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Q Tech

Q TECHNOLOGY (GROUP) COMPANY LIMITED

丘鈇科技（集團）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1478)

(1) PLACING OF EXISTING SHARES AND (2) SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES

On 18 December 2019 (after trading hours), the Company, the Vendor and the Placing Agent entered into the Placing and Subscription Agreement, pursuant to which (a) the Vendor has appointed the Placing Agent, and the Placing Agent has agreed to act, as the placing agent for the Vendor on a best effort basis to procure purchasers for a total of 15,000,000 Sale Shares at the Placing Price; and (b) the Vendor has conditionally agreed to subscribe for, and the Company has agreed to allot and issue, a total of 15,000,000 Subscription Shares (equivalent to the number of Sale Shares placed by the Placing Agent) at the Placing Price, upon the terms and subject to the conditions set out in the Placing and Subscription Agreement.

Assuming there will be no change in the number of Shares in issue between the date of this announcement and the completion of the Placing and the Subscription, the Sale Shares represent (a) approximately 1.31% of the existing number of Shares in issue as at the date of this announcement; and (b) approximately 1.30% of the number of Shares in issue and to be issued upon the completion of the Placing and the Subscription.

The choice of Placees for the Sale Shares shall be determined solely by the Placing Agent, subject to the requirements of the Listing Rules. The Placing Agent shall not, as far as they are aware, place any of the Sale Shares to any connected person of the Company or any person who is not independent of or is acting in concert with the Vendor or any of the Group's directors, chief executive or substantial shareholders or any of their respective associates.

The Placing Price is HK\$13.68 per Share and represents (a) a discount of approximately 2.98% to the closing price of HK\$14.10 per Share as quoted on the Stock Exchange on the Last Trading Day; (b) a discount of approximately 3.25% to the average closing price of HK\$14.14 per Share as quoted on the Stock Exchange for the last five (5) trading days up to and including the Last Trading Day; and (c) a premium of approximately 3.48% over the average closing price of HK\$13.22 per Share as quoted on the Stock Exchange for the last ten (10) trading days up to and including the Last Trading Day.

The Subscription is conditional upon (a) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Subscription Shares (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares); and (b) completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

The Company will apply to the Listing Committee of the Stock Exchange for the granting of approval for the listing of, and permission to deal in, the Subscription Shares.

It is expected that (i) approximately HK\$162.3 million, representing approximately 80% of the net proceeds from the Subscription, will be used as capital expenditure required for production capacity production expansion for camera modules; and (ii) approximately HK\$40.6 million, representing approximately 20% of the net proceeds from the Subscription, will be used for research and development.

The Placing and Subscription Agreement may be terminated pursuant to the termination provisions contained therein. In addition, completion of the Subscription is subject to the fulfillment of the conditions under the Placing and Subscription Agreement. As the Placing and/or the Subscription may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

PLACING AND SUBSCRIPTION AGREEMENT

Date: 18 December 2019

Parties:

- (1) the Company;
- (2) the Vendor; and
- (3) the Placing Agent

Pursuant to the Placing and Subscription Agreement, (a) the Vendor has appointed the Placing Agent, and the Placing Agent has agreed to act, as the placing agent for the Vendor on a best effort basis to procure purchasers for the Sale Shares at the Placing Price; and (b) the Vendor has conditionally agreed to subscribe for, and the Company has agreed to allot and issue, the Subscription Shares (equivalent to the number of Sale Shares placed by the Placing Agent) at the Placing Price, upon the terms and subject to the conditions set out in the Placing and Subscription Agreement.

The Vendor is a company wholly-owned by Mr. He Ningning (the chairman of the Company and an executive Director) and is the controlling shareholder of the Company. As at the date of this announcement, the Vendor is interested in 752,491,000 Shares, representing approximately 65.86% of the total number of Shares in issue.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are (a) independent of, and not connected with, the Company and its connected person; and (b) independent of, and are not acting in concert with, the Vendor and persons acting in concert with the Vendor.

THE PLACING

Sale Shares

Assuming there will be no change in the number of Shares in issue between the date of this announcement and the completion of the Placing and the Subscription, the Sale Shares represent (a) approximately 1.31% of the existing number of Shares in issue as at the date of this announcement; and (b) approximately 1.30% of the number of Shares in issue and to be issued upon the completion of the Placing and the Subscription.

Rights of the Sale Shares

The Sale Shares will be sold free from all liens, charges and encumbrances, claims, options and third party rights and together with all rights attaching thereto as at the Transaction Date, including the right to receive all dividends or other distributions declared, made or paid on or after the Transaction Date.

