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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)

**DISCLOSEABLE TRANSACTION
REDEMPTION OF THE
WEALTH MANAGEMENT PRODUCTS**

REDEMPTION OF THE WEALTH MANAGEMENT PRODUCTS

On 29 December 2022 and 26 April 2023, the Group redeemed a total of RMB400 million of Wealth Management Products issued by ICBC in two installments, i.e. Redemptions. The total unaudited income arising from the Redemptions amounted to approximately RMB5,476,000.

IMPLICATION UNDER THE LISTING RULES

No single Redemption has an applicable percentage rate of more than 5%. In accordance with Rule 14.22 of the Listing Rules, as one of the applicable percentages of the two Redemptions calculated on an aggregated basis is more than 5% but less than 25%, the Redemptions would constitute a disclosable transaction of the Company under Chapter 14 of the Listing Rules and would be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

REDEMPTION OF THE WEALTH MANAGEMENT PRODUCTS

On 21 July 2022, the Group (through its wholly-owned subsidiary, Kunshan QT China) subscribed the low-risk Wealth Management Products issued by ICBC with its idle own funds and entered into a subscription with ICBC in the principal amount of RMB200 million. On 29 December 2022, the Group redeemed the above-mentioned Wealth Management Products and continued to subscribe for low-risk Wealth Management Products issued by ICBC with that idle own funds of RMB200 million on the same date. On 26 April 2023, the Group redeemed the above-mentioned second subscription of Wealth Management Products. A summary of the Subscriptions and Redemptions is as follows:

No.	Date of subscription	Name of product	Product issuer	Subscription amount (RMB'000)	Type of product	Term	Redemption date	Redemption amount (RMB'000)	Wealth management income (RMB'000)
1	21 July 2022	ICBC accumulated exchange rate range linked legal person Renminbi structured deposit product – Designated account 2022 No. 266 Type J (中國工商銀行掛鈎匯率區間累計型法人人民幣結構性存款產品—專戶型2022年第266期J款)	ICBC	200,000	Guaranteed principal with floating return	Fixed term, 161 days	29 December 2022	200,000	3,168
2	29 December 2022	ICBC accumulated exchange rate range linked legal person Renminbi structured deposit product – Designated account 2022 No. 477 Type N (中國工商銀行掛鈎匯率區間累計型法人人民幣結構性存款產品—專戶型2022年第477期N款)	ICBC	200,000	Guaranteed principal with floating return	Fixed term, 171 days	26 April 2023	200,000	2,308
Total				400,000				400,000	5,476

The unaudited income arising from the Redemptions are approximately RMB5,476,000 in total, with an average annualized rate of return of approximately 3.59% and 3.60% respectively. These proceeds will be used as general working capital of the Group. The Group's gain or loss arising from the Redemptions is subject to audit and/or review by the auditors.

As at the date of this announcement, the Wealth Management Products of the Group under the ICBC Subscriptions have been redeemed and the Group no longer holds any wealth management products of ICBC.

REASONS FOR AND BENEFITS OF THE REDEMPTIONS

The Group invests wealth management products with idle cash derived from its business operations to make full use of its idle funds and improve the rate of return on idle funds while achieving income balance and maintaining high liquidity and low risk. In view of the fact that the ICBC Wealth Management Products subscribed by the Group are fixed-term products, the Wealth Management Products will be automatically redeemed upon maturity. Benefiting from the Redemptions, the Group obtained unaudited income of approximately RMB5,476,000. The Group intends to use the proceeds from the Redemptions (including principal and income) for general working capital and short-term investments (if applicable).

The Directors believe that the Redemptions is on normal commercial terms, fair and reasonable, in line with the treasury policy of the Company and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE PARTIES

The Group is primarily engaged in the design, research and development, manufacture and sales of camera modules and fingerprint recognition modules, and centred on mid-to-high end camera and fingerprint recognition module market for intelligent mobile terminals such as global smart phone and tablet PC brands, Internet of Things (IoT), smart vehicles, etc.

ICBC is a licensed bank under the laws of the PRC and is principally engaged in the provision of corporate and personal banking and other financial services in the PRC and is ranked among the top 20 commercial banks in the PRC banking industry (based on net core tier 1 capital) in 2022.

To the best of the Directors' knowledge, information and belief, after making all reasonable enquiries, ICBC and its ultimate beneficial owners are third parties independent of, and not connected with, the Company and its connected persons.

IMPLICATION UNDER THE LISTING RULES

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GENERAL

None of the Directors is deemed to be interested in the Redemptions. Therefore, no Director is required to abstain from voting on the approval of Redemptions at the Board meeting.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context otherwise requires:

“Board”	the board of Directors
“Company”	Q Technology (Group) Company Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed and traded on the main board of the Stock Exchange (stock code: 1478)
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“ICBC”	Industrial and Commercial Bank of China Limited, a joint stock commercial bank incorporated in the PRC, the issued shares of which are listed and traded on the Main Board of the Shanghai Stock Exchange and the Main Board of the Stock Exchange (stock code: 601398.SH and 1398.HK)
“Kunshan QT China”	Kunshan QTech Microelectronics Co., Ltd., a company established in the PRC, and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Redemptions”	the redemption of the Wealth Management Products by the Group from ICBC on 29 December 2022 and 26 April 2023
“RMB”	Renminbi, the lawful currency of PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holders of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wealth Management Product(s)”	structured deposit wealth management products issued by ICBC and subscribed by the Group under relevant subscription agreements

“Subscriptions”	the subscription of the Wealth Management Products made by the Group from ICBC on 21 July 2022 and 29 December 2022
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“%”	per cent.

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

Hong Kong, 26 April 2023

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