
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 stock broker, or other licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in the Company, you should at once hand this circular with the accompanying form of proxy to the purchaser or the transferee or to the bank, stock broker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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This circular appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities in the Company.



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
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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

A notice convening the EGM to be convened at Turquoise Room, 3rd Floor, Gateway Hotel, Harbour City, 13 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 16 December 2020 at 11:00 a.m. (Hong Kong time) is set out on pages EGM-1 to EGM-3 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 Monday, 14 December 2020 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.chinatechsolar.com and the website of GEM of the Stock Exchange at www.hkgem.com on the "Latest Company Announcements" page for at least seven days from the date of its posting.

24 November 2020

CHARACTERISTICS OF GEM

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.

PRECAUTIONARY MEASURES FOR THE EGM

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 Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Chapter 599G of the Laws of Hong Kong) and the recent development of the epidemic caused by COVID-19, 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 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 person who (a) has travelled outside Hong Kong within 14 days immediately before the EGM ("recent travel history"), (b) is subject to quarantine or self-quarantine in relation to COVID-19, or (c) has close contact with any person under quarantine or with recent travel history shall not attend the EGM.
- (v) Any attendee who does not comply with the abovementioned measures will not be admitted to the EGM venue.
- (vi) No refreshments, corporate gifts or souvenirs will be served or distributed at the EGM.

PRECAUTIONARY MEASURES FOR THE EGM

The Company will closely monitor the development of the COVID-19 pandemic and any regulations or measures introduced or to be introduced by the Hong Kong government in relation to COVID-19 pandemic. The Company will ensure that the EGM will be conducted in compliance with the regulations or measures of the Hong Kong 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

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

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“CCB”	China Construction Bank Corporation (中國建設銀行股份有限公司)
“close associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“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 held at Turquoise Room, 3rd Floor, Gateway Hotel, Harbour City, 13 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 16 December 2020 at 11:00 a.m. (Hong Kong time) to consider and, if thought fit, to ratify and approve the Subscription
“GEM”	the GEM of the Stock Exchange
“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 of the PRC

DEFINITIONS

“Latest Practicable Date”	18 November 2020, being the latest practicable date prior to the printing of this circular for purpose of ascertaining certain information contained herein
“PRC”	the People’s Republic of China, which, for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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
“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“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

* *For identification purpose only*

LETTER FROM THE BOARD



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

Meng Xianglin

Dong Guangwu

Principal place of business in Hong Kong:

Suite 704

7th Floor

Ocean Centre

Harbour City

Kowloon

Hong Kong

24 November 2020

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION – SUBSCRIPTION OF WEALTH
MANAGEMENT PRODUCT
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A. INTRODUCTION

Reference is made to the announcement of the Company dated 15 October 2020 in relation to the Acquisition.

LETTER FROM THE BOARD

The purpose of this circular is to provide Shareholders with (i) details of the Subscription, (ii) other information as required under the GEM Listing Rules and (iii) a notice convening the EGM.

B. SUBSCRIPTION

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. As of the Latest Practicable Date, the principal amount redeemed and the interest earned are used as general deposits at bank.

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

LETTER FROM THE BOARD

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 1:00 am to 3:30 pm 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

Expected annualised yield rate : 2.3% if the term of subscription is not less than seven days and not more than 13 days

CCB Shaanxi Branch may adjust the expected annualised yield rate in view of the prevailing market condition.

Return calculation : $\text{Return} = \text{principal of subscription} \times \text{actual annualised yield rate} \times \text{number of days of subscription} / 365$

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

LETTER FROM THE BOARD

C. 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.

D. 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.

E. INFORMATION OF PARTIES

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.

LETTER FROM THE BOARD

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.

F. 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 circular to provide details of the Subscription.

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;

LETTER FROM THE BOARD

- 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.

G. EGM

Set out on pages EGM-1 to EGM-3 is a notice convening the EGM to be held at Turquoise Room, 3rd Floor, Gateway Hotel, Harbour City, 13 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong, on Wednesday, 16 December 2020 at 11:00 a.m. (Hong Kong time) for the purpose of considering and, if thought fit, ratifying and approving the Subscription.

Any Shareholder who is interested in the Subscription shall abstain from voting on the resolution to ratify and approve the Subscription at the EGM. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder is interested in the Subscription and will be required to abstain from voting on the resolution to ratify and approve the Subscription 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 Monday, 14 December 2020 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.

