
IMPORTANT NOTICE

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 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 (the “Company”), you should at once hand this circular and the accompanying 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 transferee.

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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)

PROPOSALS FOR

(1) GRANT OF GENERAL MANDATES TO ISSUE AND BUY BACK SHARES;

(2) RE-ELECTION OF DIRECTORS;

AND

(3) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of the Company (the “AGM”) to be held at Room 901, 9/F, Block 4C, Software Industrial Base, Xuefu Road, Nanshan District, Shenzhen, the PRC on Monday, 24 May 2021 at 10:30 a.m. is set out on pages 19 to 24 of this circular. A form of proxy for use in connection with the AGM is enclosed with this circular. If you are not able to attend the AGM, 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 AGM 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 AGM or its adjournment should you so wish. If you attend the AGM in person, the authority of your form of proxy will be revoked.

21 April 2021

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	
Introduction	4
Issue Mandate	5
Buy-back Mandate	5
Extension of Issue Mandate to Issue Shares	6
Re-election of Directors	6
AGM.	8
Voting by poll.	8
Responsibility statement.	9
Recommendation	9
APPENDIX I – BIOGRAPHICAL DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION	10
APPENDIX II – EXPLANATORY STATEMENT ON BUY-BACK MANDATE	15
NOTICE OF ANNUAL GENERAL MEETING	19

This circular is prepared in both English and Chinese. In the event of any inconsistency, the English text of this circular shall prevail.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened at Room 901, 9/F, Block 4C, Software Industrial Base, Xuefu Road, Nanshan District, Shenzhen, the PRC on Monday, 24 May 2021 at 10:30 a.m.
“Articles of Association”	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
“Board”	the board of Directors
“Buy-back Mandate”	the general mandate proposed to be granted at the AGM to the Directors to exercise the power of the Company to buy back Shares not exceeding 10% of the total number of issued Shares as at the date of passing the relevant resolution for granting such mandate
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	Q Technology (Group) Company Limited, a company incorporated in the Cayman Islands with limited liability, whose issued Shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1478)
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has 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 dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general mandate proposed to be granted at the AGM to the Directors to allot, issue and deal with additional Shares not exceeding 20% of the total number of issued Shares as at the date of passing the relevant resolution for granting such mandate
“Latest Practicable Date”	14 April 2021, 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, as amended, supplemented or otherwise modified from time to time
“Member(s)” or “Shareholder(s)”	holder(s) of the Share(s)
“PRC”	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
“Share Option Scheme”	the share option scheme adopted by the Company on 13 November 2014
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) with nominal value of HK\$0.01 each in the capital of the Company

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong as amended, supplemented or otherwise modified from time to time
“%”	percent

LETTER FROM THE BOARD



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)

Executive Directors:

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

Independent non-executive Directors:

Mr. Ko Ping Keung
Mr. Ng Sui Yin
Mr. Chu Chia-Hsiang

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

*Principal Place of Business in
Hong Kong:*

Room 828, 8/F
Topsail Plaza, 11 On Sum Street,
Shatin, New Territories,
Hong Kong

21 April 2021

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR
(1) GRANT OF GENERAL MANDATES TO ISSUE AND
BUY BACK SHARES;
(2) RE-ELECTION OF DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The Company will propose at the AGM resolutions for, among other matters, (i) the grant of the Issue Mandate and the Buy-back Mandate; (ii) the extension of the Issue Mandate to include the Shares bought back under the Buy-back Mandate; and (iii) the proposed re-election of Directors.

LETTER FROM THE BOARD

The purpose of this circular is to give you notice of the AGM and to provide you with the information regarding the above resolutions to be proposed at the AGM to enable you to make an informed decision on whether to vote for or against those resolutions.

ISSUE MANDATE

Given that the general mandate granted to the Directors to issue Shares pursuant to the ordinary resolution passed by the Shareholders at the annual general meeting held on 22 May 2020 will lapse at the conclusion of the AGM, an ordinary resolution will be proposed at the AGM to grant the Issue Mandate to the Directors. Based on the 1,181,263,360 Shares in issue as at the Latest Practicable Date and assuming that none of the outstanding share options is exercised pursuant to the Share Option Scheme, no further Shares will be issued or no Shares will be bought back and cancelled after the Latest Practicable Date and up to the date of the AGM, the Directors will be authorized to allot, issue and deal with up to a total of 236,252,672 Shares, being 20% of the total number of issued Shares as at the date of the resolution in relation thereto. The Issue Mandate, if granted, will end at the earliest of (i) the conclusion of the next annual general meeting; (ii) the expiration of the period within which the next annual general meeting is required to be held by the Articles of Association or any applicable laws of the Cayman Islands; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting of the Company.

