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Quantum Thinking Limited

量子思維有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8050)

NOTIFIABLE TRANSACTIONS SUBSCRIPTION FOR WEALTH MANAGEMENT PRODUCTS AND SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE 2022 ANNUAL REPORT

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

The Board announces that during the period from 2 April 2021 to 30 September 2022, IEDC Economy Technology, Shenzhen Yunbo ISS, Shenzhen Anxin and CITIC Cyber Security (all of which are subsidiaries of the Company) had subscribed for wealth management products offered by ICBC, CMB and CNCB respectively.

GEM LISTING RULES IMPLICATIONS

Discloseable transactions

At the relevant time, as one of the applicable percentage ratios for each of the ICBC II Subscription, the ICBC III First Subscription, the ICBC I First Subscription, the ICBC IV First Subscription, the ICBC I Second Subscription, the ICBC III Second Subscription, the ICBC IV Second Subscription, the CMB II Subscription, the CMB III Subscription, the CMB IV Subscription, the CMB V Subscription, the CNCB II Subscription, the CNCB III Subscription and the CNCB IV Subscription exceeds 5% but is less than 25% under Chapter 19 of the GEM Listing Rules, each of the ICBC II Subscription, the ICBC III First Subscription, the ICBC I First Subscription, the ICBC IV First Subscription, the ICBC I Second Subscription, the ICBC III Second Subscription, the ICBC IV Second Subscription, the CMB II Subscription, the CMB III Subscription, the CMB IV Subscription, the CMB V Subscription, the CNCB II Subscription, the CNCB III Subscription and the CNCB IV Subscription constituted a discloseable transaction and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Major transactions

At the relevant time, as one of the applicable percentage ratios for each of the CMB I Subscription, the CNCB I First Subscription and the CNCB I Second Subscription exceeds 25% but is less than 100% under Chapter 19 of the GEM Listing Rules, each of the CMB I Subscription, the CNCB I First Subscription and the CNCB I Second Subscription constituted a major transaction of the Company and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

Considering (i) all of the CMB I Subscription, the CNCB I First Subscription and the CNCB I Second Subscription have been redeemed, even though each of the CMB I Subscription, the CNCB I First Subscription and the CNCB I Second Subscription in nature technically constituted a major transaction and should have been subject to the Shareholders' approval requirement as set out above; and (ii) consent has been obtained from Happy On Holdings Limited (a controlling Shareholder holding 987,888,771 Shares, representing approximately 72.83% of the total issued share capital of the Company) in relation to the CMB I Subscription, the CNCB I First Subscription and the CNCB I Second Subscription, the Company considers that it might not be meaningful and therefore does not intend to dispatch any circular or convene any general meeting of the Company for the purpose of approving or ratifying the CMB I Subscription, the CNCB I First Subscription and the CNCB I Second Subscription. Instead, as soon as this non-compliance has been discovered, the Company has proceeded to publishing this announcement with Board's approval at the earliest opportunity.

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS

The Board announces that during the period from 2 April 2021 to 30 September 2022, IEDC Economy Technology, Shenzhen Yunbo ISS, Shenzhen Anxin and CITIC Cyber Security (all of which are subsidiaries of the Company) had subscribed for wealth management products offered by ICBC, CMB and CNCB respectively.

The principal terms of respective wealth management products are as follows:

(I) ICBC Wealth Management Products

(a) ICBC Wealth Management Product I

Parties	:	Shenzhen Yunbo ISS, Shenzhen Anxin and CITIC Cyber Security; and ICBC
Name of wealth management product	:	中國工商銀行無固定期限超短期人民幣理財產品 (ICBC Ultra-Short-Term RMB Wealth Management Product with No Fixed Term*) (Product code: 0701CDQB)

Type of wealth management product	:	Non-principal guaranteed with floating return
Internal risk rating of wealth management product	:	Very low (the risk rating is the internal rating result of ICBC, for reference only)
Term of investment	:	No fixed term
Investment portfolio	:	The funds raised through the issuance of this wealth management product will be invested in bonds, deposits and other high liquidity assets, debt assets, other assets or portfolio of assets and equity assets
Expected rate of investment return	:	2.2%–3.35% (annualised rate of return before deducting the costs of this wealth management product). ICBC may adjust the expected annual yield rate based on market conditions

(b) ICBC Wealth Management Product II

Parties	:	Shenzhen Anxin; and ICBC
Name of wealth management product	:	工銀超短期法人人民幣理財產品 (ICBC Ultra-Short-Term Legal Person RMB Wealth Management Product*) (Product code: 1901CDQB)
Type of wealth management product	:	Non-principal guaranteed with floating return
Internal risk rating of wealth management product	:	Very low (the risk rating is the internal rating result of ICBC, for reference only)
Term of investment	:	No fixed term
Investment portfolio	:	The funds raised through the issuance of this wealth management product will be invested in bonds, deposits and other high liquidity assets, debt assets, other assets or portfolio of assets and equity assets
Expected rate of investment return	:	2.4% (annualised rate of return before deducting the costs of this wealth management product)

