



**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 : 8178)



**2021**

**FIRST QUARTERLY  
REPORT**

## **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a high 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.**

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*This report, for which the directors (the “Directors”) of China Information Technology Development Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 report 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 report misleading.*

*This report will be available on the Company’s website <http://www.citd.com.hk> and will remain on the “Latest Listed Company Information” page on the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting.*

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## **CORPORATE INFORMATION**

### **EXECUTIVE DIRECTORS**

Mr. Wong King Shiu, Daniel  
(*Chairman and Chief Executive Officer*)  
Mr. Chang Ki Sum Clark

### **INDEPENDENT NON-EXECUTIVE DIRECTORS**

Mr. Hung Hing Man  
Mr. Wong Hoi Kuen  
Dr. Chen Shengrong

### **COMPANY SECRETARY**

Ms. Lam Mei Wai Michelle

### **COMPLIANCE OFFICER**

Mr. Chang Ki Sum Clark

### **AUTHORISED REPRESENTATIVES**

Mr. Chang Ki Sum Clark  
Ms. Lam Mei Wai Michelle

### **NOMINATION COMMITTEE**

Mr. Hung Hing Man (*Chairman*)  
Mr. Wong Hoi Kuen  
Dr. Chen Shengrong

### **REMUNERATION COMMITTEE**

Mr. Wong Hoi Kuen (*Chairman*)  
Mr. Hung Hing Man  
Dr. Chen Shengrong

### **AUDIT COMMITTEE**

Mr. Hung Hing Man (*Chairman*)  
Mr. Wong Hoi Kuen  
Dr. Chen Shengrong

### **AUDITOR**

ZHONGHUI ANDA CPA Limited

## **LEGAL ADVISOR**

Conyers Dill & Pearman

## **PRINCIPAL BANKERS**

The Hongkong and Shanghai Banking  
Corporation Limited  
Public Bank (Hong Kong) Limited  
DBS Bank (Hong Kong) Limited

## **HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS**

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Millennium City 6  
392 Kwun Tong Road  
Kwun Tong, Hong Kong

## **REGISTERED OFFICE**

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Grand Cayman KY1-1111  
Cayman Islands

## **PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

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KY1-1100, Cayman Islands

## **HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

Computershare Hong Kong Investor  
Services Limited  
Shops 1712-1716, 17th Floor  
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183 Queen's Road East, Hong Kong

## **GEM STOCK CODE**

8178

## **WEB-SITE ADDRESS**

[www.citd.com.hk](http://www.citd.com.hk)

## SUMMARY

- Turnover for the three months ended 31 March 2021 (the “Period”) was approximately HK\$24,617,000 representing an increase of 52.76% from the corresponding period in last year (2020: approximately HK\$16,115,000).
- Loss attributable to owners of the Company for the three months ended 31 March 2021 amounted to approximately HK\$4,104,000 (2020: loss of approximately HK\$8,417,000). The decrease in loss is mainly due to an unaudited fair value gain on securities investment of approximately HK\$1,246,000 for the Period.
- Loss per share attributable to owners of the Company for the three months ended 31 March 2021 was approximately HK1.71 cents (2020: loss of approximately HK3.53 cents).
- The Board of Directors (the “Board”) does not recommend the payment of an interim dividend for the three months ended 31 March 2021 (2020: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Market overview

In the first three months of 2021, the world was still shadowed with pessimism brought by the outbreak of novel coronavirus (“COVID-19”). Nonetheless, the stringent precautionary measures by governments had driven our lives online, giving impetus to the development of technology industry. The geographical lockdowns and the “work-from-home” arrangements for instance, had elevated the demand for virtual desktop infrastructures (“VDI”). To stay the business afloat and act quickly amid of the pandemic, some companies took the chance to enhance or introduce the use of technology in their business, which can further reduce their administration and operational costs while increase productivity. Cloud platform for video and audio-conferencing applications for example, were becoming prominent during the pandemic. COVID-19 not only reshaped our lives, but also the business model and had somehow made technology a competitive differentiator for businesses.

With the mass vaccination began during the early 2021 alongside the supportive government policies stimulus, the economies started to revive. China’s economy grew by 18.3% in the first quarter of 2021. In Hong Kong, the economy and business were resuming normal. The economy as well as the unemployment rate were expected to improve in the first quarter of 2021.

### Business review

During the three months ended 31 March 2021, the Group has continued to develop steadily, preparing ourselves to face the challenges ahead while grabbing the golden opportunities for the sustainable growth of the Group. The Group had continued to dedicate its effort in developing innovative and advanced technology especially in fields like artificial intelligence (“AI”) and cloud technologies while cautiously controlled and allocated our resources efficiently and took appropriate corporate actions according to the market conditions.

