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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: 8178)

DISCLOSEABLE TRANSACTION DISPOSAL OF LISTED SECURITIES

THE DISPOSAL

Acceptance of General Offer

On 10 January 2022, Global Shine, an indirect wholly-owned subsidiary of the Company, has instructed the Securities Firm to accept on its behalf the Share Offer from the Offeror in respect of an aggregate of 40,520,000 Ban Loong Shares at the Offer Price of HK\$0.285 per Ban Loong Share. The aggregate Consideration to be received by Global Shine is approximately HK\$11,548,200. Immediately upon completion of transfer of the Target Shares pursuant to the Share Offer, the Company will cease to have any interest in Ban Loong.

GEM LISTING RULES IMPLICATION

One or more than one of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules for the Disposal, is more than 5% but less than 25%. As such, the Disposal, constitute a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and are therefore subject to the notification and announcement requirements under the GEM Listing Rules.

THE DISPOSAL

Reference is made to the joint announcements of Ban Loong and the Offeror dated 4 November 2021, 24 November 2021 and 15 December 2021, and the Composite Document dated 15 December 2021 relating to, among other things, the Share Offer made by China International Capital for and on behalf of the Offeror to the Ban Loong Independent Shareholders to acquire all issued Ban Loong Shares (other than those already owned or agreed to be acquired by the Offeror and the parties acting in concert with him) at the Offer Price of HK\$0.285 per Ban Loong Share.

The Board wishes to announce that on 10 January 2022, Global Shine, an indirect wholly-owned subsidiary of the Company, has instructed the Securities Firm to accept on its behalf the Share Offer in respect of 40,520,000 Ban Loong Shares (i.e. the Target Shares) at the Consideration of HK\$0.285 per Ban Loong Share. The aggregate Consideration to be received by Global Shine is approximately HK\$11,548,200.

Principal terms of the Share Offer so far as the Disposal is concerned are summarised as follows:-

THE SHARE OFFER

The Offeror

China International Capital for and on behalf of the Offeror, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Yunnan Baiyao Group Co., Ltd.* (雲南白藥集團有限公司).

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Offeror and parties acting in concert with it, China International Capital and their ultimate beneficial owners is an Independent Third Party.

Assets to be disposed of on acceptance of Share Offer

The Target Shares represent approximately 0.63% of the total issued share capital of Ban Loong as at the date of this announcement. Immediately upon completion of transfer of the Target Shares pursuant to the Share Offer, the Company will cease to have any interest in Ban Loong.

Provided that valid acceptance forms and the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title are complete and in good order and have been received by the share registrar of Ban Loong, Global Shine will sell its tendered Target Shares to the Offeror free from all encumbrances and together with all rights attaching to them, including, without limitation, the rights to receive in full all dividends and other distributions, if any, recommended, declared, made or paid by reference to a record date on or after the date on which the Share Offer is made, being 18 January 2022.

Conditions to acceptance of the Share Offer

The acceptance of the Share Offer by Global Shine is unconditional and irrevocable.

Consideration

The Offer Price is HK\$0.285 per Ban Loong Share. Based on the 40,520,000 Ban Loong Shares (i.e. the Target Shares) held by Global Shine on the date of this announcement, the aggregate Consideration payable by the Offeror for the Target Shares is approximately HK\$11,548,200.

The Target Shares immediately before the Disposal were classified as investments at fair value through profit or loss of the Group in its consolidated financial statements, with an aggregate unaudited carrying value of approximately HK\$11,143,000 as at 31 December 2021. Subject to audit, the Group will record a gain of approximately HK\$405,200 as a result of the Disposal, being the sum of the difference between the Consideration and the unaudited carrying value of the Target Shares as at 31 December 2021.

Basis of Consideration

According to the Composite Document, the Offer Price of HK\$0.285 per Ban Loong Share under the Share Offer is equivalent to the purchase price per Ban Loong Share paid by New Huadu Group (HK) Investment Limited (“**New Huadu HK**”) under the purchase of the 56,000,000 Ban Loong Shares by New Huadu HK on 9 September 2021 (the “**Acquisition**”).

