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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)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2022

The board (“**Board**”) of Directors of the Company is pleased to announce the third quarterly results of the Group for the nine-month period ended 31 December 2022. This announcement, containing the full text of the third quarterly report of the Company for the nine-month period ended 31 December 2022, complies with the relevant requirements of the GEM Listing Rules in relation to information to accompany preliminary announcements of the third quarterly results.

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

Shan Jinlan

Wang Zhuchen

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.chinatechindgroup.com.

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GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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QUARTERLY RESULTS HIGHLIGHTS

The loss attributable to owners of the Company for the nine months ended 31 December 2022 was approximately RMB2.9 million (2021: loss attributable to owners of the Company of approximately RMB1.4 million).

The revenue of the Group for the nine months ended 31 December 2022 was approximately RMB42.5 million, representing a decrease of approximately 37.7 per cent. as compared with approximately RMB68.2 million recorded for the nine months ended 31 December 2021.

Gross profit margin of the Group was approximately 5.2 per cent. for the nine months ended 31 December 2022, as compared to approximately 12.9 per cent. for the nine months ended 31 December 2021.

Basic loss per share for the nine months ended 31 December 2022 was approximately RMB0.64 cents (2021: basic loss per share of approximately RMB0.32 cents).

The Directors do not recommend the payment of a dividend for the nine months ended 31 December 2022 (2021: Nil).

I am pleased to present the unaudited consolidated results of China Technology Industry Group Limited for the nine months ended 31 December 2022.

BUSINESS REVIEW

The Group was principally engaged in (i) sales of renewable energy products; and (ii) new energy power system integration business in the People's Republic of China ("PRC" or "China") during the nine months ended 31 December 2022.

The Group recorded a loss attributable to owners of the Company of approximately RMB2.9 million for the nine months ended 31 December 2022 (2021: loss attributable to owners of the Company of approximately RMB1.4 million), which was mainly attributable to the fact that the Group recorded no revenue for the three months ended 31 December 2022, and the decrease in gross profit of the Group during the nine months ended 31 December 2022.

The Group recorded no revenue for the three months ended 31 December 2022 mainly due to (i) the continued implementation of strict and extensive COVID-19 restrictions in various parts of the PRC during October 2022 and November 2022, particularly the lockdowns in Beijing announced by the local government during November 2022, thereby causing disruption to the Group's operations and reducing the Group's ability to seek and negotiate new commercial contracts, and (ii) the unprecedented surge in COVID-19 cases in the PRC during December 2022, which had affected a number of the personnel of the Group.

The Group's revenue amounted to approximately RMB42.5 million for the nine months ended 31 December 2022, representing a decrease of approximately 37.7 per cent as compared with approximately RMB68.2 million recorded for the nine months ended 31 December 2021. The revenue of approximately RMB42.5 million during nine months ended 31 December 2022 was attributable to the Sales and Installation of Solar Modules Agreement (as defined in the announcement and circular of the Company dated 31 March 2022 and 22 April 2022 respectively ("**CT Announcement**")) entered into by 河北漢能售電有限公司 ("**Hebei Han Neng**") (as purchaser) and Shaanxi Baike New Energy Technology Development Co., Ltd* ("**Shaanxi Baike**") (陝西百科新能源科技發展有限公司) (as supplier) on 31 March 2022 in relation to the sales and installation of Solar Modules (as defined in CT Announcement) with consideration of RMB48 million, details of which are set out in the CT Announcement. Under the Sales and Installation of Solar Modules Agreement, Shaanxi Baike shall sell to Hebei Han Neng, and install on the Hebei Site (as defined in the CT Announcement), approximately 45,455 Solar Modules, and shall further provide ancillary value added services, including technical guidance, technical cooperation, technical training in relation to inspection and acceptance, performance testing, operation, and maintenance, of the Solar Modules.

Despite the foregoing, in the view of the PRC government's recent relaxation its COVID-19 restrictions, the Board believes that a stable recovery of the PRC economy may be expected in 2023. The Board remains cautiously optimistic towards the operations of the Group for the next few years. The Group also intends to continue its efforts in seeking new business opportunities and ventures.

