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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)

**CONNECTED TRANSACTION**  
**SALE AND INSTALLATION OF SOLAR MODULES AGREEMENT**

On 31 March 2022, Shaanxi Baike (as supplier) entered into the Sale and Installation of Solar Modules Agreement with Hebei Han Neng (as purchaser), pursuant to which Shaanxi Baike shall supply and install 45,455 Solar Modules on the Hebei Site.

As at the date of this announcement, Hebei Han Neng, being a majority-controlled company held indirectly by family members of Mr. Huang, is an associate of Mr. Huang. Mr. Huang is a substantial shareholder of the Company. Accordingly, Hebei Han Neng is a connected person of the Company under the GEM Listing Rules and the Transaction constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

As one or more of the applicable percentage ratios as defined under Rule 19.07 of the GEM Listing Rules of the Transaction exceed 5%, the Sale and Installation of Solar Modules Agreement and the Transaction constitute non-exempt connected transactions of the Company and are subject to the reporting, announcement, circular, and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in respect of the Transaction. Sorrento Capital Limited has also been appointed as the Independent Financial Adviser to provide advice and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Transaction.

The EGM will be convened for the Independent Shareholders to approve the Transaction. Each of Mr. Huang and Mr. Huang Yuan Ming, and his associates, will abstain from voting on the resolution to approve the Transaction at the EGM.

A circular containing, among other things, further particulars of the Transaction together with the recommendations of the Independent Board Committee, a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and a notice convening the EGM are expected to be dispatched to the shareholders of the Company within 15 business days after publication of this announcement.

## SALE AND INSTALLATION OF SOLAR MODULES AGREEMENT

On 31 March 2022, Shaanxi Baike (as supplier) entered into the Sale and Installation of Solar Modules Agreement with Hebei Han Neng (as purchaser), pursuant to which Shaanxi Baike shall supply and install 45,455 Solar Modules on the Hebei Site. The principal terms of the Sale and Installation of Solar Modules Agreement are set out below.

Parties	: (1) Shaanxi Baike (as supplier) (2) Hebei Han Neng (as purchaser)
Date	: 31 March 2022
Consideration	: RMB48,000,000, for both the sale and installation of the Solar Modules (the “ <b>Consideration</b> ”)

The Consideration was arrived at after arm’s length negotiations between Shaanxi Baike and Hebei Han Neng taking into account of (i) the power output, efficiency and model of the Solar Modules, as well as the number of Solar Modules purchased, (ii) the scope of the installation services provided, (iii) the prevailing low end, average and high end market rates for the sale of comparable Solar Modules, as quoted on two websites providing market information for the renewable energy industry as at 23 March 2022, (iv) the prices that Hebei Han Neng generally pays for comparable Solar Modules purchased from independent third parties, and (v) the prices the Group generally charges independent third parties for the installation of photovoltaic mounting brackets.

Sale and installation of the Solar Modules	: Shaanxi Baike shall sell to Hebei Han Neng, and install on the Hebei Site, approximately 45,455 Solar Modules, collectively capable of generating around 25MW of electricity.
Ancillary value added services	: Shannxi Baike shall provide certain value added services, including technical guidance, technical cooperation, technical training in relation to inspection and acceptance, performance testing, operation, and maintenance, of the Solar Modules.

Product guarantee : The quality of the Solar Modules will be guaranteed for 10 years, and the energy production capacity of the Solar Modules will be guaranteed for 25 years (collectively, the “**Product Guarantee Period**”). The aforementioned guarantee periods will begin from (i) the end of the 240-hour testing period from the point the Solar Modules are put into operation, or (ii) six months after the last batch of Solar Modules arrive at the Hebei Site, whichever of the two are earlier.

Throughout the Product Guarantee Period, Shaanxi Baike will provide without extra charge repairs, replacements for any defects in the quality of the Solar Modules.

Delivery and packaging : Shaanxi Baike shall organise transportation of the Solar Modules to the Hebei Site. Unless otherwise provided, Shaanxi Baike shall use packaging for the Solar Modules which is suitable for long distance travel and short distance travel within the Hebei Site, which provides protection against moisture, shock, rust and explosion, and which is suitable for loading and unloading.

Payment terms : Hebei Han Neng shall pay 10% of the consideration as deposit under the Sale of Solar Modules and Installation Services Agreement when Shaanxi Baike issues an invoice within 7 days after Shaanxi Baike and Hebei Nan Neng have signed the same agreement. Shaanxi Baike would further issue an invoice prior to the delivery of each batch of solar modules, and Hebei Han Neng shall pay the full consideration of the relevant batch of solar modules upon such receipt.

## **INFORMATION ON THE PARTIES:**

### **Shaanxi Baike and the Group**

Shaanxi Baike is a company incorporated under the laws of the PRC, and an indirectly wholly-owned subsidiary of the Company. Both Shaanxi Baike and the Group were principally engaged in (i) sales of renewable energy products; and (ii) new energy power system integration business, in the PRC.

