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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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 Information Technology Development Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**中國信息科技發展有限公司**  
**China Information Technology Development Limited**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 08178)**

**MAJOR TRANSACTION  
IN RELATION TO THE DISPOSAL OF  
21% EQUITY INTEREST IN  
FAITHFUL ASIA GROUP LIMITED;  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**



**INCU Corporate Finance Limited**

**Financial adviser to the Company**

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Capitalised terms used in this cover page shall have the same meanings as those defined in this circular unless otherwise stated.

A notice convening the EGM to be held at Suite 2802, 28/F., Prosperity Tower, 39 Queen's Road Central, Central, Hong Kong, on Thursday, 30 November 2017 at 11:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed with this circular, which is also published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.citd.com.hk>).

Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event no later than Tuesday, 28 November 2017 at 11:00 a.m. (Hong Kong Time). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

9 November 2017

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## CHARACTERISTICS OF GEM

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GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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## DEFINITIONS

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

“Agreement”	the conditional agreement dated 26 September 2017 entered into between the Vendor and the Purchaser relating to the Disposal;
“Board”	the board of Directors;
“Business Day”	a day (other than a Saturday, a Sunday or a public holiday) on which licensed banks in Hong Kong are open for normal business throughout their normal business hours;
“Company”	China Information Technology Development Limited ( 中國信息科技發展有限公司 ), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM;
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Agreement;
“Completion Date”	the date falling within three (3) Business Days on which the Conditions Precedent shall be fulfilled and/or satisfied as may be notified by the Purchaser to the Vendor in writing and in any event not later than 20 December 2017 (or such later date as the parties to the Agreement shall agree in writing);
“Conditions Precedent”	the conditions precedent to the completion of the Disposal;
“connected person(s)”	has the same meaning ascribed to it under the GEM Listing Rules;
“Consideration”	HK\$43,050,000, being the consideration for the sale and purchase of the Sale Shares;
“Director(s)”	the director(s) of the Company;

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## DEFINITIONS

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“Disposal”	the proposed disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the Agreement;
“Disposal Company”	Faithful Asia Group Limited, a company incorporated in the British Virgin Islands with limited liability;
“Disposal Group”	the Disposal Company and the HK Subsidiary;
“EGM”	the extraordinary general meeting of the Company to be convened and held at Suite 2802, 28/F., Prosperity Tower, 39 Queen’s Road Central, Central, Hong Kong, on Thursday, 30 November 2017 at 11:00 a.m. for, among others, considering and, if thought fit, approving, the Agreement and the transactions contemplated thereunder;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“HK Subsidiary”	G A InfoMart Limited (灝域創科集團有限公司), a company incorporated in Hong Kong with limited liability on 29 January 2015 and is wholly-owned by the Disposal Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Independent Third Party(ies)”	independent third party(ies) who is(are) independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules);
“Latest Practicable Date”	6 November 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Long Stop Date”	30 November 2017 (or such other date as the parties to the Agreement may agree in writing);

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## DEFINITIONS

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“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Previous Acquisition”	the acquisition of 40% equity interest of the Disposal Company pursuant to the prior acquisition agreement. Details of the Previous Acquisition are disclosed in the Company’s announcement dated 20 April 2015;
“Purchaser”	Double Luck Limited, a company incorporated in the British Virgin Islands with limited liability and is an Independent Third Party;
“Sale Shares”	21 ordinary shares of US\$1.00 each in the issued share capital of the Disposal Company, representing 21% of the existing issued share capital of the Disposal Company;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Rosy Depot Limited, a wholly-owned subsidiary of the Company;
“US\$”	United States dollars, the lawful currency of the United States of America;
“%”	per cent.

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## LETTER FROM THE BOARD

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# 中國信息科技發展有限公司

## China Information Technology Development Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 08178)

*Executive Directors:*

Mr. Wong Kui Shing, Danny  
(Chairman and Chief Executive Officer)

Mr. Tse Chi Wai

Ms. Wu Jingjing

Mr. Takashi Togo

Mr. Wong King Shiu, Daniel

Mr. Chan Kai Leung

*Non-executive Director:*

Mr. Wong Chi Yung

*Independent non-executive Directors:*

Mr. Hung Hing Man

Mr. May Tai Keung, Nicholas

Dr. Chen Shengrong

Mr. Wong Hoi Kuen

*Registered office:*

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

*Principal place of business  
in Hong Kong:*

Suite 2802, 28/F.,  
Prosperity Tower,  
39 Queen's Road Central,  
Hong Kong

9 November 2017

*To the Shareholders*

Dear Sir/Madam,

**MAJOR TRANSACTION  
IN RELATION TO THE DISPOSAL OF  
21% EQUITY INTEREST IN  
FAITHFUL ASIA GROUP LIMITED;  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**1. INTRODUCTION**