Meanwhile, sustainable business development lies on a healthy capital structure. During the Period, we completed the capital reorganisation (the “Capital Reorganisation”) which involved (i) share consolidation of which every twenty four issued and unissued existing shares of par value of HK\$0.10 each in the share capital of the Company would be consolidated into one consolidated share of par value of HK\$2.40 each in the share capital of the Company, (ii) the capital reduction from HK\$2.40 to HK\$0.01 by cancelling the paid-up capital of the Company to the extent of HK\$2.39 on each of the then issued consolidated shares and (iii) the share sub-division, of which each of the authorised but unissued consolidated shares of par value of HK\$2.40 each would be sub-divided into two hundred and forty new shares of par value of HK\$0.01 each. The board lot size for trading in Shares on the Stock Exchange had also been changed from 24,000 existing shares to 10,000 consolidated shares conditional upon the share consolidation becoming effective. The Company believes that it will help maintain the transaction amount for each board lot at a reasonable level and attract more investors, provide flexibility for equity fund raising of the Company in the future and eliminate a substantial amount of the Company’s accumulated losses, hence, allowing greater flexibility for the Company to pay dividends in the future. The proposed Capital Reorganisation has been approved by the shareholders of the Company (the “Shareholders”) on 15 January 2021. Further stated in the announcement dated 24 February 2021, the petition hearing for confirmation of capital reduction and share sub-division was held on 23 March 2021 (Cayman Islands time) at the Grand Court of the Cayman Islands. The Capital Reorganisation has been effective from 25 March 2021.

### ***CITD Group***

In 2016, the Company placed 1,830,792,000 new shares of the Company to not less than six independent placees at a price of HK\$0.13 each and raised a net proceeds of approximately HK\$230 million (the “Placement”). It was expected that the net proceeds raised would be utilized as follows: HK\$73 million for the refurbishment of and operation of the business in the PRC properties as acquired in the acquisition of Joyunited Investments Limited on 7 April 2016 (“PRC Properties”), the Company would have approximately HK\$69 million for the general working capital and approximately HK\$88 million for the projects that are currently in progress. More details on the Placement had been disclosed in the relevant announcement of the Company dated 8 December 2015 and the circular dated 18 March 2016. The Placement had been completed on 9 May 2016. As at 31 March 2021, the use of net proceeds from the Placement was as follows: (1) approximately HK\$73.0 million for refurbishment and other expenses relating to the PRC Properties; (2) approximately HK\$79.0 million for investment in Macro China Holding Limited, business development under DataCube, IT business in Japan and a data centre in the PRC; (3) as a result of the loss in book value of the listed securities held by the Group, the Group has not realised those listed securities to settle part of the consideration for the PRC Properties as was planned. Instead, approximately HK\$9.0 million had been applied to settle the consideration for the PRC Properties; and (4) approximately HK\$69.0 million for administrative expenses and other expenses incurred by the Group.

For the period ended 31 March 2021, the Group recorded a revenue of approximately HK\$24,617,000, representing an increase of 52.76% from approximately HK\$16,115,000 in the corresponding period in 2020. This was mainly attributable to the number of projects increased due to the promotion activities launched by the Group with the aim to attract more clients and maintain our market share during the bearish economic condition brought by COVID-19 pandemic.

### **Macro Systems**

Established in 1997, Macro Systems Limited (“Macro Systems”) is a reputable company in providing diverse IT platform, digital solution and business consulting service. Macro Systems provides enterprises with the end-to-end product set including the comprehensive IT platform, from infrastructure, Cloud-ready to the Hybrid cloud platform, Macro Systems offers a stable and reliable foundation to support clients’ business development. Macro Systems also maintains clients’ workspace securely by the user-friendly VDI solution. Holding a vision of “We Make IT Smart”, Macro Systems assists worldwide corporate clients to thrive for business success and perform digital transformation by its comprehensive solution and service portfolio. Over the past 24 years, Macro Systems is committed to serving corporate clients with excellent quality which is well recognized by the ISO/IEC 27001 international standard and more than 120 global certificates and partnerships.

During the Period, Macro Systems allied with various top-class industry elites to continuously promote enterprise market’s digital transformation in Hong Kong. Macro Systems has continued to be the “Nutanix Certified Sales Expert” and gained “Master Partner”, the highest tier of partnership in the Nutanix Partner Program. Besides, Macro Systems has been the “Gold Partner” in Sangfor Technology Channel Partner, IBM PartnerWorld Program “Silver Partner” as well as “VMware Partner Connect Program — Advanced Partner”. These awards and partnerships issued by various world-class partners are solid affirmation of our high quality services.