LETTER FROM THE BOARD

H. 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 11 December 2020 to 16 December 2020, 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 10 December 2020.

I. RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM to ratify and approve the Subscription.

J. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

1. FINANCIAL INFORMATION OF GROUP

The audited consolidated financial statements of the Group for each of the three years ended 31 March 2018, 2019 and 2020 and the unaudited consolidated results of the Group for the three months ended 30 June 2020 and for the six months ended 30 September 2020 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chinatechsolar.com):

- (i) annual report of the Company for the year ended 31 March 2018 published on 28 June 2018 (pages 62 to 133)
<https://www1.hkexnews.hk/listedco/listconews/gem/2018/0628/gln20180628283.pdf>
- (ii) annual report of the Company for the year ended 31 March 2019 published on 1 July 2019 (pages 64 to 155)
<https://www1.hkexnews.hk/listedco/listconews/gem/2019/0701/gln20190701013.pdf>
- (iii) annual report of the Company for the year ended 31 March 2020 published on 26 June 2020 (pages 64 to 151)
<https://www1.hkexnews.hk/listedco/listconews/gem/2020/0626/2020062601775.pdf>
- (iv) first quarterly report of the Company for the three months ended 30 June 2020 published on 14 August 2020 (pages 9 to 14)
<https://www1.hkexnews.hk/listedco/listconews/gem/2020/0814/2020081401446.pdf>
- (v) interim report of the Company for the six months ended 30 September 2020 (pages 3 to 20)
<https://www1.hkexnews.hk/listedco/listconews/gem/2020/1112/2020111201128.pdf>

2. STATEMENT OF INDEBTEDNESS

As at 30 September 2020, 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 indebtedness:

	<i>RMB'000</i>
Non-trade related payables (unsecured and unguaranteed)	39,647
Other loans (unsecured and unguaranteed)	5,173
Lease liabilities (secured by rental deposits and unguaranteed)	1,887
Convertible bonds (unsecured and unguaranteed)	<u>35,428</u>
 Total	 <u><u>82,135</u></u>

Save as aforesaid, the Group did not, as at 30 September 2020, 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 in relation to Wealth Management Product, 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.

4. FINANCIAL AND TRADING PROSPECTS 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.

As disclosed in the Company's annual report for the year ended 31 March 2020, the decrease in revenue was due to a drop in the sales of solar power related products from approximately RMB80.0 million for the year ended 31 March 2019 to approximately RMB25.8 million for the year ended 31 March 2020, as well as the decrease in revenue derived from the rendering of new energy power system integration services from approximately RMB82.8 million for the year ended 31 March 2019 to approximately RMB65.3 million for the year ended 31 March 2020, as a result of the impact of the outbreak (the "**Outbreak**") of coronavirus disease (COVID-19) and the implementation of various control measures in the PRC where people in the PRC had been restricted from returning to work since the Outbreak and no work could be conducted at construction sites.

The Group's gross profit margin was approximately 9.5% for the year ended 31 March 2020, as compared to approximately 21.9% for the year ended 31 March 2019. The decrease in the gross profit margin was attributable to the increase in cost for the new energy power system integration business due to the severe climate conditions in the PRC during the year ended 31 March 2020.

The revenue generated from the sales of solar power related products was approximately RMB25.8 million for the year ended 31 March 2020 (2019: approximately RMB80.0 million), accounting for approximately 28.3% of the Group's total revenue (2019: approximately 49.1%). The decrease in the revenue was because the delivery of the solar power related products was suspended and no revenue arising from the sales of solar power related products was recorded from 1 January 2020 to 31 March 2020 due to the Outbreak.

The revenue generated from the new energy power system integration business was approximately RMB65.3 million during the year ended 31 March 2020 (2019: RMB82.8 million). The decrease in revenue was because no construction work was conducted and no revenue was generated from the new energy power system integration business from 1 January 2020 to 31 March 2020 due to the Outbreak.

There was no revenue generated from the sales of self-service ATM systems and printing systems during the year ended 31 March 2020 (2019: Nil).

There was no revenue generated from the provision of hardware and software technical support services during the year ended 31 March 2020 (2019: Nil).

The Group has been identifying and exploring other business opportunities so as to diversify the Group's business into the wind power generation projects with growth potential and to broaden its sources of income to bring return to the Group and the Shareholders.