Reference is made to the announcement of the Company dated 26 September 2017 in relation to the Disposal. On 26 September 2017 (after trading hours), the Vendor has entered into the Agreement with the Purchaser, pursuant to which the Vendor has conditionally agreed to dispose of, and the Purchaser has conditionally agreed to acquire the Sale Shares at a consideration of HK\$43,050,000.

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among other things, (i) further information relating to the Disposal; (ii) a notice convening the EGM; and (iii) other information as required to be disclosed under the GEM Listing Rules.

### 2. THE AGREEMENT

The major terms of the Agreement are set out as follows:

Date:	26 September 2017 (after trading hours)
Vendor:	Rosy Depot Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
Purchaser:	Double Luck Limited, a company incorporated in the British Virgin Islands with limited liability and an investment holding company

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchaser, its ultimate beneficial owner and their associates are Independent Third Parties as at the Latest Practicable Date.

#### **Assets to be disposed of**

Pursuant to the Agreement, the Vendor has conditionally agreed to dispose of, and the Purchaser has conditionally agreed to acquire, the Sale Shares. The Disposal Company is owned as to 40% by the Vendor, as to 55% by Mr. Cheng Shing Tak (being the vendor of the Previous Acquisition) and as to 5% by Mr. Ho Chi Ho (being an Independent Third Party) as at the Latest Practicable Date.

#### **Basis of Consideration**

The Consideration amounts to HK\$43,050,000, which shall be satisfied by the Purchaser to the Vendor in cash upon Completion.



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## LETTER FROM THE BOARD

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The Consideration was determined based on arm's length negotiation between the Vendor and the Purchaser, with reference to (i) the financial information of the Disposal Group set out under the section headed "FINANCIAL SUMMARY OF THE DISPOSAL GROUP" below; (ii) the historical acquisition cost of the 40% equity interest in the Disposal Company under the Previous Acquisition at a consideration of HK\$80,000,000 (details of the Previous Acquisition are disclosed in the Company's announcement dated 20 April 2015); and (iii) the information set out under the section headed "REASONS FOR AND BENEFIT OF THE DISPOSAL AND USE OF PROCEEDS" below.

### Conditions Precedent

Completion shall be conditional upon:

- (1) the passing by the Shareholders at the EGM to be convened and held of ordinary resolution(s) to approve the Agreement and the transactions contemplated thereunder in accordance with the GEM Listing Rules and the applicable laws and regulations;
- (2) all necessary consents, authorizations, licences and approvals required to be obtained on the part of the Vendor and/or the Company in respect of the Agreement and the transactions contemplated thereunder having been obtained;
- (3) the Purchaser's warranties under the Agreement remain true and accurate in all respects; and
- (4) the Vendor's warranties under the Agreement remain true and accurate in all respects.

The Purchaser may at any time before Completion by writing to the Vendor waive the condition (4) set out above, whereas the Vendor may at any time before Completion by writing to the Purchaser waive the condition (3) set out above. If the Conditions Precedent set out above have not been satisfied on or before the Long Stop Date, the Agreement shall cease and terminate, and thereafter neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms thereof.

Completion shall take place on the Completion Date after the fulfillment (or waiver as the case may be) of all the conditions precedent above.

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## LETTER FROM THE BOARD

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### 3. INFORMATION ON THE DISPOSAL GROUP

The Disposal Company is incorporated in the British Virgin Islands with limited liability on 18 March 2014 and is an investment holding company. The Disposal Company is owned as to 40% by the Vendor, as to 55% by Mr. Cheng Shing Tak (being the vendor of the Previous Acquisition) and as to 5% by Mr. Ho Chi Ho (being an Independent Third Party) as at the Latest Practicable Date.

The HK Subsidiary is wholly-owned by the Disposal Company as at the Latest Practicable Date and is primarily focused on business intelligence, facilities management, financial technology solutions consulting and implementation. Its scope of services including data warehouse maintenance and development, data integration, training and outsourcing services of business intelligence.

