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中国科技产业集团有限公司
CHINA TECHNOLOGY INDUSTRY GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8111)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2021

The board (“**Board**”) of Directors of the Company is pleased to announce the third quarterly results of the Group for the nine-month period ended 31 December 2021. This announcement, containing the full text of the third quarterly report of the Company for the nine-month period ended 31 December 2021, complies with the relevant requirements of the GEM Listing Rules in relation to information to accompany preliminary announcements of the third quarterly results.

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

Executive Directors:

Chiu Tung Ping (*Chairman*)

Yuen Hing Lan

Hu Xin

Tse Man Kit Keith

Independent non-executive Directors:

Ma Xingqin

Shan Jinlan

Wang Zhuchen

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the Company’s website at www.chinatechindgroup.com.

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

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QUARTERLY RESULTS HIGHLIGHTS

The loss attributable to owners of the Company for the nine months ended 31 December 2021 was approximately RMB1.4 million (2020: profit attributable to owners of the Company of approximately RMB65.5 million).

The revenue of the Group for the nine months ended 31 December 2021 was approximately RMB68.2 million, representing a decrease of approximately 68.5 per cent. as compared with approximately RMB216.5 million recorded for the nine months ended 31 December 2020.

Gross profit margin of the Group was approximately 12.9 per cent. for the nine months ended 31 December 2021, as compared to approximately 19.8 per cent. for the nine months ended 31 December 2020.

Basic loss per share for the nine months ended 31 December 2021 was approximately RMB0.32 cents (2020: basic earnings per share of approximately RMB14.99 cents (restated due to consolidation of shares)).

The Directors do not recommend the payment of a dividend for the nine months ended 31 December 2021 (2020: Nil).

I am pleased to present the unaudited consolidated results of China Technology Industry Group Limited for the nine months ended 31 December 2021.

BUSINESS REVIEW

The Group was principally engaged in (i) sales of renewable energy products; (ii) new energy power system integration business; (iii) sales of self-service automatic teller machine (“**ATM**”) systems and printing systems, and (iv) provision of hardware and software technical support services in the People’s Republic of China (“**PRC**” or “**China**”) during the nine months ended 31 December 2021.

The Group recorded a loss attributable to owners of the Company of approximately RMB1.4 million for the nine months ended 31 December 2021 (2020: profit attributable to owners of the Company of approximately RMB65.5 million), which was mainly attributable to (1) the decrease in revenue of the Group during the nine months ended 31 December 2021; and (2) impairment losses reversed in respect of accounts receivables in the amount of approximately RMB40.1 million in the same period last year.

The Group’s revenue amounted to approximately RMB68.2 million for the nine months ended 31 December 2021, representing a decrease of approximately 68.5 per cent as compared with approximately RMB216.5 million recorded for the nine months ended 31 December 2020. The decrease in revenue was mainly attributable to the decrease in sales of wind power related products of approximately RMB82.9 million during the nine months ended 31 December 2021, where there was substantial revenue generated therefrom during the nine months ended 31 December 2020 (2020: RMB144.9 million), and the decrease in sales of solar power related products of approximately RMB65.4 million during the nine months ended 31 December 2021 (2020: RMB71.6 million).

The Group’s gross profit margin was approximately 12.9 per cent for the nine months ended 31 December 2021, as compared to approximately 19.8 per cent for the nine months ended 31 December 2020 mainly because of the additional design costs for renewable energy products during the nine months ended 31 December 2021 (2020: Nil). The gross loss during the three months ended 31 December 2021 was due to the one-off product design costs incurred of approximately RMB6.3 million. Despite of these additional design costs, the business of sales of renewable energy products was still profitable with an overall gross profit of approximately RMB8.8 million for the nine months ended 31 December 2021.

Selling expenses incurred by the Group for the nine months ended 31 December 2021 amounted to approximately RMB1.6 million (2020: approximately RMB2.0 million), representing a decrease of approximately 20.8 per cent. The decrease was due to the Group’s policy on cost control during the nine months ended 31 December 2021.