The Group's gross profit margin was approximately 5.2 per cent for the nine months ended 31 December 2022, as compared to approximately 12.9 per cent, for the nine months ended 31 December 2021. The gross profit for the nine months ended 31 December 2022 was generated from the sales and installation of Solar Modules, while the gross profit for the nine months ended 31 December 2021 was generated from the Zhangbei Project (as defined in the annual report of the Company dated 29 June 2022). Since the Zhangbei Project was comparatively complicated and required a higher level of technical support services, a higher gross profit margin was recorded for the nine months ended 31 December 2021 as compared with the nine months ended 31 December 2022.

Selling expenses incurred by the Group for the nine months ended 31 December 2022 amounted to approximately RMB0.1 million (2021: approximately RMB1.6 million), representing a decrease of approximately 93.6 per cent, primarily due to not engaging in the business of (i) sales of self-service automatic teller machine systems and printing systems, and (ii) provision of hardware and software technical support services. No revenue was generated from these two businesses, as such, the Group has cut the cost.

Administrative expenses incurred by the Group for the nine months ended 31 December 2022 amounted to approximately RMB7.1 million (2021: approximately RMB7.8 million), representing a decrease of approximately 9.1 per cent. The decrease was due to the Group's policy on cost control during the nine months ended 31 December 2022.

Basic loss per share was approximately RMB0.64 cents for the nine months ended 31 December 2022, as compared with the basic loss per share of approximately RMB0.32 cents for the nine months ended 31 December 2021.

* For identification purpose only

SALES OF RENEWABLE ENERGY PRODUCTS

The business of sales of renewable energy products business mainly involves the research, development and sales of photovoltaic mounting brackets, solar trackers, guardrails of solar power stations, solar power related products, and towers for wind turbines. In conjunction, the Group also provides, in some cases, (i) certain technology consultation services with respect to the photovoltaic mounting brackets that it sells (including photovoltaic mounting bracket design services), (ii) certain on-site services (including assisting customers on site with unloading goods, collecting products, stock-taking, final testing products before acceptance), and (iii) technical services for the wind turbine towers products (including technical advice, support and trainings).

The revenue generated from the sales of renewable energy products was approximately RMB42.5 million for the nine months ended 31 December 2022 (2021: approximately RMB68.2 million), accounted for 100.0 per cent of the Group's total revenue during the nine months ended 31 December 2022 (2021: 100.0 per cent).

NEW ENERGY POWER SYSTEM INTEGRATION BUSINESS

The business of new energy power system integration mainly involves acting as the contractor of its customers' new power station projects, helping its customers integrate their equipment, functions and information into a connected, unified and coordinated system. The Group is also responsible for making project design proposals, conducting site visits, procuring construction materials, carrying out construction work, and assisting in operation trials. The Group also offers subsequent system management services to its customers' new energy power stations.

The Group operates on a "project based" model, where each project will typically involve one customer. Under this model, the Group pursues business opportunities with EPC constructors of clean energy development projects (e.g. solar or wind power generation farms or plants) in the PRC for the supply of renewable energy products (such as photovoltaic mounting brackets, solar trackers, guardrails of solar power stations, solar power related products, and towers for wind turbines) that are specific for such project and/or the provision of power system integration for such wind or solar power generation projects. During the life of the project, the Group is typically responsible for, among other things, inspecting the land, supervising the suppliers' production site, receiving and examining equipment and materials, guiding installations, providing technical support, conducting tests, and resolving construction problems on-site. Typically, the contract amount (i.e. revenue) for a project involving the sales of renewable energy products is very substantial. Given the "project based" business model of the Group and its scale, the Group has also strategically sought to pursue fewer in number but larger in size projects.

With the PRC government strives to achieve the goals of "carbon peaking" and "carbon neutrality" by actively adjusting and optimising its industrial structure and energy mix, the Group continues to focus on developing the Group's renewable energy products business and new energy power system integration business, while exploring opportunities to diversify its renewable energy portfolios in order to face the changes of new energy allocation.

There was no revenue generated from the new energy power system integration business during the nine months ended 31 December 2022 (2021: Nil).

SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

There were no significant investments or material acquisition or disposal of subsidiaries by the Group during the period under review.

FINANCIAL REVIEW

LIQUIDITY, FINANCIAL RESOURCES AND TREASURY POLICIES

As at 31 December 2022, the Group had cash and bank balances denominated in Hong Kong dollars, Renminbi and United States dollars amounting to a total of approximately RMB0.9 million (31 March 2022: approximately RMB4.0 million). The Group had no outstanding bank overdraft as at 31 December 2022 (31 March 2022: Nil).