The Group has also been persistently exploring through Marco Systems for various cooperation opportunities including potential launch of software platform to diversify our product variety as well as income sources.

Amid the COVID-19 outbreak, Macro Systems transformed our traditional workshop to online webinars. During the Period, we had organized various webinars together with reputable vendors to promote VDI solution as well as AI technology and algorithm, etc. In February 2021, Macro Systems had jointly produced cloud innovative webinar with Huawei Cloud to share the cloud adoption scenarios in the Chinese market to examine the current business need for cloud service, explore the barriers on adoption of cloud service and understand the services to accelerate cross-border data monitoring.

With our YouTube Channel “Macro Channel” and eStore on our website, we were able to continue to stay connected with our valued customers and strengthen the Company’s reputation as well as to share our knowledge especially in this difficult time. By leveraging various technologies and channels, we believe that these transformed marketing activities can benefit our reputation and sales. The cooperation and promotion of associated solutions of digital workspace allowed Macro Systems to extend its business network with different partners who can create synergy and positive impact on our business and brand name in the sector during this dynamic market period.

During the Period, we continued to utilise our scenario driven business agility zone at our solution centre in Tsimshatsui to allow our customers to experience the business agility that we bring. It allows clients to have a first-angle experience of how work can be performed in a seamless and agile way from office to anywhere by virtual workspace. We believe the experience zone can successfully strengthen clients’ confidence in deploying virtual workspace solution and facilitate the related business project progress.

### ***DataCube***

During the Period, DataCube Research Centre Limited (“DataCube”), with its unique advanced core technologies of AI Book, AI Manager and BI Canvas, has continued to promote data modelling, big data analysis as well as developing related technologies to expedite the adoption and drive the evolution of AI and business intelligence (“BI”) and across different industries and regions, so as to provide the technological platform and all related resources to drive the development of Smart Cities in Asia. Its services include machine learning model, visualization analytic dashboard, data engineering services (Data cleaning/ETL/API integration), pre-setting hardware and cloud services. DataCube is here to help companies discover emerging trends and hidden insights, and adjust business strategies in an agile and intelligent manner.

With the aim to deliver “Affordable AI for every business”, DataCube had utilized our AI Book, AI Manager and BI Canvas to assist our clients in various industries like “Smart Retail”, “Smart Monitoring” and “Smart IoT”. Through integration of business data, DataCube helps companies address specific business problems in their industries and enhance corporate risk identification and prediction capabilities through data science, thereby enhancing management capabilities.

In February 2021, our Group has entered into a strategic cooperation agreement with a renowned nationwide corporate specialized in software development, value-added operations, system integration and cloud operation services. By integrating our AI technologies, platform and the products of the counterparty, we shall assist them to deliver efficient but economical AI+HR service to their customers.

Through these cooperation, our client spectrum and market shall be further broadened, covering public transportation and energy services companies to retail and healthcare companies as well as financial institutes and banks etc. By understanding more of the needs of various industries, our professional team of data scientists shall continue to develop tailored products and systems that cater to various industries and businesses, providing affordable yet secure and advanced technology to strengthen the business of our clients.

During the Period, Macro Systems has contributed a revenue of approximately HK\$23,321,000 to the Group while DataCube had gradually engaged in more projects with different business partners. This encouraging result motivates the Directors and the Company to continue developing the business of Macro Systems and DataCube.

## **Future prospect**

2021 is expected to remain a challenging year as the economic recovery and containment of COVID-19 pandemic are still uncertain. Nevertheless, the future of the economy and the industry remain positive. Robust growth in different technology trends such as IoT, cloud technology and AI are expected. This is especially the case when the reliance on technology boosted during the COVID-19 pandemic in our lives and businesses. The social distancing and lockdown measures turbocharged the growth of online sales for example, created the demand for advanced IoT for data reception and collection and AI data technology to analyse and allocate resources and spot on target customers more effectively. The Company believes that with our team of experienced data scientists and technicians, as well as our innovative technology development, AI Book, AI Manager and BI Canvas in particular, the Group shall gain more business opportunities and benefit from this market trend. We have continuously negotiated with corporations of various industries, including public transportation organization and technology companies for business opportunities and Cooperations. Meanwhile, the demand for remote desktop service arise due to the “work from home” arrangement, the number of clients for the VDI solution, especially from the banking, finance and insurance sector has increased significantly and we believe that it will continue to have positive impact on the business of the Group.

The Group also understands that cybersecurity is important, if not essential to our clients. Not only does our Group aim to provide innovative and comprehensive products and service to our clients, we work hard to provide our clients with the data security. In the years to come, our Group shall continue to bring advanced yet secured IT services to our clients so that they can experience agility in their business without hassle.