#### **Previous Acquisition**

The major terms of the Previous Acquisition are as follows:

Date:	20 April 2015
Purchaser:	Rosy Depot Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
Vendor:	Mr. Cheng Shing Tak, the beneficial owner of 95% of the then issued share capital of the Disposal Company as at 20 April 2015
Assets acquired:	40 ordinary shares of US\$1.00 each of the Disposal Company, representing 40% of the then total issued share capital of the Disposal Company
Consideration:	HK\$80,000,000

Since the completion of the Previous Acquisition in 2015, the Disposal Group has been accounted for as an associate company and its financial results have not been consolidated in the consolidated financial statements of the Company. Details of the Previous Acquisition are disclosed in the Company's announcement dated 20 April 2015.

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## LETTER FROM THE BOARD

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### 4. FINANCIAL SUMMARY OF THE DISPOSAL GROUP

Set out below is the unaudited consolidated financial information of the Disposal Group for the two years ended 30 April 2016 and 2017 in accordance with the Hong Kong Financial Reporting Standards:

	<b>For the year ended 30 April 2016 <i>HK\$'000</i> <i>Approximately</i> (unaudited)</b>	<b>For the year ended 30 April 2017 <i>HK\$'000</i> <i>Approximately</i> (unaudited)</b>
Revenue	14,306	9,122
Profit before taxation	9,751	5,275
Profit after taxation	8,161	4,405

The unaudited net asset value of the Disposal Group as at 30 June 2017 was approximately HK\$12.3 million, and 21% of which (being the subject of the transaction) amounted to approximately HK\$2.6 million.

### 5. REASONS FOR AND BENEFIT OF THE DISPOSAL AND USE OF PROCEEDS

The principal business of the Group comprises (i) development and sale of computer software and hardware; (ii) the provision of system integration and related support services; (iii) provision of IT infrastructure solutions and maintenance services; and (iv) money lending and securities trading.

As disclosed under the section headed “FINANCIAL SUMMARY OF THE DISPOSAL GROUP” above, it is noted that the revenue and profit after taxation of the Disposal Group have been decreasing. The decrease in revenue and profit was mainly due to the conservative atmosphere of the economy which caused the clients to cut IT budget and delay in the implementation of IT projects. Therefore, the Directors consider that the Disposal represents a good opportunity for the Group to reduce its investment risk and to realise part of its investment at a reasonable return.

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## LETTER FROM THE BOARD

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As stated in the Company's announcement dated 30 December 2016, the Company has subscribed 84% equity interest of Macro China Holding Limited ("**Macro**"). Since the completion of the subscription, Macro has become a non-wholly owned subsidiary of the Company and its assets, liabilities and financial results have been consolidated into the Group's accounts since then. A segment profit of approximately HK\$1.8 million from Macro and its subsidiaries (the "**Macro Group**") was disclosed in the Company's interim report for the six months ended 30 June 2017 under the IT solutions and maintenance segment. The Macro Group is principally engaged in the development and sale of computer software and hardware, the provision of system integration and related support services in the PRC. The Directors are of the view that there is certain overlapping area in the businesses of the Macro Group and the Disposal Group including but not limited to the provision of business analytics and data modelling for government and enterprise grade clients. The Directors are minded to reallocate the financial resources from the investment in the Disposal Group to the Macro Group as it is believed that a more centralised investment in subsidiaries rather than associates would optimise the operational efficiency and investment return of the Group. The Directors will closely monitor the performance of the Disposal Group and will reconsider the investment strategy in the Disposal Group as the Board considers appropriate.

Furthermore, the Consideration represents (i) a premium of approximately 33.1% over the Company's carrying value of the Sale Shares as of 30 June 2017 (including goodwill recorded under the Previous Acquisition and accumulated impairment loss as at 30 June 2017) (i.e. approximately HK\$32.3 million) and (ii) a premium of 2.5% over the prior acquisition cost of the Sale Shares under the Previous Acquisition (i.e. HK\$42 million).

In view of the above-mentioned facts, the Directors consider that the terms of the Disposal are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

The net cash proceeds from the Disposal, after deducting the estimated expenses in relation to the Disposal, will amount to approximately HK\$42.0 million. Subject to the Completion taking place, it is currently intended that the net proceeds of the Disposal will be applied as to approximately HK\$12 million for general working capital for the Group's existing businesses, among which approximately HK\$9.8 million and HK\$2.2 million will be used for settlement of staff cost and rental expense respectively; and as to approximately HK\$30 million for investment opportunities in Hong Kong and/or the PRC in respect of industries with growth potential, including but not limited to information technology industry when opportunities arise. The intended use of proceeds is subject to actual circumstances and decision of the Board when concrete details of proposed uses are put forward for consideration. As at the Latest Practicable Date, the Group has not identified any specific potential targets for investment and has not entered into any agreement in relation to any potential new projects.

