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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in China Technology Industry Group Limited (“Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser, the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (“Stock Exchange”) take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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 IN RELATION TO CONSTRUCTION OF A SOLAR MODULES PRODUCTION PLANT AND NOTICE OF EGM

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Capitalised terms used in this cover shall have the same meanings as defined in this circular.

A letter from the Board is set out on pages 4 to 11 of this circular.

A notice convening the EGM to be held at 21/F, Block G, Beichen Huiyuan Building, Chaoyang District, Beijing, the People’s Republic of China on Friday, 17 February 2023 at 11:00 a.m. (Hong Kong time) is set out on pages 21 to 23 of this circular. Whether or not you are able to attend and/or vote at the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 11:00 a.m. (Hong Kong time) on Wednesday, 15 February 2023 or not later than 48 hours before the time appointed for any adjourned meeting of the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and, in such event, the form of proxy previously submitted shall be deemed to be revoked.

This circular will remain on the website of the Company at [www.chinatechindgroup.com](http://www.chinatechindgroup.com) and the website of GEM of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on the “Latest Company Announcements” page for at least seven days from the date of its posting.

20 January 2023

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## CHARACTERISTICS OF GEM

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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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## PRECAUTIONARY MEASURES FOR THE EGM

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### VOTING BY PROXY IN ADVANCE OF THE EGM

The Company does not in any way wish to diminish the opportunity available to the Shareholders to exercise their rights and to vote, but is conscious of the pressing need to protect the Shareholders from possible exposure to the novel coronavirus pneumonia (COVID-19) pandemic. For the health and safety of the Shareholders, the Company would like to remind Shareholders that they should carefully consider the risks of attending the EGM, taking into account their own personal circumstances and encourage Shareholders to exercise their right to vote at the EGM by appointing the chairman of the EGM as their proxy instead of attending the EGM in person. **Physical attendance is not necessary for the purpose of exercising Shareholders' rights. Completion and return of the proxy form will not preclude the Shareholders from attending and voting in person at the EGM or any adjournment thereof should they subsequently so wish.**

### PREVENTIVE MEASURES AT THE EGM

In view of the ongoing COVID-19 pandemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the EGM to safeguard the health and safety of the attending Shareholders, staff and other stakeholders:

- (i) A compulsory body temperature check will be conducted on every Shareholder, proxy and other attendees at the entrance of the EGM venue. Any person with a body temperature of over 37.3 degrees Celsius or found to be unwell will not be admitted to the EGM venue.
- (ii) Every attendee will be required to wear a surgical face mask within the EGM venue. Please note that no masks will be provided at the EGM venue and attendees should bring and wear their own masks.
- (iii) Seats at the EGM venue will be arranged in such a manner so as to allow appropriate social distancing. As a result, there will be limited capacity for Shareholders. The Company may limit the number of attendees at the EGM as may be necessary to avoid overcrowding.
- (iv) Any attendee who does not comply with the abovementioned measures will not be admitted to the EGM venue at the absolute discretion of the Company as permitted by law. The regulations of Beijing Municipality and the Company's prevention and control measures against the COVID pandemic must be strictly followed.
- (v) No refreshments, corporate gifts or souvenirs will be served or distributed at the EGM.

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## **PRECAUTIONARY MEASURES FOR THE EGM**

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To the extent permitted under applicable laws, the Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM venue in order to ensure the safety of the attendees at the EGM.