The Group financed its operations by internally generated cash flows and borrowings.

BANKING FACILITIES

As at 31 December 2022, the Group did not have any banking facilities.

EVENTS OCCURRED DURING THE PERIOD UNDER REVIEW


Major and connected transaction in relation to advancement of loans; and major transaction in relation to land acquisition

As disclosed in the announcement of the Company dated 27 June 2022 (“**M&CT Announcement**”), Xizang Lineng and Shaanxi Baike entered into the Loan Agreements (as defined in the M&CT Announcement) with Zhangbei Zhihui Energy on 27 June 2022, pursuant to which Xizang Lineng and Shaanxi Baike agreed to provide unsecured loans to Zhangbei Zhihui Energy in the principal amounts of up to RMB7,010,000 (in the case of the Xizang Lineng Loan (as defined in the M&CT Announcement)) and RMB54,000,000 (in the case of the Shaanxi Baike Loan (as defined in the M&CT Announcement)) for its need for short-term working capital. As at the date of the M&CT Announcement, all outstanding principal amounts and interest have been repaid by Zhangbei Zhihui Energy under the Loan Agreements.

Zhangbei Zhihui Energy, being a majority-controlled company held indirectly by Mr. Huang Bo (“**Mr. Huang**”) and Mr. Huang Yuan Ming, is an associate of Mr. Huang. Mr. Huang is a substantial shareholder of the Company. Accordingly, Zhangbei Zhihui Energy is a connected person of the Company under the GEM Listing Rules and the Loans would have constituted connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

Since the Loans were advanced within 12 months of each other, the Loans were required to be aggregated as a series of transactions pursuant to Rules 19.22 and 20.79 of the GEM Listing Rules. As the highest applicable percentage ratio of the Loans (on an aggregated basis) exceeds 25% but is below 100%, the Loans would have constituted non-exempt connected transactions of the Company and would have been subject to the reporting, announcement, circular, and independent shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules.

In light of the above, the Loans (on an aggregated basis) would have also constituted major transactions on the part of the Company and would have been subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 19 of the GEM Listing Rules.



Also as disclosed in the M&CT Announcement, on 8 April 2022, the Company had, through Hebei Zhonghua (as defined in the M&CT Announcement), an indirectly wholly-owned subsidiary of the Company, won a bid at the Auction (by tender) for the Land Acquisition (as defined in the M&CT Announcement) at a consideration of RMB17,000,000. Hebei Zhonghua entered into a confirmation letter with the Vendor on 8 April 2022 and entered into a land use rights transfer agreement with the Vendor (as defined in the M&CT Announcement) in respect of the Land Acquisition on 15 April 2022.

As the highest applicable percentage ratio of the Land Acquisition exceeds 25% but is below 100%, the Land Acquisition would have constituted a major transaction on the part of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

With respect to the Loans and the Land Acquisition, the Company regretfully admits that due to the oversight, it had failed to comply with the reporting, announcement and independent shareholders' approval requirements under the GEM Listing Rules. The Company has taken remedial measures in this regard. Please refer to the M&CT Announcement and the announcement dated 10 October 2022 for further details.

Issue of Convertible Bonds under General Mandate

On 30 September 2022, the Company and the Ms. Zhang Jinhua, an independent third party ("**Subscriber**") entered into a subscription agreement ("**Subscription Agreement**") pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to issue the Convertible Bonds ("**2022 CB**") in the principal amount of HK\$32,000,000 ("**Subscription**") at the initial Conversion Price of HK\$2.50 per Conversion Share. Principal terms of the Convertible Bonds are set out in the announcement of the Company dated 30 September 2022 ("**CB Announcement**"). Unless otherwise defined, capitalised terms used under this section shall have the same meanings given to them in the CB Announcement.

Conversion rights

The Subscriber shall have the right to convert the whole or part of the principal amount of the Convertible Bonds into shares of the Company ("**Shares**") at any time and from time to time during the Conversion Period in amounts of not less than HK\$1 million and in integral multiples of HK\$1 million in excess thereof on each conversion, save that if at any time, the principal outstanding amount of the Convertible Bonds is less than HK\$1 million, the whole (but not part only) of the principal outstanding amount of the Convertible Bonds may be converted.