Looking forward, the Group shall keep alert on the market conditions and trends while look for potential projects, business opportunities and/or collaborations especially on cloud technology IoT and AI or related IT services for the long term development of the Group.

## **Employees**

The total number of full-time employees hired by the Group maintained at 69 as of 31 March 2021 (2020: 65 employees). Total expenses on employee benefits amounted to approximately HK\$4,047,000 for the three months ended 31 March 2021 (2020: approximately HK\$6,287,000). The management believes the salaries offered by the Group to its employees are competitive.

## **Financial review**

For the three months ended 31 March 2021, the Group recorded a revenue of approximately HK\$24,617,000, an increase of 52.76% from approximately HK\$16,115,000 in the corresponding period of last year. The increase is mainly due to increasing of numbers of projects by narrow down the gross profit margin in order to maintain the market share.

The Group had a total cost of sales and services of approximately HK\$21,149,000 for the first quarter of year 2021, an increase of 122.04% compared with approximately HK\$9,525,000 for the same period of year 2020. The increase is mainly due to outsourcing some of the projects to other service providers.

The gross profit of the Group for the first quarter of year 2021 was approximately HK\$3,468,000, compared with approximately HK\$6,590,000 for the corresponding period of last year.

Administrative expenses for the Period were approximately HK\$7,674,000, representing an increase of 9.02% as compared to approximately HK\$7,039,000 for the corresponding period last year.

The Group recorded a mark-to-market gain on held-for-sale investment securities of approximately HK\$1,246,000 for the Period (2020: a loss of approximately HK\$5,328,000).

Finance costs of the Group for the three months ended 31 March 2021 were approximately HK\$2,991,000, an increase approximately HK\$71,000, comparing to approximately HK\$2,920,000 for the same period in 2020.

The Group recorded a loss attributable to owners of the Company of approximately HK\$4,104,000 for the three months ended 31 March 2021 (2020: loss of approximately HK\$8,417,000).

## **EVENTS AFTER THE REPORTING PERIOD**

On 1 April 2021, Rosy Depot Limited (“Rosy Depot”), a wholly-owned subsidiary of the Company, had entered into an agreement (the “Agreement”) with Valuable Fortune Limited (“Valuable Fortune”), pursuant to Rosy Depot, as the purchaser (the “Purchaser”) intended to acquire and Valuable Fortune as the vendor (the “Vendor”), intended to sell 10% equity interest in Global Engine Holdings Limited at the consideration of HK\$10,000,000, to be settled by way of allotment and issue of the 20,000,000 consideration shares by the Company at the HK\$0.5 (the “Potential Acquisition”).

Pursuant to the Agreement, closing shall take place on or before 20 April 2021 (the “Closing Date”), on which the conditions precedent of the Agreement shall be satisfied or, as the case may be, waived by the Party entitled to that condition, or such other day as the Parties otherwise agree in writing.

On 20 April 2021, the Purchaser and the Vendor have agreed in writing to extend the Closing Date to 14 May 2021 so as to allow more time to obtain regulatory approvals that are part of the conditions precedent of the Agreement.

Details of the above Agreement and the Potential Acquisition are set out in the announcements dated 1 April 2021 and 20 April 2021.

The Board of directors (the “Directors”) of the Company announces the unaudited results of the Company and its subsidiaries for the three months ended 31 March 2021, together with the unaudited comparative figures for the corresponding period of year 2020, as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		<b>Three months ended</b>	
		<b>31 March</b>	
		<b>2021</b>	2020
		<b>(Unaudited)</b>	(Unaudited)
	<i>Notes</i>	<b>HK\$'000</b>	HK\$'000
Interest revenue		<b>1,296</b>	3,547
Other revenue		<b>23,321</b>	12,568
Total revenue	3	<b>24,617</b>	16,115
Cost of sales and services		<b>(21,149)</b>	(9,525)
Gross profit		<b>3,468</b>	6,590
Other income and gains	3	<b>1,860</b>	133
Selling and distribution expenses		<b>(194)</b>	(181)
Administrative expenses		<b>(7,674)</b>	(7,039)
Fair value gain/(loss) on investment at fair value through profit or loss		<b>1,246</b>	(5,328)
Finance costs	4	<b>(2,991)</b>	(2,920)
LOSS BEFORE TAX	5	<b>(4,285)</b>	(8,745)
Income tax expenses	6	—	—
LOSS FOR THE PERIOD		<b>(4,285)</b>	(8,745)
Attributable to:			
Owners of the Company		<b>(4,104)</b>	(8,417)
Non-controlling interests		<b>(181)</b>	(328)
		<b>(4,285)</b>	(8,745)
			(restated)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted	7	<b>(HK1.71 cents)</b>	(HK3.53 cents)*