BUY-BACK MANDATE

Given that the general mandate granted to the Directors to buy back Shares pursuant to the ordinary resolution passed by the Shareholders at the annual general meeting held on 22 May 2020 will lapse at the conclusion of the AGM, an ordinary resolution will be proposed at the AGM to grant the Buy-back Mandate to the Directors. Based on the 1,181,263,360 Shares in issue as at the Latest Practicable Date and assuming that none of the outstanding share options is exercised pursuant to the Share Option Scheme, no further Shares will be issued or no Shares will be bought back and cancelled after the Latest Practicable Date and up to the date of the AGM, the Company will be allowed to buy back up to a total of 118,126,336 Shares, being 10% of the total number of issued Shares as at the date of the resolution in relation thereto. The Buy-back Mandate, if granted, will end at the earliest of (i) the conclusion of the next annual general meeting; (ii) the expiration of the period within which the next annual general meeting is required to be held by the Articles of Association or any applicable laws of the Cayman Islands; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting of the Company.

An explanatory statement in connection with the Buy-back Mandate is set out in Appendix II to this circular. The explanatory statement contains all the requisite information required under the Listing Rules to be given to the Shareholders by the Company to enable them to make an informed decision on whether to vote for or against the resolution approving the Buy-back Mandate.

LETTER FROM THE BOARD

EXTENSION OF ISSUE MANDATE TO ISSUE SHARES

Subject to the passing of ordinary resolutions to approve the Issue Mandate and the Buy-back Mandate, an ordinary resolution will be proposed at the AGM to extend the Issue Mandate by including the number of Shares bought back under the Buy-back Mandate.

RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the executive Directors of the Company are Mr. He Ningning (“**Mr. He**”), Mr. Hu Sanmu (“**Mr. Hu**”) and Mr. Fan Fuqiang (“**Mr. Fan**”), and the independent non-executive Directors (the “**INEDs**”) are Mr. Ko Ping Keung (“**Mr. Ko**”), Mr. Ng Sui Yin (“**Mr. Ng**”) and Mr. Chu Chia-Hsiang (“**Mr. Chu**”).

Article 83(3) of the Articles of Association provides that any Director appointed by the Board to fill a causal vacancy shall hold office until the first general meeting of the Company after his appointment and shall then be eligible for re-election and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Accordingly, Mr. Fan (appointed as an executive Director on 15 December 2020) will hold office until the AGM and, being eligible, will offer himself for re-election at the AGM.

Article 84(1) of the Articles of Association provides that at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), then the number nearest to but not less than one-third), shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at an annual general meeting at least once every three years. According to Article 84(2) of the Articles of Association, the Directors to retire by rotation shall be those who have been longest in office since their last election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless otherwise agree among themselves) be determined by lot. Any Director appointed by the Board pursuant to Article 83(3) of the Articles of Association shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation. Accordingly, Mr. He and Mr. Ng shall retire by rotation at the AGM in accordance with the Articles of Association. Mr. He and Mr. Ng will retire and being eligible, will offer themselves for re-election at the AGM.

The biographical details of each of the retiring Directors to be re-elected at the AGM are set out in Appendix I to this circular in accordance with the relevant disclosure requirements under the Listing Rules.