On 9 April 2020 and 2 May 2020, the Group had entered into three supply contracts with a PRC state-owned entity (the "**Purchaser**") pursuant to which the Group agreed to (i) sell and the Purchaser agreed to purchase towers for wind turbines and provide to the Purchaser technical services associated with the wind power projects for which the towers for wind turbines will be used, at an aggregate consideration of approximately RMB249.6 million; and (ii) sell and the Purchaser agreed to purchase mounting required under a construction project of a solar photovoltaic power station at a consideration of approximately RMB65.8 million. These transactions and matters contemplated thereunder are expected to be completed by 31 March 2021. The Board believes that these transactions represent a good opportunity in the renewable energy business.

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 SUBSCRIPTION ON EARNINGS, ASSETS AND LIABILITIES OF GROUP

The Wealth Management Product was recorded as a financial asset at fair value through profit or loss. The fair value of the Wealth Management Product amounted to an unaudited amount of RMB40,000,000 as at 30 September 2020 with corresponding interest income in the amount of RMB22,685 for the period from 30 September 2020 to 8 October 2020. As of the Latest Practicable Date, the Wealth Management Product was redeemed, and the principal amount redeemed and the interest earned are used as general deposits at bank.

There is no financial effect of the Subscription on the liabilities of the Group.

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 of the Directors and chief executive of the Company and their respective associates 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, were as follows:

Long position in the Shares

Name of Director	Capacity/ Nature of interest	Number of Shares held	Approximate percentage of the issued share capital of the Company¹
Tse Man Kit Keith	Beneficial owner	12,437,348	0.56%

Note:

1. As at the Latest Practicable Date, the total issued Shares was 2,240,883,423.

Save 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 of the Company 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:

Long position in the Shares

Name of Shareholder	Capacity/ Nature of interest	Number of Shares held	Approximate percentage of the issued share capital of the Company ¹
Huang Bo	Beneficial owner	434,129,674	19.37%
Li Xiaoyan* (李曉豔)	Beneficial owner	295,472,031	13.19%
Huang Yuan Ming	Beneficial owner	177,741,194	7.93%
Hou Hsiao Bing ²	Beneficial owner	131,140,000	5.85%

Notes:

1. As at the Latest Practicable Date, the total issued Shares was 2,240,883,423.
2. 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 of the Company 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 close 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 2020 (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 2020 (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 or threatened against any member of the Group.

8. 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) Ms. Hu Xin, an executive Director, is the compliance officer of the Company.
- (iv) The company secretary of the Company 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.
- (v) The principal share registrar and transfer office of the Company is SMP Partners (Cayman) Limited, 3rd Floor, Royal Bank House, 24 Shedden Road, P.O. Box 1586, Grand Cayman KY1-1110, Cayman Islands.
- (vi) 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.
- (vii) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

9. AUDIT COMMITTEE

The Company established the Audit Committee on 13 December 2000 with written terms of reference (revised in December 2018) made in accordance with Rules 5.28 to 5.33 of the GEM Listing Rules and posted on the websites of the Company and the Stock Exchange. As at the Latest Practicable Date, the Audit Committee comprises three members, Ms. Ma Xingqin, Mr. Meng Xianglin and Mr. Dong Guangwu, being all the independent non-executive Directors. The Audit Committee's principal duties are to review and supervise the financial reporting process and internal control procedures of the Group.

Ms. Ma Xingqin, aged 32, 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 eight 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.

Mr. Meng Xianglin, aged 56, graduated from Beijing College of Economics (北京經濟學院)(currently known as Capital University of Economics and Business (首都經濟貿易大學)) and obtained a Bachelor's degree in Economics in 1987. After his graduation, Mr. Meng worked as a staff of the All-China Federation of Industry & Commerce (中華全國工商業聯合會) until 1992. From 1992 to 2001, he worked as a reporter, an editor and the chief editor at Zhong Hua Gong Shang Shi Bao She (中華工商時報社). In 2000, he was granted with the qualification of senior editor (主任編輯) by the General Administration of Press and Publication of the PRC. From 2001 onwards, Mr. Meng is the chief executive officer of an investment company in Beijing. Mr. Meng is experienced in the media and publishing industry as well as investment. Mr. Meng was appointed as an independent non-executive Director on 27 November 2012.

