
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 stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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

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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 AND NOTICE OF EGM

**Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders**



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

A letter from the Board is set out on pages 4 to 12 of this circular. A letter from the Independent Board Committee containing its recommendation in respect of the Sale and Installation of Solar Modules Agreement and the Transaction is set out on pages 13 to 14 of this circular. A letter of advice from Sorrento Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 15 to 21 of this circular.

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, 11 May 2022 at 3:00 p.m. is set out on pages 27 to 29 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 not later than 48 hours before the time appointed for any adjourned meeting of the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and, in such event, the form of proxy previously submitted shall be deemed to be revoked.

This circular will remain on the website of the Company at www.chinatechindgroup.com 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.

22 April 2022

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.

PRECAUTIONARY MEASURES FOR THE EGM

- (vi) No refreshments, coupons, corporate gifts or souvenirs will be served or distributed at the EGM.
- (vii) complying with the requirements of the Vaccine Pass Direction which is defined under the Prevention and Control of Disease (Vaccine Pass) Regulation (Cap. 599L of the Laws of Hong Kong)

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.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Letter from the Independent Board Committee	13
Letter from the Independent Financial Adviser	15
Appendix – General Information	22
Notice of EGM	27

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 31 March 2022 in respect of the Sale and Installation of Solar Modules Agreement and the Transaction
“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 and the 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 (i) 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 Ms. Zhang Jinhua, 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.

DEFINITIONS

“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
“Latest Practicable Date”	14 April 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“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

DEFINITIONS

“PRC”	the People’s Republic of China (for the purpose of this circular, 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 the Shaanxi Baike and Hebei Han Neng in relation to, among other things, the sale and installation of the Solar Modules on the Hebei Site
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“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
“Share(s)”	ordinary share(s) of HK\$0.50 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares from time to time
“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
“Third Quarterly Report Supplemental Announcement”	the supplemental announcement of the Company dated 8 April 2022 in respect of the third quarterly report of the Company for the 9 months ended 31 December 2021
“Transaction”	the transactions contemplated under the Sale and Installation of Solar Modules Agreement
“Zhangbei Project”	the recently completed 500MW solar power project, and 300MW wind power project, of the Company in Zhangbei county, the PRC
“%”	Percentage

* *For identification 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

Shan Jinlan

Wang Zhuchen

Principal place of business in Hong Kong:

Suite 704, 7th Floor,

Ocean Centre,

Harbour City,

Kowloon,

Hong Kong

22 April 2022

To the Shareholders

Dear Sir or Madam,

SALE AND INSTALLATION OF SOLAR MODULES AGREEMENT AND NOTICE OF EGM

INTRODUCTION

Reference is made to the Announcement. As disclosed in the Announcement, 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 Transaction constitutes a connected transaction of the Company under the GEM Listing Rules.

LETTER FROM THE BOARD

The purpose of this circular is to provide Shareholders with, among other things, (i) details of the Sale and Installation of Solar Modules Agreement and the Transaction; (ii) the recommendations from the Independent Board Committee in relation to the Sale and Installation of Solar Modules Agreement and the Transaction; (iii) the advice from the Independent Financial Adviser in relation to the Sale and Installation of Solar Modules Agreement and the Transaction; and (iv) a notice of the EGM to be convened for the purpose of considering and approving the Sale and Installation of Solar Modules Agreement and the Transaction.

SALE AND INSTALLATION OF SOLAR MODULES AGREEMENT

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 “**Consideration**”)

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.

LETTER FROM THE BOARD

Ancillary value added services:	Shaanxi 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:	<p>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.</p> <p>Throughout the Product Guarantee Period, Shaanxi Baike will provide without extra charge repairs, replacements for any defects in the quality of the Solar Modules.</p>
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 and Installation of Solar Modules Agreement when Shaanxi Baike issues an invoice within 7 days after Shaanxi Baike and Hebei Han 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.

