement III to revise the proposed annual caps in the Existing Heyuan CK Supply Agreement.

**(b) The Supplemental Heyuan Youhua Purchase Agreement II**

On 31 October 2019, the Company and Heyuan Youhua entered into the Supplemental Heyuan Youhua Purchase Agreement II to revise the proposed annual caps in the Existing Heyuan Youhua Purchase Agreement.

**(c) The Supplemental Huangshi C-Flex Electronic Purchase Agreement II**

On 31 October 2019, the Company and Huangshi C-Flex Electronic entered into the Supplemental Huangshi C-Flex Electronic Purchase Agreement II to revise the proposed annual caps in the Existing Huangshi C-Flex Electronic Purchase Agreement.

#### **LISTING RULES IMPLICATIONS AND AGGREGATION OF ANNUAL CAPS**

Heyuan CK is wholly-owned by CK Telecom, which in turn is wholly-owned by Mr. He. Accordingly, Heyuan CK is a connected person of the Company under the Listing Rules.

Huangshi C-Flex Electronic is wholly-owned by Shenzhen Handi, a wholly-owned subsidiary of Shenzhen CK, which in turn is owned as to 90% by Mr. He and as to 10% by Mr. Wang. Accordingly, Huangshi C-Flex Electronic is a connected person of the Company under the Listing Rules.

Heyuan Youhua is owned as to approximately 0.25% by Mr. Hu, an executive Director of the Company, and as to approximately 66.11% by Westalgo Great China, a wholly-owned subsidiary of QT Investment, the controlling shareholder of the Company, which in turn is wholly-owned by Mr. He. Accordingly, Heyuan Youhua is a connected person of the Company under the Listing Rules.

Each of the transactions contemplated under the Agreements constitute continuing connected transactions of the Company (the “**Continuing Connected Transactions**”) under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios in respect of the annual caps of all of the transactions contemplated under the Purchase and Supply Agreements exceed 0.1% but all are less than 5%, the transactions contemplated under the Purchase and Supply Agreements are subject to the reporting, annual review and announcement requirements but are exempted from the independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios in respect of the annual caps of all of the transactions contemplated under the CCT Agreements on an aggregate basis exceed 0.1% but all are less than 5%, the transactions contemplated under the CCT Agreements are subject to the reporting, annual review and announcement requirements but are exempted from the independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

## **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

The Group entered into the following agreements to revise the proposed annual caps:

### **(a) The Supplemental Heyuan CK Supply Agreement III**

Date:	31 October 2019
Parties:	(i) the Company (for itself and on behalf of its subsidiaries) (as supplier)  (ii) Heyuan CK (as purchaser)
Contract Period:	from 1 January 2019 to 31 December 2021
Subject:	The Company agreed to supply, or procure its subsidiaries to supply, and Heyuan CK agreed to purchase from the Company and/or its subsidiaries camera modules and fingerprint recognition modules during the contract period. The parties agreed that Heyuan CK may, by writing, appoint a designated agent acting for Heyuan CK in respect of the transactions contemplated under the Supplemental Heyuan CK Supply Agreement III and Heyuan CK shall be fully responsible for all matters and actions carried out by such designated agent.

Price determination: Price for the camera modules and fingerprint recognition modules to be supplied by the Group will be determined with reference to the raw material costs and production costs of the Group and the profit margin, which is expected to be comparable with the level of profit derived from the Group's sales to customers which are Independent Third Parties, subject to adjustments arising from the expected quantity, quality, delivery schedule, specifications and market competition.