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## LETTER FROM THE BOARD

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### 6. FINANCIAL EFFECTS OF THE DISPOSAL

The Disposal Group has been accounted for as an associate company and its financial results have not been consolidated in the Group's financial statements since the completion of Previous Acquisition. Upon completion of the Disposal, the Disposal Group will cease to be classified as an associate company but available-for-sale financial assets of the Group.

For illustrative purpose, based on the Consideration and the carrying value of the Sale Shares of approximately HK\$32.3 million as at 30 June 2017 (in representing share of net assets of approximately HK\$9.3 million and goodwill of approximately HK\$28.7 million, net of accumulated impairment loss of approximately HK\$5.7 million attributable to the Sale Shares as at 30 June 2017) and the estimated transaction costs and taxation of approximately HK\$1.05 million, it is estimated that the Group will record a gain on the Disposal of approximately HK\$9.7 million. Further, as the Disposal Group will cease to be classified as an associate company of the Group and hence the Group will no longer share the financial results of the Disposal Group. Based on the estimated gain on disposal and the share of profit for the year ended 31 December 2016 of approximately HK\$2.01 million, it is estimated that the net effect to the Group's earnings will be positive.

As it is expected that (i) the investment in the Disposal Group will be decreased by approximately HK\$32.3 million; and (ii) the cash balance will be increased by approximately HK\$42 million (being the net proceeds from the Disposal), the total assets and net assets of the Group will be increased by approximately HK\$9.7 million while there will be no impact on the Group's liabilities.

It should be noted that the actual gain or loss on the Disposal to be recorded by the Group will depend on the carrying value of the Disposal Group recorded on the Group's financial statements at the Completion Date and therefore may be different from the amount mentioned above.

### 7. IMPLICATIONS UNDER THE GEM LISTING RULES

As one of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Disposal exceeds 25% but all the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Disposal are lower than 75%, the Disposal constitutes a major transaction for the Company pursuant to Rule 19.06 of the GEM Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

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## LETTER FROM THE BOARD

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### 8. EGM

The EGM will be convened and held at Suite 2802, 28/F., Prosperity Tower, 39 Queen's Road Central, Central, Hong Kong on Thursday, 30 November 2017 at 11:00 a.m., for the Shareholders to approve the Agreement and the transactions contemplated thereunder. A notice convening the EGM is set out on pages EGM-1 to EGM-2 of this circular.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholder; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby it has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its Shares to a third party, either generally or on a case-by-case basis.

Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event no later than Tuesday, 28 November 2017 at 11:00 a.m. (Hong Kong Time). Completion and return of the form of proxy shall not preclude you from attending and voting at the EGM if you so wish.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the transactions contemplated under the Agreement. As such, no Shareholder is required to abstain from voting under the GEM Listing Rules at the EGM on the resolution(s) to approve the Agreement and the transactions contemplated thereunder.

### 9. RECOMMENDATION

The Board considers that the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve the Agreement and the transactions contemplated thereunder.

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## LETTER FROM THE BOARD

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### 10. ADDITIONAL INFORMATION

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

By order of the Board  
**China Information Technology Development Limited**  
**Tse Chi Wai**  
*Executive Director and Company Secretary*

**I. FINANCIAL INFORMATION OF THE GROUP**

Financial information on the Group for (i) each of the three years ended 31 December 2014, 2015 and 2016; and (ii) the six months ended 30 June 2017 are set out in (i) the annual reports of the Group for the years ended 31 December 2014 (pages 27 to 93), 2015 (pages 32 to 97) and 2016 (pages 37 to 103); and (ii) the interim report of the Group for the six months ended 30 June 2017 (pages 8 to 28), respectively, which are published on both the GEM website ([www.hkgem.com](http://www.hkgem.com)) and the website of the Company ([www.citd.com.hk](http://www.citd.com.hk)) respectively.