Administrative expenses incurred by the Group for the nine months ended 31 December 2021 amounted to approximately RMB7.8 million (2020: approximately RMB10.6 million), representing a decrease of approximately 25.8 per cent. The decrease was due to the Group's policy on cost control during the nine months ended 31 December 2021.

Basic loss per share were approximately RMB0.32 cents for the nine months ended 31 December 2021, as compared with the basic earnings per share of approximately RMB14.99 cents (restated due to consolidation of shares) for the nine months ended 31 December 2020.

There was no impairment loss in respect of accounts receivables during the period under review (2020: impairment losses in respect of accounts receivables reversed amounted to approximately RMB40.1 million due to the bad debts recovered of approximately RMB40.1 million).

SALES OF RENEWABLE ENERGY PRODUCTS

The business of sales of renewable energy products includes the research and development, sales and provision of other relevant technology consultation services of photovoltaic mounting brackets, solar trackers, the guardrail of the solar power stations and solar power related products as well as wind power related products.

The Group sources business for the sales of renewable energy products by negotiating and securing contracts with the engineering, procurement, and construction contractors of construction projects of solar photovoltaic power station and wind power station. The Group will supply the renewable energy products (mainly mounting) required under such projects and be responsible for their design optimisation. The Group will assess the geological condition of the construction site and propose specific design, requirements and standards for such construction and engage mounting manufacturers to provide the relevant products.

The revenue generated from the sales of renewable energy products was approximately RMB68.2 million for the nine months ended 31 December 2021 (2020: RMB170.7 million), accounted for 100.0 per cent of the Group's total revenue during the nine months ended 31 December 2021 (2020: 78.8 per cent).

NEW ENERGY POWER SYSTEM INTEGRATION BUSINESS

Power system integration refers to the optimisation of technologies in the civil engineering system, electrical system and other ancillary system, database technologies, surveillance and software management. The Group shall source equipment and products from different vendors based on the scale and capacity of the respective new energy power stations and subsequently carry out integration of the separated equipment, functions and information into a connected, unified and coordinated system. Power system integration enables the utilisation of resources at their best to enhance optimisation of performance of the entire system and achieve centralised, high efficiency, balanced performance, substitutable and available for maintenance, as well as low cost management. The Group also offers subsequent system management services to the new energy power stations.

There was no revenue generated from the new energy power system integration business during the nine months ended 31 December 2021 (2020: approximately RMB45.9 million).

SALES OF SELF-SERVICE ATM SYSTEMS AND PRINTING SYSTEMS

There was no revenue generated from the sales of self-service ATM systems and printing systems during the nine months ended 31 December 2021 (2020: Nil).

PROVISION OF HARDWARE AND SOFTWARE TECHNICAL SUPPORT SERVICES

There was no revenue generated from the provision of hardware and software technical support services during the nine months ended 31 December 2021 (2020: Nil).

SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

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

FINANCIAL REVIEW

LIQUIDITY, FINANCIAL RESOURCES AND TREASURY POLICIES

As at 31 December 2021, the Group had cash and bank balances denominated in Hong Kong dollars, Renminbi and United States dollars amounting to a total of approximately RMB6.9 million (31 March 2021: approximately RMB1.9 million). The Group had no outstanding bank overdraft as at 31 December 2021 (31 March 2021: Nil).

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

BANKING FACILITIES

As at 31 December 2021, the Group did not have any banking facilities.

EVENTS OCCURRED DURING THE PERIOD UNDER REVIEW

I. CHANGES OF INDEPENDENT NON-EXECUTIVE DIRECTORS AND COMPOSITION OF BOARD COMMITTEES

(1) RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

On 1 April 2021, each of Mr. Dong Guangwu (“**Mr. Dong**”) and Mr. Meng Xianglin (“**Mr. Meng**”) has tendered his resignation as an independent non-executive Director of the Company with effect from 1 April 2021. Each of Mr. Dong and Mr. Meng has ceased to be a member of each of the Company’s audit committee (the “**Audit Committee**”), nomination committee (the “**Nomination Committee**”) and remuneration committee (the “**Remuneration Committee**”) with effect from 1 April 2021.

