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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)

**MEMORANDUM OF UNDERSTANDING
IN RELATION TO THE POSSIBLE SHARE SWAP**

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).

The Board announces that on 12 October 2022 (after trading hours), the Company entered into a non-legally binding MOU with the Swap Shareholder. Pursuant to which the Company would swap shares up to 4.9% of the enlarged share capital of Company.

The Board wishes to emphasize that no binding agreement in relation to the Possible Share Swap has been entered into as at the date of this announcement. As such, the Possible Share Swap may or may not proceed. If the Possible Share Swap materialises, it may constitute a notifiable transaction on the part of the Company. Moreover, the Possible Share Swap 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 Share Swap 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 SHARE SWAP

The Board announces that on 12 October 2022 (after trading hours), the Company entered into a non-legally binding MOU with the Swap Shareholder in relation to the Possible Share Swap.

Date: 12 October 2022 (after trading hours)

Parties: (1) The Company
(2) Marvion Holdings Limited (“**Swap Shareholder**”)

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, each of the Swap Shareholder and its ultimate beneficial owners are all Independent Third Parties.

Major terms of the MOU

Assets subject the Possible Share Swap

Under the MOU, the Company intends to allot and issue such number of new Shares, representing approximately 4.9% of the enlarged share capital of the Company to the Swap Shareholder in exchange for shares of the Swap Shareholder and/or shares of its parent company.

Consideration

The consideration for the Possible Share Swap would be determined by the share price of each of the parties to the MOU based on their closing price on an agreed date and without premium for either party.

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

Formal agreement

The parties to the MOU shall negotiate in good faith to procure that the Formal Agreement be entered into as soon as practicable.

If the Formal Agreement is entered into, the Possible Share Swap may constitute a notifiable transaction on the part of the Company pursuant to the GEM Listing Rules. In this regard, the Company will comply with the reporting, disclosure and/or Shareholders’ approval requirements under the GEM Listing Rules as and when appropriate.

INFORMATION OF THE SWAP SHAREHOLDER

The Swap Shareholder, Marvion Holdings Limited, is a blockchain and metaverse technology company in the media and entertainment industry, focusing on movies, drama, animation, comics, music and games which provide content and entertainment to adults and children alike.

Marvion Holdings Limited applies blockchain and Digital Ownership Token (“**DOT**”) technologies, a form of non-fungible digital ownership token (also known as non-fungible tokens or NFTs) created by utilising blockchain technology tool available on blockchain platforms with each DOT having a unique identifier to reflect the digital ownership title to a tangible or an intangible asset and embedding legally binding ownership documentation into the metadata of the DOT and securing such metadata on a blockchain.

DOTs are tools designed to disrupt and improve the existing media and entertainment industry and its current practices. The technologies underpinning DOTs have multiple functions, some of which have the power to transform our societies including but not limited to how commerce will be conducted in the digital age, and some of which may be subject to emerging regulations.

Marvion Holdings Limited uses DOT technologies to create a legally binding digital ownership token to both tangible and intangible media and entertainment assets, which would, as of this moment hereof, functionally fall outside existing regulatory perimeters.

Marvion Holdings Limited is also a wholly owned subsidiary of Bonanza Goldfields Corporation, which is headquartered in Singapore and traded in over-the-counter markets of the USA. Bonanza Goldfields Corporation has been providing services to distribute and sell DOTs for media through its homegrown platform of MetaStudio and is also interoperable with other NFT marketplaces such as OpenSea and has been educating the public about digital collectibles.

REASONS FOR AND BENEFIT OF THE POSSIBLE SHARE SWAP

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 Hong Kong and the PRC.

The Group has been actively considering and exploring various opportunities for investment projects and to broaden the scope of investment according the market conditions with an aim to enhance Shareholders’ value. The Group pioneered in the development of artificial intelligence (“**AI**”) technology in Hong Kong and has been playing an indispensable role in offering information technology related services to various industries globally. The Possible Share Swap allows the Group to invest in the Swap Shareholder and promote its AI technology in the media and entertainment industry, which has gained momentum since the COVID-19 pandemic.

The collaboration between the Group and the Swap Shareholder would offer renewed synergies to both parties. The Group could tap into the experience of the Swap Shareholder in the everchanging world of the metaverse and Web Three. It is reported that the digital human avatar market, which is essential for rolling out metaverses, was valued at US\$10.03 billion in 2020 and expected to reach US\$528.58 billion by 2030. Further, the Group could provide niche AI technology to the Swap Shareholder which would enhance the latter's product offerings in the media and entertainment space.

GENERAL

The MOU is non-legally binding in respect of the Possible Share Swap. The Possible Share Swap is subject to, among others, the execution of the Formal Agreement. The terms of the Formal Agreement for the Possible Share Swap have yet to be determined and are subject to further negotiations between the parties to the MOU.

The Board wishes to emphasize that no binding agreement in relation to the Possible Share Swap has been entered into as at the date of this announcement. As such, the Possible Share Swap may or may not proceed. If the Possible Share Swap materialises, it may constitute a notifiable transaction on the part of the Company. Moreover, the Possible Share Swap 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 Share Swap 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:

“Board”	the board of Directors
“Company”	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)
“Director(s)”	director(s) of the Company
“Formal Agreement”	the formal share swap agreement which may or may not be entered into in relation to the Possible Share Swap
“GEM”	GEM Board of the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	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
“MOU”	the memorandum of understanding dated 12 October 2022 entered into between the Company and the Swap Shareholder setting out preliminary understanding in relation to the Possible Share Swap
“Possible Share Swap”	the possible share swap of up to 4.9% of the enlarged share capital of Company
“PRC”	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
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Swap Shareholder”	Marvion Holdings Limited, a company incorporated in the British Virgin Islands
“USA”	The United States of America

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

Hong Kong, 20 October 2022

As at 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.