**II. INDEBTEDNESS**

At the close of business on 30 September 2017, being the latest practicable date for the purpose this indebtedness statement, the indebtedness of the Group was as follows:

- (i) unsecured borrowings of approximately HK\$50,873,000 which comprise unsecured borrowing from (a) Hu Zhuoer and Chan Man Wai, directors of a subsidiary, of approximately HK\$1,270,000; (b) a company controlled by Sum Siu Tung, a former management of a subsidiary, of approximately HK\$728,000; (c) Yan Wai Ping, a former shareholder of a subsidiary, of approximately HK\$47,486,000 and (d) an independent third party, of approximately HK\$1,389,000;
- (ii) secured borrowing from a bank of approximately HK\$52,381,000 which is secured by a legal charge over the investment properties with carrying value of approximately HK\$324,728,000 and personal guarantee by a subsidiary's former shareholder, Yan Wai Ping and directors, Yan Siu Yuan and Tang Gor Lun; and
- (iii) secured margin loans from the brokerage firms of approximately HK\$20,488,000 which are secured by the equity securities listed in Hong Kong with fair value of approximately HK\$42,701,000.

Save as aforesaid or as otherwise mentioned herein, and apart from intra-group liabilities, the Group did not have any outstanding borrowings, mortgages, charges, debentures, loan capital and overdraft, debt securities or other similar indebtedness, finance leases or hire purchase commitment, liabilities under acceptances or acceptance credits or any guarantees or other material contingent liabilities as at the close of business on 30 September 2017, being the latest practicable date for the purpose of this indebtedness statement prior to printing of this circular.

Save as aforesaid, the Directors are not aware of any material changes in the indebtedness, contingent liabilities and commitments of the Group since 30 September 2017, the date to which the indebtedness statement is made and up to the Latest Practicable Date.



**III. WORKING CAPITAL**

The Directors are of the opinion that taking into account the existing banking and other borrowing facilities available, the existing cash and bank balances and the effect of the Disposal, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this circular, in the absence of unforeseeable circumstances.

**IV. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial position or trading position of the Group since 31 December 2016, being the date to which the latest published audited financial statements of the Group was made up.

**V. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

Upon Completion, the Group will continue to be principally engaged in (i) development and sale of computer software and hardware; (ii) the provision of system integration and related support services; (iii) provision of IT infrastructure solutions and maintenance services; and (iv) money lending and securities trading.

As mentioned under the paragraph headed “REASONS FOR AND BENEFITS OF THE DISPOSAL AND USE OF PROCEEDS” in the Letter from the Board in this circular, the Directors consider that the Disposal represents a good opportunity for the Group to reduce its investment risk and to realise part of its investment at a reasonable return. Subject to the Completion taking place, it is currently intended that the net proceeds of the Disposal will be allocated for investment opportunities in Hong Kong and/or the PRC in respect of industries with growth potential, including but not limited to information technology industry when opportunities arise and for general working capital for the Group’s existing businesses.

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their information, 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) Interests of Directors

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

#### *Long position in shares and underlying shares of the Company*

Name of Director	Number of Shares	Number of share options outstanding	Total number of underlying Shares	Approximate Percentage of total shareholding
Chan Kai Leung – Beneficial owner (Note 2)	–	5,016,000	5,016,000	0.09%
Chen Shengrong – Beneficial owner (Note 1)	–	2,016,000	2,016,000	0.04%
Hung Hing Man – Beneficial owner (Note 1)	–	2,016,000	2,016,000	0.04%

**APPENDIX II**
**GENERAL INFORMATION**

Name of Director	Number of Shares	Number of share options outstanding	Total number of underlying Shares	Approximate Percentage of total shareholding
May Tai Keung, Nicholas – Beneficial owner (Note 1)	–	2,016,000	2,016,000	0.04%
Takashi Togo – Beneficial owner (Note 1)	–	57,000,000	57,000,000	1.00%
Tse Chi Wai – Beneficial owner (Note 1)	–	57,000,000	57,000,000	1.00%
Wong Chi Yung – Beneficial owner (Note 1)	–	33,000,000	33,000,000	0.58%
Wong Hoi Kuen – Beneficial owner (Note 2)	–	2,016,000	2,016,000	0.04%
Wong King Shiu, Daniel – Beneficial owner (Note 2)	10,008,000	57,000,000	67,008,000	1.17%
Wong Kui Shing, Danny – Beneficial owner (Note 1)	–	5,688,000	5,688,000	0.10%
– Through a controlled corporation (Note 3)	403,971,449	–	403,971,449	7.07%
– Subtotal	403,971,449	5,688,000	409,659,449	7.17%
Wu Jingjing – Beneficial owner (Note 1)	–	2,016,000	2,016,000	0.04%

*Notes:*

- The share options were granted on 11 April 2017, each with an exercise price of HK\$0.153 per Share and validity period from 11 April 2017 to 10 April 2027 under the share option scheme adopted by the Company on 2 August 2012.

