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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)

SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the announcement (the “**Announcement**”) of Q Technology (Group) Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 13 July 2020 relating to the continuing connected transaction under the Supplemental Van Telecom PRC Property Lease Agreement II. Unless otherwise stated, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, on 13 July 2020, Kunshan QT China, an indirect wholly-owned subsidiary of the Company, as lessee, entered into the Supplemental Van Telecom PRC Property Lease Agreement II with Van Telecom PRC, as lessor in respect of the Leased Properties to renew and revise the proposed annual caps in the Existing Van Telecom PRC Property Lease Agreement. The transaction under the Supplemental Van Telecom PRC Property Lease Agreement II was disclosed as a continuing connected transaction under Chapter 14A of the Listing Rules.

The International Financial Reporting Standards (the “**IFRS**”) issued by the International Accounting Standards Board applicable to the Group include IFRS 16 “Leases” which has come into effect on 1 January 2019. Under IFRS 16, the Group, as the lessee, shall recognize a lease as a right-of-use asset and a lease liability in the consolidated statement of the financial position of the Group. The transaction under the Supplemental Van Telecom PRC Property Lease Agreement II should be regarded as an acquisition of asset under the definition of transaction set out in Rule 14.04(1)(a) and Rule 14A.24(1) of the Listing Rules. Given that the value of right-of-use asset recognized under the Supplemental Van Telecom PRC Property Lease Agreement II shall be approximately RMB7,081,000 and the highest of the applicable percentage ratios in respect of the value of right-of-use asset under the Supplemental Van Telecom PRC Property Lease Agreement II is not exceed 0.1%, the transaction under the Supplemental Van Telecom PRC Property Lease Agreement II is exempt from announcement, reporting and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules, and does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

Under the application of IFRS 16, the Board wishes to announce that the transaction under the Supplemental Van Telecom PRC Property Lease Agreement II should be classified as connected transaction of the Company instead of continuing connected transaction of the Company.

Save as disclosed above, all other information set out in the Announcement remain unchanged.

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

Hong Kong, 17 July 2020

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.