Please refer to the announcement of the Company dated 1 April 2021 for further details.

(2) APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

On 1 April 2021, each of Ms. Shan Jinlan (“**Ms. Shan**”) and Mr. Wang Zhuchen (“**Mr. Wang**”) has been appointed as an independent non-executive Director and a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee with effect from 1 April 2021.

Please refer to the announcement of the Company dated 1 April 2021 for further details relating to their respective appointment.

II. RESIGNATION OF AUDITOR

On 10 May 2021, Deloitte Touche Tohmatsu (“**Deloitte**”) has resigned as the auditor of the Group with effect from 10 May 2021, after taking into account factors including the level of audit fee and availability of internal resources, for the financial year ended 31 March 2021.

Deloitte has confirmed in its letter of resignation that there are no matters connected with its resignation that need to be brought to the attention of the Shareholders.

The Board and the Audit Committee have confirmed that there is no disagreement between the Company and Deloitte and there are no matters or circumstances in respect of the resignation of Deloitte as auditor of the Group that need to be brought to the attention of the Shareholders.

Please refer to the announcement of the Company dated 10 May 2021 for further details.

III. APPOINTMENT OF AUDITOR

On 12 May 2021, the Board, with the recommendation of the Audit Committee, has appointed SHINEWING (HK) CPA Limited as the new auditor of the Company with effect from 12 May 2021 to fill the casual vacancy following the resignation of Deloitte and to hold office until conclusion of the next annual general meeting of the Company.

Please refer to the announcement of the Company dated 12 May 2021 for further details.

IV. ISSUE OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

On 31 May 2021, the Company and the Mr. Qin Zhongde, an independent third party ("**Subscriber**") entered into a subscription agreement ("**Subscription Agreement**") pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to issue the convertible bonds ("**Convertible Bonds**") in the principal amount of HK\$32,000,000 ("**Subscription**"). Principal terms of the Convertible Bonds are set out in the announcement of the Company dated 31 May 2021 ("**Announcement**"). Unless otherwise defined, capitalised terms used under this section shall have the same meanings given to them in the Announcement.

CONVERSION RIGHTS

The Subscriber shall have the right to convert the whole or part of the principal amount of the Convertible Bonds into shares of the Company ("**Shares**") at any time and from time to time during the issue date of the Convertible Bonds to 1 October 2022 ("**Conversion Period**") in amounts of not less than HK\$1 million and in integral multiples of HK\$1 million in excess thereof on each conversion, save that if at any time, the principal outstanding amount of the Convertible Bonds is less than HK\$1 million, the whole (but not part only) of the principal outstanding amount of the Convertible Bonds may be converted.

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

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

CONVERSION PRICE

The initial Conversion Price of HK\$0.5 per Conversion Share has been determined after arm's length negotiations between the Company and the Subscriber with reference to the then prevailing market price of the Shares. The Directors consider that the Conversion Price and the terms and conditions of the Subscription Agreement and the Convertible Bonds are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As a result of the Share Consolidation (as defined below) and in accordance with the terms and conditions of the Convertible Bonds, the conversion price of the Convertible Bonds was adjusted from HK\$0.5 per Existing Share (as defined below) to HK\$2.5 per Consolidated Share (as defined below) and the maximum number of Consolidated Shares issuable by the Company upon full conversion of the Convertible Bonds is 12,800,000 Consolidated Shares with effect from Monday, 19 July 2021, being the date on which the share consolidation became effective. Please refer to part V of this section for further details.

USE OF PROCEEDS

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

For further details, please refer to the Announcement and the announcement of the Company dated 17 June 2021.

COMPLETION

All conditions of the Subscription Agreement have been fulfilled and completion of the Subscription took place on 17 June 2021 in accordance with the terms and conditions thereof. The Convertible Bonds in the principal amount of HK\$32,000,000 have been issued to the Subscriber.

V. PROPOSED SHARE CONSOLIDATION AND PROPOSED CHANGE IN BOARD LOT SIZE

Reference is made to the announcements of the Company dated 3 June 2021 and 4 June 2021 and the circular of the Company dated 17 June 2021 (“**Circular**”). Unless otherwise defined, capitalised terms under this section shall have the same meanings given to them in the Circular.