(c) *ICBC Wealth Management Product III*

Parties	:	Shenzhen Anxin; and ICBC
Name of wealth management product	:	工銀理財●法人“添利寶2號”淨值型理財產品 (ICBC Wealth Management ● Legal Person “Tianlibao No. 2” Net Value Wealth Management Product*) (Product code: XTL1901)
Type of wealth management product	:	Fixed-income and non-principal guaranteed with floating return
Internal risk rating of wealth management product	:	Very low (the risk rating is the internal rating result of ICBC, for reference only)
Term of investment	:	No fixed term
Investment portfolio	:	The funds raised through the issuance of this wealth management product will be invested in money market instruments, bonds and bonds assets that are in compliance with regulatory requirements
Expected rate of investment return	:	2.2–2.57% (annualised rate of return before deducting the costs of this wealth management product)

(d) *ICBC Wealth Management Product IV*

Parties	:	Shenzhen Anxin and CITIC Cyber Security; and ICBC
Name of wealth management product	:	工銀理財●法人“添利寶”淨值型理財產品 (ICBC Wealth Management ● Legal Person “Tianlibao” Net Value Wealth Management Product*) (Product code: TLB1801)
Type of wealth management product	:	Fixed-income and non-principal guaranteed with floating return
Internal risk rating of wealth management product	:	Very low (the risk rating is the internal rating result of ICBC, for reference only)
Term of investment	:	No fixed term

- Investment portfolio : The funds raised through the issuance of this wealth management product will be invested in money market instruments, bonds and bonds assets that are in compliance with regulatory requirements
- Expected rate of investment return : 2.2–2.48% (annualised rate of return before deducting the costs of this wealth management product)

Details of subscription and redemption for the ICBC Wealth Management Products during the period from 16 April 2021 to 30 September 2022 are as follow:

Date	Subscription/ redemption	ICBC	ICBC	ICBC	ICBC	Total
		Management Product I RMB'000	Management Product II RMB'000	Management Product III RMB'000	Management Product IV RMB'000	outstanding balance for ICBC Wealth Management Products RMB'000
Balance as at 31 March 2021	—	6,150	—	—	—	6,150
16 April 2021	Redemption	(1,500)	—	—	—	4,650
22 April 2021	Redemption	(100)	—	—	—	4,550
10 May 2021	Redemption	(100)	—	—	—	4,450
19 May 2021	Redemption	(200)	—	—	—	4,250
3 June 2021	Redemption	(200)	—	—	—	4,050
7 June 2021	Redemption	(100)	—	—	—	3,950
8 June 2021	Redemption	(200)	—	—	—	3,750
23 June 2021	Redemption	(200)	—	—	—	3,550
24 June 2021	Redemption	(100)	—	—	—	3,450
30 June 2021	Redemption	(100)	—	—	—	3,350
6 July 2021	Redemption	(100)	—	—	—	3,250
16 July 2021	Redemption	(100)	—	—	—	3,150
19 July 2021	Redemption	(100)	—	—	—	3,050
12 August 2021	Redemption	(200)	—	—	—	2,850
18 August 2021	Redemption	(200)	—	—	—	2,650
1 September 2021	Redemption	(700)	—	—	—	1,950
14 September 2021	Redemption	(100)	—	—	—	1,850
12 October 2021	Redemption	(200)	—	—	—	1,650
12 October 2021	Redemption	(100)	—	—	—	1,550
15 October 2021	Redemption	(50)	—	—	—	1,500
20 October 2021	Redemption	(200)	—	—	—	1,300
4 November 2021	Subscription (the “ICBC II Subscription”)	—	2,500	—	—	3,800
4 November 2021	Subscription (the “ICBC III First Subscription”)	—	—	2,200	—	6,000
4 November 2021	Subscription (the “ICBC I First Subscription”)	1,400	—	—	—	7,400