LETTER FROM THE BOARD

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.

The Group's sales of renewable energy products business mainly involves the research, development and sales of photovoltaic mounting brackets, solar trackers, guardrails of solar power stations, solar power related products, and towers for wind turbines. In conjunction, the Group also provides, in some cases, (i) certain technology consultation services with respect to the photovoltaic mounting brackets that it sells, (ii) certain on-site services, and (iii) technical services for the wind turbine towers products.

The Group's new energy power system integration business mainly involves acting as a contractor and helping its customers integrate their equipment, functions and information into a connected, unified and coordinated system. The Group is also responsible for making project design proposals, conducting site visits, procuring construction materials, carrying out construction work, and assisting in operation trials. Finally, the Group offers subsequent system management services to its customers' new energy power stations.

As disclosed in the Third Quarterly Report Supplemental Announcement, the Group has not engaged in the (1) sales of self-service automatic teller machine systems and printing systems, and (2) provision of hardware and software technical support services, for some time. The Group has instead decided to refocus its resources on its two principal business lines, being its (i) sales of renewable energy products business, and (ii) new energy power system integration business.

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.

LETTER FROM THE BOARD

As discussed above, 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 11GW, 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.

In recent years, the Group only had one customer, being the customer to the Zhangbei Project. This was mainly because the Zhangbei Project was a relatively large project for the Company, being an 800MW project. According to an article on in-en.com (國際能源網), the Zhangbei Project was the world's largest single new energy project in 2021, with a total investment of about RMB 6 billion. It was also one of the demonstration projects in China. As such, the Zhangbei Project was large enough to occupy the Company's capacity and resources, and the Company still recorded a revenue of RMB 276.9 million for the year ended 31 March 2021 and an aggregate revenue of approximately RMB 595.1 million from the Zhangbei Project, although optimacally it represented 1 customer to the Company.

Furthermore, in addition to the above, the Company had also places great emphasis on only conducting business with quality customers with stable financials. Suppliers of the Company are only willing to provide longer payment periods (ie: allowing the Company to pay the supplier after the Company receives payments from its customer) where they know the relevant customer of the Company is a reputable organisation with a credit rating of AAA level. Also, within the Company's industry, companies generally need to prepay funds to procure materials and employ employees. Only customers with stable financials are able to ensure the Company's ability to recover funds for its goods and services, so the Company's management attaches great importance on assessing a potential customer's credit rating, and seeking quality customers with AAA credit ratings. The parent company of the customer to the Zhangbei Project was a company with a credit rating of AAA.

LETTER FROM THE BOARD

The Group remains selective in its customers. The Company operates on a “project based” model, where each project will typically involve one customer. Under this model, the Company pursues business opportunities with EPC constructors of clean energy development projects in China for the supply of renewable energy products (such as photovoltaic mounting brackets, solar trackers, guardrails of solar power stations, solar power related products, and towers for wind turbines) that are specific for such project and/or the provision of power system integration for such wind or solar power generation projects. During the life of the project, the Company is typically responsible for, among other things, inspecting the land, supervising the suppliers’ production site, receiving and examining equipment and materials, guiding installations, providing technical support, conducting tests, and resolving construction problems on-site. Typically, the contract amount (ie revenue) for a project involving the sales of renewable energy products is very substantial. Given the “project based” business model of the Company and its scale, the Company has strategically sought to pursue fewer in number but larger in size projects.

As disclosed in the Third Quarterly Report Supplemental Announcement, after the completion of the Zhangbei Project, as disclosed in the third quarterly report of the Company for the nine months ended 31 December 2021 and the Third Quarterly Report Supplemental Announcement, 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 Transaction is expected to finish around on or before 30 September 2022. Concurrently, the Company continues to actively seek for opportunities to develop its business and expand its customer base, by keeping updated of the latest developments in the renewable energy projects space, and leveraging on the wealth of experience and extensive business networks of its management and shareholders. In particular, the Company is considering the setting up of a solar modules production plant, either itself or with an independent third party, in Hebei. The Company believes that as the freight and insurance expenses involved in transporting components increase greatly with the distance of transportation, setting up a solar modules production plant near a project location will attract contractors of surrounding projects to purchase the Company’s components. Meanwhile, it can also provide a stable supply of goods for the Company’s key projects in Hebei, allowing the Company to better maintain quality control over its components, and bring synergy to its existing business. For further details, please refer to the Third Quarterly Report Supplemental Announcement.