\* Adjusted for the effect of share consolidation on 19 January 2021.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2021</b>	2020
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
LOSS FOR THE PERIOD	<b>(4,285)</b>	(8,745)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF INCOME TAX EXPENSES		
Exchange differences on translation of foreign operations	<b>(2,048)</b>	(1,816)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<b>(6,333)</b>	(10,561)
Attributable to:		
Owners of the Company	<b>(6,153)</b>	(10,252)
Non-controlling interests	<b>(180)</b>	(309)
	<b>(6,333)</b>	(10,561)

# NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. Basis of preparation

The unaudited condensed consolidated financial information is prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”).

The accounting policies and basis of preparation used in preparing the unaudited consolidated results are consistent with those used in the Company’s audited consolidated financial statements for the year ended 31 December 2020.

### ***Basis of consolidation***

The condensed consolidated financial statements included the condensed financial statements of the Company and its subsidiaries for the three months ended 31 March 2021. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All income, expenses and unrealised gains and losses resulting from intercompany transactions and intercompany balances within the Group are eliminated on consolidation in full.

## 2. Operating segment information

The Group has three reportable segments as follows:

- provision of IT infrastructure solutions and maintenance services (“IT solutions and maintenance”);
- money lending; and
- Securities trading (“Securities investments”).

The Group’s reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The following table presents revenue and (loss)/profit for the Group's business segments for the three months ended 31 March 2021 and 2020.

### Reporting segment information

	Three months ended 31 March						
	IT solutions and maintenance		Money lending		Securities investments		Total
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	
<b>Segment revenue:</b>							
Sales to external customers	23,321	14,129	1,296	1,986	—	—	16,115
<b>Segment (loss)/profit</b>	<b>(2,108)</b>	<b>1,249</b>	<b>1,255</b>	<b>1,940</b>	<b>1,243</b>	<b>(5,331)</b>	<b>(2,142)</b>
<b>Reconciliation:</b>							
Bank and other interest income							9
Unallocated gains							10
Corporate and other unallocated expenses							(3,702)
Finance costs							(2,920)
Loss before tax							(8,745)
Income tax expenses							—
Loss for the period							(8,745)

## Geographical information

	<b>Revenue</b> <b>2021</b> <b>(Unaudited)</b> <b>HK\$'000</b>	2020 (Unaudited) HK\$'000
Hong Kong	<b>24,391</b>	14,400
PRC except Hong Kong	<b>226</b>	1,715
Consolidated total	<b>24,617</b>	16,115

In presenting the geographical information, revenue is based on the locations of the customers.

### 3. Revenue, other income and gains

An analysis of revenue, other income and gains is as follows:

	<b>Three months ended</b> <b>31 March</b> <b>2021</b> <b>(Unaudited)</b> <b>HK\$'000</b>	2020 (Unaudited) HK\$'000
<b>Revenue</b>		
Sale of computer hardware and software	<b>5,735</b>	10,514
Provision of technical support and maintenance services	<b>17,586</b>	2,054
Revenue from contracts with customers	<b>23,321</b>	12,568
Loans interest income	<b>1,296</b>	3,547
	<b>24,617</b>	16,115
Disaggregation of revenue from contracts with customers:		
<b>Geographical markets</b>		
Hong Kong	<b>23,095</b>	12,431
PRC except Hong Kong	<b>226</b>	137
	<b>23,321</b>	12,568
<b>Major products/services</b>		
Sale of computer hardware and software	<b>5,735</b>	10,514
Provision of technical support and maintenance services	<b>17,586</b>	2,054
Total	<b>23,321</b>	12,568

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2021</b>	2020
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
<b>Timing of revenue recognition</b>		
At a point in time	<b>5,735</b>	10,514
Over time	<b>17,586</b>	2,054
Total	<b>23,321</b>	12,568
<b>Other income and gains</b>		
Bank interest income	—	9
Other interest income	<b>1,791</b>	—
Others	<b>69</b>	124
	<b>1,860</b>	133

#### 4. Finance costs

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2021</b>	2020
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Interest on bank loans	<b>273</b>	385
Interest on other loans	<b>280</b>	315
Lease interest	<b>45</b>	75
Imputed Interest on promissory notes	<b>2,393</b>	2,145
	<b>2,991</b>	2,920

#### 5. Loss before tax

Loss before tax was arrived at after charging the following:

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2021</b>	2020
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Depreciation	<b>413</b>	455
Amortisation of other intangible assets	<b>196</b>	196

## 6. Income tax expenses

No provision for Hong Kong Profits Tax has been made for the three months ended 31 March 2021 as the Group has accumulated tax losses brought forward from previous year (2020: Nil).