Mr. Dong Guangwu, aged 48, graduated from Gangsu Agricultural University (甘肅農業大學) and obtained a Bachelor's degree in Agriculture in 1995. In 1996, Mr. Dong studied economic law on a part-time basis in the Northwest Institute of Politics and Law (西北政法學院)(currently known as Northwest University of Politics and Law (西北政法大學)) and graduated in 1998. In 1998, Mr. Dong was granted the Chinese Lawyers Qualification Certificate (中國律師資格證書) by the Judicial Department of the PRC. Mr. Dong has been a practicing lawyer for more than 20 years and is currently a partner of a law firm in the PRC. Mr. Dong was appointed as an independent non-executive Director on 27 November 2012.

10. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Group within the two years immediately preceding the date of this circular and are or may be material:

- (i) the sale and purchase agreement (the “**Sale and Purchase Agreement**”) entered into on 20 December 2019 between the Company and Tianjin Xinqing Solar Photovoltaic Technology Limited* (天津市新慶光伏科技有限公司, the “**Vendor**”) pursuant to which the Company conditionally agreed to acquire and the Vendor conditionally agreed to dispose of 40% equity interests in Tianjin Hengqing Photovoltaic Technology Limited* (天津恒慶光伏科技有限公司) at a consideration of RMB26,500,000 which would be satisfied by way of the allotment and issue of 295,472,031 new shares of the Company (the “**Consideration Shares**”) to the Vendor or its nominee(s) at HK\$0.1 per share and credited as fully paid;
- (ii) the supplemental agreement to the Sale and Purchase Agreement entered into on 17 January 2020 between the Company and the Vendor pursuant to which the Company and the Vendor confirmed that the number of Consideration Shares would remain unchanged, would not be adjusted and would not be subject to any further adjustment;
- (iii) the subscription agreement entered into on 3 July 2020 between the Company and Mr. Huang Yuan Ming (“**Mr. Huang**”) pursuant to which (i) the Company conditionally agreed to allot and issue and Mr. Huang conditionally agreed to subscribe for up to 99,994,980 new shares of the Company at HK\$0.1 per share, and (ii) the subscription amount payable by Mr. Huang shall be satisfied by capitalising the amount owed by the Group to Mr. Huang of approximately HK\$9,624,859; and
- (iv) the subscription agreement entered into on 3 July 2020 between the Company and Mr. Tse Man Kit Keith (“**Mr. Tse**”) pursuant to which (i) the Company conditionally agreed to allot and issue and Mr. Tse conditionally agreed to subscribe for up to 12,587,857 new shares of the Company at HK\$0.1 per share, and (ii) the subscription amount payable by Mr. Tse shall be satisfied by capitalising the amount owed by the Group to Mr. Tse of approximately HK\$1,225,817.

* For identification purpose only

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours from 9:00 a.m. to 12:30 p.m. and from 2:00 p.m. to 5:30 p.m. (other than Saturdays, Sundays and public holidays in Hong Kong) at the principal place of business of the Company in Hong Kong at Suite 704, 7th Floor, Ocean Centre, Harbour City, Kowloon, Hong Kong from the date of this circular up to and including the date of the EGM:

- (i) the memorandum and articles of association of the Company;
- (ii) the annual reports of the Company for each of the two financial years ended 31 March 2019 and 31 March 2020;
- (iii) the first quarterly report of the Company for the three months ended 30 June 2020;
- (iv) the interim report of the Company for the six months ended 30 September 2020;
- (v) copies of each of the material contracts referred to in section headed “10. MATERIAL CONTRACTS” in this appendix;
- (vi) the Company’s circular dated 28 July 2020 in relation to, among other things, the Loan Capitalisation (as defined therein); and
- (vii) this circular.

NOTICE OF EGM



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 OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**EGM**”) of China Technology Industry Group Limited (the “**Company**”) will be held at Turquoise Room, 3rd Floor, Gateway Hotel, Harbour City, 13 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 16 December 2020 at 11:00 a.m. (Hong Kong time) for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

1. “**THAT**

The subscription of China Construction Bank Corporation 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) by Hami Dongke New Energy Technology Development Co., Ltd* (哈密東科新能源科技發展有限公司) from China Construction Bank Corporation Shaanxi Branch in an aggregate amount of RMB40,000,000, be and is hereby ratified and approved.”

* *For identification purpose only*

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

Hong Kong, 24 November 2020

NOTICE OF EGM

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 11 December 2020 to 16 December 2020, 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 10 December 2020.
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 Monday, 14 December 2020 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 Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (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.

NOTICE OF EGM

As at the date of this notice, the directors of the Company (the “**Directors**”) are:

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 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.chinatechsolar.com and the website of GEM at www.hkgem.com on the “Latest Company Announcements” page for at least seven days from the date of its posting.