LETTER FROM THE BOARD

The Company continues to believe that the renewable energy sector shows promising business prospects. As the problem of climate change continues, the Chinese government is actively responding. In 2021, the Chinese government published the Opinions of the CPC Central Committee and the State Council on Completely, Accurately and Comprehensively Implementing the New Development Concept and Doing a Good Job in Peak Carbon Dioxide Emissions (《中共中央國務院關於完整準確全面貫徹新發展理念做好碳達峰碳中和工作的意見》) and Carbon Neutrality and the Action Plan for Peak Carbon Dioxide Emissions by 2030 (《2030年前碳達峰行動方案》), which put forward a number of goals to achieve carbon neutrality by 2060. Accelerating the construction of a clean, low-carbon, safe and efficient energy system is one of the key tasks mentioned in such policy papers.

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 Latest Practicable Date, 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.

The EGM is 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.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in respect of the Sale and Installation of Solar Modules Agreement and the Transaction.

LETTER FROM THE BOARD

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 Sale and Installation of Solar Modules Agreement and the Transaction.

Your attention is drawn to the letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders set out on pages 13 to 14 of this circular and the advice letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, set out on pages 15 to 21 of this circular.

EGM

Set out on pages 27 to 29 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, 11 May 2022 at 3:00 p.m. (Hong Kong time) for the purpose of considering and, if thought fit, approving each of the Sale and Installation of Solar Modules Agreement and the Transaction.

Any Shareholder who is interested in the Sale and Installation of Solar Modules Agreement or the Transaction shall abstain from voting on the resolution(s) to approve the same at the EGM. 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. As at the Latest Practicable Date, such Shareholders collectively hold 122,374,172 Shares, representing approximately 27.3% of the issued share capital of the Company.

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 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

RECOMMENDATION

The Directors (including the independent non-executive Directors whose views have been set out in this circular after taking into consideration the advice of the Independent Financial Adviser) are of the view that the terms of the Sale and Installation of Solar Modules Agreement fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group, and in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the resolution for approving the Sale and Installation of Solar Modules Agreement and the Transaction to be proposed at the EGM.

Your attention is also drawn to (i) the letter from the Independent Board Committee, (ii) the letter from the Independent Financial Adviser and (iii) the appendix to this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee, which has been prepared for the purpose of incorporation into this circular, setting out its recommendation to the Independent Shareholders as to its opinion and recommendations in respect of the Sale and Installation of Solar Modules Agreement and the Transaction.



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)

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION SALE AND INSTALLATION OF SOLAR MODULES AGREEMENT

We refer to the circular of the Company dated 22 April 2022 (the “**Circular**”), of which this letter forms part. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been formed to advise you in respect of the Sale and Installation of Solar Modules Agreement and the Transaction. Sorrento Capital Limited has been appointed as the Independent Financial Adviser to advise you and us in this regard. Details of its advice, together with the principal factors and reasons that have taken into consideration in giving such advice, are set out on pages 15 to 21 of the Circular. Your attention is also drawn to the letter from the Board and the additional information set out in the appendix to the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

RECOMMENDATION

Having considered the terms of the Sale and Installation of Solar Modules Agreement, and taking into account the advice of Sorrento Capital Limited, in particular, the principal factors, reasons and recommendation as set out in its letter, we consider that the Sale and Installation of Solar Modules Agreement and the Transaction are (i) fair and reasonable, (ii) on normal commercial terms or better and in the ordinary and usual course of business of the Group, and (iii) in the interests of the Company and its Shareholders as a whole. We therefore recommend you to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Sale and Installation of Solar Modules Agreement and the Transaction.