Date	Subscription/ redemption	ICBC	ICBC	ICBC	ICBC	Total
		Management Product I RMB'000	Management Product II RMB'000	Management Product III RMB'000	Management Product IV RMB'000	outstanding balance for ICBC Wealth Management Products RMB'000
4 November 2021	Subscription (the “ICBC IV First Subscription”)	—	—	—	2,500	9,900
5 November 2021	Subscription (the “ICBC I Second Subscription”)	2,450	—	—	—	12,350
5 November 2021	Subscription (the “ICBC III Second Subscription”)	—	—	300	—	12,650
5 November 2021	Redemption	(2,500)	—	—	—	10,150
15 December 2021	Subscription (the “ICBC IV Second Subscription”)	—	—	—	2,500	12,650
15 December 2021	Redemption	—	—	—	(2,500)	10,150
11 April 2022	Redemption	(150)	—	—	—	10,000
15 July 2022	Redemption	—	(650)	—	—	9,350
22 July 2022	Redemption	—	(50)	—	—	9,300
10 August 2022	Redemption	(1,000)	—	—	—	8,300
12 August 2022	Redemption	—	(50)	—	—	8,250

As at 30 September 2022, the Group still held (i) RMB1.5 million of the ICBC Wealth Management Product I, (ii) RMB1.75 million of the ICBC Wealth Management Product II, (iii) RMB2.5 million of the ICBC Wealth Management Product III and (iv) RMB2.5 million of the ICBC Wealth Management Product IV.

(II) CMB Wealth Management Products

(a) CMB Wealth Management Product I

Parties	:	Shenzhen Anxin; and CMB
Name of wealth management product	:	招商銀行日日鑫理財計劃 (CMB Ririxin Wealth Management Plan*) (Product code: 80008)
Type of wealth management product	:	Fixed income
Internal risk rating of wealth management product	:	R2 Conservative (the risk rating is the internal rating result of CMB, for reference only)

Term of investment : No fixed term

Investment portfolio : The funds raised through the issuance of this wealth management product will be invested in financial assets and financial investment instruments at interbank market and stock exchanges

Expected rate of investment return : 2.29–3.28% (annualised rate of return before deducting the costs of this wealth management product)

(b) CMB Wealth Management Product II

Parties : Shenzhen Anxin; and
CMB

Name of wealth management product : 招商銀行點金系列進取型看漲兩層區間31天結構性存款 (CMB Dianjin Series Aggressive and Bullish Two-layer Range 31 days Structural Deposit*) (Product code: NSZ02431)

Type of wealth management product : Floating return

Internal risk rating of wealth management product : R1 Cautious (the risk rating is the internal rating result of CMB, for reference only)

Term of investment : 31 days

Investment portfolio : The funds raised through the issuance of this wealth management product will be invested in bank deposits and derivative financial instruments

Expected rate of investment return : 2.90%

(c) CMB Wealth Management Product III

Parties : Shenzhen Anxin; and
CMB

Name of wealth management product : 招商銀行點金系列進取型看漲兩層區間36天結構性存款 (CMB Dianjin Series Aggressive and Bullish Two-layer Range 36 days Structural Deposit*) (Product code: NSZ02454)

Type of wealth management product	:	Floating return
Internal risk rating of wealth management product	:	R1 Cautious (the risk rating is the internal rating result of CMB, for reference only)
Term of investment	:	36 days
Investment portfolio	:	The funds raised through the issuance of this wealth management product will be invested in bank deposits and derivative financial instruments
Expected rate of investment return	:	2.90%

(d) CMB Wealth Management Product IV

Parties	:	Shenzhen Anxin; and CMB
Name of wealth management product	:	招商銀行點金系列看跌兩層區間68天結構性存款 (CMB Dianjin Series Bearish Two-layer Range 68 days Structured Deposit*) (Product code: NSZ02888)
Type of wealth management product	:	Floating return
Internal risk rating of wealth management product	:	R1 Cautious (the risk rating is the internal rating result of CMB, for reference only)
Term of investment	:	68 days
Investment portfolio	:	The funds raised through the issuance of this wealth management product will be invested in bank deposits and derivative financial instruments
Expected rate of investment return	:	3.05%

(e) CMB Wealth Management Product V

Parties	:	Shenzhen Anxin; and CMB
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Name of wealth management product	:	招商銀行朝招金(多元積極型)理財計劃 (CMB Chaozhaojin (multi-active) Wealth Management Plan*) (Product code: 7008)
Type of wealth management product	:	Non-principal guaranteed with floating return
Internal risk rating of wealth management product	:	R2 Conservative (the risk rating is the internal rating result of CMB, for reference only)
Term of investment	:	No fixed term
Investment portfolio	:	The funds raised through the issuance of this wealth management product will be invested in cash, bank deposits, bond repurchase, central bank bills, interbank certificates of deposit, bonds, asset-backed securities, and other money market instruments with good liquidity recognised by the Bank Insurance Regulatory Commission and the People’s Bank of China
Expected rate of investment return	:	1.97–3.54%

Details of subscription and redemption for the CMB Wealth Management Products during the period from 2 April 2021 to 30 September 2022 are as follow:

Date	Subscription/ redemption	CMB	CMB	CMB	CMB	CMB	Total
		Wealth Management Product I <i>RMB'000</i>	Wealth Management Product II <i>RMB'000</i>	Wealth Management Product III <i>RMB'000</i>	Wealth Management Product IV <i>RMB'000</i>	Wealth Management Product V <i>RMB'000</i>	outstanding balance for CMB Wealth Management Products <i>RMB'000</i>
Balance as at 31 March 2021	—	18,000	—	—	—	—	18,000
2 April 2021	Subscription (the “CMB I Subscription”)	5,000	—	—	—	—	23,000
3 June 2021	Redemption	(500)	—	—	—	—	22,500
22 June 2021	Redemption	(20,000)	—	—	—	—	2,500
31 August 2021	Redemption	(500)	—	—	—	—	2,000
31 December 2021	Redemption	(200)	—	—	—	—	1,800
25 March 2022	Subscription (the “CMB II Subscription”)	—	1,600	—	—	—	3,400
29 March 2022	Redemption	(1,800)	—	—	—	—	1,600
30 March 2022	Subscription (the “CMB III Subscription”)	—	—	1,800	—	—	3,400

Date	Subscription/ redemption	CMB	CMB	CMB	CMB	CMB	Total outstanding balance for CMB
		Wealth Management Product I <i>RMB'000</i>	Wealth Management Product II <i>RMB'000</i>	Wealth Management Product III <i>RMB'000</i>	Wealth Management Product IV <i>RMB'000</i>	Wealth Management Product V <i>RMB'000</i>	Wealth Management Products <i>RMB'000</i>
25 April 2022	Redemption on maturity	—	(1,600)	—	—	—	1,800
5 May 2022	Redemption on maturity	—	—	(1,800)	—	—	—
13 June 2022	Subscription	2,500	—	—	—	—	2,500
17 June 2022	Subscription (the “CMB IV Subscription”)	—	—	—	2,000	—	4,500
24 August 2022	Redemption on maturity	—	—	—	(2,000)	—	2,500
29 August 2022	Subscription (the “CMB V Subscription”)	—	—	—	—	1,800	4,300
30 September 2022	Redemption	—	—	—	—	(1,800)	2,500

As at 30 September 2022, the Group still held RMB2.5 million of the CWB Wealth Management Product I.

(III) CNCB Wealth Management Products

(a) CNCB Wealth Management Product I

Parties	:	IEDC Economy Technology; and CNCB
Name of wealth management product	:	中信理財之共贏穩健天天利人民幣理財產品 (China CITIC Win-Win Conservative Tiantianli RMB Wealth Management Product*) (Product code: A181C9424)
Type of wealth management product	:	Fixed income
Internal risk rating of wealth management product	:	Low (the risk rating is the internal rating result of CNCB, for reference only)
Term of investment	:	No fixed term

- Investment portfolio : The funds raised through the issuance of this wealth management product will be invested in currency market (including cash, deposits, currency market funds, pledged repurchase and other currency market assets), fixed income (including bonds, asset-backed securities, non-public directional debt financing instruments and other fixed income assets), and other debt assets that are in compliance with regulatory requirements
- Expected rate of investment return : 2.72–3.22% (7-day annualised rate of return announced by the People’s Bank of China)

(b) CNCB Wealth Management Product II

- Parties : IEDC Economy Technology; and
CNCB
- Name of wealth management product : 共贏智信匯率掛鈎人民幣結構性存款06929期 (Win-win Zhixin Exchange Rate Linked RMB Structured Deposit 06929*) (Product code: C21N30108)
- Type of wealth management product : Principal guaranteed with floating return
- Internal risk rating of wealth management product : Low (the risk rating is the internal rating result of CNCB, for reference only)
- Term of investment : 94 days
- Investment portfolio : This product is a structured deposit product, which refers to deposits embedded in financial derivatives, which are linked to fluctuations in financial market subject matter such as interest rates, exchange rates, and indices, or to the credit status of an entity
- Expected rate of investment return : 3.00%

(c) CNCB Wealth Management Product III

- Parties : IEDC Economy Technology; and
CNCB
- Name of wealth management product : 共贏智信匯率掛鈎人民幣結構性存款06930期 (Win-win Zhixin Exchange Rate Linked RMB Structured Deposit 06930*) (Product code: C21N30109)

Type of wealth management product	:	Principal guaranteed with floating return
Internal risk rating of wealth management product	:	Low (the risk rating is the internal rating result of CNCB, for reference only)
Term of investment	:	183 days
Investment portfolio	:	This product is a structured deposit product, which refers to deposits embedded in financial derivatives, which are linked to fluctuations in financial market subject matter such as interest rates, exchange rates, and indices, or to the credit status of an entity
Expected rate of investment return	:	2.80%