### ***Existing annual caps***

The existing annual caps of the transactions contemplated under the Existing Heyuan CK Supply Agreement for the relevant periods are set out below:

	<b>1 January 2018 to 31 December 2018 (RMB)</b>	<b>1 January 2019 to 31 December 2019 (RMB)</b>	<b>1 January 2020 to 31 December 2020 (RMB)</b>
Annual caps	60,000,000	60,000,000	60,000,000

### ***Historical transaction amounts***

The historical transaction amounts for each of the three years ended 31 December 2018 and the unaudited historical transaction amount for the nine months period from 1 January 2019 to 30 September 2019 were set out as follow:

	<b>1 January 2016 to 31 December 2016 (RMB)</b>	<b>1 January 2017 to 31 December 2017 (RMB)</b>	<b>1 January 2018 to 31 December 2018 (RMB)</b>	<b>1 January 2019 to 30 September 2019 (RMB)</b>
Historical transaction amounts	70,219,000	78,821,000	25,939,000	5,517,100

### ***Proposed annual caps***

The proposed revised annual caps of the transactions contemplated under the Supplemental Heyuan CK Supply Agreement III for the relevant contract periods are set out below:

	<b>1 January 2019 to 31 December 2019 (RMB)</b>	<b>1 January 2020 to 31 December 2020 (RMB)</b>	<b>1 January 2021 to 31 December 2021 (RMB)</b>
Annual caps	20,000,000	20,000,000	20,000,000

The annual caps for the transactions under the Supplemental Heyuan CK Supply Agreement III for the three years ending 31 December 2021 were determined with reference to:

- (i) the projected purchases of camera modules and fingerprint recognition modules that Heyuan CK would purchase from the Group for the production of its products based on preliminary discussion with Heyuan CK;
- (ii) the prevailing market price for camera modules and fingerprint recognition modules in the open market of the PRC; and
- (iii) the historical transaction amounts for each of the three years ended 31 December 2018 and the unaudited historical transaction amount for the nine months ended 30 September 2019 under the Existing Heyuan CK Supply Agreement.

***Reasons for entering into the Supplemental Heyuan CK Supply Agreement III***

Heyuan CK has undergone its business restructuring and reduced its demand for camera modules and fingerprint recognition modules. Given the Group has maintained a stable and amicable business relationship with Heyuan CK in the past, and the Directors expected that there would still be sales of camera modules and fingerprint recognition modules by the Group to Heyuan CK. The Directors (including the independent nonexecutive Directors) however considered the revisions of the annual caps for the upcoming years would project a more accurate procurement demand from Heyuan CK for the Group.

**(b) The Supplemental Heyuan Youhua Purchase Agreement II**

Date:	31 October 2019
Parties:	<ul style="list-style-type: none"><li>(i) the Company (for itself and on behalf of its subsidiaries) (as purchaser)</li><li>(ii) Heyuan Youhua (for itself and on behalf of its subsidiaries) (as supplier)</li></ul>
Contract Period:	from 1 January 2019 to 31 December 2021
Subject:	The Company agreed to purchase, or procure its subsidiaries to purchase, and Heyuan Youhua and/or its subsidiaries agreed to supply to the Company and/or its subsidiaries voice coil motors (“VCM”), linear motors (“LM”), bi-directional VCM and other electronic components during the contract period.
Price determination:	Prices for the VCM, LM, bi-directional VCM and other electronic components will be determined with reference to the price at which comparable types of VCM, LM, bi-directional VCM and other electronic components sold to the Group by suppliers which are Independent Third Parties under normal commercial terms in the ordinary and usual course of business, and such prices shall be no less favourable to the Group than is available from suppliers which are Independent Third Parties.

### ***Existing annual caps***

The existing annual caps of the transactions contemplated under the Existing Heyuan Youhua Purchase Agreement for the relevant periods are set out below:

	<b>1 January 2018 to 31 December 2018 (RMB)</b>	<b>1 January 2019 to 31 December 2019 (RMB)</b>	<b>1 January 2020 to 31 December 2020 (RMB)</b>
Annual caps	90,000,000	90,000,000	90,000,000

### ***Historical transaction amounts***

The historical transaction amounts for the two years ended 31 December 2018 and the unaudited historical transaction amount for the nine months period from 1 January 2019 to 30 September 2019 were set out as follow:

	<b>1 January 2017 to 31 December 2017 (RMB)</b>	<b>1 January 2018 to 31 December 2018 (RMB)</b>	<b>1 January 2019 to 30 September 2019 (RMB)</b>
Historical transaction amounts	25,090,000	76,126,000	78,986,390

### ***Proposed annual caps***

The proposed revised annual caps of the transactions contemplated under the Supplemental Heyuan Youhua Purchase Agreement II for the relevant contract periods are set out below:

	<b>1 January 2019 to 31 December 2019 (RMB)</b>	<b>1 January 2020 to 31 December 2020 (RMB)</b>	<b>1 January 2021 to 31 December 2021 (RMB)</b>
Annual caps	170,000,000	170,000,000	170,000,000

The annual caps for the transactions under the Supplemental Heyuan Youhua Purchase Agreement II for each of the years ending 31 December 2021 were determined with reference to:

- (i) the rising projected demand of VCM, LM, bi-directional VCM and other electronic components that the Group would purchase from Heyuan Youhua for the production of camera modules for each of the years ending 31 December 2019, 31 December 2020 and 31 December 2021;

- (ii) the prevailing market rates and historical price fluctuations of such electronic components; and
- (iii) the historical transaction amounts for each of the two years ended 31 December 2017 and 31 December 2018 and the unaudited historical transaction amount for the nine months ended 30 September 2019.

### ***Reasons for entering into the Supplemental Heyuan Youhua Purchase Agreement II***

The Directors (including the independent non-executive Directors) considered that it is still in the interest of the Group to purchase the VCM, LM, bi-directional VCM and other electronic components from Heyuan Youhua pursuant to the Supplemental Heyuan Youhua Purchase Agreement II for the following reasons:

- (i) the purchases from Heyuan Youhua will be at competitive prices not less favourable than those that the Group can obtain from suppliers which are Independent Third Parties;
- (ii) Heyuan Youhua is familiar with the Group's product specifications, standards and requirements and the Group has confidence in the quality of the VCM, LM, bi-directional VCM and other electronic components supplied by Heyuan Youhua; and
- (iii) the Directors considered that it is crucial for the Group to maintain the quality of the VCM, LM, bi-directional VCM and other electronic components for the Group's existing and future production needs. In view of the Group's past purchasing experience with Heyuan Youhua, the Directors are of the view that Heyuan Youhua can effectively fulfill the Group's requirements of product quality.

Nonetheless, the Directors (including the independent non-executive Directors) however considered the revisions of the annual caps for the upcoming years would project a more accurate demand of the VCM, LM, bi-directional VCM and other electronic components from Heyuan Youhua from the Group.

In considering whether to purchase from Heyuan Youhua, 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 VCM, LM, bi-directional VCM and other electronic components from Heyuan Youhua 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 Supplemental Heyuan Youhua Purchase Agreement II will therefore give the Group flexibility to purchase the VCM, LM, bi-directional VCM and other electronic components it requires from Heyuan Youhua if it so wishes at competitive market prices.

**(c) The Supplemental Huangshi C-Flex Electronic Purchase Agreement II**

Date:	31 October 2019
Parties:	(i) the Company (for itself and on behalf of its subsidiaries) (as purchaser)  (ii) Huangshi C-Flex Electronic (for itself and on behalf of its subsidiaries) (as supplier)
Contract period:	from 1 January 2019 to 31 December 2021
Subject:	The Company agreed to purchase, or procure its subsidiaries to purchase, and Huangshi C-Flex Electronic agreed to supply to the Company and/or its subsidiaries flexible printed circuits (the “FPCs”) and rigid-flex printed circuit boards (the “ <b>Rigid-Flex PCBs</b> ”) during the contract period.
Price determination:	Prices for the FPCs and Rigid-Flex PCBs will be determined with reference to the price at which comparable types of FPCs and Rigid-Flex PCBs sold to the Group by suppliers which are Independent Third Parties under normal commercial terms in the ordinary and usual course of business, and such price shall be no less favourable to the Group than is available from suppliers which are Independent Third Parties.