Yours faithfully,

For and on behalf of

Independent Board Committee

Ma Xingqin

Shan Jinlan

Wang Zhuchen

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the letter of advice from Sorrento Capital to the Independent Board Committee and the Independent Shareholders prepared related to the Sale and Installation of Solar Modules Agreement for the purpose of inclusion in this circular.



22 April 2022

*The Independent Board Committee and the Independent Shareholders of
China Technology Industry Group Limited*

Dear Sirs,

CONNECTED TRANSACTION SALE AND INSTALLATION OF SOLAR MODULES AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Sale and Installation of Solar Modules Agreement, details of which are set out in the Letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 22 April 2022 issued to the Shareholders (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular, unless otherwise specified.

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 Shannxi Baike shall supply and install 45,455 Solar Modules on the Hebei Site.

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.

As at the Latest Practicable Date, 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Ms. Ma Xingqin, Ms. Shan Jinlan and Mr. Wang Zhuchen (all being the independent non-executive Directors), has been established to advise the Independent Shareholders as to whether (i) the terms of Sale and Installation of Solar Modules Agreement are entered into on normal commercial term, fair and reasonable and in the interest of the Company and Shareholders as a whole; and (ii) to vote in favour of the resolutions to be proposed at the EGM. We, Sorrento Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We are independent from and not connected with the Group, its substantial shareholders, directors or chief executive, or any of their respective associates pursuant to Rule 17.96 of the GEM Listing Rules. During the last two years, we have not been engaged as any financial adviser to the Company. Accordingly we are qualified to give independent advice to the Independent Board Committee and the Independent Shareholders regarding the Sale and Installation of Solar Modules Agreement.

BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have considered, among other things, (i) the Circular; (ii) the Sale and Installation of Solar Modules Agreement; (iii) the annual report of the Company for the year ended 31 March 2021 (the “**2020 Annual Report**”); (iv) the interim report of the Company for the six months ended 30 September 2021 (the “**2021 Interim Report**”); and (v) relevant market data and information available from public sources and the website of the Stock Exchange. We have also relied on all relevant information and representations supplied, and the opinions expressed, by the Directors and the management of the Company. We have assumed that all such information and representations contained or referred to in the Circular are true and accurate in all material respects as at the date thereof. The Directors have jointly and severally accepted full responsibility for the accuracy of the information contained in the Circular and have also confirmed that, having made all reasonable enquiries and to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no material facts not contained in the Circular, the omission of which would make any statement in the Circular misleading. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Company, and they have confirmed that no material information have been withheld or omitted from the information provided and referred to in the Circular, which would make any statement therein misleading.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, nor have we conducted an independent investigation into the business affairs, operations, financial position or future prospects of each of the Company, the Purchaser, and any of their respective subsidiaries and associates and parties acting in concert with them.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendations to the Independent Board Committee and the Independent Shareholders in respect of the Sale and Installation of Solar Modules Agreement, we have taken into consideration the following principal factors and reasons:

I. Information of the Shannxi 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 Shannxi 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.

The table below sets forth a summary of the financial highlights of the Group for the two years ended 31 March 2021 and for the six months ended 30 September 2021 and 2020 as extracted from the 2020 Annual Report and the 2021 Interim Report:

	For the year ended		For the six months ended	
	31 March	31 March	30 September	30 September
	2020	2021	2020	2021
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Revenue	91,086	276,933	139,484	47,921
Segment results				
– sales of renewable energy products	25,774	231,061	139,484	47,921
– new energy power system integration service income	65,312	45,872	–	–
Profit (loss) attributable to owners of the Company for the year/period	(30,853)	68,992	57,573	5,521