(d) CNCB Wealth Management Product IV

Parties	:	IEDC Economy Technology; and CNCB
Name of wealth management product	:	共贏智信匯率掛鈎人民幣結構性存款07375期 (Win-win Zhixin Exchange Rate Linked RMB Structured Deposit 07375*) (Product code: C21NX0106)
Type of wealth management product	:	Principal guaranteed with floating return
Internal risk rating of wealth management product	:	Low (the risk rating is the internal rating result of CNCB, for reference only)
Term of investment	:	30 days
Investment portfolio	:	This product is a structured deposit product, which refers to deposits embedded in financial derivatives, which are linked to fluctuations in financial market subject matter such as interest rates, exchange rates, and indices, or to the credit status of an entity
Expected rate of investment return	:	3.25%

Details of subscription and redemption for the CNCB Wealth Management Products during the period from 23 June 2021 to 30 September 2022 are as follow:

Date	Subscription/ redemption	CNCB	CNCB	CNCB	CNCB	Total
		Wealth Management Product I RMB'000	Wealth Management Product II RMB'000	Wealth Management Product III RMB'000	Wealth Management Product IV RMB'000	outstanding balance for CNCB Wealth Management Products RMB'000
Balance as at 31 March 2021	—	—	—	—	—	—
23 June 2021	Subscription (the “CNCB I First Subscription”)	20,000	—	—	—	20,000
28 June 2021	Redemption	(5,000)	—	—	—	15,000
2 July 2021	Redemption	(15,000)	—	—	—	—
6 July 2021	Subscription (the “CNCB I Second Subscription”)	20,000	—	—	—	20,000
9 July 2021	Redemption	(100)	—	—	—	19,900
19 July 2021	Redemption	(100)	—	—	—	19,800
27 July 2021	Redemption	(100)	—	—	—	19,700
12 August 2021	Redemption	(200)	—	—	—	19,500
10 September 2021	Redemption	(300)	—	—	—	19,200
8 October 2021	Redemption	(100)	—	—	—	19,100
12 October 2021	Redemption	(200)	—	—	—	18,900
4 November 2021	Redemption	(16,400)	—	—	—	2,500
8 November 2021	Subscription (the “CNCB II Subscription”)	—	2,500	—	—	5,000
8 November 2021	Subscription (the “CNCB III Subscription”)	—	—	2,500	—	7,500
6 December 2021	Subscription (the “CNCB IV Subscription”)	—	—	—	500	8,000
15 December 2021	Redemption	(2,500)	—	—	—	5,500
5 January 2022	Redemption on maturity	—	—	—	(500)	5,000
10 February 2022	Redemption on maturity	—	(2,500)	—	—	2,500
10 May 2022	Redemption on maturity	—	—	(2,500)	—	—

As at 30 September 2022, the Group did not hold CNCB Wealth Management Products.

REASONS AND BENEFITS FOR THE SUBSCRIPTION OF THE WEALTH MANAGEMENT PRODUCTS

In order to enhance the capital efficiency and to maximise the return from the working capital of the Group, the Group reasonably and strategically utilises the idle funds of the Group to conduct the subscriptions and redemptions of wealth management products for investment purposes.

The Board believes that without affecting its operating liquidity, the Company (through its subsidiaries) can utilise part of its idle funds to subscribe for wealth management products offered by banks, which can provide higher interest rates than current fixed deposit rates offered by banks or other licensed financial institutions. In view of the high security of wealth management products due to their risk rating of low to very low risk, the Board believes that such subscriptions will not adversely affect the working capital of the Group. Having considered the above, the Directors are of the view that the subscriptions of wealth management products are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

STATUS OF THE SUBSCRIPTIONS AND PLAN OF THE COMPANY

As of 31 March 2022, as disclosed in the 2022 Annual Report, the subscriptions generated an investment income of approximately HK\$701,000 for the financial year ended 31 March 2022.

As of 30 September 2022, as disclosed in the 2022/23 Interim Report, the subscriptions generated an investment income of approximately HK\$149,000 for the six months ended 30 September 2022.

To the extent that the Group's normal operation funding needs and its liquidity requirements are being satisfied on a continuing basis, the Company plans to maintain the underlying investments of the wealth management products in order to keep enhancing the utilisation of its capital and increasing income from its idle funds as a part of its prudent cash management strategy.

INFORMATION OF THE PARTIES

The Group

The Group is principally engaged in the provision of system development services and other value-added technical consultation services and trading of hardware products.