Placees

The choice of Placees for the Sale Shares, who shall be professional investor, shall be determined solely by the Placing Agent, subject to the requirements of the Listing Rules. The Placing Agent shall not, as far as they are aware, place any of the Sale Shares to any connected person of the Company or any person who is not independent of or is acting in concert with the Vendor or any of the Group's directors, chief executive or substantial shareholders or any of their respective associates.

Immediately after completion of the Placing, it is expected that none of the Placees will become a substantial shareholder of the Company.

Placing Price

The Placing Price is HK\$13.68 per Share and represents:

- (a) a discount of approximately 2.98% to the closing price of HK\$14.10 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 3.25% to the average closing price of HK\$14.14 per Share as quoted on the Stock Exchange for the last five (5) trading days up to and including the Last Trading Day; and
- (c) a premium of approximately 3.48% over the average closing price of HK\$13.22 per Share as quoted on the Stock Exchange for the last ten (10) trading days up to and including the Last Trading Day.

The Placing Price was determined after arm's length negotiations between the Company, the Vendor and the Placing Agent with reference to the prevailing market price of the Shares. The Directors (including the independent non-executive Directors) consider the Placing Price and the terms and conditions of the Placing and Subscription Agreement to be fair and reasonable under the current market conditions and are in the best interests of the Company and the Shareholders as a whole.

Commission and Expenses

The Placing Agent will receive a placing commission of not more than 1% of the aggregate amount equal to the Placing Price multiplied by the number of Sale Shares placed by the Placing Agent.

Under the Placing and Subscription Agreement, all costs and expenses incurred by the Vendor (including the Placing Agent's commission, the stamp duty, the Stock Exchange trading fee and the SFC transaction levy) in connection with the Placing, the Subscription and the consummation of the transactions contemplated by the Placing and Subscription Agreement shall be borne by the Company. Such costs and expenses will, to the extent paid by the Vendor before the completion of the Subscription, be deducted from the aggregate Subscription Price payable by the Vendor at the completion of the Subscription.

Completion of the Placing

The Placing is conditional upon:

- (i) the Sale Shares being all deposited into and held in CCASS in accordance with the Placing and Subscription Agreement;
- (ii) prior to 9:00 a.m. on the Closing Date, the Company having furnished to the Placing Agent certificate of officers of the Company confirming the accuracy of the certain representations and warranties given by the Company and confirming the performance by the Company of all its obligations under the Placing and Subscription Agreement to be performed at or prior to the Closing Date; and
- (iii) prior to 9:00 a.m. on the Closing Date, the Vendor having furnished to the Placing Agent certified copies of the board resolutions of the Vendor, in a form satisfactory to the Placing Agent, approving, inter alia, (i) the Placing; and (ii) the entering into and performance of the Vendor's obligations under this Agreement.

The Placing Agent has the right to terminate the Placing and Subscription Agreement under certain circumstances as described in the paragraph headed “Termination of the Placing and Subscription Agreement” below in this announcement. The parties expect the Placing will be completed on 23 December 2019 (or such other date as the parties may agree in writing).

THE SUBSCRIPTION

Subscription Shares

The Vendor shall subscribe for the Subscription Shares, which shall be in the same amount as the number of Sale Shares placed under the Placing.

Assuming there will be no change in the number of Shares in issue between the date of this announcement and the completion of the Placing and the Subscription, the Subscription Shares represent (a) approximately 1.31% of the existing number of Shares in issue as at the date of this announcement; and (b) approximately 1.30% of the number of Shares in issue and to be issued upon the completion of the Placing and the Subscription.

The Subscription Shares have an aggregate nominal value of HK\$150,000 based on the par value of HK\$0.01 per Share and a market value of HK\$211,500,000 based on the closing price of HK\$14.10 per Share as quoted on the Stock Exchange on the Last Trading Day.

Ranking of the Subscription Shares

The Subscription Shares shall be free from all liens, charges, security interests, encumbrances and adverse claims and, when fully paid or credited as fully paid, rank *pari passu* in all respects with the other Shares in issue or to be issued by the Company on or prior to the date of completion of the Subscription including the rights to all dividends and other distributions declared, made or paid at any time after the date of allotment.

General mandate to issue the Subscription Shares

Pursuant to the resolution passed by the Shareholders at the annual general meeting of the Company on 24 May 2019, the Directors were granted a general mandate to allot, issue and deal with up to 228,381,080 Shares, representing 20% of the total number of Shares in issue as at the date of the annual general meeting.