## **Hebei Han Neng**

Hebei Han Neng is a limited liability company incorporated under the laws of the PRC. It is primarily engaged in the construction and operation of solar power plants, power engineering design and construction, power equipment maintenance, and sales, installation and leasing of power equipment. Hebei Han Neng is the main contractor to the construction project involving the construction of a 100MW solar power plant at the Hebei Site.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SALE OF SALE AND INSTALLATION OF SOLAR MODULES AGREEMENT**

The Group is principally engaged in the business of (i) sales of renewable energy products; and (ii) new energy power system integration business, in the PRC. The Transaction is of a revenue nature and forms part of its ordinary and usual course of business.

In recent years, the management of our Company has focused on developing the Group's renewable energy products business, and new energy power system integration business. In particular, the Chengde Municipal Government has been authorised to develop wind power and solar power contractor projects of 11 GW, and is actively promoting the development of these projects. As such, the Transaction represents a continuation of the Group's efforts in the development of the two aforementioned business lines in Hebei Province. As the main contractor for the construction of a 100MW solar powerplant on the Hebei Site, Hebei Han Neng will require high quality solar modules, with ancillary on-site support. At the same time, Hebei Han Neng forms part of a group of companies mainly engaged in the construction of power plants in China.

Having taken into account the above reasons and benefits, the Directors (excluding the independent non-executive Directors who will express their view after receiving advice from the Independent Financial Adviser) are of the view that the terms of the Sale and Installation of Solar Modules Agreement are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group, and in the interests of the Company and its shareholders as a whole. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no member of the Board has any material interest in the Transaction.

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

As at the date of this announcement, Hebei Han Neng, being a majority-controlled company held indirectly by family members of Mr. Huang, is an associate of Mr. Huang. Mr. Huang is a substantial shareholder of the Company. Accordingly, Hebei Han Neng is a connected person of the Company under the GEM Listing Rules and the Transaction constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

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An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in respect of the Transaction. Sorrento Capital Limited has also been appointed as the Independent Financial Adviser to provide advice and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Transaction.

The EGM will be convened for the Independent Shareholders to approve the Transaction. Each of Mr. Huang and Mr. Huang Yuan Ming, and his associates, will abstain from voting on the resolution to approve the Transaction at the EGM.

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## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of directors of the Company
“Company”	中國科技產業集團有限公司 (China Technology Industry Group Limited), a company incorporated in the Cayman Islands, the securities of which are listed and traded on the GEM of the Stock Exchange
“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 to consider and approve, among other things, the Sale and Installation of Solar Modules Agreement Transaction
“family member(s)”	has the meaning ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries from time to time
“Hebei Han Neng”	河北漢能售電有限公司, a company incorporated under the laws of the PRC and indirectly held as to 60% by Mr. Huang Yuan Ming, (ii) indirectly held as to 15% by Mr. Huang Ming, and (iii) indirectly held as to 25% by an independent third party and the current holder of the Company’s zero coupon convertible bonds issued by the Company pursuant to the subscription agreement dated 31 May 2021
“Hebei Site”	the solar powerplant, located near Damiaowan village, Zhangbei county, Zhangjiakou city, Hebei province, PRC, for which Hebei Han Neng is the main contractor
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, established to advise the Independent Shareholders in respect of the terms of the Sale and Installation of Solar Modules Agreement and the Transaction
“Independent Financial Adviser”	Sorrento Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), being the independent financial adviser appointed by the Board to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Sale and Installation of Solar Modules Agreement and the Transaction

“Independent Shareholder(s)”	shareholder(s) of the Company who are independent and have no interest in the Sale and Installation of Solar Modules Agreement or the Transaction
“majority-controlled company”	has the meaning ascribed to it under the GEM Listing Rules
“Mr. Huang”	Mr. Huang Bo, being a substantial shareholder of the Company
“Mr. Huang Ming”	the brother of Mr. Huang
“Mr. Huang Yuan Ming”	the son of Mr. Huang
“MW”	megawatt, or million watts
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC, and Taiwan)
“Sale and Installation of Solar Modules Agreement”	the agreement dated 31 March 2022 between Shaanxi Baike and Hebei Han Neng in relation to, among other things, the sale and installation of the Solar Modules on the Hebei Site
“Shaanxi Baike”	Shaanxi Baike New Energy Technology Development Co., Ltd.* (陝西百科新能源科技發展有限公司), a company incorporated under the laws of the PRC, and an indirectly wholly-owned subsidiary of the Company
“Solar Modules”	the 550W monofacial monocrystalline solar modules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary/subsidiaries”	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“substantial shareholder”	has the meaning ascribed to it under the GEM Listing Rules

“Transaction” the transactions contemplated under the Sale and Installation of Solar Modules Agreement

“%” Percentage

\* For identification purpose only

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

Hong Kong, 31 March 2022

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, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) 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)*