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中国科技产业集团有限公司
CHINA TECHNOLOGY INDUSTRY GROUP LIMITED
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8111)

**(1) BUSINESS AND FINANCIAL UPDATE ON IMPACTS OF
CORONAVIRUS DISEASE OUTBREAK; AND
(2) SALES OF TOWERS FOR WIND TURBINES**

This announcement is made by China Technology Industry Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) in respect of the business and financial update on the impacts of coronavirus disease (COVID-19) outbreak (the “**Outbreak**”). The Company is also pleased to announce its sales of certain towers for wind turbines on a voluntary basis.

The board (the “**Board**”) of the directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of (i) the impacts of the Outbreak on the Group’s business and financial information and (ii) information relating to the sales of certain towers for wind turbines by the Group.

BUSINESS AND FINANCIAL UPDATE ON IMPACTS OF OUTBREAK

The Outbreak has spread, among other places, in the People's Republic of China (the "PRC") since January 2020. A number of provinces and cities in the PRC have taken various emergency public health measures and other actions to prevent the spread of the Outbreak, including imposing restrictions on the resumption date of work after Chinese New Year holidays and controlling the movement of people and goods.

The Outbreak and the implementation of various control measures have brought about additional uncertainties in the Group's operating environment and have impacted the Group's operations and financial position. In particular, since the Outbreak to the date of this announcement, the Group's sales of solar power related products and new energy power system integration business have been adversely affected.

As a result of the Outbreak and the implementation of various control measures in the PRC, people in the PRC have been restricted from returning to work since the Outbreak and no work can be conducted at construction sites. Therefore, the delivery of solar power related products has been suspended from 1 January 2020 to the date of this announcement and no construction work has been conducted from 1 January 2020 to 31 March 2020. Based on the preliminary review of the unaudited management accounts of the Group and information available to the Company, the Group expects that no revenue will be generated from the sales of solar power related products and new energy power system integration business for the period commencing from 1 January 2020 to the date of this announcement.

In light of the aforementioned circumstances, based on the preliminary review of the unaudited management accounts of the Group and information available to the Company, the Group is expected to record zero revenue for the three months ended 31 March 2020 in respect of its sale of solar power related products and the new energy power system integration business.

As the impacts of the Outbreak on the Group's business operations are beyond the control of the Group, the financial and business results of the Group may continue to be adversely affected.

The Company is still in the process of finalising the management accounts of the Group and the information contained in this announcement is only based on the preliminary assessment by the management of the Company and is not based on any figure or information which has been audited or reviewed by the Company's auditors. The Board will continue to assess the impacts of the Outbreak on the operational and financial performance of the Group, and closely monitor the Group's exposure to the risks and uncertainties in connection with the Outbreak. The Group will take appropriate measures as necessary and the Company will make further announcements (including, where circumstances require, a profit warning announcement in accordance with the GEM Listing Rules) as and when appropriate.

SALES OF TOWERS FOR WIND TURBINES

The Board is pleased to announce that on 9 April 2020, each of Xizang Lineng Solar Photovoltaic Technology Company Limited* (西藏立能光伏科技有限公司) (“**Xizang Lineng**”, an indirect wholly owned subsidiary of the Company) and Shaanxi Baike New Energy Technology Development Co., Ltd.* (陝西百科新能源科技發展有限公司) (“**Shaanxi Baike**”, an indirect wholly-owned subsidiary of the Company) has entered into a supply contract (collectively, the “**Supply Contracts**”) with a PRC state-owned entity (the “**Purchaser**”) pursuant to which each of Xizang Lineng and Shaanxi Baike agreed to (i) sell and the Purchaser agreed to purchase towers for wind turbines and (ii) provide to the Purchaser technical services associated with the wind power projects for which the towers for wind turbines will be used, at a consideration (subject to adjustments in accordance with the respective Supply Contracts) of RMB189.6 million and RMB60 million, respectively (collectively, the “**Transactions**”). The Transactions and matters contemplated thereunder are expected to be completed by 31 March 2021.

As at the date of this announcement, to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are not connected persons of the Company under Chapter 20 of the GEM Listing Rules and independent of the connected persons of the Company and their associates (as defined under the GEM Listing Rules). The entering into of the Supply Contracts is in the ordinary and usual course of business of the Company and is not subject to the reporting, announcement and shareholders’ approval requirement under Chapter 19 of the GEM Listing Rules.

Reasons for and benefits of the Transactions

The Group is principally engaged in (i) sales of solar power related products, (ii) new energy power system integration business, (iii) sales of self-service automatic teller machine systems and printing systems and (iv) provision of hardware and software technical support services in the PRC.

As disclosed in the Company’s 2019 third quarterly report, the Group has allocated more resources to explore new business opportunities. Through the acquisition of Xizang Lineng which is, among other things, engaged in wind power related business operations and the entering into of a strategic cooperation agreement concerning power generation in respect of new energy including photovoltaic and wind power, the Group has been actively exploring new opportunities to expand its renewable energy product offerings, diversify its overall revenue base and find new growth drivers to support its long-term development.

The Board believes that the Transactions represent a good opportunity in the renewable energy business that is closely related the Group's main business, in order to tap into other renewable energy areas, diversify the Group's renewable energy portfolios and supplement multi-type energy supply in the long run. The revenue generated from the Transactions will also improve the financial position of the Group and enhance value to the shareholders of the Company. The Board therefore considered that the Transactions are in the interests of the Company and its shareholders as a whole.

Shareholders and potential investors should note that the Transactions are subject to satisfaction of certain conditions precedent and may or may not be completed. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
China Technology Industry Group Limited
Chiu Tung Ping
Chairman

Hong Kong, 9 April 2020

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:

Chiu Tung Ping (*Chairman*)
Yuen Hing Lan
Hu Xin
Tse Man Kit Keith

Independent non-executive Directors:

Ma Xingqin
Meng Xianglin
Dong Guangwu

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 Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the Company's website at www.chinatechsolar.com.

* For identification purpose only