The Subscriber shall not have the right to convert the whole or part of the outstanding principal amount of the Convertible Bonds into Shares to the extent that immediately after such conversion:

- (a) there will not be sufficient public float of the Shares as required under the GEM Listing Rules; and
- (b) the Subscriber whether on his own or together with parties acting in concert with him would be obliged to make a general offer under the Takeovers Code.

Conversion price

The initial Conversion Price of HK\$2.5 per Conversion Share represents:

- (i) a premium of approximately 1,443.2% over the closing price of HK\$0.1620 per Share as quoted on the Stock Exchange on 30 September 2022, being the date of the Subscription Agreement;
- (ii) a premium of approximately 1,424.4% over the average of the closing price of approximately HK\$0.1640 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement; and
- (iii) a premium of approximately 1,454.7% over the average of the closing price of approximately HK\$0.1608 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Subscription Agreement.

The initial Conversion Price of HK\$2.5 per Conversion Share has been determined after arm's length negotiations between the Company and the Subscriber with reference to the then prevailing market price of the Shares. The Directors consider that the Conversion Price and the terms and conditions of the Subscription Agreement and the Convertible Bonds are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Up to 12,800,000 Conversion Shares will be allotted and issued upon exercise in full of the conversion rights attaching to the Convertible Bonds.

Conditions precedent

Completion of the Subscription is conditional upon:

- (i) the Subscriber receiving on or before the Completion Date a copy of each of:
 - the articles of association of the Company;
 - the resolution(s) of the Directors authorising the execution of the bond instrument and certificates of the Convertible Bonds to which the Company is a party, the issue of the Convertible Bonds and the entry into and performance of the transactions contemplated hereby and thereby; and
 - the bond instrument and certificates of the Convertible Bonds executed on or before the Completion Date by or on behalf of all parties thereto;
- (ii) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Conversion Shares (and such listing and permission not having been subsequently revoked by the Stock Exchange prior to the Completion Date); and
- (iii) the statements represented, warranted and undertaken by the Company to the Subscriber as stated in the Subscription Agreement remaining true, accurate and not misleading in each case in all respects.

General mandate

The Conversion Shares will be issued under the General Mandate, subject to the limit up to 89,635,336 Shares (representing 20% of the then issued share capital of the Company). Accordingly, the allotment and issue of the Conversion Shares is not subject to the Shareholders' approval.

As at the date of this report, no Share has been issued by the Company under the General Mandate.

Application for listing

An application has been made to the Stock Exchange for the listing of, and the permission to deal in, the Conversion Shares. No application will be made by the Company for the listing of the Convertible Bonds on the Stock Exchange.

Use of proceeds

The Company and the Subscriber have agreed that the 2021 CB shall be redeemed by the Company on the date of completion. As the redemption money payable by the Company to the Subscriber in respect of the Existing Convertible Bonds in the principal amount of HK\$32,000,000 shall be applied towards the payment of and be set off against the subscription money payable by the Subscriber for the Convertible Bonds in the principal amount of HK\$32,000,000, the Company will not receive any net proceeds from the issue of the Convertible Bonds.

Reasons and benefits of the Subscription

The Board considers that the redemption of the Existing Convertible Bonds and the issue of the Convertible Bonds allow the Company to postpone its cash outflow required for the repayment of the Existing Convertible Bonds and to retain its financial resources for a longer period for the development of its business. The Board has considered various ways of raising funds in the capital market and considers that the issue of the Convertible Bonds is an appropriate means of raising capital for the Company since such issue will not have an immediate dilution effect on the shareholding of the existing Shareholders. The Board considers that the terms of the Subscription Agreement and the Convertible Bonds are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Effects of full conversion of the Convertible Bonds

The shareholdings in the Company as at the date of this report and immediately after conversion in full of the Convertible Bonds (assuming that there is no other change in the issued share capital of the Company) at the initial Conversion Price are summarised as follows:

	As at the date of this announcement		Immediately upon full conversion of the Convertible Bonds at the initial Conversion Price (for illustration purpose only)	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Huang Bo	86,825,934	19.37	86,825,934	18.83
Li Xiaoyan* (李曉艷)	59,094,406	13.19	59,094,406	12.82
Huang Yuan Ming	35,548,238	7.93	35,548,238	7.71
Hou Hsiao Bing	26,228,000	5.85	26,228,000	5.69
The Subscriber	–	–	12,800,000	2.78
Public Shareholders	240,480,106	53.66	240,480,106	52.17
Total	448,176,684	100.00	460,976,684	100.00

* fractional number of shares is disregarded for illustration purposes

For further details, please refer to the Announcement and the announcement of the Company dated 21 October 2022.