LETTER FROM THE BOARD

The nomination committee of the Company (the “**Nomination Committee**”) has assessed and reviewed each of the INEDs’ annual written confirmation of independence based on the independence criteria as set out in Rule 3.13 of the Listing Rules and confirmed that all the INEDs, namely, Mr. Ko, Mr. Ng and Mr. Chu remain independent. The Nomination Committee has also reviewed respective gender, age, skills, knowledge, experience and length of service of the recommended retiring Directors and Directors appointed to fill a causal vacancy, namely Mr. He, Mr. Ng and Mr. Fan having regard to the nomination policy and board diversity policy of the Company. Mr. He, who is a Hong Kong resident possessing more than 20 years of experience in electrical and electronic industries and abundant industrial experience in large-scale enterprise management and strategic planning, will benefit the strategic development planning and operation management of the Group; Mr. Ng, who is a member of the Hong Kong Institute of Certified Public Accountants and an associate of the Taxation Institute of Hong Kong, is also a certified tax advisor of the Taxation Institute of Hong Kong, successively served as chief financial officer of several large listed companies, and has abundant and professional experience in financial and tax management of large-scale enterprise; Mr. Fan was a Chinese resident possessing more than 15 years of bank management experiences in bank credit, risks management and international settlement, and served as chief financial officer (before his resignation on 15 December 2020) and head of compliance management of the Group since 2016, will benefit the financial and risk management of the Group. The Nomination Committee considered that Mr. He, Mr. Ng and Mr. Fan have professional background and skills in different fields that enable them to bring valuable experiences, skills and perspectives to the Company, and Mr. Ng, as an INED and the chairman of audit committee of the Company, has also demonstrated his abilities to provide independent views to the Company’s matters. Thus, the Nomination Committee recommends Mr. He, Mr. Ng and Mr. Fan for re-election to the Board.

Upon the nomination of the Nomination Committee, the Board has recommended that the retiring Directors and Directors appointed to fill a causal vacancy, namely Mr. He, Mr. Ng and Mr. Fan stand for re-election as Directors at the AGM. As good corporate governance practice, each of the retiring Directors abstained from voting on the respective propositions of their recommendations for re-election by the Shareholders at the relevant Board meeting.

LETTER FROM THE BOARD

AGM

The Company will convene the AGM at Room 901, 9/F, Block 4C, Software Industrial Base, Xuefu Road, Nanshan District, Shenzhen, the PRC on Monday, 24 May 2021 at 10:30 a.m., at which resolutions will be proposed for the purpose of considering and, if thought fit, approving, among others, (i) the grant of the Issue Mandate and the Buy-back Mandate, (ii) the extension of the general mandate to include Shares bought back under the Buy-back Mandate, and (iii) the re-election of Directors. The notice convening the AGM is set out on pages 19 to 24 of this circular. In view of the impacts brought by the COVID-19 pandemic, the chairman of the Board and the management of the Company will be subject to compulsory quarantine for 14 days if they return to Mainland China after heading to Hong Kong, which will have an impact on the operation and management of the Company. Therefore, the AGM will be held in Shenzhen.

A form of proxy for use in connection with the AGM is enclosed with this circular and can be downloaded from the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.qtechglobal.com). If you are not able to attend the AGM, you are requested to complete and sign 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 located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the AGM 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 AGM or its adjournment (as the case may be) should you so wish. If you attend the AGM in person, the authority of your proxy will be revoked.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all resolutions as set out in the notice convening the AGM will be voted by poll and, after being verified by the scrutineer, the results of the poll will be published in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

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.

RECOMMENDATION

The Directors consider that (i) the grant of the Issue Mandate and the Buy-back Mandate, (ii) the extension of the general mandate to include Shares bought back under the Buy-back Mandate, and (iii) the re-election of Directors as set out in the notice of AGM are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the relevant resolutions to be proposed at the AGM as set out in the notice of AGM on pages 19 to 24 of this circular.

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

The following are the biographical details of the retiring Directors who are proposed to be re-elected at the AGM as required by the Articles of Association and the Listing Rules:

Mr. He Ningning

Mr. He, aged 50, was appointed as a Director on 5 May 2014 and was re-designated as an executive Director on 13 November 2014. Mr. He has been the chairman of the Board and the Nomination Committee of the Company since 13 November 2014. He is primarily responsible for overall strategic planning and formulation of investment strategies of our Group. Mr. He founded Kunshan QTech Microelectronics Co., Ltd. (“**Kunshan QT China**”) in October 2007 and has more than 20 years of experience in the electrical and electronic industries. Prior to founding the Group, Mr. He served as a sales officer of Samsung Electro-Mechanics Dongguan Co., Ltd. (東莞三星電機有限公司), a manufacturer of electronic components, from July 1992 to April 1997 where he was primarily responsible for sales and delivery management. In November 2000 and June 2004, Mr. He founded Surewheel Asia Pacific Limited (幸誠賽貝亞太有限公司) (“**Surewheel**”), a company principally engaged in agency sales of printheads, and Shenzhen Xike Dexin Telecom Equipment Co., Ltd. (深圳市西可德信通信技術設備有限公司) (“**Shenzhen CK**”), a company principally engaged in the research, development and sales of complete handsets components, and has been the chairman of Surewheel and Shenzhen CK. Mr. He is primarily responsible for the strategic planning. In December 2004, Mr. He founded CK Telecom Limited (西可通信技術設備(河源)有限公司) (“**Heyuan CK**”), a company principally engaged in the sales and manufacturing of complete handsets and handset components and modules, and has been the chairman of Heyuan CK. Mr. He is primarily responsible for the strategic planning of Heyuan CK. Mr. He is the sole director and the sole shareholder of Q Technology Investment Inc. (“**QT Investment**”), a controlling shareholder of the Company as at the Latest Practicable Date. Mr. He received his bachelor’s degree in science, majoring in weather dynamic, from the Peking University in July 1992 and his master’s degree of business administration from the University of California in March 2002. Mr. He is also the step-brother of Mr. Wang Jianqiang, a director and the general manager of Kunshan QT China, an indirect wholly-owned subsidiary of the Company.

Mr. He is also a director of each of Q Technology (Great China) Inc., Kunshan Q Technology (Hong Kong) Limited, Kunshan QTech Ever Capital Limited (昆山丘鈇致遠投資有限公司) (“**QTech Ever Capital**”), Kunshan QT China, Kunshan QTech Biological Recognition Technology Limited (昆山丘鈇生物識別科技有限公司), Kunshan QTech Optoelectronic Technology Limited (昆山丘鈇光電科技有限公司), Kunshan Q Technology International Limited, Q Technology (Singapore) Private Limited and Kunshan Q Tech Microelectronics (India) Private Limited, each of which is a subsidiary of the Company.

Save as disclosed herein, Mr. He has not held any other directorships in any listed public company in the past three years nor has he held any other position within the Group.

Mr. He has entered into a service contract with the Company for a term of 36 months commenced from December 2014 (i.e. the month in which the Company's Shares were listed on the Stock Exchange) and is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association. On 2 December 2017, Mr. He renewed their service contracts with the Company for a term of 36 months commencing from 2 December 2017. On 25 May 2020, Mr. He renewed their service contracts with the Company for a term of 36 months commencing from 1 June 2020. His emoluments comprise a director's fee of HK\$360,000.00 per annum. His emolument was determined by the Board by reference to his experience, responsibilities and duties within the Company and shall be adjusted by the recommendation of the remuneration committee to the Board.

As at the Latest Practicable Date, Mr. He owned 980,000 shares of the Company, and is directly interested in the entire interest of QT Investment, which owned 752,491,000 shares of the Company, which together account for approximately 63.79% of the total issued Shares of the Company.

Mr. He indirectly held approximately 0.87% of the shares of SmartSens Technology (Shanghai) Co., Ltd. ("**Smartsens**"), an unlisted company which was indirectly owned as to approximately 5.595% by an INED, Mr. Ko, and the issued share capital of which was held directly and indirectly as to approximately 1.527% by a venture capital company where an INED, Mr. Chu, currently serves as a director. Mr. Ko and Mr. Chu also serve as directors of Smartsens, but they do not participate in the daily operation and management of Smartsens. Save as disclosed above, Mr. He does not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company.

Save as disclosed above, there are no other matters concerning Mr. He that are required to be brought to the attention of the Shareholders, nor is there other information that is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

Mr. Ng Sui Yin

Mr. Ng, aged 52, was appointed as an INED, the chairman of the audit committee and a member of each of the remuneration committee and the risk management committee (the “**Risk Management Committee**”) of the Company on 13 November 2014. Mr. Ng was previously the financial controller of Beijing Gas Blue Sky Holdings Limited (Stock code: 6828) and the financial controller and company secretary of Man Yue Technology Holdings Limited (Stock code: 0894), each of which is a company listed on the Stock Exchange. Mr. Ng has extensive experience in the areas of finance, audit, tax, bankruptcy, information technology and business development. Mr. Ng has been admitted as a member of the Hong Kong Institute of Certified Public Accountants and an associate of the Taxation Institute of Hong Kong since April 2001 and April 2009, respectively. Mr. Ng was registered as a certified tax advisor of the Taxation Institute of Hong Kong in July 2010. He received his Honours Diploma in Accounting from the Hong Kong Shue Yan College (now known as Hong Kong Shue Yan University) and Master’s degree in Professional Accounting and Corporate Governance from City University of Hong Kong.

