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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)

SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the announcement (the “**Announcement**”) of Q Technology (Group) Company Limited (the “**Company**”) dated 31 May 2021 relating to (1) Renewal of Continuing Connected Transaction; (2) New Continuing Connected Transaction; and (3) New Connected Transaction. Unless otherwise stated, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board would like to supplement the following information in relation to the Announcement:

THE ULTIMATE BENEFICIAL OWNER(S) OF THE RELATED PARTIES

Huangshi C-Flex Electronic

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% and 10% by Mr. He and Mr. Wang Jianqiang, respectively. Mr. Wang Jianqiang, the stepbrother of Mr. He, is currently a director and the general manager of Kunshan QTech Microelectronics Co.,Ltd. (昆山丘鈦微電子科技股份有限公司), an indirectly wholly-owned subsidiary of the Company, and he was served as an executive Director and the chief executive officer of the Company in the past 12 months. Accordingly, Huangshi C-Flex Electronic is a connected person of the Company under the Listing Rules.

Heyuan Youhua

Heyuan Youhua is owned as to approximately 0.25% and approximately 0.99% by Mr. Hu and Mr. Fan, respectively, both of whom are executive Directors 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 owned as to 100% by Mr. He. Accordingly, Heyuan Youhua is a connected person of the Company under the Listing Rules. In addition, as at the date of this announcement, the remaining 32.65% interests of Heyuan Youhua are owned by the following parties respectively. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, those remaining shareholders and their ultimate beneficial owners are Independent Third Parties of the Company.

Beneficial owner	Ultimate beneficial owner	Approximate percentage of share interests in Heyuan Youhua
Shanghai Moqin Intelligent Technology Co., Ltd. (上海摩勤智能技術有限公司)	Mr. Qiu Wensheng (邱文生) ^{Note}	18.01%
Mr. Liu Zhiyong (劉智勇)	Mr. Liu Zhiyong (劉智勇)	8.50%
Mr. Li Jingsong (李勁松)	Mr. Li Jingsong (李勁松)	5.00%
Mr. Zhang Xuyao (張需要)	Mr. Zhang Xuyao (張需要)	0.62%
Mr. Wen Tingwei (溫廷偉)	Mr. Wen Tingwei (溫廷偉)	0.52%
In total		<u>32.65%</u>

Note:

As at 30 April 2021, Shanghai Moqin Intelligent Technology Co., Ltd. (上海摩勤智能技術有限公司) was owned as to 100% by Huaqin Technology Co., Ltd (華勤技術股份有限公司), which in turn was directly and indirectly owned as to approximately 26.43% by Mr. Qiu Wensheng (邱文生). Accordingly, Mr. Qiu Wensheng (邱文生) is the ultimate beneficial owner of Shanghai Moqin Intelligent Technology Co., Ltd. (上海摩勤智能技術有限公司). In addition to Mr. Qiu Wensheng (邱文生), Huaqin Technology Co., Ltd (華勤技術股份有限公司) has more than 30 other shareholders.

Kunshan KEIRAKU

Kunshan KEIRAKU is owned as to 97% by Kunshan KEIRAKU (Hong Kong) Limited, a whollyowned subsidiary of QT Investment, the controlling shareholder of the Company, which in turn is owned as to 100% by Mr. He. Accordingly, Kunshan KEIRAKU is a connected person of the Company under the Listing Rules. In addition, the remaining 3% share interest of Kunshan KEIRAKU is owned by Mr. Zhang Yu (張羽). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Zhang Yu (張羽) is an Independent Third Party of the Company.

THE PRICING POLICY FOR THE HEYUAN CK SUPPLY AGREEMENT

According to the Heyuan Ck Supply Agreement, the price of camera modules and fingerprint recognition modules to be supplied by the Group will be determined with reference to the cost of raw materials and production costs of the Group as well as the profit margin, which is expected to be comparable to the level of profit derived from sales to customers who are Independent Third Parties, subject to adjustments based on the expected quantity, quality, delivery schedule, specifications and market competition. In the actual business, the Group will provide quotation of specific products it provides to Heyuan CK according to factors such as the specification and delivery schedule of the specific products required by Heyuan CK by comprehensively considering the factors such as cost of raw materials, production time, the comparable price of the same or similar products selling to two or more Independent Third Parties, the expected gross profit margin of the same or similar products selling to Independent Third Parties, settlement period, scale of order of specific products. After accepted the quotation, Heyuan CK will place an order to the Group, and then the Group will fulfill the order and the contract. For orders with no comparable price from an Independent Third Party, the Group will provide quotations by considering the average gross profit margin of the Group comprehensively. The Directors (including the independent non-executive Directors) consider that such pricing policies are in line with the actual situation of the industry and the Company, and are in the interests of the Group and the Shareholders as a whole.

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, 7 June 2021

As at the date of this announcement, 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. Ko Ping Keung, Mr. Chu Chia-Hsiang and Mr. Ng Sui Yin.