The Company will closely monitor the development of the COVID-19 pandemic. The Company will ensure that the EGM will be conducted in compliance with the regulations or measures of the PRC government and Shareholders will not be deprived of their right of voting on the resolutions to be proposed at the EGM. Subject to the development of the COVID-19 situation, the Company may implement further precautionary measures in respect of the EGM, and may issue further announcement(s) on such measures as and when appropriate.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Announcement”	the announcement of the Company dated 9 November 2022 in relation to the construction of a solar modules production plant
“Board”	the board of Directors of the Company
“Company”	中國科技產業集團有限公司 (China Technology Industry Group Limited), a company incorporated in the Cayman Islands, the securities of which are listed and traded on the GEM board of the Stock Exchange
“Completion”	the completion of the Works as provided under the Construction Contract
“Construction Contract”	the agreement dated 9 November 2022 entered into between Hebei Zhonghua and the Contractor in respect of the Works
“Contract Price”	The consideration of the Construction Contract being RMB42,000,000, subject to a 3% reduction for Quality Assurance Fund, plus the safety assurance fund and tax
“Contractor”	Hebei Hengshan Construction Group Limited* (河北恒山建設集團有限公司), a company incorporated under the laws of the PRC, and an Independent Third Party
“Director(s)”	the directors of the Company
“EGM”	an extraordinary general meeting of the Company to be convened and held for the purposes of, among other matters, considering and, if thought fit, approving the Construction Contract
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries from time to time
“Hebei Zhonghua”	Hebei Zhonghua Energy Equipment Co., Limited* (河北眾鐸能源裝備有限公司), a company incorporated under the laws of the PRC, and an indirectly wholly-owned subsidiary of the Company

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, is/are not connected with the Company and its connected persons (as defined in the GEM Listing Rules)
“Land”	Land Parcels no. 2022003, near Man Tang Village, Da Ge Town, Fengning Manchu Autonomous County, Chengde City, Hebei Province, the PRC* (中華人民共和國河北省承德市豐寧滿族自治縣大閣鎮滿堂村，宗地編號2022003)
“Land Acquisition”	the acquisition of the land use rights in the Land by Hebei Zhonghua
“Latest Practicable Date”	16 January 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Principal”	Hebei Zhonghua, being the principal of the Construction Contract
“Share(s)”	the ordinary share(s) of HK\$0.50 each in the share capital of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor”	The supervisor of the Works as appointed under the Construction Contract
“Transactions”	the transactions contemplated under the Construction Contract

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## DEFINITIONS

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“Work or Works” all the works, services, performances that the Contractor shall perform, provide and deliver under the Construction Contract, including but not limited to the construction of the solar modules production plant on the Land and other similar and incidental obligations of the Contractor under the Construction Contract

“%” percentage

\* *For identification purpose only*

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LETTER FROM THE BOARD

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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)

*Executive Directors:*

Chiu Tung Ping (*Chairman*)

Yuen Hing Lan

Hu Xin

Tse Man Kit Keith

*Registered office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Independent non-executive Directors:*

Ma Xingqin

Shan Jinlan

Wang Zhuchen

*Principal place of business in Hong Kong:*

Suite 704, 7th Floor,

Ocean Centre,

Harbour City,

Kowloon,

Hong Kong

20 January 2023

*To the Shareholders*

Dear Sir or Madam,

**CONSTRUCTION OF A SOLAR MODULES PRODUCTION PLANT  
AND  
NOTICE OF EGM**

**INTRODUCTION**

Reference is made to the Announcement, and the announcement of the Company dated 28 December 2022. As disclosed in the Announcement, on 9 November 2022, Hebei Zhonghua entered into the Construction Contract with the Contractor in relation to the construction of a solar modules production plant on the Land at the Contract Price.

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide Shareholders with, among other things, (i) details of the Construction Contract and (ii) a notice of the EGM to be convened for the purpose of considering and approving the Construction Contract and the Transactions.

### PRINCIPAL TERMS OF THE CONSTRUCTION CONTRACT

The principal terms of the Construction Contract are set out below.