Save as disclosed herein, Mr. Ng did not hold any other directorships in any listed public company in the past three years nor did he hold any other position within the Group.

Mr. Ng has been appointed as an INED for a term of three years commenced from 2 December 2014 (i.e. the date on which the Company’s Shares were listed on the Stock Exchange), and is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association. On 2 December 2017, Mr. Ng signed a letter of appointment with the Company for a term of 36 months commencing from 2 December 2017. On 25 May 2020, Mr. Ng renewed a letter of appointment with the Company for a term of 36 months commencing from 1 June 2020. His emoluments comprise a director’s fee of HK\$100,200 per annum. The emoluments for Mr. Ng were determined by the Board by reference to his experience, responsibilities and duties within the Company and shall be adjusted by the recommendation of the remuneration committee to the Board.

Mr. Ng does not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Ng did not have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters concerning Mr. Ng that are required to be brought to the attention of the Shareholders, nor is there other information that is required to be disclosed pursuant to the requirements under Rule 13.51(2) of the Listing Rules.

Mr. Fan Fuqiang

Mr. Fan, aged 43, was appointed as an executive Director of the Company since 15 December 2020. Mr. Fan was a member of the Risk Management Committee of the Company since 13 November 2014. Mr. Fan is primarily responsible for financial management, securities affairs and risk control functions. Prior to joining the Group, Mr. Fan held various positions in Heyuan branch of the Bank of China, a state-owned bank principally engaged in providing a range of corporate banking, personal banking, investment banking and other services, from July 1996 to June 2011 and last served as the general manager of Heyuan High-tech Zone sub-branch of Bank of China and vice general manager of the corporate department of Heyuan branch of Bank of China, where he was primarily responsible for the grant of the credit facilities, risks management and international settlement. From May 2013 to April 2014 and July 2011 to April 2014, respectively, Mr. Fan served as the assistant to the chief financial officer of Shenzhen CK and Heyuan CK, and was primarily responsible for legal compliance matters and risk control. Mr. Fan received a professional certificate from Guangdong International Finance College (廣東國際金融學校) located in the PRC, in July 1996, majoring in international finance. He received a university diploma from the Central Party School of Guangdong Provincial Committee (中共廣東省委黨校) located in the PRC, in January 2008, majoring in public management, and received a graduation certificate from South China University of Technology (華南理工大學) in July 2019, majoring in administrative management. Mr. Fan was one of the joint company secretaries of the Company before his resignation on 21 November 2017. Mr. Fan was also the chief financial officer of the Company since 8 July 2016 before his resignation on 15 December 2020.

Mr. Fan is also a director of QTech Ever Capital, the secretary of board and chief financial officer of Kunshan QT China, and the director and general manager of Zhuhai Q Technology Limited (珠海市丘鈇微電子科技有限公司) and Shenzhen Q Technology Limited (深圳市丘鈇微電子科技有限公司), each of which is a subsidiary of the Company.

Mr. Fan received the Top Ten Distinguished Employees (十佳員工) Award of Heyuan branch of Bank of China for the years 2005 and 2006 and the Innovative Employee Award (先進工作者) by Heyuan branch of Bank of China for the year 2007.

Save as disclosed herein, Mr. Fan did not hold any other directorships in any listed public company in the past three years nor did he hold any other position within the Group.

Mr. Fan has entered into a service contract with the Company for a term of 36 months commencing from 15 December 2020 and is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association. On 26 March 2021, Mr. Fan entered into a supplemental contract with the Company to revise the director's emolument. For the period from 15 December 2020 to 31 March 2021, Mr. Fan's emoluments comprise a director's fee of RMB60,000 per annum; since 1 April 2021, Mr. Fan voluntarily give up the payment of director's emoluments. His emolument was determined by the Board with reference to his experience, duties and responsibilities within the Company and shall be adjusted upon recommendation from the remuneration committee to the Board.

As at the Latest Practicable Date, Mr. Fan beneficially owned 2,585,000 shares of the Company, accounting for approximately 0.22% of the total issued Shares of the Company. In addition, Mr. Fan beneficially owned 378,000 share options granted by the Board on 16 September 2020 under the Share Option Scheme.