ICBC

ICBC is a licensed bank in the PRC principally engaged in the provision of banking and related financial services, which is listed on the Stock Exchange (stock code: 01398) and the Shanghai Stock Exchange (stock code: 601398).

CMB

CMB is a licensed bank in the PRC principally engaged in the provision of banking and related financial services, which is listed on the Stock Exchange (stock code: 03968) and the Shanghai Stock Exchange (stock code: 600036).

CNCB

CNCB is a licensed bank in the PRC principally engaged in the provision of banking and related financial services, which is listed on the Stock Exchange (stock code: 00998) and the Shanghai Stock Exchange (stock code: 601998).

To the best of the Directors' knowledge, information and belief by having made all reasonable enquiries, each of ICBC, CMB and CNCB and their respective ultimate beneficial owner(s) are Independent Third Parties as at the date of this announcement.

GEM LISTING RULES IMPLICATIONS

Discloseable transactions

At the relevant time, as one of the applicable percentage ratios for each of the ICBC II Subscription, the ICBC III First Subscription, the ICBC I First Subscription, the ICBC IV First Subscription, the ICBC I Second Subscription, the ICBC III Second Subscription, the ICBC IV Second Subscription, the CMB II Subscription, the CMB III Subscription, the CMB IV Subscription, the CMB V Subscription, the CNCB II Subscription, the CNCB III Subscription and the CNCB IV Subscription exceeds 5% but is less than 25% under Chapter 19 of the GEM Listing Rules, each of the ICBC II Subscription, the ICBC III First Subscription, the ICBC I First Subscription, the ICBC IV First Subscription, the ICBC I Second Subscription, the ICBC III Second Subscription, the ICBC IV Second Subscription, the CMB II Subscription, the CMB III Subscription, the CMB IV Subscription, the CMB V Subscription, the CNCB II Subscription, the CNCB III Subscription and the CNCB IV Subscription constituted a discloseable transaction and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Major transactions

At the relevant time, as one of the applicable percentage ratios for each of the CMB I Subscription, the CNCB I First Subscription and the CNCB I Second Subscription exceeds 25% but is less than 100% under Chapter 19 of the GEM Listing Rules, each of the CMB I Subscription, the CNCB I First Subscription and the CNCB I Second Subscription constituted a major transaction of the Company and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

Considering (i) all of the CMB I Subscription, the CNCB I First Subscription and the CNCB I Second Subscription have been redeemed, even though each of the CMB I Subscription, the CNCB I First Subscription and the CNCB I Second Subscription in nature technically constituted a major transaction and should have been subject to the Shareholders' approval requirement as set out above; and (ii) consent has been obtained from Happy On Holdings Limited (a controlling Shareholder holding 987,888,771 Shares, representing approximately 72.83% of the total issued share capital of the Company) in relation to the CMB I Subscription, the CNCB I First Subscription and the CNCB I Second Subscription, the Company considers that it might not be meaningful and therefore does not intend to dispatch any circular or convene any general meeting of the Company for the purpose of approving or ratifying the CMB I Subscription, the CNCB I First Subscription and the CNCB I Second Subscription. Instead, as soon as this non-compliance has been discovered, the Company has proceeded to publishing this announcement with Board's approval at the earliest opportunity.

REMEDIAL ACTIONS

The Company deeply regrets its non-compliance with the GEM Listing Rules but the Company would like to stress that the delay in compliance with the GEM Listing Rules was inadvertent and unintentional. To prevent similar cases from occurring in the future, the Company will take the following remedial actions to prevent similar non-compliance in the future:

1. with the assistance of professional advisers, the Company further understands the nature of wealth management product and will remind the responsible staff, senior management and Directors and strengthen their understanding to identify the circumstances which are expected to trigger the announcement requirement under the GEM Listing Rules and potential problems at an early stage to avoid the recurrence of such matters;
2. the Company will circulate a detailed guideline relating to notifiable and connected transactions under the GEM Listing Rules and offer more regular training to remind the responsible staff, senior management and the Directors in order to strengthen and reinforce their existing knowledge relating to notifiable and connected transactions, as well as their ability to identify potential issues at an early stage;
3. the Company will strengthen the coordination and reporting arrangements for notifiable transactions among its subsidiaries and emphasise the importance of compliance with the GEM Listing Rules; and
4. in the event that the Directors have doubts as to the interpretation of the GEM Listing Rules, the Directors will consult appropriate professional advisers before entering into any potential transaction so as to ensure that their interpretation of the GEM Listing Rules are correct.

ADDITIONAL INFORMATION IN RELATION TO THE 2022 ANNUAL REPORT

Reference is made to the 2022 Annual Report.

In addition to the information disclosed in the 2022 Annual Report, the Board would like to provide additional information in relation to the significant investments.