Date	9 November 2022 (after trading hours of the Stock Exchange)
Parties	<ol style="list-style-type: none"><li>1. Hebei Zhonghua (as Principal); and</li><li>2. the Contractor (as the Contractor).</li></ol>
Subject matter	Pursuant to the Construction Contract, the Contractor shall be responsible for the Works in relation to the construction of the new solar modules production plant, including but not limited to (a) the design, manufacturing, engineering, construction, installation, testing and commissioning, completion of and, rectification of defects in maintenance and warranty of the Works; and (b) the supply of all personnel and materials for the execution of all other work and ancillary services contingently required, whether expressly stated or not, for the completion of the Works.
Contract Price	The total Contract Price is principally in the amount of RMB42,000,000, subject to a 3% reduction for Quality Assurance Fund, plus the safety assurance fund and tax.
Payment terms	<p>The Contract Price is made up of (i) the Completion Payment (as defined below), and (ii) the Quality Assurance Fund (as defined below), and shall be paid by the Principal to the Contractor in the following manner:</p> <p>(1) Completion Payment</p> <p>97% of the Contract Price (the “<b>Completion Payment</b>”) shall be paid in the following manner:</p>

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## LETTER FROM THE BOARD

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(i) Advance payment for steel structure construction

Upon (a) the commencement of the construction of the main steel structure, and (b) the obtaining of an irrevocable independent bank guarantee, the Principal shall make an advance payment to the Contractor in the amount of 30% of the steel structure construction costs;

(ii) Milestone payments

Upon the completion of certain construction milestones in the Works, the Principal shall make a payment to the Contractor in the amount of approximately 80% of the Contract Price, less the amount paid under (i) above. The aforementioned construction milestones include the completion of the construction of the steel structure, decoration and renovations, and installation of utilities; and

(iii) Balance of the Completion Payment

Within 30 days of the completion of the Works and, among other things, the provision of costs reports and construction reports, the Principal shall pay the Contractor the balance of the Completion Payment, representing approximately 17% of the Contract Price.

(2) Quality Assurance Fund

3% of the Contract Price shall be retained by the Principal (the “**Quality Assurance Fund**”) and shall only be paid to Contractor within 30 days after the expiration of the 24-month warranty period if certain conditions have been met.

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## LETTER FROM THE BOARD

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Conditions precedent	<p>The Construction Contract is conditional upon:</p> <ol style="list-style-type: none"><li>(1) An ordinary resolution approving the Construction Contract and the transactions contemplated thereunder has been passed at the EGM by the Shareholders (exclusive of the Shareholders who are required to abstain from voting under the GEM Listing Rules and other applicable laws and regulations);</li><li>(2) The Principal has obtained all the approvals and permits required for the Construction Contract and the transactions contemplated thereunder;</li><li>(3) The Contractor has obtained all the approvals and permits required for the Construction Contract and the transactions contemplated thereunder.</li></ol> <p>In the event that any of the conditions set out above shall not be fulfilled by 4:00 p.m. on 31 March 2023 (or such later date may be mutually agreed in writing between the Principal and the Contractor), the Construction Contract shall whereupon cease to have any effect save in respect of claims arising out of any antecedent breach of the Construction Contract.</p>
Commencement Date	<p>The commencement date of the Works, to be specified by the Supervisor in its notice of commencement.</p>
Completion Date	<p>The Works shall be completed within 365 calendar days from the Commencement Date.</p>
Completion	<ol style="list-style-type: none"><li>(1) The Contractor may submit application for completion of the Works (the “<b>Completion Application</b>”) if the following conditions have been met:<ol style="list-style-type: none"><li>a) Subject to paragraph b) below (if applicable), all the Works have been completed in accordance with the specifications and terms of the Construction Contract;</li></ol></li></ol>

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## LETTER FROM THE BOARD

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- b) In relation to the minor outstanding part of the Works for which a late completion is agreed by the Principal (the “**Outstanding Works**”), a separate agreement has been concluded between the Principal and the Contractor (the “**Outstanding Works Agreement**”) and a construction plan has been prepared by the Contractor in proper manner; and
  - c) The relevant documents have been prepared in accordance with the Construction Contract.
- (2) Provided that the Completion Application has been approved, the Principal, the Supervisor and the Contractor shall carry a joint inspection of the Works.
  - (3) Provided that a satisfactory result has been achieved after the inspection of the Works, the Completion of the Works occurs.
  - (4) A taking-over certificate will be issued by the Principal to the Contractor within 14 days after the Completion of the Works.
- Defects and rectification
- (1) Subject to paragraph (2) below (if applicable), any item of Works which does not comply with the Construction Contract shall be made good, remedied, or reconstrued before the Completion Application.
  - (2) The Outstanding Works, if any, shall be completed by the Contractor in accordance with the Outstanding Works Agreement.