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and implementation Regulation of the EIT Law, the tax rate of subsidiaries of the Company in the PRC is 25% for both periods. No provision for PRC Enterprise Income Tax has been made for the three months ended 31 March 2021 as the company's subsidiaries in PRC incurred tax losses during the period (2020: Nil).

## 7. Loss per share for the period attributable to owners of the Company

### (a) Loss attributable to the owners of the Company:

	Three months ended 31 March	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Loss for the purpose of calculating basic and diluted loss per share	4,104	8,417

### (b) Weighted average number of ordinary shares:

	Three months ended 31 March	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000 (restated)
Total number of ordinary shares in issue at the end of the period	239,341,329	238,423,329
Weighted average number of ordinary shares in issue during the period	239,341,329	238,423,329

No adjustment has been made to the basic loss per share amounts presented for the periods ended 31 March 2021 and 2020 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those periods.

## 8. Dividend

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2021 (2020: Nil).

## 9. Reserves

	Attributable to owners of the Company							Total equity (Unaudited) HK\$'000	
	Share capital (Unaudited) HK\$'000	Share premium account (Unaudited) HK\$'000	Share-based payment reserve (Unaudited) HK\$'000	Foreign currency translation reserve (Unaudited) HK\$'000	Foreign (Accumulated losses)/ retained profits (Unaudited) HK\$'000	Investment revaluation reserve (Unaudited) HK\$'000	Total (Unaudited) HK\$'000		Non- controlling interests (Unaudited) HK\$'000
At 1 January 2020	572,216	107,551	90,434	(15,053)	(375,164)	(3,687)	376,297	(1,748)	374,549
Loss for the period	—	—	—	—	(8,417)	—	(8,417)	(328)	(8,745)
Other comprehensive (loss)/income	—	—	—	—	—	—	—	—	—
— Exchange differences on translation of foreign operations	—	—	—	(1,835)	—	—	(1,835)	19	(1,816)
Total comprehensive loss for the period	—	—	—	(1,835)	(8,417)	—	(10,252)	(309)	(10,561)
Lapsed of share options	—	—	(35,031)	—	35,031	—	—	—	—
At 31 March 2020	572,216	107,551	55,403	(16,888)	(348,550)	(3,687)	366,045	(2,057)	363,988
At 1 January 2021	574,419	108,291	—	3,167	(292,582)	26,516	419,811	(4,225)	415,586
Loss for the period	—	—	—	—	(4,104)	—	(4,104)	(181)	(4,285)
Other comprehensive (loss)/income	—	—	—	—	—	—	—	—	—
— Exchange differences on translation of foreign operations	—	—	—	(2,049)	—	—	(2,049)	1	(2,048)
Total comprehensive loss for the period	—	—	—	(2,049)	(4,104)	—	(6,153)	(180)	(6,333)
Capital reorganisation	(572,026)	—	—	—	572,026	—	—	—	—
At 31 March 2021	2,393	108,291	—	1,118	275,340	26,516	413,658	(4,405)	409,253

## GENERAL INFORMATION

### Directors' service contracts

At 31 March 2021, none of the Directors had any existing or proposed service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

### Directors' interests in contracts

No Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party during the three months ended 31 March 2021.

### Directors' interests and short positions in shares and underlying shares

At 31 March 2021, the interests and short positions of the Directors in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise 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:

Name of Directors	Capacity	Nature of Interest		Percentage of the Company's issued share capital (approximately) (Note a)
		Registered Shareholder	Underlying Interest	
Mr. Wong King Shiu, Daniel	Beneficial owner	417,000	—	0.17%
Mr. Wong Kui Shing, Danny <i>(resigned as Director with effect from 31 March 2021)</i>	Interest in controlled corporation <i>(Note b)</i>	16,832,143	—	7.03%
	Beneficial owner	833,333	—	0.35%

Notes:

- (a) *The percentage is calculated based on the total number of ordinary shares of the Company in issue as at the date of this report, which was 239,341,329 Shares.*
- (b) *The 16,832,143 Shares are held by Discover Wide Investments Limited ("Discover Wide"), which is wholly-owned by Mr. Wong Kui Shing, Danny ("Mr. Danny Wong"), the former executive Director. Pursuant to the Division 7 and 8 of Part XV of the SFO, Mr. Danny Wong is deemed to have an interest in all shares in which Discover Wide has, or deemed to have an interest.*

## Directors' rights to acquire shares or debentures

Save as disclosed in the sections "Directors' interests and short positions in shares and underlying shares" and "Share Options", at no time during the three months ended 31 March 2021 and as at the date of this report were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

## Share Options

The Company has adopted the share option scheme with effect from 2 August 2012 pursuant to an ordinary resolution passed by the Shareholders on 2 August 2012 (the "Share Options Scheme").