Completion

All conditions of the Subscription Agreement have been fulfilled and completion of the Subscription took place on 21 October 2022 in accordance with the terms and conditions thereof. The Convertible Bonds in the principal amount of HK\$32,000,000 have been issued to the Subscriber.

Major transaction in relation to construction of a solar modules production plant

As disclosed in the announcement of the Company dated 9 November 2022 (“**MT Announcement**”), Hebei Zhonghua, as the principal, entered into the Construction Contract (as defined in the MT Announcement) with the Contractor (as defined in the MT Announcement) in relation to the construction of a solar modules production plant on the Land (as defined in the MT Announcement) at the Contract Price (as defined in the MT Announcement) of RMB42,000,000. The Contract Price will be financed by internal resources of the Company.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Contractor and its ultimate beneficial owner(s) are independent third parties. As the highest applicable percentage ratios calculated pursuant to the GEM Listing Rules exceeds 25%, the Construction Contract and the transactions contemplated thereunder constitute a major transaction on the part of the Company and is therefore subject to the reporting, announcement and shareholders’ approval requirements under Chapter 19 of the GEM Listing Rules.

An extraordinary general meeting of the Company will be held on 17 February 2023 to consider and, if thought fit, approve the Construction Contract and the transactions contemplated thereunder.

Please refer to the MT Announcement for further details.

AMENDMENT OF ARTICLES OF ASSOCIATION

On 10 August 2022, the Company proposed to amend its articles of association, pursuant to the amendments to Chapter 17 and Appendix 3 of the GEM Listing Rules in relation to the enhanced listing regime for overseas issuers, and other housekeeping amendments (the “**Amendment of Articles**”). For further details, please refer to the announcement of the Company dated 10 August 2022, and the circular of the Company dated 23 August 2022.

At the annual general meeting of the Company held on 29 September 2022, the shareholders of the Company approved the Amendment of Articles by way of special resolution.

BUSINESS PROSPECT AND FUTURE PLANS

The Company continues to actively seek for opportunities to develop its business and expand its customer base, by keeping abreast of the latest developments in the renewable energy projects sector, and leveraging on the wealth of experience and extensive business networks of its management and shareholders.

The Group is also exploring other avenues of development, and is in active discussions with different potential business partners. Currently, the Company is preparing to set up a solar modules production plant in Hebei. It can provide a stable supply of goods for the Company’s key projects in Hebei, allowing the Company to better maintain quality control over its components, and bring synergy to its existing business. For example, it will have a positive impact on the sales of our existing solar related products, as the Company would be able to offer a more comprehensive suite of solar related products.

In addition to the aforementioned solar modules production plant, in an effort to further explore other avenues of development, the Group is also currently considering setting up a distributed wind power plant in the PRC. The Board believes that a distributed wind power plant would complement and create synergies with the Group's existing sales of renewable energy products and new energy power system integration businesses, and also allow the Group to leverage its existing networks. By expanding the Group's business downstream, the Board believes that the Group can further diversify its product offering. The Group is currently in the process of assessing the level of customer interest and demand, and considering the different options and methods for the construction of the distributed wind power plant. The Group will make further announcement(s) as and when appropriate in accordance with the requirements under the GEM Listing Rules.

The Company continues to believe that the renewable energy sector shows promising business prospects. As the problem of climate change continues, the Chinese government is actively responding. In 2021, the Chinese government published the Opinions of the CPC Central Committee and the State Council on Completely, Accurately and Comprehensively Implementing the New Development Concept and Doing a Good Job in Peak Carbon Dioxide Emissions (《中共中央國務院關於完整準確全面貫徹新發展理念做好碳達峰碳中和工作的意見》) and Carbon Neutrality and the Action Plan for Peak Carbon Dioxide Emissions by 2030 (《2030年前碳達峰行動方案》), which put forward a number of goals to achieve carbon neutrality by 2060. Accelerating the construction of a clean, low-carbon, safe and efficient energy system is one of the key tasks mentioned in such policy papers.

