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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)**

## **DISCLOSEABLE TRANSACTION**

### **SHARE SWAP AGREEMENT INVOLVING THE ISSUE OF SHARES UNDER THE GENERAL MANDATE**

#### **THE SHARE SWAP AGREEMENT**

On 25 October 2022 (after trading hours), the Company entered into the Share Swap Agreement with Bonanza. Pursuant to which the Company will swap its 26,520,387 CITD Shares (each share at HK\$0.135) for a total of 218,574,618 BONZ Shares (each share at US\$0.0021) to be allotted and issued by Bonanza. The total consideration for the transaction is approximately HK\$3,580,252 (equivalent to approximately US\$459,007). The CITD Shares will be allotted and issued under the General Mandate granted to the Board in the AGM.

Upon Completion, the Company will own approximately 0.153% of the enlarged share capital of Bonanza, while Bonanza will own approximately 4.90% of the Company's enlarged share capital. As such, Bonanza's financial results will not be consolidated into the consolidated financial statements of the Company.

#### **GEM LISTING RULES IMPLICATION**

As one or more of the relevant percentages exceed 5% but less than 25%, the Share Swap and the transactions contemplated thereunder constitutes a disclosable transaction of the Company under Chapter 19 of the GEM Listing Rules and are therefore subject to the notification and announcement requirements of the GEM Listing Rules.

**As the Completion is subject to the satisfaction of a number of conditions precedent, it may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

The Board is pleased to announce that on 25 October 2022 (after trading hour), the Company entered into the Share Swap Agreement with Bonanza. Pursuant to which the Company will swap its 26,520,387 CITD Shares (each share at HK\$0.135 for a total of 218,574,618 BONZ Shares (each share at US\$0.0021) to be allotted and issued by Bonanza.

## **THE SHARE SWAP AGREEMENT**

### **Date**

25 October 2022 (after trading hours)

### **Parties**

1. The Company
2. Bonanza

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of Bonanza and its ultimate beneficial owner(s) are all Independent Third Parties.

### **Major terms of the Share Swap Agreement**

#### ***Asset subject to the Share Swap***

Pursuant to the Share Swap Agreement made with Bonanza, the Company agreed to allot and issue a total of 26,520,387 CITD Shares to Bonanza for a total of 218,574,618 BONZ Shares to be allotted and issued by Bonanza.

#### ***Consideration***

The consideration for swapping of the 26,520,387 CITD Shares for a total of 218,574,618 BONZ Shares was based on the agreed price of HK\$0.135 per CITD Share and US\$0.0021 (exchange rate at US\$1 to HK\$7.8) per BONZ Share. The total consideration is approximately HK\$3,580,252 (equivalent to approximately US\$459,007). The agreed price was based on the opening share price of CITD Share on 14 October 2022 and the closing price of BONZ Share on 13 October 2022. This was arrived at after arm's length commercial negotiations between the respective parties to the Share Swap Agreement.

### ***Conditions precedent***

The respective obligations of the Company and Bonanza to effect the Share Swap completion be conditional upon the following conditions precedent (the “**Conditions Precedent**”):-

- (1) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the CITD Shares;
- (2) Bonanza obtaining the requisite approval from its shareholders, the SEC and FINRA for increasing the number of its authorised shares; and
- (3) any other approval as may be required by applicable laws, rules or regulations for the CITD Share Subscription and the BONZ Share Subscription.

If the parties are unable to fulfil the Conditions Precedent by Completion, then the Share Swap Agreement shall terminate and be of no further effect and all rights and obligations of the parties under the Agreement will cease and lapse, in which the parties under the Share Swap Agreement shall be release from all their obligations thereunder without liability (without prejudice to the rights of any parties in respect of the continuing provisions or any antecedent breach of the Share Swap Agreement).

### ***Completion***

Subject to the fulfilment of the Conditions Precedent, the completion of the CITD Share Subscription and the BONZ Share Subscription shall take place simultaneously on Completion.

### **THE CITD SHARE SUBSCRIPTION**

Pursuant to the Share Swap Agreement, Bonanza has agreed to subscribe for, and the Company has agreed to allot and issue to Bonanza (or its nominee) 26,520,387 CITD Shares under the General Mandate at the Subscription Price of HK\$0.135 per CITD Share.

The 26,520,387 CITD Shares represent approximately 5.15% of the issued share capital of the Company as at the date of this announcement and approximately 4.90% of the enlarged issued share capital of the Company on the assumption that there will be no other changes in the share capital of the Company save and except for the CITD Share Subscription.

As at the date of the announcement, Bonanza and its subsidiaries do not hold any Shares of the Company. Immediately after completion, Bonanza will hold approximately 4.90% of the enlarged share capital of the Company. As such, Bonanza’s financial results will not be consolidated into the consolidated financial statements of the Company.

The CITD Shares, when allotted and issued, shall rank *pari passu* in all respect among themselves and with other Shares in issue as at the date of Completion.