2. The share options were granted on 27 September 2017, each with an exercise price of HK\$0.130 per Share and validity period from 27 September 2017 to 26 September 2027 under the share option scheme adopted by the Company on 2 August 2012.
3. Mr. Wong Kui Shing, Danny was deemed to be interested in the 403,971,449 Shares held by his wholly-owned company, namely Discover Wide Investments Limited.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company and their respective associates had any interests or 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 would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

**(b) Interests of substantial Shareholders**

As far as was known to any Director or chief executive of the Company, as at the Latest Practicable Date, the persons or companies (not being 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 under Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly deemed to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

***Long position in shares and underlying shares of the Company***

Name of substantial Shareholders	Number of Shares	Number of share options outstanding	Total number of Shares/ underlying Shares	Approximate Percentage of total shareholding
Discover Wide Investments Limited				
– Direct beneficial owner	403,971,449	–	403,971,449	7.07%
Mr. Wong Kui Shing, Danny				
– Through controlled corporation ( <i>Note</i> )	403,971,449	–	403,971,449	7.07%
– Direct beneficially owner	–	5,688,000	5,688,000	0.10%
Zhang Rong				
– Beneficial owner	364,672,000	–	364,672,000	6.38%

*Note:* Mr. Wong Kui Shing, Danny was deemed to be interested in the 403,971,449 shares by virtue of his controlling interests in Discover Wide Investments Limited.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person who had an interest or short positions in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly deemed to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors or proposed Director was a director or employee of a company which had an interest in the Shares and underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

#### **4. LITIGATION**

As at the Latest Practicable Date, as far as the Directors are aware, neither the Company nor any member of the Group was engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against the Company or any member of the Group.

#### **5. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors has any existing or proposed service contract with any member of the Group which is not expiring or terminable by the Group within one year without payment of compensation (other than statutory compensation).

#### **6. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors or controlling shareholder of the Company or their respective close associates (as defined in the GEM Listing Rules) was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

**7. DISCLOSURE OF OTHER INTEREST**

As at the Latest Practicable Date:

- (a) save for Mr. Wong Kui Shing, Danny's interest in the joint venture agreement dated 13 November 2015 in relation to the formation of China Information Technology Development Japan 株式會社, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group; and
- (b) none of the Directors in this appendix had any direct or indirect interest in any assets which had been, since 31 December 2016 (the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group.

**8. MATERIAL CONTRACTS**

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

- (i) the joint venture agreement dated 13 November 2015 entered into among the Company, Mr. Wong Kui Shing, Danny and Nihon Unisys, Ltd. in relation to the formation of China Information Technology Development Japan 株式會社 (China Information Technology Development Japan Limited);
- (ii) the memorandum of understanding dated 18 November 2015 entered into between Giant Prestige Investments Limited (a wholly-owned subsidiary of the Company) and Mr. Yan Wai Ping, Mr. Tang Chuen Pong and Mr. Zhang Rong in relation to the possible acquisition of 100% of issued capital of Joyunited Investments Limited and all obligations, liabilities and debts owing or incurred by Joyunited Investments Limited to the Vendors;