Pursuant to the Share Option Scheme, the maximum number of shares of the Company Shares which may be issued upon exercise of all options (the "Options") to be granted under the Share Option Scheme and any other share option scheme(s) of the Company and/or its subsidiaries (if any) must not represent more than 10% of the total number of Shares in issue as at the date of adoption of the Share Option Scheme. Save for the Share Option Scheme, as at the date of this report, the Company does not have any other share option scheme.

The scheme mandate limit may be refreshed by the shareholders of the Company in general meeting from time to time provided that:

- (i) the scheme mandate limit as refreshed shall not exceed 10% of the total number of Shares in issue as at the date of approval of the refreshment of the Scheme Mandate Limit;
- (ii) Options previously granted under the Share Option Scheme and any other share option scheme(s) of the Company and/or its subsidiaries (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option scheme(s) of the Company and/or its subsidiaries) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed; and
- (iii) the total number of Shares which may be issued upon exercise of all Options granted and yet to be exercised under the Share Option Scheme or any other share option scheme(s) adopted by the Company and/or its subsidiaries must not exceed 30% of the Shares in issue from time to time.

Upon Capital Reorganisation, the total number of Shares which may issue under the Share Option Scheme or any other share option schemes shall not exceed 23,934,132 Shares.

As at the date of this report, no Option has been granted under the Share Option Scheme and there was no Option outstanding or being exercised or cancelled or lapsed during the three months ended 31 March 2021.

## Substantial shareholders' and other persons' interests in shares and underlying shares

At 31 March 2021, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

### ***Long positions in ordinary shares of the Company:***

Name	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital <i>(Note (a))</i>
Mr. Zhang Rong	Beneficial owner	35,909,333	15.00%
	Through controlled corporation <i>(Note b)</i>	1,892,000	0.79%
Discover Wide Investments Limited	Beneficial owner	16,832,143	7.03%

Notes:

- (a) *The percentage is calculated based on the total number of ordinary shares of the Company in issue as at the date of this report, which was 239,341,329.*
- (b) *The 1,892,000 Shares are held by Corporate Advisory Limited ("Corporate Advisory"), which is wholly-owned by Mr. Zhang Rong. Pursuant to the Division 7 and 8 of Part XV of the SFO, Mr. Zhang is deemed to have an interest in all shares in which Corporate Advisory has, or deemed to have an interest.*

Save as disclosed above, as at 31 March 2021, no person, other than the Directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

## Purchase, sale or redemption of the Company's listed securities

During the three months ended 31 March 2021, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of Company's listed securities.

## Competing interests

During the three months ended 31 March 2021 and up to the date of this report, the Directors had an interest in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business that need to be disclosed pursuant to the GEM Listing Rules were as follows:

<b>Name of Director</b>	<b>Name of Company</b>	<b>Nature of Business</b>	<b>Nature of interest</b>
Mr. Wong King Shiu, Daniel	Huisheng International Holdings Limited ("Huisheng"), Stock Code: 1340	Money Lending Business	Independent non-executive director of Huisheng
Mr. Wong Kui Shing, Danny <i>(resigned as Director with effect from 31 March 2021)</i>	TFG International Group Limited ("TFG"), Stock Code: 542	Money Lending Business	Non-executive director of TFG

As the Board is independent to the boards of the above mentioned companies, the Group is capable of carrying on its business independently of and at arm's length, from the business of those companies.

During the three months ended 31 March 2021 and up to the date of this report, save as disclosed above, none of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company were considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

## CORPORATE GOVERNANCE

### Corporate governance practices

During the three months ended 31 March 2021, the Company has complied with the code provision(s) (the "Code Provision(s)") of Corporate Governance Code (the "Code") as set out in Appendix 15 of the GEM Listing Rules, except for the following:

## **Code Provision A.2.1**

Code Provision A.2.1 stipulates the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Wong King Shiu, Daniel (“Mr. Daniel Wong”) now serves as both the chairman (the “Chairman”) and the chief executive officer of the Company (the “Chief Executive Officer”), such practice deviates from code provision A.2.1 of the Code. The Board is of the opinion that it is appropriate and in the best interests of the Company for Mr. Daniel Wong to hold both positions as it helps maintain the continuity of the policies and the stability of the operations of the Company.