The Directors have not exercised their power to allot and issue any new Shares pursuant to such general mandate prior to the Placing and the Subscription. Accordingly, the issue of the Subscription Shares will fall within the limit of the general mandate and will not be subject to Shareholders’ approval. The Company has not repurchased any Shares within the last thirty (30) days prior to the date of this announcement.

Subscription Price

The subscription price per Subscription Share is the same as the Placing Price of HK\$13.68 per Share. The net price for the Subscription, after deduction of all costs and expenses incurred by the Vendor and to be borne by the Company, and other expenses incurred by the Company (including the Placing Agent’s commission, the stamp duty, the Stock Exchange trading fee and the SFC transaction levy) in connection with the Placing and the Subscription, is estimated to be approximately HK\$13.53 per Subscription Share.

Condition of the Subscription

The Subscription is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Subscription Shares (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares); and
- (b) completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Completion of the Subscription

Completion of the Subscription shall take place on the second Business Day after the date upon which the last of the conditions of the Subscription shall have been satisfied, provided that it shall take place on a date no later than a date falling 14 days after the date of the Placing and Subscription Agreement, i.e. 1 January 2020 (or such other time and/or date as the Vendor and the Company may agree in writing).

Under Rule 14A.92(4) of the Listing Rules, the Subscription must be completed no later than a date falling 14 days after the date of the Placing and Subscription Agreement. If the Subscription is to be completed thereafter, it will constitute a connected transaction under the Listing Rules and require compliance with all the relevant requirements under Chapter 14A of the Listing Rules, including but not limited to the issue of a separate announcement and approval by the independent Shareholders (being Shareholders other than the Vendor, its ultimate beneficial owners and its associates).

Lock-up Undertakings

The Company

Pursuant to the Placing and Subscription Agreement, the Company undertakes to the Placing Agent, and the Vendor undertakes to the Placing Agent to procure, that for a period of 90 days from the Closing Date, the Company will not, except for the Subscription Shares and save pursuant to (1) issuance pursuant to exercise of options granted under the existing share option scheme(s) of the Company; or (2) bonus or scrip dividend or similar arrangements which provide for the allotment of Shares *in lieu* of the whole or part of a dividend on Shares of the Company in accordance with its articles of association:

- (a) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Share(s) or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to Shares or interest in Shares; or
- (b) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (a) above; or
- (c) announce any intention to enter into or effect any of the transactions described in (a) or (b) above,

without first having obtained the written consent of the Placing Agent.

The Vendor

Pursuant to the Placing and Subscription Agreement, the Vendor undertakes to the Placing Agent that (except for the sale of the Sale Shares pursuant to the Placing and Subscription Agreement) for a period of 90 days from the Closing Date, it will not and will procure that none of its nominees and companies controlled by it and trusts associated with it (whether individually or together and whether directly or indirectly) will:

- (a) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the Subscription Shares) or any interests therein beneficially owned or held by the Vendor or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests; or
- (b) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of Shares,

whether any such transaction described in (a) or (b) above is to be settled by delivery of Shares or such other securities, in cash or otherwise; or

- (c) announce any intention to enter into or effect any of the above transactions,

unless with the prior written consent of the Placing Agent.

TERMINATION OF THE PLACING AND SUBSCRIPTION AGREEMENT

The Placing Agent may terminate the Placing and Subscription Agreement without liability to the Vendor and/or the Company by giving notice in writing to the Vendor and the Company at any time prior to 8:00 a.m. (Hong Kong time) on the Closing Date if at any time prior to then:

- (a) there develops, occurs or comes into force:
 - (i) any new law or regulation or any change or development involving a prospective change in existing laws or regulations (or the judicial interpretation thereof) in Hong Kong, the PRC, the United Kingdom, the United States, the Cayman Islands, Japan or Singapore or other occurrence of any nature whatsoever, which in the reasonable opinion of the Placing Agent may have a material adverse effect on the financial position, business, results of operations or prospects of the Company and/or of the Group as a whole; or
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, or and/or after the date hereof) of a monetary, currency, economic, financial, regulatory, political or military conditions or other local nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or the occurrence of any combination of circumstances, in Hong Kong, the PRC, the United Kingdom, the United States, the Cayman Islands, Japan or Singapore, which in the opinion of the Placing Agent is or would be materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole and the success of the Placing; or