As at the Latest Practicable Date, Mr. Fan held approximately 0.99% of the shares of Heyuan Youhua Micro Electronic Technology Company Limited (河源友華微機電科技有限公司) (“**Heyuan Youhua**”), a private company which was owned as to approximately 0.25% by Mr. Hu Sanmu, an executive Director and the Chief Executive Officer of the Company, and was owned as to approximately 66.11% by Westalgo (Great China) Inc., which was wholly-owned by QT Investment, the controlling shareholder of the Company, which in turn was wholly-owned by Mr. He Ningning, but Mr. Fan did not participate in the daily operation and management of Heyuan Youhua. Mr. Fan was also a director of Hangzhou Raying Technology Limited (“**Raying Technology**”), a private company which was owned as to approximately 19.11% by Shenzhen Handi Venture Capital Co. Ltd. (深圳市漢迪創業投資有限公司), which was indirectly owned as to 90% by Mr. He, but Mr. Fan did not participate in the daily operation and management of Raying Technology. Save as disclosed above, Mr. Fan does not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company.

Save as disclosed above, there are no other matters concerning Mr. Fan that are required to be brought to the attention of the Shareholders, nor is there other information that is required to be disclosed pursuant to the requirements under Rule 13.51(2) of the Listing Rules.

This appendix serves as an explanatory statement, as required by Rule 10.06(1)(b) of the Listing Rules, to provide the requisite information to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to be proposed at the AGM for approving the Buy-back Mandate.

The Listing Rules permit companies whose primary listing is on the Stock Exchange to buy back their fully-paid shares on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

1. SHAREHOLDERS' APPROVAL

All proposed share buy-backs on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by the shareholders by an ordinary resolution, either by way of a general mandate or by a specific mandate for a specific transaction.

2. BUY-BACK OF SECURITIES FROM CORE CONNECTED PERSONS

Under the Listing Rules, the Company is prohibited from knowingly purchasing Shares on the Stock Exchange from a core connected person.

As at the Latest Practicable Date, no core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company, or has undertaken not to do so in the event that the Buy-back Mandate is approved by the Shareholders.

3. SHARE CAPITAL

As at the Latest Practicable Date, the total number of issued Shares is 1,181,263,360 Shares, and there were outstanding share options granted under the Share Option Scheme entitling the holders thereof to subscribe for an aggregate of 18,681,320 Shares.

Subject to the passing of the proposed ordinary resolution for the grant of the Buy-back Mandate and assuming that none of the outstanding share options of the Company is exercised pursuant to the Share Option Scheme, no further Shares are issued and no Shares are bought back and cancelled after the Latest Practicable Date and up to the date of AGM, the Directors will be authorized to buy back up to a maximum of 118,126,336 Shares, representing 10% of the total number of issued Shares as at the date of passing the relevant resolution. The Buy-back Mandate will expire on the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association or any applicable laws of the Cayman Islands; or (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company.

4. REASONS FOR BUY-BACK

The Directors have no present intention to buy back any Shares but consider that the Buy-back Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the Buy-back Mandate may, depending on market conditions and funding arrangements at that time, leads to an enhancement of the net asset value per Share and/or the earnings per Share and will only be made when the Directors believe that a buy-back will benefit the Company and its Shareholders as a whole.

5. FUNDING OF BUY-BACKS

Pursuant to the Buy-back Mandate, buy-backs will be funded entirely from the Company's funds legally available for such purpose in accordance with the applicable laws of the Cayman Islands, the memorandum of association of the Company and the Articles of Association.

6. IMPACT ON WORKING CAPITAL OR GEARING POSITION

An exercise of the Buy-back Mandate in full might have a material adverse impact on the working capital or gearing position of the Company when compared with that as at 31 December 2020, being the date of its latest published audited consolidated financial statements. The Directors do not propose to exercise the Buy-back Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital required by the Company or gearing position of the Company, which in the opinion of the Directors is from time to time appropriate for the Company.

7. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Main Board of the Stock Exchange, during each of the twelve months immediately prior to the Latest Practicable Date were as follows:

Year	Month	Highest Price <i>HK\$</i>	Lowest Price <i>HK\$</i>
2020	March	11.94	7.71
	April	9.64	8.21
	May	11.28	8.91
	June	11.06	9.53
	July	12.64	9.90
	August	11.60	9.65
	September	10.20	8.05
	October	9.85	8.30
	November	10.48	8.46
	December	13.30	10.00
2021	January	18.16	12.78
	February	18.20	14.40
	March	16.54	12.54
	April*	17.16	14.92

* *Up to the Latest Practicable Date*

8. DIRECTORS AND THEIR CLOSE ASSOCIATES

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates, have any present intention to sell any of the shares of the Company to the Company or its subsidiaries if the Buy-back Mandate is approved at the AGM.

9. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to buy back Shares pursuant to the Buy-back Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and the Articles of Association.

10. EFFECT OF TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases as the result of the Company exercising its powers to buy back Shares pursuant to the Buy-back Mandate, such an increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (as defined in the Takeovers Code), could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with requirements under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge of the Directors, Mr. He Ningning was the controlling shareholder of the Company, holding 753,471,000 shares of the Company or approximately 63.79% of the total number of issued Shares, by himself and through QT Investment. In the event that the Directors will exercise the powers in full to buy back Shares pursuant to the Buy-back Mandate, the interests of Mr. He Ningning and QT Investment would increase to approximately 70.87% of the total number of issued Shares, and such increase will not give rise to any obligation to make a mandatory offer under Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which may arise under the Takeovers Code as a consequence of any buy-back of Shares under the Buy-back Mandate.

Assuming that none of the outstanding share options is exercised pursuant to the Share Option Scheme and there is no issue of Shares in the Company between the Latest Practicable Date and the date of the buy-back of Shares, an exercise of the Buy-back Mandate in full or in part will not result in the number of Shares in the public hands falling below the prescribed minimum percentage of 25% as required by the Stock Exchange. The Directors confirm that the Buy-back Mandate will not be exercised to the extent as may result in the number of Shares held by the public being reduced to less than 25% of the total number of issued Shares of the Company.

11. SHARE BUY-BACKS MADE BY THE COMPANY

No buy-back of Shares have been made by the Company (whether on the Stock Exchange or otherwise) during the six months prior to the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

Q Technology (Group) Company Limited (the “**Company**”) hereby announces that the Annual General Meeting (the “**AGM**”) will be held at Room 901, 9/F, Block 4C, Software Industrial Base, Xuefu Road, Nanshan District, Shenzhen, the PRC on Monday, 24 May 2021 at 10:30 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements of the Company and the reports of the directors and independent auditor of the Company for the year ended 31 December 2020.
2. To approve the payment of a final dividend of HK5.0 cents (equivalent to approximately RMB4.2 cents) per share of the Company for the year ended 31 December 2020.
3. To re-elect Mr. He Ningning as an executive director of the Company.
4. To re-elect Mr. Ng Sui Yin as an independent non-executive director of the Company.
5. To re-elect Mr. Fan Fuqiang as an executive director of the Company.
6. To authorize the board (the “**Board**”) of directors (the “**Directors**”) of the Company to fix the remuneration of the Directors for the year ending 31 December 2021.
7. To re-appoint KPMG, Certified Public Accountants as the independent auditor of the Company to hold office until the conclusion of the next annual general meeting and authorize the Board to fix its remuneration.

NOTICE OF ANNUAL GENERAL MEETING

8. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (c) of this Resolution below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of the Company (the “**Shares**”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any shares of the Company or securities convertible into Shares and to make or grant offers, agreements and options which might require the exercise of such power be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall be in addition to any other authorization given to the Directors and shall authorize the Directors during the Relevant Period (as defined below) to make or grant offers, agreements, and options which might require the exercise of such power after the end of the Relevant Period (as defined below);
- (c) the total number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company (the “**Articles of Association**”) in force from time to time, shall not exceed the aggregate of 20% of the total number of shares of the Company in issue as at the date of passing of this Resolution and the authority granted pursuant to paragraph (a) of this Resolution shall be limited accordingly; and
- (d) for the purpose of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association or any other applicable laws or regulations; and

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the date on which the authority set out in this Resolution is revoked and varied by way of the ordinary resolution of the shareholders of the Company at a general meeting;

“**Rights Issue**” means an offer of shares of the Company, or offer or issue of warrants, options or other securities giving the rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares of the Company on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws or the requirements of any recognised regulatory body or any stock exchange in any territory, outside Hong Kong).”

