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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)

**DISCLOSEABLE TRANSACTION**  
**IN RELATION TO ACQUISITION OF ASSETS AND LICENCE AGREEMENT**

**THE ACQUISITION AND THE LICENCE**

The Board is pleased to announce that on 21 November 2024 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, entered into:

- (a) the Sale and Purchase Agreement with the Seller, pursuant to which the Seller has agreed to sell, and the Purchaser has agreed to acquire, the Sale Assets, being solar panel power generation system and equipment, in order for the Purchaser to participate in the Feed-in Tariff Scheme of CLP Power. The Consideration for the Acquisition is HK\$4,700,000; and
- (b) the Licence Agreement with the Seller, pursuant to which the Seller agreed to licence to the Purchaser the right to use and occupy the rooftop of the Licensed Premises for a term commencing from the date of the Licence Agreement and ending on the date falling on the 9<sup>th</sup> anniversary date of the date of the Licence Agreement or the official end date of Feed-in Tariff Scheme of CLP Power or the end date of the renewed period of such Feed-in Tariff Scheme, whichever is earlier.

Upon Completion, the Purchaser will own the Sale Assets and will participate in the Feed-in Tariff Scheme of CLP Power with a view of selling the renewable energy generated to CLP Power to generate revenue for the Group. The Purchaser will primarily use the rooftop of the Licensed Premises to install and operate the Sale Assets.

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

Pursuant to HKFRS 16, as a result of the entering into of the Licence Agreement, the Group shall recognise the yearly licence fee payable in relation to the Licensed Premises as right-of-use asset in the consolidated financial statements of the Company. Therefore, the entering into of the Licence Agreement and the transactions contemplated thereunder will be regarded as an acquisition of asset by the Group under the GEM Listing Rules. The aggregated estimated value of the right-of-use asset to be recognised by the Company under the Licence Agreement shall amount to approximately HK\$2.45 million, being the present value of the aggregate licence fee payments using the rate applicable at the commencement date of the Licence Agreement in accordance with HKFRS 16. The discount rate of approximately 7.15% per annum is applied to compute the present value of aggregate licence fee payments under the Licence Agreement. The above figure is unaudited and may be subject to adjustment in the future.

As the Previous Licence, the Acquisition and the Licence took place within a 12-month period, the Previous Licence, the Acquisition and the Licence shall be aggregated as a series of transactions pursuant to Rule 19.22 of the GEM Listing Rules. As one or more of the applicable percentage ratios as set out in Rule 19.07 of the GEM Listing Rules in respect of the Acquisition and the Licence when aggregated with the Previous Licence exceeds 5% but all of them are less than 25%, the Acquisition and the Licence when aggregated with the Previous Licence, constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

## **INTRODUCTION**

The Board is pleased to announce that on 21 November 2024 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, entered into:

- (a) the Sale and Purchase Agreement with the Seller, pursuant to which the Seller has agreed to sell, and the Purchaser has agreed to acquire, the Sale Assets, being solar panel power generation system and equipment, in order for the Purchaser to participate in the Feed-in Tariff Scheme of CLP Power. The Consideration for the Acquisition is HK\$4,700,000; and
- (b) the Licence Agreement with the Seller, pursuant to which the Seller agreed to licence to the Purchaser the right to use and occupy the rooftop of the Licensed Premises for a term commencing from the date of the Licence Agreement and ending on the date falling on the 9<sup>th</sup> anniversary date of the date of the Licence Agreement or the official end date of Feed-in Tariff Scheme of CLP Power or the end date of the renewed period of such Feed-in Tariff Scheme, whichever is earlier.

## A. THE ACQUISITION

The principal terms of the Sale and Purchase Agreement are set out below:

Date: 21 November 2024

Parties: (i) the Seller (as the seller of the Sale Assets); and  
(ii) the Purchaser (as the purchaser of the Sale Assets)

Assets to be acquired: Pursuant to the Sale and Purchase Agreement, the Purchaser agreed to acquire, and the Seller agreed to sell the Sale Assets, being solar panel power generation system and equipment to be installed at the Licensed Premises, free from all encumbrances. The Sale Assets are sold on an “as in” basis.