On 3 June 2021, the Board proposes to implement the proposed consolidation of every five (5) issued and unissued existing shares of HK\$0.10 each in the share capital of the Company into one (1) ordinary share of HK\$0.50 each in the share capital of the Company (“**Share Consolidation**”).

EFFECTS OF THE SHARE CONSOLIDATION

Prior to the Share Consolidation becoming effective, 2,240,883,423 Existing Shares (as defined in the Circular) were allotted and issued. Upon the Share Consolidation becoming effective, 448,176,684* Consolidated Shares (as defined in the Circular) will be in issue. The Consolidated Shares rank pari passu in all respects with each other.

* *fractional number of shares is disregarded for illustration purposes*

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the shareholdings, proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled.

PROPOSED CHANGE IN BOARD LOT SIZE

The Existing Shares were traded on the Stock Exchange in the board lot size of 5,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 5,000 Existing Shares to 10,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.087 per Existing Share (equivalent to the theoretical closing price of HK\$0.435 per Consolidated Share) as at 3 June 2021, (i) the value of each existing board lot of Existing Shares is HK\$435; (ii) the value of each board lot of 1,000 Consolidated Shares is HK\$435; and (iii) the estimated value per board lot of 10,000 Consolidated Shares is HK\$4,350.

ADJUSTMENTS IN RELATION TO OTHER SECURITIES OF THE COMPANY

Pursuant to the terms of the Convertible Bonds, upon the Share Consolidation becoming effective, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the revised nominal amount and dividing the result by the former nominal amount with effect from the close of business in Hong Kong on the day immediately preceding the date on which the Share Consolidation becomes effective, as a result of which 12,800,000 Consolidated Shares will be issued. The Company will make further announcement(s) about the adjustment(s) pursuant to the GEM Listing Rules.

As a result of the Share Consolidation and in accordance with the terms and conditions of the Convertible Bonds, the conversion price of the Convertible Bonds was adjusted from HK\$0.5 per Existing Share to HK\$2.5 per Consolidated Share and the maximum number of Consolidated Shares issuable by the Company upon full conversion of the Convertible Bonds is 12,800,000 Consolidated Shares with effect from Monday, 19 July 2021, being the date on which the Share Consolidation became effective.

Save for the above adjustments, all other terms and conditions of the Convertible Bonds shall remain unchanged.

EGM

The proposed ordinary resolution to ratify and approve the Share Consolidation was duly passed by the Shareholders by way of poll at the EGM held on 15 July 2021.

The Share Consolidation had become effective on Monday, 19 July 2021. Dealings in the Consolidated Shares had commenced at 9:00 a.m. on Monday, 19 July 2021. Please refer to the Circular for the details, including the trading arrangement and the exchange of share certificates and matching services for odd lots of the Consolidated Shares arising in connection with the Share Consolidation. Shareholders should note that upon the Share Consolidation becoming effective, the colour of the share certificates of the Company had been changed from blue to green.

For further details, please refer to the announcements of the Company dated 3 June 2021, 4 June 2021 and 15 July 2021 and the Circular.

BUSINESS PROSPECTS

2021 is the beginning year of China's move towards grid parity and the commencement of "14th Five-Year Plan". At the virtual conference of the Leaders' Summit on Climate held in April 2021, the President of the PRC, Xi Jinping, reiterated last year's commitment to "hit peak emissions" and "carbon neutrality" and said that China will strictly control the growth of coal consumption during the "14th Five-Year Plan" period and decrease coal consumption during the next ten years gradually, which means the demand for new energy in China will rise sharply and the photovoltaic power generation with lower cost will become the focus of development.

In May 2021, the National Energy Administration of the PRC published the "Notice on Matters Relating to the Development and Construction of Wind Power and Photovoltaic Power Generation Projects in 2021*" (《關於2021年風電、光伏發電開發建設有關事項的通知》), which stated that wind power and photovoltaic power generation is targeted to reach about 11% of the total electricity consumption in China in 2021, to increase year by year thereafter, and to ensure that non-fossil fuel energy consumption accounted for 20% of primary energy consumption in 2025.

