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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 PRODUCT**

#### **REDEMPTION OF THE WEALTH MANAGEMENT PRODUCTS**

On 30 June 2023 and 29 December 2023, the Group redeemed a total of RMB400 million of Wealth Management Products issued by KRCB in three installments, i.e. the Redemptions. The total unaudited income arising from the Redemptions amounted to approximately RMB6,303,562.

#### **IMPLICATION UNDER THE LISTING RULES**

Pursuant to the requirements under Rule 14.22 of the Listing Rules, as two of the applicable percentage ratios calculated on a consolidated basis for the three Redemptions exceeds 5% but is less than 25%, the Redemptions constitute a disclosable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

#### **REDEMPTION OF THE WEALTH MANAGEMENT PRODUCTS**

On 5 January 2023 and 4 July 2023, the Group (through its wholly-owned subsidiary, Kunshan QT China) subscribed for the low-risk Wealth Management Products issued by KRCB with its idle own funds and entered into subscriptions with KRCB in the principal amount of RMB400 million in aggregate. Pursuant to the relevant subscription agreement, the principal amount of these structured deposits is included in the unified management of deposits of KRCB, and part of the proceeds are invested in financial derivatives linked to the AU9999.SGE price level of the Shanghai Gold Exchange, and the income of the structured deposits depends on the performance of the AU9999.SGE price during the observation period. On 30 June 2023 and 29 December 2023, the Group redeemed the above-mentioned Wealth Management Products in three installments. A summary of the Redemptions is as follows:

| No.   | Date of subscription | Name of product                                     | Product issuer | Subscription amount<br>(RMB'000) | Type of product                           | Term     | Redemption date  | Redemption amount<br>(RMB'000) | Wealth management income<br>(RMB'000) |
|-------|----------------------|---|----------------|----------------------------------|---|----------|------------------|--------------------------------|---------------------------------------|
| 1     | 5 January 2023       | KRCB STRUCTURED DEPOSIT (昆山農商銀行結構性存款 (YEP20230028)) | KRCB           | 120,000                          | Guaranteed principal with floating return | 176 Days | 30 June 2023     | 120,000                        | 2,835                                 |
| 2     | 5 January 2023       | KRCB STRUCTURED DEPOSIT (昆山農商銀行結構性存款 (YEP20230029)) | KRCB           | 80,000                           | Guaranteed principal with floating return | 176 Days | 30 June 2023     | 80,000                         | 347                                   |
| 3     | 4 July 2023          | KRCB STRUCTURED DEPOSIT (昆山農商銀行結構性存款 (YEP20230470)) | KRCB           | 200,000                          | Guaranteed principal with floating return | 178 Days | 29 December 2023 | 120,000                        | 3,121                                 |
| Total |                      |   |                | <u>400,000</u>                   |   |          |                  | <u>400,000</u>                 | <u>6,303</u>                          |

The unaudited income arising from the Redemptions are approximately RMB6,303,562 in total, with an average annualized rate of return of approximately 4.9%, 0.9% and 3.2% respectively. These proceeds will be used as general working capital and short-term investments (if applicable) 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 KRCB Subscriptions have been redeemed and the Group did not hold any outstanding wealth management products of KRCB.

## 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 Company's treasury policy and the agreed term of the wealth management products, the Group carried out the Redemptions. Benefiting from the Redemptions, the Group obtained unaudited income of approximately RMB6,303,562. 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 are 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.

KRCB 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.

To the best of the Directors' knowledge, information and belief, after making all reasonable enquiries, KRCB 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**

Pursuant to the requirements under Rule 14.22 of the Listing Rules, as two of the applicable percentage ratios calculated on a consolidated basis for the three Redemptions exceeds 5% but is less than 25%, the Redemptions constitute a disclosable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **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   |
| “KRCB”             | KUNSHAN RURAL COMMERCIAL BANK, a joint-stock commercial bank incorporated in the PRC, on behalf of itself and its affiliates.  |
| “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   |

|                                |  |
|--------------------------------|--|
| “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 KRCB on 30 June 2023 and 29 December 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)” | the structured deposit(s) issued by KRCB and subscribed by the Group under relevant subscription agreement                         |
| “Subscriptions”                | the subscription of the Wealth Management Products made by the Group from KRCB on 5 January 2023 and 4 July 2023                   |
| “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, 29 December 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.*