Consideration: The Consideration of HK\$4,700,000 shall be payable by the Purchaser by way of cash as follows:

- (i) 50% of the Consideration, being HK\$2,350,000, shall be payable on Completion; and
- (ii) the remaining balance, being HK\$2,350,000 shall be payable on the third business day upon completion of the change of the power meter to the Sale Assets to the name of the Purchaser.

The Consideration was determined after arm’s length negotiations between the Purchaser and the Seller having regard or with reference to revenue of the Sale Assets previously generated and the expected payback period. The Consideration shall be funded by internal resources of the Group.

Completion: Completion of the Acquisition shall take place on the same day as the date of the Sale and Purchase Agreement. On Completion, the Sale Assets together with other related documents of the Sale Assets shall be delivered by the Seller to the Purchaser by way of physical delivery at the Licensed Premises.

## **B. THE LICENCE**

The principal terms of the Licence Agreement are set out below:

- Date: 21 November 2024
- Parties: (i) the Seller (as the tenant and the licensor of the Licensed Premises); and  
(ii) the Purchaser (as the licensee of the Licensed Premises)
- Licensed Premises: The rooftop of the warehouse(s) located at the following addresses:
- (1) DD129, Lot 3173B, Yuen Long, Hong Kong;
  - (2) DD129, Lot 3173C, Yuen Long, Hong Kong;
  - (3) DD129, Lot 3176, Yuen Long, Hong Kong;
  - (4) DD129, Lots 3178 and 3187RP, Yuen Long, Hong Kong;
  - (5) DD129, Lot 3184, Yuen Long, Hong Kong;
  - (6) DD129, Lots 3177 and 3185, Yuen Long, Hong Kong;
  - (7) DD129, Lot 3175, Yuen Long, Hong Kong;
  - (8) DD129, Lot 3200RP, Yuen Long, Hong Kong;
  - (9) DD129, Lot 3201RP, Yuen Long, Hong Kong; and
  - (10) DD129, Lot 3206RP, Yuen Long, Hong Kong
- Term: The term of the Licence for a term commencing from the date of the Licence Agreement and ending on the date falling on the 9<sup>th</sup> anniversary date of the date of the Licence Agreement or the official end date of Feed-in Tariff Scheme of CLP Power or the end date of the renewed period of such Feed-in Tariff Scheme, whichever is earlier.

Licence fee payable: The yearly licence fee during the term of the Licence during the term of the Licence Agreement is HK\$350,000. The yearly licence fee, which shall be pro-rated for any incomplete year, for the first and second year is payable upon CLP Power completes registration of the power meter into the name of the Purchaser and the yearly licence fee for the subsequent years is payable by the Purchaser to the Seller within the first week of the anniversary date of the Licence Agreement. If the Purchaser fails to pay the yearly licence fee within 30 days after the due date, the Purchaser shall pay an overdue fee at the rate of 3% of the yearly licence fee. If the Purchaser fails to pay the yearly licence fee within 90 days after the due date, the Purchaser shall pay an overdue fee at the rate of 8% of the yearly licence fee.

The yearly licence fee of HK\$350,000 was determined after arms-length negotiations between the Seller and the Purchaser with reference to the rooftop area of the Licensed Premises, the agreed licence fee for the Previous Licence entered into with the Seller and the expected payback period.

Use of the Licensed Premises: The rooftop of the Licensed Premises will be used by the Purchaser to install and operate the Sale Assets, being solar panel power generation system and equipment to participate in the Feed-in Tariff Scheme of CLP Power.