***Existing annual caps***

The existing annual caps of the transactions contemplated under the Existing Huangshi C-Flex Electronic Purchase Agreement for the relevant periods are set out below:

	<b>1 January 2018 to 31 December 2018 (RMB)</b>	<b>1 January 2019 to 31 December 2019 (RMB)</b>	<b>1 January 2020 to 31 December 2020 (RMB)</b>
Annual caps	90,000,000	90,000,000	90,000,000

### ***Historical transaction amounts***

The historical transaction amounts for the six months period from 1 January 2017 to 31 December 2017 and the year ended 31 December 2018, and the unaudited historical transaction amount for the nine months period from 1 January 2019 to 30 September 2019 were set out as follow:

	<b>1 July 2017 to 31 December 2017 (RMB)</b>	<b>1 January 2018 to 31 December 2018 (RMB)</b>	<b>1 January 2019 to 30 September 2019 (RMB)</b>
Historical transaction amounts	2,899,000	24,749,000	63,882,500

### ***Proposed annual caps***

The proposed revised annual caps of the transactions contemplated under the Supplemental Huangshi C-Flex Electronic Purchase Agreement II for the relevant contract periods are set out below:

	<b>1 January 2019 to 31 December 2019 (RMB)</b>	<b>1 January 2020 to 31 December 2020 (RMB)</b>	<b>1 January 2021 to 31 December 2021 (RMB)</b>
Annual caps	180,000,000	180,000,000	180,000,000

The annual caps for the transactions under the Supplemental Huangshi C-Flex Electronic Purchase Agreement II for each of the years ending 31 December 2021 were determined with reference to:

- (i) the rising projected demand of FPCs and Rigid-Flex PCBs that the Group would purchase from Huangshi C-Flex Electronic for each of the years ending 31 December 2019, 31 December 2020 and 31 December 2021;
- (ii) the prevailing market rates and historical price fluctuations of the FPCs and Rigid-Flex PCBs; and
- (iii) the historical transaction amounts.



## ***Reasons for entering into the Supplemental Huangshi C-Flex Electronic Purchase Agreement II***

Since the entry into of the Existing Huangshi C-Flex Electronic Purchase Agreement, as the business capacity of the Group has continued to expand, the purchase quantity of the FPCs and Rigid-Flex PCBs required for the production of camera modules and fingerprint recognition modules has increased, whilst the purchase unit price also increased correspondingly due to a further enhancement in respective requirements of product specifications. Given the Group has maintained a stable and amicable business relationship with Huangshi C-Flex Electronic in the past, the Directors (including the independent non-executive Directors) considered that it is in the interest of the Group to continue to purchase from Huangshi C-Flex Electronic pursuant to the Supplemental Huangshi C-Flex Electronic Purchase Agreement II for the following reasons:

- (i) the purchases from Huangshi C-Flex Electronic will be at competitive prices not less favourable than those that the Group can obtain from Independent Third Parties;
- (ii) Huangshi C-Flex Electronic is familiar with the Group's product specifications, standards and requirements and the Group has confidence in the quality of the FPCs and Rigid-Flex PCBs supplied by Huangshi C-Flex Electronic; and
- (iii) the Directors considered that it is crucial for the Group to maintain the quality of the FPCs and Rigid-Flex PCBs for the Group's existing and future production needs. In view of the Group's past purchasing experience with Huangshi C-Flex Electronic, the Directors are of the view that Huangshi C-Flex Electronic can effectively fulfill the Group's requirements in product quality.

In considering whether to purchase from Huangshi C-Flex Electronic, 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 FPCs and Rigid-Flex PCBs from Huangshi C-Flex Electronic 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 Supplemental Huangshi C-Flex Electronic Purchase Agreement II will therefore continue to give the Group flexibility to purchase the FPCs and Rigid-Flex PCBs it requires from Huangshi C-Flex Electronic if it so wishes at competitive market prices.