- (iii) the acquisition agreement dated 25 November 2015 entered into between Giant Prestige Investments Limited (a wholly-owned subsidiary of the Company) and Mr. Yan Wai Ping, Mr. Tang Chuen Pong and Mr. Zhang Rong in relation to the acquisition of 100% of issued capital of Joyunited Investments Limited and all obligations, liabilities and debts owing or incurred by Joyunited Investments Limited to the Vendors at the aggregate consideration of RMB178,000,000 (equivalent to HK\$215,380,000);
- (iv) the placing agreement dated 8 December 2015 entered between the Company and Kingston Securities Limited in respect of placing of a maximum of 1,830,792,000 new Shares to not less than six independent places at the placing price of HK\$0.13 per placing Share under specific mandate;
- (v) the sale and purchase agreement dated 28 June 2016 entered into between the Rosy Faith Investments Limited (a wholly-owned subsidiary of the Company) and Mr. Yang Jie in relation to the disposal of 25% of the issued share capital of the Wise Visual Holdings Limited at a consideration of HK\$80,000,000;
- (vi) the subscription agreement dated 12 September 2016 entered into between Golden Sunweave Limited (a direct wholly-owned subsidiary of the Company), Marco China Holding Limited (“**Macro**”) and Mr. Chan Kai Leung in relation to the subscription 84% of the equity interest of Macro;
- (vii) the loan agreement dated 11 April 2016 entered into between Great Achieve Management Limited (an indirect subsidiary of the Company) as lender and Marco as borrower and Mr. Chan Kai Leung as guarantor in relation to a loan of HK\$2,000,000 to the Target Company with annual interest rate of 9%;
- (viii) the share mortgage agreement dated 11 April 2016 entered into between Great Achieve Management Limited (an indirect subsidiary of the Company) as mortgagee and the Executives as mortgagors in relation to the pledge of the shares in Marco beneficially owned by the shareholders of Marco as security for repayment of the loan made in accordance with the loan agreement dated 11 April 2016 mentioned above;
- (ix) the loan agreement dated 5 August 2016 entered into between Great Achieve Management Limited (an indirect subsidiary of the Company) as lender and Marco as borrower and Mr. Chan Kai Leung as guarantor in relation to a loan of HK\$2,000,000 to Marco with annual interest rate of 9%; and
- (x) the Agreement.

## 9. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee comprises four members, Mr. Hung Hing Man, Mr. May Tai Keung, Nicholas, Dr. Chen Shengrong and Mr. Wong Hoi Kuen being all the independent non-executive directors of the Company. The primary duties of the audit committee are to review and supervise the financial reporting process, audit plan and relationship with external auditors, the internal control systems of the Group and to provide advices and recommendations to the Board for review and follow-up.

Mr. Hung Hing Man (“**Mr. Hung**”), aged 47, holds a master’s degree in Business Administration from the University of Western Sydney. He is a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Taxation Institute of Hong Kong and a member of the Society of Chinese Accountants and Auditors. Mr. Hung is currently a proprietor of a certified public accountants firm. He has extensive working experience in corporate finance, accounting, auditing and taxation sectors. Mr. Hung is also an independent non-executive director of Heng Tai Consumables Group Limited (Stock Code: 197) since 20 February 2017. He was an independent non-executive director of the Hong Kong listed company, namely China Baoli Technologies Holdings Limited (Stock Code: 164) from 31 March 2009 to 21 September 2015 and Ping An Securities Group (Holdings) Limited (Stock Code: 231) from 23 September 2009 to 17 November 2015. Mr. Hung joined the Group on 24 April 2015.

Mr. May Tai Keung, Nicholas (“**Mr. May**”), aged 56, holds a Bachelor of Arts degree in Economics from Macquarie University and a master’s degree in Commerce from University of New South Wales. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. He has over 20 years of accounting, finance and general management experience. Currently, Mr. May is a consultant in accounting, tax, internal control and finance. Mr. May had worked at the audit department of Deloitte Touche Tohmatsu. After leaving Deloitte Touche Tohmatsu, he had worked at senior management level in a number of sizeable private enterprises and listed groups including Hopewell Holdings Limited (Stock Code: 0054) as group financial controller and Hopewell Highway Infrastructure Limited (Stock Code: 0737) as an alternate director; and China Resources Property Limited as chief financial officer and internal audit director. He was also an independent non-executive director of Wealth Glory Holdings Limited (Stock Code: 8269) from September 2013 to July 2014. Mr. May joined the Group on 24 April 2015.



Dr. Chen Shengrong (“**Dr. Chen**”), aged 35, obtained a doctorate degree in Business Administration from the Pacific States University of the USA in 2011. She was an audit manager with Baker Tilly China Certified Public Accountants and had been the vice general manager of New Times Securities Company Limited in charge of risk control. From August 2014 to December 2016, Dr. Chen served as the vice president of finance of Skyslink New Energy Asset Management Limited. Since January 2017, she serves as the vice president of 天之雲綠色數據技術有限責任公司. Dr. Chen has extensive experience in internal control of enterprises, risk control in investment businesses, project risk evaluation and assets restructuring management. Dr. Chen joined the Group on 30 January 2015.