## **Undertakings of the Seller**

The Seller undertakes to the Purchaser, among others, to

- (i) allow the Purchaser the right of access, the right to jointly use the Licensed Premises, and shall continue to be responsible for and pay all fees, costs and expenses of the Licensed Premises (including but not limited to rates, property tax, government rent, building maintenance costs and land premium) related to the property;
- (ii) pay the monthly electricity bill in cash to the Licensee for actual electricity consumed by the Seller, on or before the 7th day after the monthly electricity bill is issued; and
- (iii) purchase the entire set of the solar panel power generation system and equipment at the agreed price between the Licensor and the Licensee, ranging from HK\$5,400,000 in the first year to HK\$4,320,000 in the fifth year, if the Licence under the Licence Agreement is early terminated before the expiration of the term of the Licence under the Licence Agreement due to reasons attributable to the Seller.

## **INFORMATION OF THE PARTIES**

### **The Company, the Group and the Purchaser**

The Company is an investment holding company. The Group is principally engaged in (i) sales of renewable energy products; and (ii) new energy power system integration business, in the PRC. The Purchaser is a wholly-owned subsidiary of the Company incorporated under the laws of Hong Kong and is principally engaged in the business of operation of solar power plants.

### **The Seller**

The Seller is Hundred Year Engineering Limited, which is primarily engaged in property leasing business. The Seller is a company incorporated under the laws of Hong Kong and is ultimately owned by Wong Shing Tong and Yiu Sai Foon both being residents of Hong Kong as to 66.67% and 33.33%, respectively. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Seller and its ultimate beneficial owner(s) are Independent Third Parties.

## **REASONS AND BENEFITS OF THE ACQUISITION AND THE LICENCE**

The Group intends to acquire the Sale Assets, being solar panel power generation system and equipment, which will be installed and operated on the rooftop of the Licensed Premises to participate in the Feed-in Tariff Scheme of CLP Power with a view of selling the renewable energy generated to CLP Power to generate revenue for the Group. By entering into the Licence Agreement, the Group will be able to access and use the Licensed Premises currently leased and occupied by the Licensor as its warehouse for the abovementioned purposes.

The Directors (including all the independent non-executive Directors) consider that (i) the Acquisition, the Sale and Purchase Agreement, its terms and the transactions contemplated thereunder (including, the Consideration); and (ii) the Licence Agreement, its terms and the transactions contemplated thereunder (including, among other things, the maximum total amount payable for the licence fees under the Licence Agreement), are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and its shareholders as a whole.

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

Pursuant to HKFRS 16, as a result of the entering into of the Licence Agreement, the Group shall recognise the yearly licence fee payable in relation to the Licensed Premises as right-of-use asset in the consolidated financial statements of the Company. Therefore, the entering into of the Licence Agreement and the transactions contemplated thereunder will be regarded as an acquisition of asset by the Group under the GEM Listing Rules. The aggregated estimated value of the right-of-use asset to be recognised by the Company under the Licence Agreement shall amount to approximately HK\$2.45 million, being the present value of the aggregate licence fee payments using the rate applicable at the commencement date of the Licence Agreement in accordance with HKFRS 16. The discount rate of approximately 7.15% per annum is applied to compute the present value of aggregate licence fee payments under the Licence Agreement. The above figure is unaudited and may be subject to adjustment in the future.

As the Previous Licence, the Acquisition and the Licence took place within a 12-month period, the Previous Licence, the Acquisition and the Licence shall be aggregated as a series of transactions pursuant to Rule 19.22 of the GEM Listing Rules. As one or more of the applicable percentage ratios as set out in Rule 19.07 of the GEM Listing Rules in respect of the Acquisition and the Licence when aggregated with the Previous Licence exceeds 5% but all of them are less than 25%, the Acquisition and the Licence when aggregated with the Previous Licence, constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Acquisition”	the acquisition of the Sale Assets by the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement
“Board”	the board of Directors
“CLP Power “	CLP Power Hong Kong Limited, being one of the power companies in Hong Kong, and an Independent Third Party
“Company”	China Technology Industry Group Limited, an exempted company incorporated in the Cayman Islands with limited liabilities, the Shares of which are listed on GEM of the Stock Exchange (Stock Code: 8111)
“Completion”	the completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement

“Connected Person(s)”	has the meaning ascribed to it under GEM Listing Rules
“Consideration”	the sum of HK\$4,700,000, being the purchase price of the Sale Assets
“Directors”	the directors of the Company
“Feed-in Tariff Scheme”	the new initiative between the Hong Kong Government with two power companies to promote the development of renewable energy pursuant to which people who install solar or wind energy generation systems at their premises can charge the power companies at a rate higher than the normal electricity tariff rate
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	collectively, the Company and its subsidiaries from time to time
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“HKFRS 16”	Hong Kong Financial Reporting Standard 16 “Leases” issued by the Hong Kong Institute of Certified Public Accountants
“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, to the best of the Directors’ knowledge, information and belief having made all reasonable enquires, is/are not connected persons of the Company and is/are third party independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Licence”	the licence granted by Licensor to the Licensee under the Licence Agreement to use and occupy the Licensed Premises for a term commencing from the date of the Licence Agreement and ending on the date falling on the 9 <sup>th</sup> anniversary date of the date of the Licence Agreement or the official end date of Feed-in Tariff Scheme of CLP Power or the end date of the renewed period of such Feed-in Tariff Scheme, whichever is earlier



“Licence Agreement”	the agreement dated 21 November 2024 entered into between the Seller and the Purchaser in relation to the Licence
“Licensed Premises”	<p>the warehouse(s) located at the following addresses:</p> <ol style="list-style-type: none"> <li>(1) DD129, Lot 3173B, Yuen Long, Hong Kong;</li> <li>(2) DD129, Lot 3173C, Yuen Long, Hong Kong;</li> <li>(3) DD129, Lot 3176, Yuen Long, Hong Kong;</li> <li>(4) DD129, Lots 3178 and 3187RP, Yuen Long, Hong Kong;</li> <li>(5) DD129, Lot 3184, Yuen Long, Hong Kong;</li> <li>(6) DD129, Lots 3177 and 3185, Yuen Long, Hong Kong;</li> <li>(7) DD129, Lot 3175, Yuen Long, Hong Kong;</li> <li>(8) DD129, Lot 3200RP, Yuen Long, Hong Kong;</li> <li>(9) DD129, Lot 3201RP, Yuen Long, Hong Kong; and</li> <li>(10) DD129, Lot 3206RP, Yuen Long, Hong Kong</li> </ol>
“PRC”	the People’s Republic of China, which for the purpose of this announcement and for geographical reference only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Previous Licence”	the previous licence granted by the Seller to the Purchaser under the licence agreement dated 30 September 2024 to use and occupy the warehouse located at DD125, Lot 844RP, Tin Shui Wai New Village, Ping Shan, Yuen Long, Hong Kong
“Purchaser”	China Technology Industry Investment Limited, a company incorporated under the laws of Hong Kong and an indirect wholly-owned subsidiary of the Company, being the purchaser of the Sale Assets and the licensee of the Licensed Premises

“Sale Assets”	the solar panel power generation system and equipment to be installed on the rooftop of the Licensed Premises
“Sale and Purchase Agreement”	the agreement dated 21 November 2024 entered into between the Seller and the Purchaser in relation to the Acquisition
“Seller”	Hundred Year Engineering Limited, a private limited company incorporated under the laws of Hong Kong and an Independent Third Party, being the owner of the Sale assets and the existing tenant and licensor of the Licensed Premises
“Shareholder(s)”	holder(s) of the ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board  
**China Technology Industry Group Limited**  
**Huang Bo**  
*Chairman*

Hong Kong, 21 November 2024

*As at the date of this announcement, the Board comprises five Executive Directors, namely Mr. Huang Bo (Chairman), Mr. Huang Yuanming, Ms. Zhang Jinhua, Mr. Tse Man Kit, Keith and Ms. Hu Xin and three Independent Non-Executive Directors, namely Mr. Cheung Ting Kin, Ms. Ma Xingqin and Mr. Qiao Wencai.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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 document misleading.*

*This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the date of its publication and on the Company’s website at [www.chinatechindgroup.com](http://www.chinatechindgroup.com).*