## **OPINION OF THE BOARD**

Given that the terms of each of the Agreements have been negotiated on arm's length basis and the Continuing Connected Transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Group, the Directors (including the independent non-executive Directors) are of the view that the terms and conditions of each of the Agreements, each of the Continuing Connected Transactions contemplated under the Agreements and the annual caps of each of the Continuing Connected Transactions are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

As Mr. He is interested in the Continuing Connected Transactions contemplated under the Supplemental Heyuan CK Supply Agreement III, the Supplemental Heyuan Youhua Purchase Agreement II and the Supplemental Huangshi C-Flex Electronic Purchase Agreement II due to his interests in Heyuan CK, Heyuan Youhua and Huangshi C-Flex Electronic, Mr. He had abstained from voting on the resolutions passed by the Board to approve the aforesaid agreements, the transactions contemplated thereunder and the respective annual caps. As Mr. Wang is interested in the Continuing Connected Transactions contemplated under the Supplemental Huangshi C-Flex Electronic Purchase Agreement II due to his interest in Huangshi C-Flex Electronic, Mr. Wang had abstained from voting on the resolutions passed by the Board to approve the aforesaid agreement, the transactions contemplated thereunder and the respective annual caps. In addition, as Mr. Hu is interested in the Continuing Connected Transactions contemplated under the Supplemental Heyuan Youhua Purchase Agreement II due to his shareholding in Heyuan Youhua, he had voluntarily abstained from voting on the aforesaid resolutions passed by the Board. Save as disclosed, none of the other Directors has a material interest in the Continuing Connected Transactions or is required to abstain from voting on the Board resolutions in relation to the Agreements, the transactions contemplated under the Agreements and the respective annual caps.

## **LISTING RULES IMPLICATIONS AND AGGREGATION OF ANNUAL CAPS**

Heyuan CK is wholly-owned by CK Telecom, which in turn is wholly-owned by Mr. He. Accordingly, Heyuan CK is a connected person of the Company under the Listing Rules.

Huangshi C-Flex Electronic is wholly-owned by Shenzhen Handi, a wholly-owned subsidiary of Shenzhen CK, which in turn is owned as to 90% by Mr. He and as to 10% by Mr. Wang. Accordingly, Huangshi C-Flex Electronic is a connected person of the Company under the Listing Rules.

Heyuan Youhua is owned as to approximately 0.25% by Mr. Hu, an executive Director of the Company, and as to approximately 66.11% by Westalgo Great China, a wholly-owned subsidiary of QT Investment, the controlling shareholder of the Company, which in turn is wholly-owned by Mr. He. Accordingly, Heyuan Youhua is a connected person of the Company under the Listing Rules.

Each of the transactions contemplated under the Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios in respect of the annual caps of all of the transactions contemplated under the Purchase and Supply Agreements exceed 0.1% but all are less than 5%, the transactions contemplated under the Purchase Agreements are subject to the reporting, annual review and announcement requirements but are exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios in respect of the annual caps of all of the transactions contemplated under the CCT Agreements on an aggregate basis exceed 0.1% but all are less than 5%, the transactions contemplated under the CCT Agreements are subject to the reporting, annual review and announcement requirements but are exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **INTERNAL CONTROL**

The Group will continue to adopt the internal control policies and procedures described in the section headed “Internal Control” in the announcement of the Company dated 16 December 2016 in relation to certain continuing connected transactions entered into by the Group to ensure that the continuing connected transactions contemplated under the CCT Agreements are conducted on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF THE GROUP**

The Group is primarily engaged in the design, research, development, manufacture and sales of camera modules and fingerprint recognition modules with focus on mid to high end camera and fingerprint recognition module market for global branded smart phone and tablet PC manufacturers.

Kunshan QT China is an indirect wholly-owned subsidiary of the Company and is principally engaged in the design, research, development, manufacture and sales of camera modules.

## **INFORMATION OF THE CONNECTED PARTIES**

### **Heyuan CK**

Heyuan CK is principally engaged in the production, development and sales of self-produced handsets, mobile communications systems, communications terminals, digital electronic systems, portable micro calculators, precision moulds, new electronic components, third generation mobile communications systems handsets and relevant parts, auxiliary products; provision of financial management, production management human resources services, information technology systems management services to related companies in the PRC.