- 9. To consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to buy back the shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the shares of the Company may be listed and recognized for this purpose by the Securities and Futures Commission of Hong Kong (the “**Commission**”) and the Stock Exchange under the Code of Share Buy-backs administered by the Commission be and is hereby generally and unconditionally approved;
- (b) the total number of Shares which may be bought back by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period (as defined below) shall not exceed 10% of the total number of issued shares of the Company as at the date of the passing of this Resolution, and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(c) for the purpose of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association or any other applicable laws or regulations; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by way of the ordinary resolution by the shareholders of the Company at a general meeting.”

10. To consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of Resolutions nos. 8 and 9 set out in the notice convening the annual general meeting of the Company (the “**Notice**”), the general mandate granted to the Directors pursuant to Ordinary Resolution no. 8 set out in the Notice be and is hereby extended by the addition thereto of an amount representing the total number of shares of the Company bought back pursuant to the authority granted pursuant to Ordinary Resolution no. 9 set out in the Notice, provided that such amount shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing this Resolution.”

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

Hong Kong, 21 April 2021

NOTICE OF ANNUAL GENERAL MEETING

Registered Office:

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

Principal place of business in Hong Kong:

Room 828, 8/F, Topsail Plaza, 11 On Sum Street,
Shatin, New Territories,
Hong Kong

As at the date hereof, 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. Ko Ping Keung and Mr. Ng Sui Yin.

Notes:

1. Any member of the Company (the “**Member**” or the “**Shareholder**”) entitled to attend and vote at the annual general meeting (the “**AGM**”) of the Company convened by the above notice or its adjourned meeting (as the case may be) is entitled to appoint one or more proxies to attend and vote on his/her/its behalf. A proxy need not be a Member but must be present in person at the AGM to represent the Member. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, at the offices of 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 later than 48 hours before the time for holding the AGM or its adjourned meeting. Completion and return of a form of proxy will not preclude a Member from attending and voting in person at the AGM or its adjourned meeting should he/she so wish.
3. For determining the entitlement of the Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from 18 May 2021 (Tuesday) to 24 May 2021 (Monday) (both days inclusive), during which period no transfer of shares will be registered. In order to qualify to attend and vote at the AGM, 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 not later than 4:30 p.m. on 17 May 2021 (Monday).

NOTICE OF ANNUAL GENERAL MEETING

4. For determining the entitlement of the Shareholders to receive the final dividend, the register of members of the Company will be closed from 1 June 2021 (Tuesday) to 3 June 2021 (Thursday) (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the final dividend, 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 not later than 4:30 p.m. on 31 May 2021 (Monday) for registration.
5. In relation to the above proposed Resolution no. 8, approval is being sought from the members of the Company for the grant to the directors of the Company (the "**Directors**") a general mandate to authorize the allotment and issue of shares of the Company (the "**Shares**") under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The Directors have no immediate plans to issue any new shares of the Company other than the Shares which may fall to be issued under the share option scheme of the Company.
6. In relation to the above proposed Resolution no. 9, the Directors wish to state that they have no intention to buy back any Shares and will exercise the powers conferred thereby to buy back Shares only in the circumstances which they consider appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the Shareholders to make an informed decision to vote for or against the proposed resolution as required by the Listing Rules is set out in Appendix II to the circular of the Company dated 21 April 2021.
7. In compliance with Rule 13.39(4) of the Listing Rules, voting on all resolutions proposed at the general meeting will be decided by way of poll except where the chairman of general meetings, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted by show of hands.
8. If a tropical cyclone warning signal No. 8 or above is expected to be hoisted or a black rainstorm warning signal is expected to be in force at any time between 7:00 a.m. and 5:00 p.m. on the date of the AGM, the AGM will be postponed and Members will be informed of the date, time and venue of the postponed AGM by a supplementary notice posted on the respective websites of the Company and Hong Kong Exchanges and Clearing Limited. If a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is lowered or cancelled at or before 7:00 a.m. on the date of the AGM and where conditions permit, the AGM will be held as scheduled. The AGM will be held as scheduled when an amber or red rainstorm warning signal is in force.

After considering their own situations, Members should decide on their own whether or not they would attend the AGM under any bad weather condition and if they do so, they are advised to exercise extra care and caution.