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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)

**PROFIT WARNING
AND
BUSINESS UPDATE**

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

PROFIT WARNING

The board (“**Board**”) of directors (“**Directors**”) of China Technology Industry Group Limited (“**Company**”) and together with its subsidiaries, the “**Group**”) wishes to inform the shareholders and potential investors of the Company that, based on information currently available, the Group is expected to record a revenue of approximately RMB42.5 million for the nine months ended 31 December 2022 (“**2022 Q3**”) representing a decrease in revenue of approximately 37.7% as compared with the revenue of approximately RMB68.2 million for the nine months ended 31 December 2021 (“**2021 Q3**”). As a result of the above, it is expected that the Group will record a loss attributable to the owners of the Company for 2022 Q3 of approximately RMB2.9 million, as compared to a loss attributable to owners of the Company for 2021 Q3 of approximately RMB1.4 million.

The loss attributable to owners of the Company of approximately RMB2.9 million for 2022 Q3 (2021 Q3: RMB1.4 million) was mainly attributable to the fact that the Group recorded no revenue for the three months ended 31 December 2022, and the decrease in gross profit of the Group during the 2022 Q3. The Group recorded no revenue for the three months ended 31 December 2022 mainly due to (i) the continued implementation of strict and extensive COVID-19 restrictions in various parts of the People's Republic of China (the "PRC") during October 2022 and November 2022, particularly the lockdowns in Beijing announced by the local government during November 2022, thereby causing disruption to the Group's operations and reducing the Group's ability to seek and negotiate new commercial contracts, and (ii) the unprecedented surge in COVID-19 cases in the PRC during December 2022, which had affected a number of the personnel of the Group.

As for the decrease in the gross profit of the Group during 2022 Q3, the gross profit for 2022 Q3 was generated from the sales and installation of solar modules (as disclosed in the announcement of the Company dated 31 March 2022 and the circular of the Company dated 22 April 2022) while the gross profit for 2021 Q3 was generated from the Zhangbei Project (as defined in the annual report of the Company dated 29 June 2022). Since the Zhangbei Project was comparatively complicated and required a higher level of technical support services, a higher gross profit margin was recorded in 2021 Q3, and a higher gross profit was recorded in 2021 Q3 as compared to 2022 Q3.

Despite the foregoing, in the view of the PRC government's recent relaxation its COVID-19 restrictions, the Board believes that a stable recovery of the PRC economy may be expected in 2023. The Board remains cautiously optimistic towards the operations of the Group for the next few years. The Group also intends to continue its efforts in seeking new business opportunities and ventures.

The information contained in this announcement is only based on the preliminary assessment by the management of the Company and is not based on any figure or information which has been audited or reviewed by the Company's auditors.

The Company is still in the process of gathering information to finalise the unaudited consolidated results of the Group for 2022 Q3. The information contained in this announcement is thus only based on the preliminary assessment by the management of the Company and is not based on any figure or information which has been audited or reviewed by the Company's auditors. Shareholders and potential investors of the Company are advised to peruse with care the quarterly results announcement of the Group for 2022 Q3, which is expected to be released in due course.

BUSINESS UPDATE

Reference is made to the announcements of the Company dated 9 November 2022 and 28 December 2022, and the circular of the Company dated 20 January 2023, in relation to, among other things, the construction of a solar modules production plant. As disclosed in the abovementioned announcements and circular, the extraordinary general meeting of the Company held to consider and, if thought fit, approve the construction of the solar modules production plant (among other things) is due to take place on 17 February 2023. Once the solar modules production plant is approved and constructed, the Group will actively seek business opportunities in this sector of the industry.

In addition to the aforementioned solar modules production plant, in an effort to further explore other avenues of development, the Group is also currently considering setting up a distributed wind power plant in the PRC. The Board believes that a distributed wind power plant would complement and create synergies with the Group's existing sales of renewable energy products and new energy power system integration businesses, and also allow the Group to leverage its existing networks. By expanding the Group's business downstream, the Board believes that the Group can further diversify its product offering. The Group is currently in the process of assessing the level of customer interest and demand, and considering the different options and methods for the construction of the distributed wind power plant. The Group will make further announcement(s) as and when appropriate in accordance with the requirements under the GEM Listing Rules.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 2 February 2023

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 for at least seven days from the date of its publication and on the Company’s website at www.chinatechindgroup.com.