In addition, according to the evaluation of the Offer Price by Red Sun Capital Limited (“**IFA**”), the independent financial adviser to the independent board committee of Ban Loong, the Offer Price represents:

- a discount of approximately 1.72% to the closing price of HK\$0.290 per Ban Loong Share as quoted on the Stock Exchange on 9 September 2021, being the date of the Acquisition;
- a premium of approximately 3.64% over the closing price of HK\$0.275 per Ban Loong Share as quoted on the Stock Exchange on 27 October 2021 (the “**Last Trading Day**”);

- a premium of approximately 15.38% over the average closing price of approximately HK\$0.247 per Ban Loong Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days immediately prior to and including the Last Trading Day;
- a premium of approximately 3.26% over the average closing price of approximately HK\$0.276 per Ban Loong Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days immediately prior to and including the Last Trading Day;
- a discount of approximately 5.32% over the average closing price of approximately HK\$0.301 per Ban Loong Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days immediately prior to and including the Last Trading Day;
- a discount of approximately 12.58% over the average closing price of approximately HK\$0.326 per Ban Loong Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days immediately prior to and including the Last Trading Day;
- a discount of approximately 20.17% over the average closing price of approximately HK\$0.357 per Ban Loong Share based on the daily closing prices as quoted on the Stock Exchange for the 120 trading days immediately prior to and including the Last Trading Day;
- a discount of approximately 28.03% over the average closing price of approximately HK\$0.396 per Ban Loong Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days immediately prior to and including the Last Trading Day;
- a premium of approximately 9.62% over the closing price of HK\$0.260 per Ban Loong Share as quoted on the Stock Exchange on 10 December 2021 (the “**Latest Practicable Date**”);
- a premium of approximately 115.91% over the audited consolidated net asset value attributable to the shareholders of Ban Loong per Ban Loong Share of approximately HK\$0.132 as at 31 March 2021, based on a total of 6,448,152,160 Ban Loong Shares in issue as at the Latest Practicable Date and the audited consolidated net asset value attributable to owners of Ban Loong of approximately HK\$851,155,911 as at 31 March 2021; and

- a premium of approximately 137.50% over the unaudited consolidated net asset value attributable to the shareholders of Ban Loong per Ban Loong Share of approximately HK\$0.120 as at 30 September 2021, based on a total of 6,448,152,160 Ban Loong Shares in issue as at the Latest Practicable Date and the unaudited consolidated net asset value attributable to owners of Ban Loong of approximately HK\$772,225,946 as at 30 September 2021.

The IFA is of the view that the Offer Price is fair and reasonable so far as the Ban Loong Independent Shareholders (including Global Shine) are concerned. Please refer to pages 27 to 51 of the Composite Document for the full text of the advice given by the IFA in respect of the Share Offer.

Accordingly, the Directors consider that the Consideration is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Condition to the Share Offer

The Share Offer is conditional on the number of Ban Loong Shares in respect of valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the date on which the Share Offer closes (i.e. 5 January 2022, or such later time or date), together with the Ban Loong Shares already owned by the Offeror and parties acting in concert with him and acquired or agreed to be acquired before or during the offer period (from 4 November 2021 to 5 January 2022 or a later date as extended by the Offeror), resulting in the Offeror and parties acting in concert with him holding in aggregate more than 50% of the voting rights of Ban Loong (“**Condition**”).

According to the joint announcement published by the Offeror and Ban Loong on 4 January 2022, the Condition has been satisfied as at 4:00 p.m. on 4 January 2022 and the Share Offer has thus become unconditional in all respects from 4:00 p.m. on 4 January 2022 and will remain open for acceptance until 4:00 p.m. on 18 January 2022 (or such later time and/or date as the Offeror may, with the consent of the Executive and in accordance with the Takeovers Code, decide).

Settlement of the Consideration

The Consideration (less the seller’s ad valorem stamp duty in respect of the Target Shares) will be paid by way of a cheque or a banker’s cashier order despatched as soon as possible but in any event within 7 Business Days following the date of receipt by the share registrar of Ban Loong of duly completed and valid acceptance and relevant documents of title. As advised by the Securities Firm, it is expected that the Consideration will be received by Global Shine on or around 18 January 2022.

INFORMATION OF THE BAN LOONG GROUP

The principal activity of the Ban Loong is an investment holding company. The Ban Loong Group is principally engaged in money lending business, trading of goods and commodities and Cannabidiol (CBD) isolate.