SIGNIFICANT INVESTMENT

In order to enhance the capital efficiency and to maximise the return from the working capital of the Group, the Group reasonably and strategically utilises the idle funds of the Group to conduct the subscriptions and redemptions of wealth management products for investment purposes.

Going forward, the Group will continue to utilise idle funds of the Group to conduct the subscriptions and redemptions of wealth management products, by taking into account of (i) the flexible investment term of each of the wealth management products in which the Group is able to freely subscribe additional or redeem part of the wealth management products to cater the capital needs of the Group's operation; (ii) the risk associated with the wealth management products is relatively low and the wealth management products are acquired

from larger banks; (iii) the subscriptions and the redemptions offer a better return than the prevailing fixed-term deposit interests rates generally offered by commercial banks in the PRC; and (iv) the subscriptions and redemptions have no material impact on the operations and working capital of the Group.

The significant investments held by the Group which were classified as financial assets at fair value through other comprehensive income during the year ended 31 March 2022 are as follows:

Name of investment	Cost (HK\$'000) (approximately)	Redemption during the year (HK\$'000) (approximately)	Exchange difference (HK\$'000) (approximately)	Fair value as at 31 March 2022 (HK\$'000) (approximately)	Dividend income during the year (HK\$'000) (approximately)	Percentage to the total assets as at 31 March 2022 (approximately)
中銀日積月累 — 日計 劃BOC Rijiyuelei — Daily Plan*	3,032	—	54	3,086	—	4.58%
中國工商銀行無固定 限超短期人民幣理財 產品 ICBC Ultra- Short-Term RMB Wealth Management Product with No Fixed Term*	11,958	(8,914)	227	3,270	93	4.85%
工銀超短期法人人民 幣理財產品 ICBC Ultra-Short-Term Legal Person RMB Wealth Management Product*	3,032	—	53	3,086	18	4.58%
工銀理財 — 法人“添利 寶2號”淨值型理財產 品 ICBC Wealth Management • Legal Person “Tianlibao No. 2” Net Value Wealth Management Product*	3,032	—	53	3,086	—	4.58%
工銀理財 — 法人“添利 寶”淨值型理財產 品 ICBC Wealth Management • Legal Person “Tianlibao” Net Value Wealth Management Product*	6,064	(3,032)	53	3,086	8	4.58%
招商銀行日日鑫理財計 劃 CMB Ririxin Wealth Management Plan*	27,398	(27,895)	497	—	311	—

Name of investment	Cost (HK\$'000) (approximately)	Redemption during the year (HK\$'000) (approximately)	Exchange difference (HK\$'000) (approximately)	Fair value as at 31 March 2022 (HK\$'000) (approximately)	Dividend income during the year (HK\$'000) (approximately)	Percentage to
						the total assets as at 31 March 2022 (approximately)
招商銀行點金系列進取 型看漲兩層區間31天 結構性存款 CMB Dianjin Series Aggressive and Bullish Two-layer Range 31 days Structural Deposit*	1,941	—	34	1,974	—	2.93%
招商銀行點金系列進取 型看漲兩層區間36天 結構性存款 CMB Dianjin Series Aggressive and Bullish Two-layer Range 36 days Structural Deposit*	2,183	—	39	2,221	—	3.30%
中信理財之共贏穩健天 天利人民幣理財產品 China CITIC Win- Win Conservative Tiantianli RMB Wealth Management Product*	48,512	(48,512)	—	—	246	—
共贏智信匯率掛鉤人民 幣結構性存款06929 期 Win-win Zhixin Exchange Rate Linked RMB Structured Deposit 06929*	3,032	(3,032)	—	—	23	—
共贏智信匯率掛鉤人民 幣結構性存款06930 期 Win-win Zhixin Exchange Rate Linked RMB Structured Deposit 06930*	3,032	—	53	3,085	—	4.58%
共贏智信匯率掛鉤人民 幣結構性存款07375 期 Win-win Zhixin Exchange Rate Linked RMB Structured Deposit 07375*	606	(606)	—	—	2	—
	<u>113,822</u>	<u>(91,991)</u>	<u>1,063</u>	<u>22,894</u>	<u>701</u>	

Save for the information above, the contents of the 2022 Annual Report remain unchanged.