Comparison between the six months ended 30 September 2021 and 2020

The Group recorded a total revenue of approximately RMB47.9 million for the six months ended 30 September 2021, representing a decrease of approximately RMB91.6 million or approximately 65.6% as compared to the revenue of approximately RMB139.5 million for the six months ended 30 September 2020 which was mainly due to the decrease in sales of wind power related products and solar power related products for the six months ended 30 September 2021.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group recorded a net profit of approximately RMB5.5 million for the six months ended 30 September 2021, representing a decrease of approximately 90.4% as compare to the net profit of approximately RMB57.6 million for the six months ended 30 September 2020. As stated in the 2021 Interim Report, such decrease in profit of the Group for the six months ended 30 September 2021 was mainly attributable to the decrease in revenue of the Group for the six months ended 30 September 2021 and impairment losses reversed in respect of accounts receivables in the amount of approximately RMB40.1 million for the six months ended 30 September 2020.

Comparison between the year ended 31 March 2021 and 2020

The total revenue of the Group increased from approximately RMB91.1 million for the year ended 31 March 2020 to approximately RMB276.9 million for the year ended 31 March 2021, representing an increase of approximately 204.0%. According to the 2020 Annual Report, the increase of total revenue of the Group was mainly attributable to revenue generated from the sales of renewable energy products of approximately RMB231.1 million during the year ended 31 March 2021 where the revenue generated therefrom during the year ended 31 March 2020 was approximately RMB25.8 million, which was partly offset by the decrease in revenue generated during the year ended 31 March 2021 from the rendering of new energy power system integration services by approximately RMB19.4 million when compared to the year ended 31 March 2020.

The Group recorded a net loss of approximately RMB30.9 million for the year ended 31 March 2020 and recorded profit for the year of approximately RMB69.0 million for the year ended 31 March 2021.

Set out below is a summary of the consolidated financial position of the Group, as extracted and summarised from the 2020 Annual Report and 2021 Interim Report:

	As at 31 March 2020 (RMB'000) (Audited)	As at 31 March 2021 (RMB'000) (Audited)	As at 30 September 2021 (RMB'000) (Unaudited)
Total assets	141,559	218,914	208,360
Total liabilities	132,451	130,972	114,897
Net assets	9,108	87,942	93,463

The net assets of Group increased from approximately RMB9.1 million as at 31 March 2020 to approximately RMB87.9 million as at 31 March 2021. The net assets of Group slightly increased from approximately RMB87.9 million as at 31 March 2021 to approximately RMB93.5 million as at 30 September 2021.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

II. Information on 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.

III. Reasons for and benefits of entering into the Sale and Installation of Solar Modules Agreement

As stated in the Letter from the Board, the management of the 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 11GW, 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.

As discussed with the management of the Company, the Group has been selling the solar related products since 2015 and the unit price of solar modules offered to Hebei Han Neng shall be no less favourable than those offered to other independent third-party customers. The Sale and Installation of Solar Modules Agreement is beneficial to the Group for increasing the Group's sales of solar modules and enhancing the Group's market share supplying solar modules for clean industry. The Sale and Installation of Solar Modules Agreement will support the growth of the core business of the Group, and enables the Group to fully leverage on their advantages and to achieve better operating performance.

According to the 《2022年能源工作指導意見》(Guidance on energy in 2022*) issued by the National Energy Administration of the PRC (http://zfxxgk.nea.gov.cn/1310534134_16485357771871n.doc), it proposed to develop wind power and solar energy and plan and construct new energy supply and consumption system based on large-scale wind and PV bases. It also proposed to continue to implement the development and construction of rooftop distributed PV in the whole country and make use of the land and roof resources of oil and gas mining areas, industrial and mining areas and industrial parks to developed wind power and PV.