The Group will continue to look for other solar energy generation projects and new energy power system integration services. The Group has been negotiating new contracts for the new energy power system integration business during the period under review.

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 return to its shareholders.

Chiu Tung Ping

Chairman and executive Director

China Technology Industry Group Limited

Hong Kong, 10 February 2022

RESULTS

The board of Directors (“Board”) announces the unaudited consolidated results of the Group for the nine months ended 31 December 2021 together with comparative unaudited consolidated results of the Group for the corresponding period in 2020 as follows:

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Revenue	2	20,319	77,038	68,240	216,522
Cost of sales		(22,921)	(62,170)	(59,467)	(173,723)
Gross profit		(2,602)	14,868	8,773	42,799
Other revenue – bank interest income		–	15	3	15
Other gains	4	198	1,758	2,010	3,501
Selling expenses		(514)	(598)	(1,551)	(1,959)
Change in fair value of financial assets at fair value through profit or loss (“FVTPL”)		–	(28)	–	(93)
Realised loss on financial assets at FVTPL		–	–	(138)	–
Change in fair value of financial derivative liabilities		1	8	63	212
Administrative expenses		(3,180)	(5,058)	(7,842)	(10,563)
Impairment losses reversed	6	–	–	–	40,120
Finance costs	5	(431)	(1,241)	(1,837)	(4,053)
(Loss) Profit before tax	3	(6,528)	9,724	(519)	69,979
Income tax expense	7	(383)	(1,791)	(871)	(4,473)
(Loss) Profit for the period		(6,911)	7,933	(1,390)	65,506
Total comprehensive (expense) income for the period		(6,911)	7,933	(1,390)	65,506
(Loss) Profit for the period attributable to:					
Owners of the Company		(6,911)	7,933	(1,390)	65,518
Non-controlling interests		–	–	–	(12)
		(6,911)	7,933	(1,390)	65,506
Total comprehensive (expense) income for the period attributable to:					
Owners of the Company		(6,911)	7,933	(1,390)	65,518
Non-controlling interests		–	–	–	(12)
		(6,911)	7,933	(1,390)	65,506
(Loss) Earnings per share	9		(Restated)		(Restated)
Basic (RMB cents)		(1.54)	1.77	(0.32)	14.99
Diluted (RMB cents)		N/A	1.70	(0.32)	14.41

NOTES TO THE UNAUDITED CONSOLIDATED RESULTS

1. BASIS OF PREPARATION

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

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

The accounting policies used in preparing the unaudited consolidated results are consistent with those used in the Group’s annual financial statements for the year ended 31 March 2021, except for adoption of new and revised HKFRSs and HKAS issued by the Hong Kong Institute of Certified Public Accountants which are effective to the Group for accounting periods beginning on or after 1 April 2021. The adoption of the new HKFRSs and HKAS has no material impact on the Group’s results and financial position for the current or prior periods.

The consolidated results of the Group for the nine months ended 31 December 2021 are unaudited but have been reviewed by the audit committee of the Board (“**Audit Committee**”).

2. REVENUE

DISAGGREGATION OF REVENUE

	Three months ended 31 December		Nine months ended 31 December	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Types of goods or services				
Sales of renewable energy products	20,319	31,166	68,240	170,650
Rendering of new energy power system integration services	–	45,872	–	45,872
Total	20,319	77,038	68,240	216,522
Timing of revenue recognition				
A point in time	20,319	31,166	68,240	170,650
Over time	–	45,872	–	45,872
Total	20,319	77,038	68,240	216,522

3. (LOSS) PROFIT BEFORE TAX

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

	Three months ended 31 December		Nine months ended 31 December	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Cost of inventories recognised as expenses	22,921	62,170	59,467	173,723
Depreciation of equipment	50	52	156	164
Depreciation of right-of-use assets	171	213	592	640
Short-term lease payments	74	77	247	320