DEFINITIONS

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

“2022 Annual Report”	the 2022 annual report of the Company published on 29 June 2022
“2022/23 Interim Report”	the 2022/23 interim report of the Company published on 14 November 2022
“Board”	the board of Directors
“CITIC Cyber Security”	Shenzhen CITIC Cyber Security Authentication Co., Ltd.* (深圳市中信網安認證有限公司), a company established in the PRC with limited liability and an indirect non-wholly-owned subsidiary of the Company
“CMB”	China Merchants Bank Co., Ltd., a licensed bank incorporated under the laws of the PRC, whose shares are listed on the Main Board of the Stock Exchange (H share stock code: 03968) and the Shanghai Stock Exchange (stock code: 600036)
“CMB Wealth Management Product I”	招商銀行日日鑫理財計劃 (CMB Ririxin Wealth Management Plan*) issued by CMB
“CMB Wealth Management Product II”	招商銀行點金系列進取型看漲兩層區間31天結構性存款 (CMB Dianjin Series Aggressive and Bullish Two-layer Range 31 days Structural Deposit*) issued by CMB
“CMB Wealth Management Product III”	招商銀行點金系列進取型看漲兩層區間36天結構性存款 (CMB Dianjin Series Aggressive and Bullish Two-layer Range 36 days Structural Deposit*) issued by CMB
“CMB Wealth Management Product IV”	招商銀行點金系列看跌兩層區間68天結構性存款 (CMB Dianjin Series Bearish Two-layer Range 68 days Structured Deposit*) issued by CMB
“CMB Wealth Management Product V”	招商銀行朝招金(多元積極型)理財計劃 (CMB Chaozhaojin (multi-active) Wealth Management Plan*) issued by CMB
“CNCB”	China CITIC Bank Corporation Limited, a licensed bank incorporated under the laws of the PRC, whose shares are listed on the Main Board of the Stock Exchange (H share stock code: 00998) and the Shanghai Stock Exchange (stock code: 601998)
“CNCB Wealth Management Product I”	中信理財之共贏穩健天天利人民幣理財產品 (China CITIC Win-Win Conservative Tiantianli RMB Wealth Management Product*) issued by CNCB

“CNCB Wealth Management Product II”	共贏智信匯率掛鈎人民幣結構性存款06929期 (Winwin Zhixin Exchange Rate Linked RMB Structured Deposit 06929*) issued by CNCB
“CNCB Wealth Management Product III”	共贏智信匯率掛鈎人民幣結構性存款06930期 (Winwin Zhixin Exchange Rate Linked RMB Structured Deposit 06930*) issued by CNCB
“CNCB Wealth Management Product IV”	共贏智信匯率掛鈎人民幣結構性存款07375期 (Winwin Zhixin Exchange Rate Linked RMB Structured Deposit 07375*) issued by CNCB
“Company”	Quantum Thinking Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM of the Stock Exchange (stock code: 08050)
“Director(s)”	the director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“ICBC”	Industrial and Commercial Bank of China Limited, a licensed bank incorporated under the laws of the PRC, whose shares are listed on the Main Board of the Stock Exchange (H share stock code: 01398) and the Shanghai Stock Exchange (stock code: 601398)
“ICBC Wealth Management Product I”	中國工商銀行無固定期限超短期人民幣理財產品 (ICBC Ultra-Short-Term RMB Wealth Management Product with No Fixed Term*) issued by ICBC
“ICBC Wealth Management Product II”	工銀超短期法人人民幣理財產品 (ICBC Ultra-Short-Term Legal Person RMB Wealth Management Product*) issued by ICBC
“ICBC Wealth Management Product III”	工銀理財●法人“添利寶2號”淨值型理財產品 (ICBC Wealth Management ● Legal Person “Tianlibao No. 2” Net Value Wealth Management Product*) issued by ICBC
“ICBC Wealth Management Product IV”	工銀理財●法人“添利寶”淨值型理財產品 (ICBC Wealth Management ● Legal Person “Tianlibao” Net Value Wealth Management Product*) issued by ICBC

“IEDC Economy Technology”	Internal and External Double Circular Economy Technology (Suzhou) Co., Ltd.* (內外雙循環經濟科技(蘇州)有限公司), a company established in the PRC with limited liability and an indirect non-wholly-owned subsidiary of the Company
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined under the GEM Listing Rules)
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Shenzhen Anxin”	Shenzhen Anxin Certification System Co., Ltd.* (深圳市安信認證系統有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Shenzhen Yunbo ISS”	Shenzhen Yunbo Information System Service Company Limited* (深圳雲博信息系統服務有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
Quantum Thinking Limited
Wang Xiaoqi
Director

Hong Kong, 29 November 2022

As at the date of this announcement, the executive Directors are Mr. Ho Yeung, Mr. Wang Xiaoqi, Mr. Cai Dan and Ms. Ho Ching; and the independent non-executive Directors are Mr. Lau Chor Ki, Mr. Tse Yee Hin, Tony and Mr. Wong Kin Kee.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 announcement 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 announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its publication and on the Company’s website at www.8050hk.com.