## **Subscription price for the CITD Shares**

The subscription price of each CITD Share is HK\$0.135, which represents:

- (1) a premium of approximately 9.76% over the closing price of HK\$0.123 per Share as quoted on the Stock Exchange on 25 October 2022, being the date of the Share Swap Agreement;
- (2) a premium of approximately 2.27% over the closing price of HK\$0.132 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to 25 October 2022; and
- (3) a premium of approximately 2.27% over the closing price of HK\$0.132 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to 25 October 2022.

The Directors consider the issue price to be fair and reasonable and in the interest of the Company and its shareholders as a whole.

The aggregate subscription price of approximately HK\$3,580,252 (equivalent to approximately US\$459,007) will be settled by Bonanza by the allotment and issue of BONZ Shares.

## **General Mandate**

The CITD Shares will be allotted and issued pursuant to the General Mandate granted to the Board at the AGM. Under the General Mandate, the Company is authorised to issue up to 102,942,398 new Shares (representing 20% of the total number of issued Shares as at the date of the AGM) until revocation, variation or expiration of the General Mandate. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate.

## **Application for listing**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the CITD Shares to be issued pursuant to the Share Swap Agreement.

## **THE BONZ SHARE SUBSCRIPTION**

Pursuant to the Share Swap Agreement, the Company has agreed to subscribe for, and Bonanza has agreed to allot and issue to the Company (or its nominee), 218,574,618 BONZ Shares at the subscription price of US\$0.0021 per BONZ Share.

The 218,574,618 BONZ Shares represent 0.1532% of the existing share capital of Bonanza as at the date of this announcement and approximately 0.153% of the enlarged issued share capital of Bonanza on the assumption that there will be no other changes in the share capital of Bonanza save and except for the BONZ Share Subscription.

As at the date of this announcement, the Company and its subsidiaries do not hold any shares in Bonanza. Immediately after the Completion, the Company will hold approximately 0.1530% of the enlarged issued share capital of Bonanza as a result of the BONZ Share Subscription.

The aggregate subscription price of approximately HK\$3,580,252 (equivalent to approximately US\$459,007) will be settled by the Company by the allotment and issue of the CITD Shares.

The BONZ Shares, when allotted and issued, shall rank *pari passu* in all respect among themselves and with other shares of Bonanza in issue as at the date of Completion.

### Subscription price for BONZ Shares

The subscription price of each BONZ Share is US\$0.0021, which represents:

- (1) a premium of 10.53% over the closing price of US\$0.0019 per share of Bonanza as quoted on the OTC on 24 October 2022, being the last trading day before the date of entering the Share Swap Agreement;
- (2) a loss of approximately 4.55% over the closing price of US\$0.0022 per share of Bonanza as quoted on the OTC for the five consecutive trading days immediately prior to 25 October 2022; and
- (3) a loss of approximately 0.9% over the closing price of US\$0.00212 per share of Bonanza as quoted on the OTC for the ten consecutive trading days immediately prior to 25 October 2022.

### EFFECT OF THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 514,711,993 Shares in issue. Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon the allotment and issue of all the CITD Shares (assuming there is no other change in the shareholding structure of the Company before the allotment and issue of the CITD Shares):

Name of Shareholders	As at the date of the announcement		Immediately upon Completion of the CITD Share Subscription	
	Number of Shares	Approx. %	Number of Shares	Approx. %
<b>Substantial Shareholders</b>				
Mr. Zhang Rong	114,912,998	22.32	114,912,998	21.24
Mr. Lam Shu Chung	38,013,000	7.39	38,013,000	7.02
Mr. Tang Keung	35,034,000	6.81	35,034,000	6.47
Valuable Fortune Limited	30,000,000	5.83	30,000,000	5.54
<b>Bonanza</b>	0	0.00	26,520,387	4.90
<b>Other public shareholders</b>	296,751,995	57.65	296,751,995	54.83
<b>Total</b>	<u>514,711,993</u>	<u>100.00</u>	<u>541,232,380</u>	<u>100.00</u>

## INFORMATION OF BONANZA

Bonanza Goldfields Corp. is a Nevada holding company that through its subsidiaries are engaged in the lifestyle, media and entertainment creation and distribution, and technology business. Through the use of Web3 technologies (including blockchain and metaverse technologies), it seeks to provide end-to-end one-stop solution for brands and content creators to preserve, unlock and enhance the value of their Intellectual Properties (“IPs”). Its mission is to lead the revolution and set the standards for responsible application of Web3 technologies, including its proprietary Digital Ownership Token (“DOT”).

Each DOT represents legally binding ownership over (1) assets, tangible or intangible, (2) intellectual property, copyright or other licenses, or (3) the specific legal rights described therein. Each DOT will have legally binding ownership documentation embedded in the metadata of the token and such metadata will be secured on a reliable blockchain. Separately, each DOT will mint on the blockchain with smart contracts that will facilitate trust-less settlement of sale and purchase transactions, including payments of fees and commissions (if any). As its DOTs are powered by smart contracts, buyers of the DOTs will be able to confirm the ownership and/or licensing rights of the digital assets from the legal documents minted into the DOT. These are the gold standards it observes in an attempt to take the lead on the narrative regarding how blockchain technology should be responsibly adopted and implemented in the real world to improve our daily lives.

