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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)*

(the “Company”) (Stock Code: 8178)

## **MEMORANDUM OF UNDERSTANDING IN RELATION TO THE POSSIBLE ACQUISITION OF PROPERTY**

This announcement is made by the Board pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong).

The Board announces that on 15 January 2019 (after trading hours), the Company, as purchaser, entered into the non-legally binding MOU with the Vendor in relation to the Possible Acquisition.

**The Board wishes to emphasize that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition materialises, it may constitute a notifiable transaction on the part of the Company. Moreover, the Possible Acquisition will be subject to certain conditions precedent which may not be able to be fulfilled or waived. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company in the event that any Formal Agreement has been signed.**

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

## **MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE ACQUISITION**

The Board announces that on 15 January 2019 (after trading hours), the Company, as purchaser, entered into the non-legally binding MOU with the Vendor in relation to the Possible Acquisition.

Date: 15 January 2019 (after trading hours)

Parties: (i) The Company

(ii) The Vendor

To the best of the Directors' knowledge, information and belief and having made all reasonable enquires, each of the Vendor and its ultimate beneficial owners are an Independent Third Parties.

### **Major terms of the MOU**

#### ***Assets to be acquired***

Under the MOU, the Company intends to acquire and the Vendor intends to dispose of the whole or a part of the Property subject to further friendly negotiation between the parties to the MOU.

#### ***Consideration***

The consideration for the Possible Acquisition will be subject to further negotiation between the parties to the MOU and is expected to be satisfied by the Company in cash.

The total consideration, time of payment, payment manner and percentage of the Property to be acquired shall be subject to further negotiation between the parties to the MOU and will be set out in the Formal Agreement.

#### ***Refundable deposit***

Pursuant to the terms of the MOU, the Company shall pay a refundable deposit of RMB20,000,000 in cash to the Vendor upon signing of the MOU. If the Formal Agreement has been entered into between the Company and the Vendor, the refundable deposit of RMB20,000,000 shall be applied as partial payment of the aggregate consideration for the Possible Acquisition in accordance with the terms of the Formal Agreement. In the event that the Possible Acquisition is not completed for whatever reasons, the Vendor shall refund the said deposit in full (without interest) to the Company within 10 working days from the date of termination of the MOU or the date of lapse of the MOU (whichever is earlier).

### ***Exclusivity and binding effect***

The Vendor will not, and will procure its directors, officers, employees, representative and agents not to, directly or indirectly, for the period ended on the date falling 180 days from the date of execution of the MOU: (i) solicit, initiate or encourage inquiries or offers from; or (ii) initiate and continue negotiations or discussions with or furnish any information to; or (iii) enter into any agreement or settlement of intent or understanding with, any person or entity other than the Company with respect to the sale or other disposition of the Property.

### ***Conditions precedent***

It is intended that the Possible Acquisition will be conditional upon, including but not limited to, the satisfaction of the following conditions precedent:

- (i) the Company being satisfied with the results of the due diligence review to be conducted on the Property;
- (ii) if necessary and/or required, the Shareholders passing at an extraordinary general meeting of an ordinary resolution approving the Formal Agreement and the transactions contemplated thereunder;
- (iii) the obtaining of a PRC legal opinion (in the form and substance to the satisfaction of the Company) issued by a PRC legal advisor appointed by the Company on the transactions contemplated under the Formal Agreement;
- (iv) upon completion of the Formal Agreement, the mortgage of the Property having been fully repaid and discharged;
- (v) the certificate of immovable title in relation to the Property having been provided by the Vendor to the Company;
- (vi) an appraisal report having been issued by a valuer to be appointed by Company with an appraisal value of not less than RMB400 million for the entire Property; and
- (vii) any other conditions which may be agreed by the Company and the Vendor and included in the Formal Agreement.

### ***Formal agreement***

The Vendor and the Company shall negotiate in good faith to procure that the Formal Agreement be entered into as soon as possible and in any event, on or before the date falling 180 days from the date of execution of the MOU or such later date as the parties to the MOU may agree.

## REASONS FOR THE POSSIBLE ACQUISITION

The 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 Group has been actively considering and exploring various opportunities for investment projects and to broaden the scope of investment according to the market conditions with an aim to enhance Shareholders' value. Nansha District is located near those cities in Guangdong-Hong Kong-Macao Greater Bay Area and the PRC government may plan to develop Nansha District as a comprehensive transportation hub of the Greater Bay Area. The Board considers investment in the Property where a data centre is located, is conducive to the further development of the Group's core business and will also benefit the Group in capturing the vast business opportunities created by the exponential growth of the big data value chain in the PRC.

**The Board wishes to emphasize that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition materialises, it may constitute a notifiable transaction on the part of the Company. Moreover, the Possible Acquisition will be subject to certain conditions precedent which may not be able to be fulfilled or waived. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company in the event that any Formal Agreement has been signed.**

## DEFINITIONS

Unless the context requires otherwise, the capitalised terms used in this announcement shall have the following meanings:

<b>“Board”</b>	the board of Directors
<b>“Company”</b>	China Information Technology Development Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the GEM (stock code: 8178)
<b>“connected person”</b>	has the meanings as ascribed to it under the GEM Listing Rules
<b>“Director(s)”</b>	director(s) of the Company

<b>“Formal Agreement”</b>	the formal sale and purchase agreement which may or may not be entered into in relation to the Possible Acquisition
<b>“GEM”</b>	GEM Board of the Stock Exchange
<b>“GEM Listing Rules”</b>	the Rules Governing the Listing of Securities on the GEM
<b>“Group”</b>	the Company and its subsidiaries
<b>“Hong Kong”</b>	Hong Kong Special Administrative Region of the PRC
<b>“Independent Third Party(ies)”</b>	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and Directors, chief executives, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
<b>“MOU”</b>	the memorandum of understanding dated 15 January 2019 entered into between the Company and the Vendor setting out preliminary understanding in relation to the Possible Acquisition
<b>“Possible Acquisition”</b>	the possible acquisition by the Company the whole or a part of the Property from the Vendor
<b>“PRC”</b>	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
<b>“Property”</b>	certain land and buildings with a data centre located in Nansha District, Guangzhou, PRC
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“Share(s)”</b>	ordinary share(s) of the Company
<b>“Shareholder(s)”</b>	holder(s) of the issued Share(s)
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited

“Vendor”

廣州市德煌投資有限公司(Guangzhou Dehuang Investment Company Limited\*), a company established in the PRC

“%”

per cent.

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

Hong Kong, 15 January 2019

*As at the date of this announcement, the Board comprises Mr. Wong Kui Shing, Danny (Chairman and Chief Executive Officer), Mr. Tse Chi Wai, Mr. Takashi Togo, Mr. Wong King Shiu, Daniel and Mr. Chan Kai Leung as executive Directors; Mr. Wong Chi Yung as non-executive Director; Mr. Hung Hing Man, Mr. Wong Hoi Kuen and Dr. Chen Shengrong as independent non-executive Directors.*

*This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited 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 be available on the Company’s website <http://www.citd.com.hk> and will remain on the “Latest Company Announcement” page on the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting.*

\* For identification purpose only