According to the 《積極推動新能源發電項目能並盡並、多發滿發有關工作的通知》(Notice on actively promotion on the new energy power generation projects to be fully integrated*) issued by the National Energy Administration of the PRC (http://www.nea.gov.cn/2021-10/20/c_1310257171.htm), it proposed to accelerate the construction of wind power and PV generation projects and make it fully on-grid.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

According to the 2021 政府工作報告 (2021 Government Working Report*) (<http://www.gov.cn/guowuyuan/zfgzbg.htm>), China strives to reach the peak of carbon dioxide emission and achieve carbon neutrality. China government will work on the action plan to reach the peak of carbon dioxide emission by 2030 and will strengthen the development of clean energy.

Having considered that (i) the operating performance of the Group; (ii) Sale and Installation of Solar Modules Agreement doesn't restrict the Group to have limited selection of customers; (iii) the supports from China government for the renewable energy industry; and (iv) the sale and installation of solar modules will generate additional income to the Group, we concur with the Directors' view that entering into the Sale and Installation of Solar Modules Agreement is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

IV. Principal terms of the Sale and Installation of Solar Modules Agreement and the transaction contemplated thereunder

Please refer to the Letter from the Board for the detailed terms of the Sale and Installation of Solar Modules Agreement.

Consideration

As stated in the Letter from the Board, the Consideration of RMB48,000,000 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.

We have reviewed the quotation of solar modules from the website of PV InfoLink which is the division of InfoLink Consulting Ltd. focusing on research of the solar photovoltaic industry and EnergyTrend which specialize in PV industry research and track prices of PV cells/modules. We noted that the unit price of solar modules provided by the Group to Hebei Han Neng were within the range of the quotation from the websites of PV Infolink and Energy Trend.

Product guarantee

As stated in the Letter from the Board, 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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

We have reviewed 3 contracts for the year ended 31 March 2021 and noted that the product guarantee is not less favorable than those offered to independent third parties.

Payment terms

As stated in the Letter from the Board, Hebei Han Neng shall pay 10% of the consideration as deposit under the Sale and Installation of Solar Modules Agreement when the Seller issues an invoice within 7 days after the Seller and Hebei Han Neng have signed the same agreement. The Seller 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. We have reviewed 3 contracts for the year ended 31 March 2021 and noted that the credit term is not less favorable than those offered to independent third parties.

Taking into account that (i) the unit price of solar modules falls within the range of the quotation in the market; and (ii) product guarantee and payment terms offered to Hebei Han Neng is not less favorable than those offered to other independent third parties, we consider the terms of the Sale and Installation of Solar Modules Agreement are fair and reasonable.

RECOMMENDATION

Having considered the principal factors and reasons discussed above, we are of the view that the entering into the Sale and Installation of Solar Modules Agreement is in the ordinary and usual course of business of the Group and is entered into on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Shareholders, and recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the proposed resolutions to be proposed at the EGM to approve the Sale and Installation of Solar Modules Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Sorrento Capital Limited

Aaron Wong **Stanley Chung**
Managing Director *Managing Director*

Note:

Mr. Aaron Wong is a responsible officer of type 6 (advising on corporate finance) regulated activity and has more than eight years of experience in corporate finance and investment banking. Mr. Stanley Chung has been a responsible officer of Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance since 2006. Both Mr. Aaron Wong and Mr. Stanley Chung have participated in and completed various advisory transactions (including connected transactions of listed companies in Hong Kong).

The English translation of the Chinese name(s) in this letter, where indicated with * is included for information purpose only and should not be regarded as the official English name(s) of such Chinese names.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

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

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

Name of shareholder	Capacity/Nature of interest	Number of Shares held <i>(Note 1)</i>	Approximate percentage of the issued share capital of the Company
Tse Man Kit Keith <i>(Executive Director)</i>	Beneficial Owner	2,487,469 (L)	0.56%

Notes:

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

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

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

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

Name of shareholder	Capacity/Nature of interest	Number of Shares held	Approximate percentage of the issued share capital of the Company ¹
Huang Bo ²	Beneficial Owner	86,825,934 (L)	19.37%
Li Xiao Yan* (李曉豔)	Beneficial Owner	59,094,406 (L)	13.19%
Huang Yuan Ming ²	Beneficial Owner	35,548,238 (L)	7.93%
Hou Hsiao Bing ³	Beneficial Owner	26,228,000 (L)	5.85%

* for identification purpose only

Notes:

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

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

3. DIRECTORS' SERVICE CONTRACTS

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

4. COMPETING INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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

5A. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 March 2021 (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 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

7. LITIGATION

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

8. EXPERT AND CONSENT

The following are the name and the qualification of the professional adviser who has given opinion or advice contained or referred to in this document:

Name	Qualification
Sorrento Capital Limited	A licensed corporation to carry on Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Sorrento Capital Limited had no beneficial interest in the share capital of any member of the Group nor any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group or had any interest, either directly or indirectly, in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired disposed of by, or leased to, any member of the Group since 31 March 2021, being the date to which the latest published audited consolidated accounts of the Group were made up.

Sorrento Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter dated 22 April 2020 and references to its name in the form and context in which they respectively appear.

9. GENERAL

- (i) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (ii) The head office and principal place of business of the Company in Hong Kong is at Suite 704, 7th Floor, Ocean Centre, Harbour City, Kowloon, Hong Kong.
- (iii) The company secretary is Ms. Chan Mi Ling, Anita who is a certified public accountant registered with the Hong Kong Institute of Certified Public Accountants, a fellow member of the Institute of Chartered Accountants in England and Wales and a fellow member of the Association of Chartered Certified Accountants. Ms. Chan Mi Ling, Anita holds a Master degree in Business Administration from the University of Western Sydney in Australia and a Master degree in Professional Accounting from Jinan University in the People's Republic of China.

- (iv) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (v) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

10. DOCUMENTS AVAILABLE FOR INSPECTION

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

- (i) the Sale and Installation of Solar Modules Agreement;
- (ii) the letter from the Independent Financial Adviser, the text of which is set out on pages 15 to 21 of this circular; and
- (iii) the written consents referred to the paragraph headed "8. Expert and Consent" in this appendix.

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 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, 11 May 2022 at 3:00 p.m. (Hong Kong time) for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTION

"THAT:

1. the sale and installation of solar modules agreement dated 31 March 2022 and entered into between Shaanxi Baike New Energy Technology Development Co., Ltd. (陝西百科新能源科技發展有限公司) and 河北漢能售電有限公司 in relation to, among other things, the sale and installation of 45,455 solar modules on a solar powerplant located near Damiaowan village, Zhangbei county, Zhangjiakou city, Hebei province, the People’s Republic of China, for which 河北漢能售電有限公司 is the main contractor, for a consideration of RMB 48,000,000 (the “**Sale and Installation of Solar Modules Agreement**”), and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and

NOTICE OF EGM

- any one director of the Company be and is hereby generally and unconditionally authorised to do all such acts and things, to sign and execute all such documents for and on behalf of the Company as they may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Sale and Installation of Solar Modules Agreement and the transactions contemplated thereunder.

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

Hong Kong, 22 April 2022

Registered office:

Cricket Square1
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in Hong Kong:

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

Notes:

- 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.
- 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.
- 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 not later than 48 hours before the time appointed for any adjourned meeting of the EGM.
- 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.
- 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.

NOTICE OF EGM

6. In compliance with the GEM Listing Rules, all resolutions to be proposed at the EGM will be voted by way of poll.
7. References to time and dates in this notice are to Hong Kong time and dates.

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

Executive Directors:

Chiu Tung Ping (*Chairman*)
Yuen Hing Lan
Hu Xin
Tse Man Kit Keith

Independent non-executive Directors:

Ma Xingqin
Shan Jinlan
Wang Zhuchen

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

This notice will remain on the website of the Company at www.chinatechindgroup.com 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.