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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 DISPOSAL OF LISTED SECURITIES

THE DISPOSAL

On 22 December 2022, the Seller, an indirect wholly-owned subsidiary of the Company, together with the Previous Sale Shares, disposed on the open market a total of 3,540,000 K.H. Group Holdings Shares (representing approximately 0.885% of the issued share capital of K.H. Group Holdings as at the date of this announcement) at an aggregate consideration of approximately HK\$1,008,000 (exclusive of transaction costs). The average selling price (exclusive of transaction costs) for the Disposal of each K.H. Group Holdings Share is approximately HK\$0.285. Upon settlement of the Disposal, the Group ceased to hold any K.H. Group Holdings Shares.

GEM LISTING RULES IMPLICATION

The disposal of Previous Sale Shares, on a standalone basis, does not constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules, as none of the applicable percentage ratios exceeds 5%.

Since the Sale Shares was disposed of and conducted within 12 months of the completion of the disposal of Previous Sale Shares, the Previous Sale Shares and the Sale Shares were required to be aggregated as a series of transactions pursuant to Rule 19.22 of the GEM Listing Rules. As 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 constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the notification and announcement requirements under the GEM Listing Rules.

THE DISPOSAL

On 22 December 2022, the Seller, an indirect wholly-owned subsidiary of the Company, together with the Previous Sale Shares, disposed on open market a total of 3,540,000 K.H. Group Holdings Shares (representing approximately 0.885% of the issued share capital of K.H. Group Holdings as at the date of this announcement), at an aggregate consideration of approximately HK\$1,008,000 (exclusive of transaction costs). The average selling price (exclusive of transaction costs) for the Disposal of each K.H. Group Holdings Share is approximately HK\$0.285.

Upon settlement of the Disposal, the Group ceased to hold any K.H. Group Holdings.

As the Disposal was conducted through the sales in the open market, the Company is not aware of the identities of the purchasers. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the purchasers and their ultimate beneficial owners are the Independent Third Parties.

INFORMATION OF K.H. GROUP HOLDINGS

K.H. Group Holdings, a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 1557). K.H. Group Holdings is principally engaged in the provision of foundation services and leasing of machinery in Hong Kong and trading of electronic devices in the PRC.

The following financial information is extracted from the published annual report of K.H. Group Holdings for the years ended 31 March 2022 and 2021:

	Year Ended 31 March	
	2022	2021
	<i>Approximately</i>	<i>Approximately</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	751,767	933,797
(Loss)/profit before tax	(18,344)	1,071
(Loss)/profit after tax	(18,346)	1,071
Total assets	658,020	682,892
Net assets value	75,141	93,487

REASONS FOR THE DISPOSAL

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

The Seller 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 Group is expected to receive the proceeds of approximately HK\$1,008,000 (excluding transaction costs) and recognise a loss of approximately HK\$1,040,000 which is calculated on the basis of the difference between the acquisition cost and the disposal price (excluding transaction costs).

As the Group has held the K.H. Group Holdings Shares since 2021 and given the volatility of market condition and macro-economy especially after the outbreak of COVID-19, the Company believes that it is beneficial to take this opportunity to dispose the K.H. Group Holdings Shares to liquidate the investment and adjusting the composition of the investment portfolio of the Group according to the market changes. The Group intends to use the proceeds from the Disposal for repayment of margin loans.

As the Disposal was conducted at market price of K.H. Group Holdings Shares at the time of the Disposal, the Directors are of the view that the Disposal was fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATION

Since the Sale Shares was disposed of and conducted within 12 months of the completion of the disposal of Previous Sale Shares, the Previous Sale Shares and the Sale Shares were required to be aggregated as a series of transactions pursuant to Rule 19.22 of the GEM Listing Rules. As 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 otherwise requires, the following expressions shall have the following respective meanings.

“Board”	the board of Directors of the Company
“Company”	China Information Technology Development Limited, a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the GEM of the Stock Exchange (Stock Code: 8178)
“Director(s)”	the director(s) of the Company

“Disposal”	The disposal of the Sale Shares and the Previous Sale Shares for an aggregate of 3,540,000 K.H. Group Holdings Shares (representing 0.885% of the issued share capital of K.H. Group Holdings as at the date of this announcement) by way of a series of on-market transactions at an aggregate consideration of approximately HK\$1,008,000 (exclusive of transaction costs)
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“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 PRC
“Independent Third Party(ies)”	an individual or a company who or which is independent of and not connected with (within the meaning of the GEM Listing Rules) any Directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associates
“K.H. Group Holdings”	K.H. Group Holdings Limited, is a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1557)
“K.H. Group Holdings Shares”	share(s) of par value of HK\$0.01 each in the share capital of K.H. Group Holdings
“Previous Sale Shares”	a total of 1,500,000 ordinary shares of HK\$0.01 each in the existing issued share capital of the Target Company, representing approximately 0.375% of the issued share capital of K.H. Group Holdings as at the date of this announcement, the said shares were disposed on 1 December 2022
“Sale Shares”	a total of 2,040,000 ordinary shares of HK\$0.01 each in the existing issued share capital of the Target Company, representing approximately 0.51% of the issued share capital of K.H. Group Holdings as at the date of this announcement, the said shares were disposed on 22 December 2022

“Seller”	Global Shine Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 28 December 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; Hon. Li Sai Wing MH as non-executive Director; Mr. Hung Hing Man, Mr. Wong Hoi Kuen and Dr. Chen Shengrong as independent non-executive Directors.

This announcement, for which the Directors 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 Listed Company Information” page on the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting.