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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)

MAJOR TRANSACTION SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

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The Board announced that during the period from 30 September 2020 to 8 October 2020, Hami Dongke had subscribed for the Wealth Management Product from CCB Shaanxi Branch in an aggregate amount of RMB40,000,000. On 9 October 2020, Hami Dongke redeemed the Subscription and received the entire principal amount together with an interest in the amount of RMB22,685.

IMPLICATIONS UNDER GEM LISTING RULES

At the relevant time, since at least one of the applicable percentage ratios for the Subscription exceeded 25% but were less than 100%, the Subscription constituted a major transaction under Chapter 19 of the GEM Listing Rules and was subject to the notification, announcement and shareholders' approval requirements set out under Chapter 19 of the GEM Listing Rules.

The Company regrets that it did not duly comply with the notification, announcement and shareholders' approval requirements under Rule 19.34, 19.38 and 19.40 of the GEM Listing Rules by omitting to issue an announcement and circular for shareholders' approval at the relevant time of making the Subscription. The Company wishes to apologise in this regard and now publishes this announcement to provide details of the Subscription.

EGM AND DESPATCH OF CIRCULAR

The EGM will be convened to consider and, if thought fit, to ratify and approve the Subscription. To the best of the Directors' knowledge, information and belief, no Shareholder has a material interest in the Subscription and therefore, no Shareholder will be required to abstain from voting on the relevant resolution at the EGM.

A circular containing, among other things, (i) details of the Subscription, (ii) notice of the EGM and (iii) other information as required by the GEM Listing Rules is expected to be despatched to the Shareholders on or before 6 November 2020.

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

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Below sets out the principal terms of the Subscription.

Parties : (i) CCB Shaanxi Branch; and
(ii) Hami Dongke

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, CCB and its ultimate substantial beneficial owners as publicly disclosed by CCB are third parties independent from the Company and its connected persons.

Date of subscription : 30 September 2020 (redeemed on 9 October 2020)

Name of product : CCB Shaanxi Branch "Qianyuan-Silutiantianying" Open-ended Asset Portfolio RMB Wealth Management Product* (中國建設銀行陝西省分行“乾元-絲路天天盈”開放式資產組合型人民幣理財產品)

Type of product : Non-principal guaranteed with floating income

Currency of principal and return	:	RMB
Subscription amount	:	RMB40,000,000
Basis of consideration	:	The minimum amount for the initial subscription by an institutional subscriber is RMB100,000. Each additional subscription amount by an institutional subscriber must be a multiple of RMB1,000.
Term of product	:	No fixed maturity period [#]

[#] During the term of the Wealth Management Product, any application for purchase, additional investment and redemption can be made from 1:00am to 3:30pm on any business day.

CCB Shaanxi Branch has a right to prematurely terminate the Wealth Management Product.

Scope of investment	:	Cash assets, money market instruments, money market funds, standardised fixed income assets, non-standardised debt assets and other assets in compliance with regulatory requirements
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Expected annualised yield rate	:	2.3% if the term of subscription is not less than seven days and not more than 13 days
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CCB Shaanxi Branch may adjust the expected annualised yield rate in view of the prevailing market condition.

Return calculation	:	Return = principal of subscription x actual annualised yield rate x number of days of subscription/365
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The return will be calculated according to the principal of each subscription, number of days of that subscription and the actual annualised yield rate for that subscription.

Repayment arrangement of principal and return : The principal and return, upon redemption, will be deposited to Hami Dongke's designated account in real time. Where the Wealth Management Product is prematurely terminated by CCB Shaanxi Branch, the principal and return will be deposited to Hami Dongke's designated account within five business days from the date of such premature termination.

* For identification purpose only

BASIS OF DETERMINATION FOR CONSIDERATION

The Board confirmed that the consideration of the Subscription was determined on the basis of commercial terms negotiated at arm's length.

REASONS AND BENEFITS OF SUBSCRIPTION

The Subscription was made from the spare funds of the Group and was made for the treasury management purpose to increase the return of the idle funds of the Group after taking into account, among others, the level of risk and return on investment. Although the Wealth Management Product was marketed as a non-principal guaranteed financial product and without a guaranteed return, the Board considers that the Wealth Management Product with a flexible redemption term had relatively low risk as the Group would be readily able to recover the principal and receive the expected return on the Subscription. Therefore, the Board considers that the Subscription does not cause any adverse impact on the working capital of the Group.

Appropriate short-term wealth management with low risk exposure is conducive to enhancing the utilisation of capital while increasing income from idle funds. The Board is of the view that the Subscription, which offered a better interest rate than the prevailing fixed-term deposit interest rates offered by banks or licensed financial institutions, was made on normal commercial terms in the ordinary course of business of the Group, is fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

INFORMATION OF GROUP

The Group is principally engaged in (i) sales of renewable energy 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.

INFORMATION OF HAMI DONGKE

Hami Dongke, incorporated in the PRC, is a wholly-owned subsidiary of the Company. It is principally engaged in renewable energy engineering, research and development and consulting services.

INFORMATION OF CCB

CCB is a bank incorporated in the PRC, the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 939). The principal businesses of CCB include provision of corporate and personal banking services, conducting treasury business, the provision of asset management, trustee, finance leasing, investment banking, insurance and other financial services.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, CCB and its ultimate substantial beneficial owners as publicly disclosed by CCB are third parties independent from the Company and its connected persons.

IMPLICATION UNDER GEM LISTING RULES

At the relevant time, since at least one of the applicable percentage ratios for the Subscription exceeded 25% but were less than 100%, the Subscription constituted a major transaction under Chapter 19 of the GEM Listing Rules and was subject to the notification, announcement and shareholders' approval requirements set out under Chapter 19 of the GEM Listing Rules.

The Company regrets that it did not duly comply with the notification, announcement and shareholders' approval requirements under Rule 19.34, 19.38 and 19.40 of the GEM Listing Rules by omitting to issue an announcement and circular for shareholders' approval at the relevant time of making the Subscription. The Company wishes to apologise in this regard and now publishes this announcement to provide details of the Subscription.

EGM AND DESPATCH OF CIRCULAR

The EGM will be convened to consider and, if thought fit, to ratify and approve the Subscription. To the best of the Directors' knowledge, information and belief, no Shareholder has a material interest in the Subscription and therefore, no Shareholder will be required to abstain from voting on the relevant resolution at the EGM.

A circular containing, among other things, (i) details of the Subscription, (ii) notice of the EGM and (iii) other information as required by the GEM Listing Rules is expected to be despatched to the Shareholders on or before 6 November 2020.

REMEDIAL ACTIONS

It is always the intention of the Company to fully comply with the GEM Listing Rules. The Directors, having been fully informed of all the facts of the Subscription, consider that the failure to comply with Chapter 19 of the GEM Listing Rules in respect of the Subscription was inadvertent and can be avoided going forward. The Group has taken the incident seriously and shall implement the following remedial measures to prevent re-occurrence of similar incidents:

- the Company will review and introduce a policy manual (the “**Manual**”) in respect of calculation of size test ratios for wealth management products;
- the Company will formulate a guideline (the “**Guideline**”) pursuant to which relevant personnel who are responsible for purchasing wealth management products are required to report to the finance department of the Company (the “**Finance Department**”) in advance about a proposed subscription of wealth management products, and shall only subscribe for such products after the Finance Department has evaluated the implications of the GEM Listing Rules and the Group has complied with the applicable requirements under the GEM Listing Rules;
- the Company will circulate the Manual and the Guideline of the Group to all Directors, senior management, finance staff and accounting staff of the Group;
- internal training sessions will be organised to explain the GEM Listing Rules and the reporting procedure of notifiable transactions, and to emphasise the importance of identifying such transactions prior to execution;
- the internal control and compliance department of the Group will perform regular checks on whether the relevant personnel have complied with the Guideline in relation to subscription of wealth management products; and
- the Company will improve its communication with its subsidiaries and emphasise the importance of ensuring the Company’s compliance with the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the meanings set out below:

“Board”	the board of Directors
“CCB”	China Construction Bank Corporation (中國建設銀行股份有限公司)
“Company”	China Technology Industry Group Limited
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, to ratify and approve the Subscription
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hami Dongke”	Hami Dongke New Energy Technology Development Co., Ltd* (哈密東科新能源科技發展有限公司), a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the law currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region
“PRC”	the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Wealth Management Product
“Wealth Management Product”	the wealth management product Hami Dongke subscribed for from CCB Shaanxi Branch in an aggregate amount of RMB40,000,000 from 30 September 2020 to 8 October 2020
%	per cent

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

Hong Kong, 15 October 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.