Apart from media and entertainment purposes, Bonanza also intends to transform the Metaverse to eventually become a second home and even a second work place with an economy that can encourage the establishment of businesses and provide jobs to its residents. Its vision is to see a healthy population of residents work and play in the Metaverse.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, Bonanza and its ultimate beneficial owner(s) are Independent Third Parties and do not hold any Shares of the Company as at the date of this announcement. As at the date of this announcement, the Company does not hold any shares in Bonanza.

Set out below is the financial information of Bonanza extracted from its audited financial statements for the years ended 31 December 2020 and 2021 and the unaudited financial statements for the six months ended 30 June 2022:

	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Audited)</b>
	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>30 June</b>	<b>31 December</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Net assets/(liabilities)	5,905,583	(2,112,683)	255,814
Revenue	1,094,031	297,092	–
Loss before taxation	1,977,777	2,115,948	865
Loss after taxation	1,973,954	2,121,074	865

## **REASONS AND BENEFITS FOR THE SHARE SWAP**

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

The entering into of the Share Swap Agreement will allow the Company and Bonanza to become strategic alliance with a shareholding stake in each other, which will allow the Company and Bonanza to share their experience and expertise in artificial intelligence, blockchain and DOT with each other.

As application of the metaverse and virtual reality, both premised on artificial intelligence technologies, have become increasingly known and popular with many companies and institutions seeking to adopt and leverage these technologies, the Company considers that there would be an ever increasing demand for Bonanza's services and the Company sees there being much growth potential in the value of BONZ Shares. The Share Swap Agreement represents an investment opportunity of the Company to invest in Bonanza without cash outflow and will enhance the cooperation between the Company and Bonanza.

After the BONZ Share Subscription, the Company (or its nominee) will hold approximately 0.1530% equity interest in Bonanza. After the CITD Share Subscription, Bonanza (or its nominee) will hold approximately 4.90% equity interest in the Company. The Company has no intention to nominate a person to stand for election as a director of Bonanza and likewise, Bonanza also has no intention to nominate a person to stand for election as a director of the Company. Accordingly, the Board considers that the CITD Share Subscription will have no significant effect on the Company's financial position, daily operations and policies making. Furthermore, the BONZ Share Subscription will be settled by issuing CITD Shares, and no cash consideration would be paid, the Company's internal financial resources would not be reduced and the Company's shareholder base can be broadened. It is expected that both the total assets and net assets of the Company will be increased subsequent to the Completion.

As the BONZ Shares are traded in the OTC, the Company will be able to realise the investment in Bonanza in the open market, which represent an efficient means for the realisation of the investment in Bonanza.

The Board considers that the terms and conditions of the Share Swap Agreement are fair and reasonable and are on normal commercial terms and the Share Swap Agreement and the transactions contemplated thereunder are in the interest of the Company and the Shareholders as a whole.



## LISTING RULES IMPLICATIONS

As one or more of the relevant percentages exceed 5% but less than 25%, the Share Swap and the transactions contemplated thereunder constitutes a disclosable transaction of the Company under Chapter 19 of the GEM Listing Rules and are therefore subject to the notification and announcement requirements of the GEM Listing Rules.

**As the Completion is subject to the satisfaction of a number of conditions precedent, it may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

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

<b>“AGM”</b>	the annual general meeting of the Company held and convened on 30 June 2022
<b>“Board”</b>	the board of Directors
<b>“Bonanza”</b>	Bonanza Goldfields Corp., a company incorporated in the State of Nevada, the USA. The issued shares of which are traded in the OTC (Ticker: PINK: BONZ)
<b>“BONZ Share(s)”</b>	ordinary share(s) of Bonanza of US\$0.0021 each
<b>“BONZ Share Subscription”</b>	the subscription of the BONZ Shares by the Company or its nominee pursuant to the terms and conditions of the Share Swap Agreement
<b>“CITD Share(s)”</b>	ordinary share(s) of the Company of HK\$0.135 each
<b>“CITD Share Subscription”</b>	the subscription of the CITD Shares by Bonanza or its nominee pursuant to the terms and conditions of the Share Swap Agreement
<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>“Completion”</b>	the simultaneous completion of the CITD Share Subscription and the BONZ Share Subscription and the performance by the parties of their respective obligations under the Share Swap Agreement
<b>“Director(s)”</b>	director(s) of the Company
<b>“FINRA”</b>	The Financial Industry Regulatory Authority
<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>“General Mandate”</b>	the general mandate granted to the Directors at the AGM to allot, issue or deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
<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>“OTC”</b>	the over-the-counter markets in the USA
<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>“SEC”</b>	The Securities and Exchange Commission
<b>“Share(s)”</b>	ordinary share(s) of the Company
<b>“Shareholder(s)”</b>	holder(s) of the issued Share(s)
<b>“Share Swap”</b>	together the CITD Share Subscription and the BONZ Share Subscription

“Share Swap Agreement”	the conditional agreement dated 25 October 2022 and entered into between the Company and Bonanza in respect of the Share Swap
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USA”	The United States of America
“US\$”	United States Dollars, the lawful currency of the USA

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

Hong Kong, 25 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.*