The Group has been identifying and exploring other new business opportunities in the renewable energy sector and to broaden its sources of income to bring return to the Group and its shareholders ("**Shareholders**").

Notice on the Action Plan for Further Tariff Mechanism Reform During the "14th Five-Year Period" (《關於「十四五」時期深化價格機制改革行動方案的通知》) issued by the NDRC clarified the improvement of the wind power and photovoltaic power generation pricing mechanism and the establishment of the pricing mechanism of new energy storage. A point to note is that many provinces and other places in China have introduced new energy allocation storage programs since this year, mainly focusing on "photovoltaic + energy storage", "wind power + energy storage" mode. We believe that with the goal of reaching carbon peak and carbon neutral, energy storage has become the necessary way to achieve the "new power system based on new energy". As the business model of energy storage is relatively diversified, the Group will continue to closely monitor the development of new energy storage industry.

Leveraging on the prudent and experienced management and the strong and determined workforce of the Group, the Group will strive to maintain and expand its operations further, thus bringing greater return to its shareholders.

We treasure the harmonious relationship with our staff and would like to take this opportunity to express our gratitude to the management and staff of the Group for their dedicated performance which is instrumental to the future development of the Group. We would also like to take this opportunity to thank our Shareholders, suppliers and customers for their continuous support to the Group.

Chiu Tung Ping

Chairman and executive Director

China Technology Industry Group Limited

Hong Kong, 10 February 2023

RESULTS

The board of Directors (“Board”) announces the unaudited consolidated results of the Group for the nine months ended 31 December 2022 together with comparative unaudited consolidated results of the Group for the corresponding period in 2021 as follows:

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Revenue	2	–	20,319	42,510	68,240
Cost of sales		–	(22,921)	(40,293)	(59,467)
Gross (loss) profit		–	(2,602)	2,217	8,773
Other revenue – bank interest income		1	–	5	3
Other gains	4	8,173	198	5,091	2,010
Selling expenses		(33)	(514)	(100)	(1,551)
Change in fair value of financial assets at fair value through profit or loss		–	–	–	(138)
Change in fair value of financial derivative liabilities		–	1	–	63
Administrative expenses		(2,496)	(3,180)	(7,125)	(7,842)
Finance costs	5	(1,335)	(431)	(2,511)	(1,837)
Profit (Loss) before tax	3	4,310	(6,528)	(2,423)	(519)
Income tax expense	6	–	(383)	(463)	(871)
Profit (Loss) for the period		4,310	(6,911)	(2,886)	(1,390)
Total comprehensive income (expense) for the period		4,310	(6,911)	(2,886)	(1,390)
Profit (loss) for the period attributable to:					
Owners of the Company		4,310	(6,911)	(2,886)	(1,390)
Non-controlling interests		–	–	–	–
		4,310	(6,911)	(2,886)	(1,390)
Total comprehensive income (expense) for the period attributable to:					
Owners of the Company		4,310	(6,911)	(2,886)	(1,390)
Non-controlling interests		–	–	–	–
		4,310	(6,911)	(2,886)	(1,390)
Earnings (Loss) per share	8				
Basic (RMB cents)		0.96	(1.54)	(0.64)	(0.32)
Diluted (RMB cents)		0.96	N/A	(0.64)	(0.32)

NOTES TO THE UNAUDITED CONSOLIDATED RESULTS

1. BASIS OF PREPARATION

The unaudited consolidated results have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKAS”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the GEM Listing Rules.

The unaudited consolidated results have been prepared under the historical cost convention except for certain financial instruments, which are measured at fair values.

The accounting policies used in preparing the unaudited consolidated results are consistent with those used in the Group’s annual financial statements for the year ended 31 March 2022, except for adoption of new and revised HKFRSs and HKAS issued by the Hong Kong Institute of Certified Public Accountants which are effective to the Group for accounting periods beginning on or after 1 April 2022. The adoption of the new HKFRSs and HKAS has no material impact on the Group’s results and financial position for the current or prior periods.