### **Huangshi C-Flex Electronic**

Huangshi C-Flex Electronic is principally engaged in the production, development and sales of self-produced handsets, mobile communications systems, communications terminals, digital electronic systems, portable micro-calculators, precision moulds, new electronic components, third generation mobile communications systems handsets, flexible circuit boards and relevant parts, auxiliary products.

### **Heyuan Youhua**

Heyuan Youhua is principally engaged in the development, production and sales of auto-focusing voice coil motors, linear motors, precise electronic products, domestic trade, import and export of good and technologies.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Agreements”	the Supplemental Heyuan CK Supply Agreement III, the Supplemental Huangshi C-Flex Electronic Purchase Agreement II and the Supplemental Heyuan Youhua Purchase Agreement II
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“CCT Agreements”	the Existing Chengdu CK Sub-Lease Agreement, the Existing Van Telecom PRC Purchase Agreement, the Existing Van Telecom PRC Property Lease Agreement, the Existing Kunshan KEIRAKU Purchase Agreement and the Agreements
“CK Telecom”	CK Telecom Inc., a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. He, and accordingly a connected person of the Company
“QT Investment”	Q Technology Investment Inc., a company incorporated in the British Virgin Islands with limited liability, which is the Controlling Shareholder of the Company and wholly-owned by Mr. He
“Company”	Q Technology (Group) Company Limited (stock code: 1478), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Chengdu CK Sub-Lease Agreement”	the renewal sub-Lease agreement dated 16 December 2016 entered into between 成都西可科技有限公司 (Chengdu CK Technology Limited) and 成都丘鈇微電子科技有限公司 (Chengdu Q Technology Limited) for a term from 1 January 2017 to 31 December 2019, details of which are set out in the announcement of the Company dated 16 December 2016
“Existing Van Telecom PRC Property Lease Agreement”	the supplemental property lease agreement dated 13 July 2018 entered into between Kunshan QT China and Van Telecom Limited for a term from 1 January 2018 to 31 December 2020, details of which are set out in the announcement of the Company dated 13 July 2018

“Existing Van Telecom PRC Purchase Agreement”	the supplemental purchase agreement dated 13 July 2018 entered into between the Company (for itself and on behalf of its subsidiaries) and Van Telecom Limited for a term from 1 January 2018 to 31 December 2020, details of which are set out in the announcement of the Company dated 13 July 2018
“Existing Kunshan KEIRAKU Purchase Agreement”	the purchase agreement dated 13 July 2018 entered into between the Company (for itself and on behalf of its subsidiaries) and 昆山惠樂精密工業有限公司(Kunshan KEIRAKU Precision Co., Ltd) for a term from 1 January 2018 to 31 December 2020, details of which are set out in the announcement of the Company dated 13 July 2018
“Existing Heyuan CK Supply Agreement”	the supplemental supply agreement dated 13 July 2018 entered into between the Company (for itself and on behalf of its subsidiaries) and Heyuan CK for a term from 1 January 2018 to 31 December 2020, details of which are set out in the announcement of the Company dated 13 July 2018
“Existing Huangshi C-Flex Electronic Purchase Agreement”	the supplemental purchase agreement dated 13 July 2018 entered into between the Company (for itself and on behalf of its subsidiaries) and Huangshi C-Flex Electronic (for itself and on behalf of its subsidiaries) for a term from 1 January 2018 to 31 December 2020, details of which are set out in the announcement of the Company dated 13 July 2018
“Existing Heyuan Youhua Purchase Agreement”	the supplemental purchase agreement dated 13 July 2018 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 2018 to 31 December 2020, details of which are set out in the announcement of the Company dated 13 July 2018
“Group”	the Company and its subsidiaries
“Heyuan CK”	西可通信技術設備(河源)有限公司 (transliteration “CK Telecom Limited”), an enterprise established in the PRC and wholly-owned by CK Telecom
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huangshi C-Flex Electronic”	黃石西普電子科技有限公司 (transliteration “C-Flex Electronic (Huangshi) Ltd.”), an enterprise established in the PRC with limited liability and wholly-owned by Shenzhen Handi