Mr. Wong Hoi Kuen (“**Mr. Wong**”), aged 56, has been an independent non-executive director, members of audit committee and nomination committee of China Baoli Technologies Holdings Limited (stock code: 164) since 13 February 2006. He has also been an independent non-executive director, members of audit committee and nomination committee of Elife Holdings Limited (stock code: 223) since 9 May 2011. Mr. Wong is a practising certified public accountant in Hong Kong and a chartered accountant in the United Kingdom. He is fellow members of The Hong Kong Institute of Certified Public Accountants, The Association of Certified Public Accountants and The Institute of Chartered Accountants in England and Wales.

#### **10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours (i.e. from 9:30 a.m. to 6:00 p.m. from Monday to Friday) at the principal place of business of the Company in Hong Kong at Suite 2802, 28/F, Prosperity Tower, 39 Queen’s Road Central, Central, Hong Kong from the date of this circular up to and including the date of the EGM:

- (a) the memorandum of association of the Company;
- (b) the annual reports of the Company for the three years ended 31 December 2014, 2015 and 2016;
- (c) the interim report of the Company for the six months ended 30 June 2017;
- (d) the material contracts disclosed in the paragraph under the heading “Material Contracts” in this appendix to this circular; and
- (e) this circular.

**11. MISCELLANEOUS**

- (a) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business of the Company in Hong Kong is located at Suite 2802, 28/F., Prosperity Tower, 39 Queen's Road Central, Hong Kong.
- (b) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (c) The company secretary and compliance officer of the Company is Mr. Tse Chi Wai, who is a member of The Institute of Chartered Accountants.
- (d) The English text of this circular shall prevail over the Chinese text in the case of any inconsistency.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### 中國信息科技發展有限公司 China Information Technology Development Limited

*(incorporated in the Cayman Islands with limited liability)*

(Stock Code: 08178)

**NOTICE IS HEREBY GIVEN THAT** an extraordinary general meeting of China Information Technology Development Limited (the “**Company**”) will be held at Suite 2802, 28/F., Prosperity Tower, 39 Queen’s Road Central, Hong Kong on Thursday, 30 November 2017 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company:

#### **ORDINARY RESOLUTIONS**

**“THAT**

- (A) the agreement dated 26 September 2017 (the “**Agreement**”) entered into between Rosy Depot Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company (the “**Vendor**”) and Double Luck Limited, a company incorporated in the British Virgin Islands with limited liability (the “**Purchaser**”), pursuant to which the Vendor conditionally agreed to dispose of, and the Purchaser conditionally agreed to acquire 21 ordinary shares of US\$1.00 each in the issued share capital of Faithful Asia Group Limited (the “**Disposal Company**”), representing 21% of the existing issued share capital of the Disposal Company (the “**Sale Shares**”) at a consideration of HK\$43,050,000 and all the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (B) any of the director of the Company (the “**Director**”) be and is hereby authorised to do all such further acts and things, negotiate, approve, agree, sign, initial, ratify and/or execute such further documents, instruments and agreements (whether under common seal or not) and to take all steps and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated in the Agreement and the transactions contemplated thereunder as he/she may in his/her absolute discretion consider necessary, desirable or expedient to give effect to the

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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Agreement and the implementation of all transactions contemplated thereunder and to agree with such variation, amendment or waiver as, in the opinion of the Directors, in the interest of the Company and its shareholders as a whole.”

By order of the Board  
**China Information Technology Development Limited**  
**Tse Chi Wai**  
*Executive Director and Company Secretary*

Hong Kong, 9 November 2017

*Registered office:*

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

*Principal place of business in Hong Kong:*

Suite 2802, 28/F.,  
Prosperity Tower,  
39 Queen’s Road Central,  
Central  
Hong Kong

*Notes:*

1. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his/her stead. A proxy needs not be a member of the Company.
2. In order to be valid, the form of proxy must be duly lodged at the Company’s branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is duly signed or a certified copy of that power of attorney or authority, no later than Tuesday, 28 November 2017 at 11:00 a.m. (Hong Kong Time).
3. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above meeting or any adjournment thereof, should he so wish, and in such event, the form of proxy shall be deemed to be revoked.
4. As of the Latest Practicable Date, the Board comprises Mr. Wong Kui Shing, Danny (Chairman and Chief Executive Officer), Mr. Tse Chi Wai, Mr. Wong King Shiu Daniel, Mr. Chan Kai Leung, Ms. Wu Jingjing, and Mr. Takashi Togo as executive Directors; Mr. Wong Chi Yung as non-executive Director; Mr. Hung Hing Man, Mr. Wong Hoi Kuen, Mr. May Tai Keung, Nicholas and Dr. Chen Shengrong as independent non-executive Directors.