- (iii) any event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) in local, national or international securities market conditions or currency exchange rates or foreign exchange rates or foreign exchange controls in Hong Kong, the PRC, the United Kingdom, the United States, the Cayman Islands, Japan or Singapore which in the reasonable judgement of the Placing Agent is or would be materially adverse to the success of the Placing; or makes it impracticable or inadvisable or inexpedient to proceed therewith; or
 - (iv) a general moratorium on commercial banking activities in Hong Kong, the PRC, the Cayman Islands, London, New York, Tokyo or Singapore declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the PRC, the Cayman Islands, the United Kingdom or the United States; or
 - (v) a change or development in Taxation in Hong Kong or the PRC which constitutes a material adverse effect on the Group as a whole or the Sale Shares or the transfer thereof; or
 - (vi) any outbreak or escalation of hostilities or act of terrorism involving Hong Kong, the PRC, the United Kingdom, the United States, the Cayman Islands, Japan or Singapore or the declaration by Hong Kong, the PRC, the United Kingdom, the United States, the Cayman Islands, Japan or Singapore of a national emergency or war; or
 - (vii) any suspension of dealings in the Shares for any period (other than as a result of the Placing); or
 - (viii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange, the London Stock Exchange, the New York Stock Exchange or Nasdaq, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange or the Singapore Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Closing Date; or
 - (ix) instigation of any litigation or claim of material importance by any third party against any member of the Group; or
- (b) any breach of any of the representations, warranties and undertakings by the Company and/or the Vendor under the Placing and Subscription Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing and Subscription Agreement and prior to the Closing Date which if it had occurred or arisen before the date of the Placing and Subscription Agreement would have rendered any of such representations, warranties and undertakings untrue or incorrect in any material respect and any such breach or failure is material or (in the reasonable opinion of the Placing Agent) is or would materially and adversely affect the financial position or business of the Company and/or of the Group as a whole or is or would be materially adverse to the success of the Placing, or there has been a material breach of, or failure to perform, any other provision of this Agreement on the part of the Vendor and/or the Company; or

- (c) there is any such adverse change, or a prospective adverse change in the general affairs, condition, results of operations or prospects, management, business, stockholders' equity or in the financial or trading position of the Company and/or of the Group as a whole which in the reasonable opinion of the Placing Agent is materially adverse to the success of the Placing;

In the event that the Placing Agent terminates the Placing and Subscription Agreement in accordance with its terms, all obligations of each of the parties under the Placing and Subscription Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing and Subscription Agreement, except for: (a) any antecedent breach of any obligation under the Placing and Subscription Agreement; and (b) liabilities in relation to the payment of fees and expenses, representations, warranties, undertakings and indemnity pursuant to the terms of the Placing and Subscription Agreement.

REASONS FOR THE PLACING AND THE SUBSCRIPTION

The Company is an investment holding company and, together with its subsidiaries, are principally 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.

In view of the Group's intensified capital requirement for the research & development expenditure on multiple camera and other high-end camera modules products, the cost for production capacity expansion and the need of working capital, the Directors consider that the Placing can help to raise additional funds to strengthen the financial position. The Directors are of the view that the Placing and Subscription will also broaden the shareholder base and the capital base of the Company and is helpful to the continuous growth and sustainable development of the Group.

The Directors are of the view that the terms of the Placing and Subscription Agreement (including the Placing Agent's commission and the Placing Price) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

Assuming the Sale Shares are fully placed under the Placing, the gross proceeds from the Subscription are expected to be HK\$205.2 million. The net proceeds from the Subscription (after deducting all costs and expenses incurred by the Vendor and to be borne by the Company, and other expenses incurred by the Company (including the Placing Agent's commission, the stamp duty, the Stock Exchange trading fee and the SFC transaction levy) in connection with the Placing and the Subscription) are expected to be approximately HK\$202.9 million.

It is expected that (i) approximately HK\$162.3 million, representing approximately 80% of the net proceeds from the Subscription, will be used as capital expenditure required for production capacity expansion for camera modules; and (ii) approximately HK\$40.6 million, representing approximately 20% of the net proceeds from the Subscription, will be used for research and development.

EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not carried out any other equity fund raising activities during the 12 months immediately preceding the date of this announcement.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY FOLLOWING COMPLETION OF THE PLACING AND THE SUBSCRIPTION

Assuming the Sale Shares are fully placed under the Placing, the Subscription is completed and there being no other change in the number of Shares in issue between the date of this announcement and the completion of the Placing and the Subscription, the shareholding structure of the Company (a) as at the date of this announcement; (b) immediately after the completion of the Placing but before the completion of the Subscription; and (c) immediately after the completion of the Placing and the Subscription will be as follows:

Shareholders	Shareholding as at the date of this announcement		Shareholding upon completion of the Placing but before the Subscription		Shareholding upon completion of the Placing and the Subscription	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
The Vendor (<i>Note 1</i>)	752,491,000	65.86	737,491,000	64.55	752,491,000	65.01
He Ningning (<i>Note 2</i>)	980,000	0.09	980,000	0.09	980,000	0.08
Wang Jianqiang (<i>Note 3</i>)	11,128,400	0.97	11,128,400	0.97	11,128,400	0.96
Hu Sanmu (<i>Note 4</i>)	2,383,000	0.21	2,383,000	0.21	2,383,000	0.21
Ko Ping Keung (<i>Note 5</i>)	200,000	0.02	200,000	0.02	200,000	0.02
Public Shareholders						
Placees (<i>Note 6</i>)	–	–	15,000,000	1.31	15,000,000	1.30
Other public Shareholders	375,293,600	32.85	375,293,600	32.85	375,293,600	32.42
Total	1,142,476,000	100	1,142,476,000	100	1,157,476,000	100

Notes:

1. The Vendor is a company wholly-owned by Mr. He Ningning (the chairman of the Company and an executive Director) and is the controlling shareholder of the Company.
2. Mr. He is the chairman of the Company and an executive Director.
3. Mr. Wang Jianqiang is the chief executive officer of the Company and an executive Director.
4. Mr. Hu Sanmu is an executive Director.
5. Mr. Ko Ping Keung is an independent non-executive Director.
6. It is assumed that the Sale Shares will be placed to not less than six independent Placees. It is expected that none of the Placees will become a substantial shareholder of the Company immediately after the completion of the Placing.

The Placing and Subscription Agreement may be terminated pursuant to the termination provisions contained therein. In addition, completion of the Subscription is subject to fulfillment of the conditions under the Placing and Subscription Agreement. As the Placing and/or the Subscription may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“acting in concert”	having the meaning ascribed to it under the Takeovers Code;
“associate(s)”	having the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Business Day”	any day (excluding Saturday) on which banks are generally open for business in Hong Kong;
“Closing Date”	two Business Days after the Transaction Date or such other date as the Vendor and the Placing Agent may agree in writing;
“Company”	Q Technology (Group) Company Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	having the meaning ascribed thereto under the Listing Rules;
“controlling shareholder(s)”	having the meaning ascribed thereto under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Last Trading Day”	18 December 2019, being the last trading day of the Shares immediately preceding the date of signing of the Placing and Subscription Agreement;
“Listing Committee”	having the meaning ascribed thereto under the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time;

“Mr. He”	Mr. He Ningning (何寧寧), the chairman of the Company, an executive Director and the controlling shareholder of the Company;
“Placee(s)”	any professional investor whom the Placing Agent has procured to purchase any of the Sale Shares pursuant to the obligations of the Placing Agent under the Placing and Subscription Agreement;
“Placing”	the private placing to the Placees procured by the Placing Agent of the Sale Shares pursuant to the terms of the Placing and Subscription Agreement;
“Placing Agent”	China Everbright Securities (HK) Limited, a corporation licensed to carry on business in type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Placing and Subscription Agreement”	the placing and subscription agreement dated 18 December 2019 and entered into between the Company, the Vendor and the Placing Agent in respect of the Placing and the Subscription;
“Placing Price”	the placing price of HK\$13.68 per Share;
“Sale Shares”	a total of 15,000,000 existing Shares beneficially owned by the Vendor and to be placed pursuant to the Placing and Subscription Agreement;
“PRC”	the People’s Republic of China;
“Share(s)”	ordinary shares of HK\$0.01 each in the capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Shares”	a total of 15,000,000 new Shares to be issued to the Vendor by the Company under the Subscription, which shall be equivalent to the number of Sale Shares placed by the Placing Agent under the Placing;
“substantial shareholder(s)”	has the meaning ascribed thereto under in the Listing Rules;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers, as amended or supplemented from time to time;

“Transaction Date”	the date when the sale of the Sale Shares shall be reported as a cross-trade to the Stock Exchange which shall be (i) 19 December 2019 or, (ii) if dealings in the Shares on the Stock Exchange are suspended at all times on 19 December 2019, the first day on which dealings resume and the cross-trade can be reported to the Stock Exchange in accordance with its rules, or such other date as the Vendor and the Placing Agent may agree in writing;
“Vendor”	Q Technology Investment Inc. (丘鈇投資有限公司), a company incorporated under the laws of the British Virgin Islands with limited liability on 11 April 2014 and is wholly-owned by Mr. He, and the controlling shareholder of the Company;
“%”	per cent.

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

Hong Kong, 19 December 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.