## **Code Provision A.4.1**

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term.

None of the non-executive Directors is appointed for a specific term, which constitutes a deviation from Code Provision A.4.1. Nonetheless, in accordance with the articles of association of the Company, all non-executive directors are subject to retirement by rotation. The Company considers that there are sufficient measures to ensure the corporate governance standard of the Company is not less exacting than the Code.

## **Code of conduct regarding securities transactions by Directors**

The Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard of dealings set out in Rules 5.46 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Directors have confirmed that they had complied with the required standard of dealings and the Company’s code of conduct regarding securities transactions by the Directors during the three months ended 31 March 2021.

## **Audit Committee**

The Company established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules.

The primary duties of the audit committee of the Company (the “Audit Committee”) include supervising the financial reporting procedure and reviewing the financial statements of the Group, examining and monitoring the internal control system adopted by the Group and reviewing the relevant work of the Group’s external auditor.

As at the date of this report, the Audit Committee comprises three members, including Mr. Hung Hing Man (Audit Committee chairman), Mr. Wong Hoi Kuen and Dr. Chen Shengrong. All Audit Committee members are independent non-executive Directors.

The Group's unaudited condensed consolidated financial statements for the three months ended 31 March 2021 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards.

## **Nomination Committee**

The Company established a nomination committee with written terms of reference in compliance with Code Provisions A.5.1 to A.5.6 of Appendix 15 of the GEM Listing Rules.

The primary duties of the nomination committee of the Company (the "Nomination Committee") include reviewing the structure, size and composition of the Board and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, identifying individuals suitable qualified to become Board members and selecting or making recommendations to the board on the selection of individuals nominated for directorships, assessing the independence of independent non-executive Directors and making recommendations to the Board on the appointment, re-appointment and succession of director.

As at the date of this report, the Nomination Committee comprises three members, including Mr. Hung Hing Man (Nomination Committee chairman) and Mr. Wong Hoi Kuen and Dr. Chen Shengrong being the members. All Nomination Committee members are independent non-executive Directors of the Company.

## **Remuneration Committee**

The Company established a remuneration committee with written terms of reference in compliance with Rules 5.34 to 5.36 of the GEM Listing Rules.

The primary duties of the remuneration committee of the Company (the "Remuneration Committee") include the determination of specific remuneration packages of all executive Directors, including benefits in kind, pension rights and compensation payments, any compensation payable for loss or termination of their office or appointment, and making recommendations to the Board on the remuneration of non-executive Directors.

The Remuneration Committee meets regularly to determine the policy for the remuneration of Directors and assess the performance of executive Directors and certain senior management personnel of the Company.

As at the date of this report, the Remuneration Committee comprises three members, including Mr. Wong Hoi Kuen (Remuneration Committee chairman), Mr. Hung Hing Man and Dr. Chen Shengrong. All Remuneration Committee members are independent non-executive Directors.

## Changes in information of Directors

With effect from 31 March 2021, there are the following changes in the directorship and/or changes in directors' information:-

- (1) Mr. Wong Kui Shing, Danny resigned as the executive Director.
- (2) Mr. Chang Ki Sum Clark has been appointed as the executive Director.
- (3) Mr. Chang Ki Sum Clark has resigned as the company secretary of the Company.
- (4) Mr. Wong King Shiu, Daniel has resigned as the authorised representative and process agent of the Company.

Save as disclosed, there are no other matter required to be disclosed pursuant to Rule 17.50A of the GEM Listing Rules.

## Risk management and Internal control

The Board has the ultimate responsibility to maintain a sound and effective risk management and internal control systems for the Group to safeguard the shareholders' investment and the Group's assets and to ensure strict compliance with relevant laws, rules and regulations. The Group has established a risk management framework, which consists of the Board, the Audit Committee and the senior management of the Group. The Board determines the nature and extent of risks that shall be taken in achieving the Group's strategic objectives. The Audit Committee is responsible for reviewing the effectiveness of the internal control and risk management systems and reporting to the Board. The Board, through the Audit Committee, conducts reviews of the effectiveness of such systems at least annually, covering all material controls including financial, operational and compliance controls.

By Order of the Board  
**China Information Technology Development Limited**  
**Wong King Shiu, Daniel**  
*Chairman and Chief Executive Officer*

Hong Kong, 11 May 2021

*As at the date of this report, the Board comprises Mr. Wong King Shiu, Daniel (Chairman and Chief Executive Officer) and Mr. Chang Ki Sum Clark as executive Directors; Mr. Hung Hing Man, Mr. Wong Hoi Kuen and Dr. Chen Shengrong as independent non-executive Directors.*