4. OTHER GAINS

	Three months ended 31 December		Nine months ended 31 December	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Foreign exchange gain	197	1,607	902	3,249
Investment income	–	23	–	23
Gain on fair value of issuance of convertible bonds	–	–	953	–
Miscellaneous income	1	128	155	229
	198	1,758	2,010	3,501

5. FINANCE COSTS

	Three months ended 31 December		Nine months ended 31 December	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Effective interest on convertible bonds	196	1,143	1,235	3,459
Interest on other loans	226	79	563	525
Interest on lease liabilities	9	19	39	69
	431	1,241	1,837	4,053

6. IMPAIRMENT LOSSES REVERSED

	Three months ended 31 December		Nine months ended 31 December	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Impairment loss reversed in respect of:				
– Accounts receivables	–	–	–	40,120

The basis of determining the inputs and assumptions and the estimation techniques used in the unaudited consolidated results for the nine months ended 31 December 2021 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2021.

7. INCOME TAX EXPENSE

	Three months ended 31 December		Nine months ended 31 December	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Current tax				
– People's Republic of China ("PRC") Enterprise Income Tax	383	1,791	871	4,473
	383	1,791	871	4,473

No provision for Hong Kong Profits Tax has been made as there is no assessable profit for the subsidiaries operating in Hong Kong during the nine months ended 31 December 2021 and 2020.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands for the nine months ended 31 December 2021 and 2020.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the nine months ended 31 December 2021 and 2020, except for certain subsidiaries of the Group in the PRC are under the Western China Development Plan, and were approved to enjoy the preferential tax rate of 15% in accordance with the EIT Law and relevant regulations for the nine months ended 31 December 2021 and 2020.

8. DIVIDENDS

No dividends were paid, declared or proposed during the period under review (nine months ended 31 December 2020: nil).

9. (LOSS) EARNINGS PER SHARE

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

	Three months ended 31 December		Nine months ended 31 December	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
(Loss) Profit				
(Loss) Profit for the period attributable to the owners of the Company	(6,911)	7,933	(1,390)	65,518

	Three months ended 31 December		Nine months ended 31 December	
	2021 RMB cents (Unaudited)	2020 RMB cents (Restated) (Unaudited)	2021 RMB cents (Unaudited)	2020 RMB cents (Restated) (Unaudited)
Basic (loss) earnings per share	(1.54)	1.77	(0.32)	14.99
Diluted (loss) earnings per share	N/A	1.70	(0.32)	14.41

	Three months ended 31 December		Nine months ended 31 December	
	2021 '000 (Unaudited)	2020 '000 (Restated) (Unaudited)	2021 '000 (Unaudited)	2020 '000 (Restated) (Unaudited)
Number of shares				
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	448,177	448,177	436,959	436,959
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	460,977	465,777	436,959	454,559

Outstanding convertible bonds of the Company are anti-dilutive since their exercise or conversion would result in a decrease in basic loss per share for the nine months ended 31 December 2021 or an increase in basic earnings per share for the nine months ended 31 December 2020.

QUARTERLY DIVIDEND

The Board does not recommend the payment of quarterly dividend for the nine months ended 31 December 2021 (2020: Nil).

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Nine Months Ended 31 December 2021

	Attributable to owners of the Company							Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Reserve arising from reorganisation RMB'000 (note a)	Exchange reserve RMB'000	Equity transaction reserve RMB'000 (note b)	Accumulated losses RMB'000	Total RMB'000		
At 1 April 2020 (audited)	153,135	126,912	(20,484)	156	823	(251,067)	9,475	(367)	9,108
Profit (Loss) for the period	-	-	-	-	-	65,518	65,518	(12)	65,506
Total comprehensive income (expense) for the period	-	-	-	-	-	65,518	65,518	(12)	65,506
Issue of shares pursuant to an equity interest transfer agreement	26,899	(6,621)	-	-	(20,278)	-	-	-	-
Issue of shares in relation to loan capitalisation	9,842	-	-	-	-	-	9,842	-	9,842
At 31 December 2020 (unaudited)	189,876	120,291	(20,484)	156	(19,455)	(185,549)	84,835	(379)	84,456
At 1 April 2021 (audited)	189,876	120,291	(20,484)	156	(11,210)	(190,307)	88,322	(380)	87,942
Loss for the period	-	-	-	-	-	(1,390)	(1,390)	-	(1,390)
Total comprehensive expense for the period	-	-	-	-	-	(1,390)	(1,390)	-	(1,390)
At 31 December 2021 (unaudited)	189,876	120,291	(20,484)	156	(11,210)	(191,697)	86,932	(380)	86,552