The consolidated results of the Group for the nine months ended 31 December 2022 are unaudited but have been reviewed by the audit committee of the Board (“**Audit Committee**”).

2. REVENUE

DISAGGREGATION OF REVENUE

	Three months ended 31 December		Nine months ended 31 December	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Types of goods or services				
Sales of renewable energy products	–	20,319	42,510	68,240
Rendering of new energy power system integration services	–	–	–	–
Total	–	20,319	42,510	68,240
Timing of revenue recognition				
A point in time	–	20,319	42,510	68,240
Over time	–	–	–	–
Total	–	20,319	42,510	68,240

3. PROFIT (LOSS) BEFORE TAX

Profit (Loss) before tax has been arrived at after charging:

	Three months ended 31 December		Nine months ended 31 December	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Cost of inventories recognised as expenses	–	22,921	40,293	59,467
Depreciation of equipment	57	50	163	156
Depreciation of right-of-use assets	402	171	1,002	592
Short-term lease payments	6	74	18	247

4. OTHER GAINS

	Three months ended 31 December		Nine months ended 31 December	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Foreign exchange gain	3,522	197	399	902
Gain on fair value of issuance of convertible bonds	4,573	–	4,573	953
Miscellaneous income	78	1	119	155
	8,173	198	5,091	2,010

5. FINANCE COSTS

	Three months ended 31 December		Nine months ended 31 December	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Effective interest on convertible bonds	886	196	1,306	1,235
Interest on other loans	431	226	1,178	563
Interest on lease liabilities	18	9	27	39
	1,335	431	2,511	1,837

6. INCOME TAX EXPENSE

	Three months ended 31 December		Nine months ended 31 December	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Current tax				
– People's Republic of China ("PRC") Enterprise Income Tax	–	383	463	871
	–	383	463	871

No provision for Hong Kong Profits Tax has been made as there is no assessable profit for the subsidiaries operating in Hong Kong during the nine months ended 31 December 2022 and 2021.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands for the nine months ended 31 December 2022 and 2021.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the nine months ended 31 December 2022 and 2021, except for certain subsidiaries of the Group in the PRC are under the Western China Development Plan, and were approved to enjoy the preferential tax rate of 15% in accordance with the EIT Law and relevant regulations for the nine months ended 31 December 2022 and 2021.

7. DIVIDENDS

No dividends were paid, declared or proposed during the period under review (nine months ended 31 December 2021: nil).

8. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earnings (loss) per share attributable to the owners of the Company is based on the following data:

	Three months ended 31 December		Nine months ended 31 December	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Earnings (Loss)				
Earnings (Loss) for the period attributable to the owners of the Company	4,310	(6,911)	(2,886)	(1,390)

	Three months ended 31 December		Nine months ended 31 December	
	2022 RMB cents (Unaudited)	2021 RMB cents (Unaudited)	2022 RMB cents (Unaudited)	2021 RMB cents (Unaudited)
Basic earnings (loss) per share	0.96	(1.54)	(0.64)	(0.32)
Diluted earnings (loss) per share	0.96	N/A	(0.64)	(0.32)

	Three months ended 31 December		Nine months ended 31 December	
	2022 '000 (Unaudited)	2021 '000 (Unaudited)	2022 '000 (Unaudited)	2021 '000 (Unaudited)
Number of shares				
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	448,177	448,177	448,177	436,959
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	448,177	460,977	448,177	436,959

Outstanding convertible bonds of the Company are anti-dilutive since their exercise or conversion would result in a decrease in basic loss per share or an increase in basic earnings per share for the nine months ended 31 December 2022 and 2021.

QUARTERLY DIVIDEND

The Board does not recommend the payment of quarterly dividend for the nine months ended 31 December 2022 (2021: Nil).