### **BASIS OF DETERMINATION OF THE CONTRACT PRICE**

The Contract Price was determined after arm’s length negotiations between Hebei Zhonghua and the Contractor on normal commercial terms with reference to the size and project design of the Works. The Directors believe that the Contract Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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The Contract Price was arrived at after consideration of the following factors: (i) the overall proposals submitted by the potential contractors; (ii) the size, technicality and quality requirement of the Works; (iii) the track record of the potential contractors on performing similar size projects; and (iv) the fee quotation of the potential contractors and their previous experience on similar projects. On this basis, the Directors consider that the Contract Price is fair and reasonable.

### INFORMATION ON THE PARTIES

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Contractor and its ultimate beneficial owner, Mr. Cao Guohua\* (曹國華), are Independent Third Parties. The Contractor is a company incorporated in the PRC and principally engages in buildings, landscaping projects and steel structure projects construction. The Contractor was selected through invitation to tender.

Hebei Zhonghua is a company incorporated under the laws of the PRC, and an indirectly wholly-owned subsidiary of the Company. Hebei Zhonghua is principally engaged in (i) manufacturing of solar modules; and (ii) sales of solar power products, in the PRC.

The Company and the Group are principally engaged in (i) sales of renewable energy products; and (ii) new energy power system integration business, in the PRC.

### REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION CONTRACT

As disclosed in the announcement of the Company dated 8 April 2022, the announcement of the Company dated 27 June 2022 (the “**Land Acquisition Announcement**”), the circular of the Company dated 20 September 2022 (the “**Land Acquisition Circular**”), and the Announcement, the Group had previously considered setting up a solar modules production plant in Hebei.

To this end, as disclosed in the Land Acquisition Announcement, the Land Acquisition Circular, and the Announcement, the Company had acquired the Land with the intention of constructing the solar modules production plant. The Company believes that as the freight and insurance expenses involved in transporting components increase greatly with the distance of transportation, setting up a solar modules production plant near a project location will attract contractors of surrounding projects to purchase the Company’s components. Meanwhile, it can also 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.

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## **LETTER FROM THE BOARD**

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In view of the above, the Directors consider that the terms of the Construction Contract and the Contract Price are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

It is expected that the Contract Price will be financed through internal resources of the Company.

### **IMPLICATIONS UNDER THE GEM LISTING RULES**

As one or more of the applicable percentage ratios calculated pursuant to the GEM Listing Rules exceeds 25%, the Construction Contract and the Transactions 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.

The EGM will be convened to consider and, if thought fit, to approve the Construction Contract and the Transactions.

### **EGM**

Set out on pages 21 to 23 is a notice convening the EGM to be held at 21/F, Block G, Beichen Huiyuan Building, Chaoyang District, Beijing, the People's Republic of China on Friday, 17 February 2023 at 11:00 a.m. (Hong Kong time) for the purpose of considering and, if thought fit, approving each of the Construction Contract and the Transactions.

To the best of the Directors' knowledge, information and belief, as at the Latest Practicable Date, no Shareholder has a material interest in the Construction Contract and the Transactions. Therefore, no Shareholder will be required to abstain from voting on the relevant resolutions at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not Shareholders are able to attend the EGM in person, Shareholders are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 11:00 a.m. (Hong Kong time) on Wednesday, 15 February 2023 or not later than 48 hours before the time appointed for any adjournment of the EGM. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjournment thereof (as the case maybe) should they so wish.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, all votes at the EGM will be taken by poll. The Company will announce the results of the poll in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

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## LETTER FROM THE BOARD

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### CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 14 February 2023 to Friday, 17 February 2023, both days inclusive, during which no transfer of Shares will be effected. In order to be eligible to attend and vote at the EGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. (Hong Kong time) on Monday, 13 February 2023.

### RECOMMENDATION

Having considered the principal factors and reasons discussed above, the Directors are of the view that the terms of the Construction Contract fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group, and in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution for approving the Construction Contract and the Transactions at the EGM.

### ADDITIONAL INFORMATION

Your attention is also drawn to the appendix to this circular.

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

**1. INFORMATION OF GROUP**

The audited consolidated financial statements of the Group for each of the three years ended 31 March 2020, 2021 and 2022, and the unaudited consolidated results of the Group for the six-month period ended 30 September 2022, are disclosed in the following documents which have been published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chinatechindgroup.com](http://www.chinatechindgroup.com)):

- (i) annual report of the Company for the year ended 31 March 2020 published on 26 June 2020 (pages 58 to 151)  
<https://www1.hkexnews.hk/listedco/listconews/gem/2020/0626/2020062601775.pdf>
- (ii) annual report of the Company for the year ended 31 March 2021 published on 29 June 2021 (pages 58 to 145)  
<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0629/2021062902180.pdf>
- (iii) annual report of the Company for the year ended 31 March 2022 published on 30 June 2022 (pages 44 to 131)  
<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0630/2022063000143.pdf>
- (iv) interim report of the Company for the six-month period ended 30 September 2022 published on 11 November 2022 (pages 3 to 18)  
<https://www1.hkexnews.hk/listedco/listconews/gem/2022/1111/2022111101029.pdf>

**2. STATEMENT OF INDEBTEDNESS**

As at the close of business on 30 November 2022, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had the following liabilities:

	<i>RMB'000</i>
Non-trade related payables (unsecured and unguaranteed)	16,337
Other loans (unsecured and unguaranteed)	22,589
Lease liabilities (secured by rental deposits and unguaranteed)	1,578
Convertible bonds (unsecured and unguaranteed)	<u>22,306</u>
Total	<u><u>62,810</u></u>

Save as aforesaid, the Group did not, as at the close of business on 30 November 2022, have any material outstanding (i) debt securities, whether issued and outstanding, authorised or otherwise created but unissued, or term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by the Group or by third parties) or unsecured; (ii) other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured; (iii) mortgage or charges; or (iv) guarantees or other contingent liabilities.

### **3. WORKING CAPITAL**

The Directors are of the opinion that, after due and careful enquiry and after taking into account the existing bank balances and cash, internal resources and also the effect of the Transactions, the Group will have sufficient working capital for its present requirements for a period of at least 12 months from the date of this circular, in the absence of unforeseeable circumstances. The Company has obtained the relevant confirmation as required under Rule 19.66(13) of the GEM Listing Rules.

### **4. FINANCIAL AND TRADING PROSPECTS OF GROUP**

The Group is principally engaged in (i) sales of renewable energy products and (ii) new energy power system integration business.

As disclosed in the Company's interim report for the six-month period ended 30 September 2022 ("2022-1H"), the Group's revenue amounted to approximately RMB42.5 million, representing a decrease of approximately 11.3 per cent as compared with approximately RMB47.9 million recorded for the six-month period ended 30 September 2021 ("2021-1H"), mainly attributable to the decrease in gross profit of the Group. The Group's gross profit margin was approximately 5.2% for the 2022-1H, as compared to approximately 23.7% for the 2021-1H.

The gross profit for the 2022-1H was generated from the sales and installation of solar modules (as disclosed in the announcement of the Company dated 31 March 2022 and the circular of the Company dated 22 April 2022) while the gross profit for the 2021-1H 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 in 2021-1H, and a higher gross profit was recorded in 2021-1H as compared to 2022-1H.

The revenue generated from the sales of renewable energy products was approximately RMB42.5 million for the 2022-1H (2021-1H: approximately RMB47.9 million), accounting for approximately 100.0% of the Group's total revenue (2021-1H: approximately 100%).

There was no revenue generated from the new energy power system integration business during the 2022-1H (2021-1H: Nil).

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.

Considering the PRC government's long-term encouragement on distributed photovoltaic power generation, the Group will continue to look for other solar energy generation projects and new energy power system integration services. The Group has been negotiating and securing new contracts for the new energy power system integration business.

The Group will finance its future business plans by internally generated cash flow and borrowings.

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 returns to the Shareholders.

#### **5. FINANCIAL EFFECTS OF THE CONSTRUCTION CONTRACT ON EARNINGS, ASSETS AND LIABILITIES OF GROUP**

As disclosed above, it is expected that the Contract Price will be financed through internal resources of the Company. After full payment of the Contract Price and Completion of the Works, the cash and cash equivalent of the Group would decrease by approximately RMB42 million, coupled with a corresponding increase in the Group's non-current assets by approximately RMB42 million.

## 1. RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at the Latest Practicable Date, the interests and short positions held by the Directors and the 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 SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short position which they are taken or deemed to have taken under such provisions of the SFO), or which will be required to be entered into the register kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Name of shareholder	Capacity/Nature of interest	Number of Shares held <i>(Note 1)</i>	Approximate percentage of the issued share capital of the Company
Tse Man Kit Keith <i>(Executive Director)</i>	Beneficial Owner	12,489,469 (L)	2.79%

Notes:

- The Letter "L" represents long positions in the Shares or underlying Shares.

Saved as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company and their respective associates had any interests and short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

**(b) Substantial Shareholders' and Other Persons' Interests and Short Positions in the Shares and Underlying Shares**

As at the Latest Practicable Date, the persons or corporations, other than a director or chief executive of the Company, who had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept under section 336 of Part XV of the SFO or had otherwise been notified to the Company were as follows:

Name of shareholder	Capacity/Nature of interest	Number of Shares held	Approximate percentage of the issued share capital of the Company <sup>1</sup>
Huang Bo (Note 3)	Beneficial Owner	86,825,934 (L)	19.37%
Li Xiao Yan* (李曉豔)	Beneficial Owner	59,094,406 (L)	13.19%
Huang Yuan Ming (Note 3)	Beneficial Owner	35,548,238 (L)	7.93%
Hou Hsiao Bing (Note 4)	Beneficial Owner	26,228,000 (L)	5.85%

\* for identification purpose only

Notes:

- The Letter "L" represents long positions in the Shares or underlying Shares.
- As at the Latest Practicable Date, the total issued Shares was 448,176,684 Shares.
- Mr. Huang Yuan Ming is the son of Mr. Huang Bo, a substantial shareholder of the Company.
- Mr. Hou Hsiao Bing was a Director until his retirement on 26 August 2019.

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified of any persons, other than a director or chief executive of the Company, who had interests or short positions in the shares or underlying Shares which would fall to be disclosed to the Company as recorded in the register required to be kept under section 336 of Part XV of the SFO.

### **3. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had, or was proposed to have, a service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

### **4. COMPETING INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

To the best knowledge of the Directors, as at the Latest Practicable Date, none of the Directors nor their respective associates was interested in any business apart from the Group's business which competes or is likely to compete, either directly or indirectly, with the Group's businesses pursuant to the GEM Listing Rules. The Company did not have a controlling shareholder (as defined in the GEM Listing Rules) as at the date of this circular.

### **5A. DIRECTORS' INTERESTS IN ASSETS**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 March 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

### **5B. DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENTS OF SIGNIFICANCE**

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into with any member of the Group subsisting as at the Latest Practicable Date and which is significant in relation to the business of the Group taken as a whole.

### **6. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors confirmed that there has been no material adverse change in financial or trading position of the Group since 31 March 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

## 7. LITIGATION

As at the Latest Practicable Date, (i) there is no winding up petition presented against the Company, (ii) no member of the Group is engaged in any litigation or arbitration of material importance, and (iii) there is no litigation of material importance known to the Directors to be pending against any member of the Group.

## 8. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board comprised three independent non-executive Directors, namely Ms. Ma Xingqin, Ms. Shan Jinlan and Mr. Wang Zhuchen, with Ms. Ma Xingqin acting as the chairman. The primary duties of the audit committee are (among other things) to review and supervise the financial reporting process and internal control procedures of the Group.

Biographical information of each member of the audit committee of the Board are set out below:

### **Ms. Ma Xingqin**

Ms. Ma Xingqin, aged 34, graduated from the China University of Petroleum (中國石油大學(華東)) in the PRC with a Bachelor degree in Accounting and a Master's degree in Management in 2009 and 2011 respectively. Ms. Ma is a member of the Chinese Institute of Certified Public Accountants (non-practising). Ms. Ma has more than ten years' experience in auditing and corporate financial management. Ms. Ma has worked in an accounting firm in the PRC. She was responsible for the accounting work until June 2018 in the Chongqing branch of Aluminum Corporation of China Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2600), the New York Stock Exchange (stock code: ACH) and the Shanghai Stock Exchange (stock code: SH601600). Ms. Ma was appointed as an independent non-executive Director on 19 July 2016.

### **Ms. Shan Jinlan**

Ms. Shan Jinlan, aged 50, received a junior college degree of Finance (Money and Banking) from The Open University of China (formerly known as China Central Radio and TV University\* (中央廣播電視大學)) and obtained the intermediate accounting certificate from the Ministry of Finance of the People's Republic of China in 2004. She previously worked at various companies that specialise in renewable energy and has accumulated extensive experience in finance and accounting. Ms. Shan was appointed as an independent non-executive Director on 1 April 2021.

**Mr. Wang Zhuchen**

Mr. Wang Zhuchen, aged 28, received a Bachelor of Economic Law from Northwest University of Political Science and Law and is a qualified lawyer in the PRC. He has worked at Shaanxi Yunde Law Firm in Shaanxi, the PRC since 2016 and has accumulated diverse experience in civil and commercial cases, construction-related matters and corporate related matters. Mr. Wang was appointed as an independent non-executive Director on 1 April 2021.

**9. MATERIAL CONTRACTS**

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the members of the Group within two years immediately preceding the issue of this circular:

- (a) the land acquisition agreement dated 15 April 2022 entered into between Hebei Zhonghua Energy Equipment Co., Limited\* (河北眾鐸能源裝備有限公司) and Fengning Manchu Autonomous County Natural Resources and Planning Bureau\* (豐寧滿族自治縣自然資源和規劃局) in relation to the sale of the land use rights in the Land Parcels no. 2022003, near Man Tang Village, Da Ge Town, Fengning Manchu Autonomous County, Chengde City, Hebei Province, the PRC\* (中華人民共和國河北省承德市豐寧滿族自治縣大閣鎮滿堂村，宗地編號2022003);
- (b) the loan agreement dated 27 June 2022 entered into between Xizang Lineng Solar Photovoltaic Technology Company Limited\* (西藏立能光伏科技有限公司) (“**Xizang Lineng**”) and Zhangbei Zhihui Energy Internet Demonstration Power Station Co., Ltd.\* (張北智慧能源互聯網示範電站有限公司) (“**Zhangbei Zhihui Energy**”) in relation to the loan provided by Xizang Lineng to Zhangbei Zhihui Energy between 13 August 2021 to 30 June 2022 in the principal amount of RMB7,010,000;
- (c) the loan agreement dated 27 June 2022 entered into between 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**”) and Zhangbei Zhihui Energy in relation to the loan provided by Shaanxi Baike to Zhangbei Zhihui Energy between 29 September 2021 to 30 June 2022 in the principal amount of up to RMB54,000,000; and
- (d) the Construction Contract.

Save from the above, as at the Latest Practicable Date, no contracts (contracts not being entered into in the ordinary course of business carried on or intended to be carried on by the Group) were entered into by the members of the Group within the two years immediately preceding the date of this circular and which is or may be material.

**10. GENERAL**

- (i) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (ii) The head office and principal place of business of the Company in Hong Kong is at Suite 704, 7th Floor, Ocean Centre, Harbour City, Kowloon, Hong Kong.
- (iii) The company secretary is Ms. Chan Mi Ling, Anita who is a certified public accountant registered with the Hong Kong Institute of Certified Public Accountants, a fellow member of the Institute of Chartered Accountants in England and Wales and a fellow member of the Association of Chartered Certified Accountants. Ms. Chan Mi Ling, Anita holds a Master degree in Business Administration from the University of Western Sydney in Australia and a Master degree in Professional Accounting from Jinan University in the People's Republic of China.
- (iv) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (v) The compliance officer of the Company is Ms. Hu Xin, an executive Director of the Company.
- (vi) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

**11. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chinatechindgroup.com](http://www.chinatechindgroup.com)) for 14 days from the date of this circular:

- (i) the Construction Contract; and
- (ii) this circular.

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## NOTICE OF EGM

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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)

**NOTICE IS HEREBY GIVEN THAT** an extraordinary general meeting (the “**EGM**”) of China Technology Industry Group Limited (the “**Company**”) will be held at 21/F, Block G, Beichen Huiyuan Building, Chaoyang District, Beijing, the People’s Republic of China on Friday, 17 February 2023 at 11:00 a.m. (Hong Kong time) for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions as ordinary resolutions of the Company:

### **ORDINARY RESOLUTION**

**“THAT:**

1. the construction contract dated 9 November 2022 entered into between Hebei Zhonghua Energy Equipment Co., Limited\* (河北眾鐸能源裝備有限公司) and Hebei Hengshan Construction Group Limited\* (河北恒山建設集團有限公司) in relation to, among other things, the construction of a solar modules production plant (the “**Construction Contract**”), and the transactions contemplated thereunder, be and are hereby approved and confirmed; and
2. any one director of the Company be and is hereby generally and unconditionally authorised to do all such acts and things, to sign and execute all such documents for and on behalf of the Company as they may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Construction Contract and the transactions contemplated thereunder.

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

Hong Kong, 20 January 2023

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## NOTICE OF EGM

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*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal place of business in Hong Kong:*

Suite 704, 7th Floor,  
Ocean Centre,  
Harbour City,  
Kowloon,  
Hong Kong

*Notes:*

1. A shareholder of the Company (the “**Shareholder**”) entitled to attend and vote at the EGM is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his/her/its stead. A Shareholder who is the holder of two or more shares of the Company (the “**Shares**”) may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at a general meeting of the Company. A proxy needs not be a Shareholder. In addition, a proxy shall be entitled to exercise the same powers on behalf of a Shareholder which is a corporation and for which he/she acts as proxy as such Shareholder could exercise if it were an individual Shareholder.
2. For determining the entitlement of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 14 February 2023 to Friday, 17 February 2023, both days inclusive, during which no transfer of the Shares will be effected. In order to be entitled to attend and vote at the EGM, all share transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 13 February 2023.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
4. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 11:00 a.m. on Wednesday, 15 February 2023 or not later than 48 hours before the time appointed for any adjourned meeting of the EGM.
5. Completion and return of a form of proxy will not preclude a Shareholder from attending and voting in person at the EGM or any adjournment thereof and in such event, the form of proxy shall be deemed to be revoked.
6. In the case of joint holders of any Share, any one of such joint holders may vote at the EGM, either personally or by proxy, in respect of such share as if he/she/it was solely entitled thereto; but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
7. In compliance with the GEM Listing Rules, all resolutions to be proposed at the EGM will be voted by way of poll.
8. References to time and dates in this notice are to Hong Kong time and dates.

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## NOTICE OF EGM

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*As at the date of this notice, the Directors are as follows:*

*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 notice, 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 notice 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 notice misleading.*

*This notice will remain on the website of the Company at [www.chinatechindgroup.com](http://www.chinatechindgroup.com) and the website of GEM at [www.hkexnews.hk](http://www.hkexnews.hk) on the “Latest Company Announcements” page for at least seven days from the date of its posting.*