“Heyuan Youhua”	河源友華微機電科技有限公司 (transliteration “Heyuan Youhua Micro Electronic Technology Company Limited”, formerly known as “惠州友華微電子科技有限公司”, transliteration “Huizhou Youhua Micro Electronic Technology Company Limited”), an enterprise established in the PRC with limited liability and is owned as to approximately 0.25% by Mr. Hu and as to approximately 66.11% by Westalgo Great China, and accordingly a connected person of the Company
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), whom, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, is/are independent of, and not connected with, the Company, any Director(s), chief executive(s) or substantial shareholder(s) (as defined in the Listing Rules) of the Company, any of its subsidiaries or their respective associates
“Kunshan QT China”	昆山丘鈦微電子科技有限公司 (Kunshan Q Technology Limited), an enterprise established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange
“Mr. He”	Mr. He Ningning, the chairman, an executive Director and the Controlling Shareholder of the Company interested in approximately 65.95% of the issued shares of the Company as at the date of this announcement
“Mr. Hu”	Mr. Hu Sanmu, an executive Director of the Company
“Mr. Wang”	Mr. Wang Jianqiang, the chief executive officer and an executive Director of the Company
“PRC”	the People’s Republic of China
“Purchase and Supply Agreements”	the Supplemental Heyuan CK Supply Agreement III, the Supplemental Huangshi C-Flex Electronic Purchase Agreement II, the Supplemental Heyuan Youhua Purchase Agreement II, the Existing Van Telecom PRC Purchase Agreement and the Existing Kunshan KEIRAKU Purchase Agreement
“Supplemental Heyuan CK Supply Agreement III”	the supplemental supply agreement dated 31 October 2019 entered into between the Company (for itself and on behalf of its subsidiaries) and Heyuan CK to revise and supersede the Existing Heyuan CK Supply Agreement



“Supplemental Huangshi C-Flex Electronic Purchase Agreement II”	the supplemental purchase agreement dated 31 October 2019 entered into between the Company (for itself and on behalf of its subsidiaries) and Huangshi C-Flex Electronic (for itself and on behalf of its subsidiaries) to revise and supersede the Existing Huangshi C-Flex Electronic Purchase Agreement
“Supplemental Heyuan Youhua Purchase Agreement II”	the supplemental purchase agreement dated 31 October 2019 entered into between the Company (for itself and on behalf of its subsidiaries) and Heyuan Youhua (for itself and on behalf of its subsidiaries) to revise and supersede the Existing Heyuan Youhua Purchase Agreement
“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)
“Shenzhen CK”	深圳市西可德信通信技術設備有限公司 (transliteration “Shenzhen Xike Dexin Telecom Equipment Co., Ltd.”), an enterprise established in the PRC with limited liability and is owned as to 90% by Mr. He and as to 10% by Mr. Wang, and accordingly a connected person of the Company
“Shenzhen Handi”	深圳市漢迪創業投資有限公司 (transliteration “Shenzhen Handi Venture Capital Investment Co., Ltd.”), an enterprise established in the PRC with limited liability and is wholly-owned by Shenzhen CK
“Westalgo Great China”	Westalgo (Great China) Inc., an enterprise established in the British Virgin Islands with limited liability and is wholly-owned by QT Investment, the Controlling Shareholder of the Company
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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

Hong Kong, 31 October 2019

*As at the date of this announcement, the Executive Directors are Mr. He Ningning (Chairman), Mr. Wang Jianqiang (Chief Executive Officer) and Mr. Hu Sanmu; and the Independent Non-executive Directors are Mr. Ko Ping Keung, Mr. Chu Chia-Hsiang and Mr. Ng Sui Yin.*