Set out below is a summary of certain audited consolidated financial information of the Ban Loong for the two years ended 31 March 2020 and 31 March 2021 (as extracted from the Composite Document and the published annual report of Ban Loong):

	For the year ended 31 March 2021 HK\$	For the year ended 31 March 2020 HK\$
Revenue	1,216,714,366	1,162,153,635
Profit before tax	20,234,531	60,102,905
Profit after tax	13,210,253	49,568,862

The unaudited consolidated total asset value and net asset value of the Ban Loong as at 30 September 2021 were approximately HK\$1,373,049,239 and HK\$773,148,930 respectively.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is an investment holding company. The Group is principally engaged in the provision of IT infrastructure solutions and maintenance services, money lending and securities trading.

Global Shine is an indirect wholly-owned subsidiary of the Company. It is incorporated in Hong Kong with limited liability and is principally engaged in securities trading.

The Disposal is a part of the Share Offer which is made to all the Ban Loong Independent Shareholders, which includes Global Shine. According to the letter from the IFA as contained in the Composite Document, after considering the historical value of Ban Loong Shares and the liquidity of Ban Loong Shares, both the Offer Price and the Share Offer are fair and reasonable as regards the Ban Loong Independent Shareholders, particularly for those who wish to sell a large amount of Ban Loong Shares in the open market. Accordingly, the Company considers that the Share Offer is a good opportunity for the Group to realise the investment and have the proceeds to fund the Group's businesses.

The Board intends to utilise the net proceeds from the Disposal as general working capital of the Group and/or to support the development of the existing businesses of the Group.

Accordingly, the Directors consider that the terms of the Disposal are on normal commercial terms and are fair and reasonable and the acceptance of the Share Offer by Global Shine is in the best interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATION

One or more than one of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules for the Disposal, exceeds 5% but less than 25%. As such, the Disposal, constitute a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and are therefore subject to the notification and announcement requirements under the GEM Listing Rules.

DEFINITIONS

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

“acting in concert”	has the same meaning ascribed to it under the Takeovers Code
“Ban Loong”	Ban Loong Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on Main Board of the Stock Exchange (stock code: 30)
“Ban Loong Group”	Ban Loong and its subsidiaries from time to time
“Ban Loong Independent Shareholder(s)”	shareholder(s) of Ban Loong, other than the Offeror and the parties acting in concert with him
“Ban Loong Share(s)”	ordinary share(s) of Ban Loong of HK\$0.01 each
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for transaction of business

“China International Capital”	China International Capital Corporation Hong Kong Securities Limited, the financial adviser to the Offeror in relation to the Share Offer. China International Capital is a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities
“Company”	China Information Technology Development Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the GEM of the Stock Exchange (stock code: 8178)
“Composite Document”	the composite offer and response document dated 15 December 2021 jointly issued by the Offeror and Ban Loong to all the shareholders of Ban Loong
“Consideration”	the aggregate consideration under the Disposal in the amount of approximately HK\$11,548,200
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Target Shares held by the Group through Global Shine under the terms and conditions of the Share Offer
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate of the Executive Director, as defined in the Takeovers Code
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Global Shine”	Global Shine Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company, and a Ban Loong Independent Shareholder

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined under the Listing Rules)
“Offer Price”	the price at which the Share Offer is made, being HK\$0.285 per Ban Loong Share
“Offeror”	Yunbaiyao Hong Kong Co., Limited 雲白藥香港有限公司, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Yunnan Baiyao Group Co., Ltd.* (雲南白藥集團股份有限公司), a joint stock company established in the PRC with limited liability (shares of which are listed on the Shenzhen Stock Exchange with stock code 000538)
“Securities Firm”	China Merchants Securities (HK) Co., Limited, a corporation licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry on type 1 (dealing in securities), Type 2 (dealing in futures contracts) type 4 (advising on securities), Type 6 (advising on corporate finance) and type 9 (asset management) regulated activities, and an Independent Third Party
“Share Offer”	the conditional mandatory cash offer being made on 4 November 2021 by China International Capital on behalf of the Offeror in accordance with the Takeovers Code to acquire all issued Ban Loong Shares (other than those already owned or agreed to be acquired by the Offeror and the parties acting in concert with him) in accordance with the Takeovers Code

“Shareholder(s)”	Shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Target Shares”	40,520,000 Ban Loong Shares held by Global Shine to be disposed of by the Group under the Share Offer
“%”	per cent.

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

Hong Kong, 18 January 2022

As of the date of this announcement, 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.

This announcement, for which the Directors 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.*