Notes:

a. Reserve arising from reorganisation

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

b. Equity transaction reserve

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

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

As at 31 December 2021, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors as referred to in Rule 5.46 of the GEM Listing Rules are as follows:

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

Name of Directors/ Chief executive	Number and class of securities (Notes 1 and 3)	Capacity	Approximate percentage of the Company's issued share capital as at 31 December 2021 (Note 2)
Mr. Tse Man Kit Keith (Executive Director)	2,487,469 ordinary shares (L)	Beneficial owner	0.56%

Notes:

- The letter "L" represents long positions in the shares or underlying shares of the Company.
- As at 31 December 2021, the issued share capital of the Company was 448,176,684 ordinary shares of HK\$0.5 each.
- Consolidation of shares on the basis that every five (5) shares were consolidated into one (1) share with effect from 19 July 2021.

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

As at 31 December 2021, the following persons or entities, other than a Director or chief executive of the Company, had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of shareholder	Number of ordinary shares (Notes 1 and 5)	Capacity	Approximate percentage of the Company's issued share capital as at 31 December 2021 (Note 2)
Mr. Huang Bo (Note 3)	86,825,934 (L)	Beneficial owner	19.37%
Ms. Li Xiaoyan* (李曉豔女士)	59,094,406 (L)	Beneficial owner	13.19%
Mr. Huang Yuan Ming (Note 3)	35,548,238 (L)	Beneficial owner	7.93%
Mr. Hou Hsiao Bing (Note 4)	26,228,000 (L)	Beneficial owner	5.85%

* for identification purpose only

Notes:

- The letter "L" represents long position in the shares or underlying shares of the Company.
- As at 31 December 2021, the issued share capital of the Company was 448,176,684 ordinary shares of HK\$0.5 each.
- Mr. Huang Yuan Ming is the son of Mr. Huang Bo, a substantial shareholder of the Company.
- Mr. Hou Hsiao Bing retired as an executive Director with effect from 26 August 2019.
- Consolidation of shares on the basis that every five (5) shares were consolidated into one (1) share with effect from 19 July 2021.

AUDIT COMMITTEE

The Audit Committee was formed on 13 December 2000. The written terms of reference (revised in December 2018) which describe the authority and duties of the Audit Committee were prepared and adopted with reference to “A Guide for Effective Audit Committee” published by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee provides an important link between the Board and the Company’s auditors in matters coming within the scope of the Group’s audit. It also reviews the effectiveness of both the external and internal audits and of the risk management and internal control systems of the Group. As at the date of this report, the Audit Committee comprises of three independent non-executive Directors, namely Ms. Ma Xingqin, Ms. Shan Jinlan and Mr. Wang Zhuchen. The unaudited consolidated results of the Group for the nine months ended 31 December 2021 have been reviewed and approved by the Audit Committee.

DIRECTORS’ COMPETING INTEREST OR BUSINESS

During the nine months ended 31 December 2021, none of the Directors or his/her close associates had any interest in a business which competes or may compete with the business of the Group.

The Company did not have any controlling shareholder during the nine months ended 31 December 2021.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the shares of the Company during the nine months ended 31 December 2021.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has made specific enquiry of the Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors during the nine months ended 31 December 2021.

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

Hong Kong, 10 February 2022

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

Executive Directors:

Chiu Tung Ping (Chairman)

Yuen Hing Lan

Hu Xin

Tse Man Kit Keith

Independent non-executive Directors:

Ma Xingqin

Shan Jinlan

Wang Zhuchen