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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) PROFIT WARNING**  
**AND**  
**(2) SALES OF SOLAR POWER RELATED PRODUCTS**

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 Group’s financial information for the year ended 31 March 2020 (“**FY 2020**”). The Company is also pleased to announce the sales of certain solar power related products by the Group on a voluntary basis.

## FINANCIAL INFORMATION FOR FY 2020

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 that, based on the information currently available, the Group expects to record a revenue of approximately RMB79.1 million for FY 2020, representing a decrease in revenue of approximately 51.4% as compared to the revenue of approximately RMB162.8 million for the year ended 31 March 2019 (“**FY 2019**”). The gross profit margin is also expected to drop from approximately 21.9% for FY 2019 to approximately 11.7% for FY 2020. As a result of the above, the Group expects to record a loss attributable to the owners of the Company for FY 2020 of approximately RMB17 million, representing an improvement compared to that for FY 2019 of approximately RMB53.5 million. Such improvement in the loss was mainly due to:

1. the absence of the impairment loss on goodwill for FY 2020, as compared to that of approximately RMB32.1 million for FY 2019; and
2. the absence of impairment loss on accounts receivables, other receivables and deposits and contract assets for FY 2020, as compared to that of approximately RMB22.6 million for FY 2019.

The expected loss attributable to the owners of the Company for FY 2020 in the amount of approximately RMB17 million was mainly attributable to the following reasons:

1. a decrease in revenue due to a drop in the sales of solar power related products from approximately RMB80.0 million for FY 2019 to approximately RMB25.8 million for FY 2020, as well as the decrease in revenue derived from the rendering of new energy power system integration services from approximately RMB82.8 million for FY 2019 to approximately RMB53.3 million for FY 2020;
2. a decrease in gross profit margin in the solar power related products sold by the Group in FY 2020 with gross profit margin of approximately 13.8%, which were ready-made products and had a lower gross profit margin than the customised products sold by the Group in FY 2019 with gross profit margin of approximately 24.0%; and
3. the impacts of coronavirus disease (“**COVID-19**”) outbreak. As disclosed in the Company’s announcement dated 9 April 2020 (the “**Announcement**”) in relation to, among other matters, its business and financial update on the impacts of COVID-19, the COVID-19 outbreak has resulted in the delivery of solar power related products having been suspended and no construction work having been conducted from 1 January 2020 to 31 March 2020, and ultimately led to zero revenue generated from the sales of solar power related products and new energy power system integration business for the period from 1 January 2020 to 31 March 2020. Please refer to the Announcement for further details.

The Company is still in the process of gathering information to finalise the annual results of the Group for FY 2020. The information contained in this announcement is thus 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. Shareholders and potential investors of the Company are advised to peruse with care the annual results announcement of the Group for FY 2020, which is expected to be released in due course.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

## **SALES OF SOLAR POWER RELATED PRODUCTS**

The Board is pleased to announce that on 8 May 2020, 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) entered into a supply contract (the "**Supply Contract**") with a PRC state-owned entity (the "**Purchaser**") pursuant to which Xizang Lineng agreed to sell and the Purchaser agreed to purchase mounting required under a construction project of a solar photovoltaic power station at a consideration of approximately RMB65,811,900 (the "**Transaction**"). The Transaction 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 Contract 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 Transaction**

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 third quarterly report dated 12 February 2020, the revenue generated from the sales of solar power related products accounted for approximately 32.5% of the Group's revenue for 2019 Q3. The Board believes that the revenue generated from the Transaction will improve the financial position of the Group and enhance value to the Shareholders. The Board therefore considered that the Transaction is in the interests of the Company and the Shareholders as a whole.

**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, 8 May 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](http://www.hkgem.com) for at least 7 days from the date of its publication and on the Company’s website at [www.chinatechsolar.com](http://www.chinatechsolar.com).*

*\* For identification purpose only*