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Nine Months Ended 31 December 2022

	Attributable to owners of the Company						Total RMB'000	Non- controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Reserve arising from reorganisation RMB'000 (note a)	Exchange reserve RMB'000	Equity transaction reserve RMB'000 (note b)	Accumulated losses RMB'000			
At 1 April 2021 (audited)	189,876	120,291	(20,484)	156	(11,210)	(190,307)	88,322	(380)	87,942
Loss and total comprehensive expense for the period	-	-	-	-	-	(1,390)	(1,390)	-	(1,390)
At 31 December 2021 (unaudited)	189,876	120,291	(20,484)	156	(11,210)	(191,697)	86,932	(380)	86,552
At 1 April 2022 (audited)	189,876	120,291	(20,484)	156	(11,210)	(194,039)	84,590	-	84,590
Loss and total comprehensive expense for the period	-	-	-	-	-	(2,886)	(2,886)	-	(2,886)
At 31 December 2022 (unaudited)	189,876	120,291	(20,484)	156	(11,210)	(196,925)	81,704	-	81,704

Notes:

a. Reserve arising from reorganisation

The reserve arising from reorganisation of approximately RMB20,484,000 represents the difference between the nominal value of the share capital of subsidiaries acquired and the cost of investments in these subsidiaries incurred by the Company in exchange thereof, and has been debited to the reserve of the Group.

b. Equity transaction reserve

The equity transaction reserve represents the effect of changes in the Group's interest in existing subsidiaries without losing control and the consideration to be issued for the aforementioned transaction, which would be reclassified to share capital and share premium upon issuance of ordinary shares.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2022, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors as referred to in Rule 5.46 of the GEM Listing Rules are as follows:

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN THE SHARES OF THE COMPANY

Name of Directors/ Chief executive	Number of ordinary shares of the Company (Note 1)	Capacity	Approximate percentage of the Company's issued share capital as at 31 December 2022 (Note 2)
Mr. Tse Man Kit Keith (Executive Director)	12,489,469 (L)	Beneficial owner	2.79%

Notes:

- The letter "L" represents long positions in the shares or underlying shares of the Company.
- As at 31 December 2022, the issued share capital of the Company was 448,176,684 ordinary shares of HK\$0.5 each.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2022, the following persons or entities, other than a Director or chief executive of the Company, had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of shareholder	Number of ordinary shares (Note 1)	Capacity	Approximate percentage of the Company's issued share capital as at 31 December 2022 (Note 2)
Mr. Huang Bo (Note 3)	86,825,934 (L)	Beneficial owner	19.37%
Ms. Li Xiaoyan* (李曉豔女士)	59,094,406 (L)	Beneficial owner	13.19%
Mr. Huang Yuan Ming (Note 3)	35,548,238 (L)	Beneficial owner	7.93%
Mr. Hou Hsiao Bing (Note 4)	26,228,000 (L)	Beneficial owner	5.85%

* for identification purpose only

Notes:

- The letter "L" represents long position in the shares or underlying shares of the Company.
- As at 31 December 2022, the issued share capital of the Company was 448,176,684 ordinary shares of HK\$0.5 each.
- Mr. Huang Yuan Ming is the son of Mr. Huang Bo, a substantial shareholder of the Company.
- Mr. Hou Hsiao Bing retired as an executive Director with effect from 26 August 2019.

AUDIT COMMITTEE

The Audit Committee was formed on 13 December 2000. The written terms of reference (revised in December 2018) which describe the authority and duties of the Audit Committee were prepared and adopted in accordance with Rules 5.28 to 5.33 of the GEM Listing Rules.

The Audit Committee provides an important link between the Board and the Company's auditors in matters coming within the scope of the Group's audit. It also reviews the effectiveness of both the external and internal audits and of the risk management and internal control systems of the Group. As at the date of this report, the Audit Committee comprises of three independent non-executive Directors, namely Ms. Ma Xingqin, Ms. Shan Jinlan and Mr. Wang Zhuchen. The unaudited consolidated results of the Group for the nine months ended 31 December 2022 have been reviewed and approved by the Audit Committee.

DIRECTORS' COMPETING INTEREST OR BUSINESS

During the nine months ended 31 December 2022, none of the Directors or his/her close associates had any interest in a business which competes or may compete with the business of the Group.

The Company did not have any controlling shareholder during the nine months ended 31 December 2022.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the shares of the Company during the nine months ended 31 December 2022.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has made specific enquiry of the Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors during the nine months ended 31 December 2022.

On behalf of the Board
China Technology Industry Group Limited
Chiu Tung Ping
Chairman and executive Director

Hong Kong, 10 February 2023

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

Executive Directors:

Chiu Tung Ping (Chairman)

Yuen Hing Lan

Hu Xin

Tse Man Kit Keith

Independent non-executive Directors:

Ma Xingqin

Shan Jinlan

Wang Zhuchen