

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**MAJOR TRANSACTION
IN RELATION TO
DISPOSAL OF PROPERTY**

Financial Adviser to the Company



INCUCO Corporate Finance Limited

THE DISPOSAL

On 19 June 2025 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, and the Purchaser, an Independent Third Party, entered into the Sale and Purchase Agreement, pursuant to which, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Property at the consideration of RMB150,000,000 (equivalent to approximately HK\$163,800,000).

GEM LISTING RULES IMPLICATIONS

As one or more of the relevant applicable percentage ratios in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder is more than 25% but less than 75%, the Sale and Purchase Agreement and the transactions contemplated thereunder constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is accordingly subject to the notification, announcement and Shareholders' approval requirements set out under Chapter 19 of the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder or its/his/her associate(s) has a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and accordingly, no Shareholder is required to abstain from voting at the EGM to be convened by the Company for approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

GENERAL

A circular containing, among other things, (i) further details of the Disposal; (ii) the valuation report of the Property; and (iii) a notice convening the EGM, is expected to be despatched to the Shareholders on or before 11 July 2025.

Completion is subject to the fulfilment of certain conditions precedent, and, therefore may or may not take place. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

THE DISPOSAL

On 19 June 2025 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, and the Purchaser, an Independent Third Party, entered into the Sale and Purchase Agreement, pursuant to which, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Property at the consideration of RMB150,000,000 (equivalent to approximately HK\$163,800,000).

Set out below are the key terms of the Sale and Purchase Agreement:

Date

19 June 2025 (after trading hours of the Stock Exchange)

Parties

- (1) the Vendor, an indirect wholly-owned subsidiary of the Company; and
- (2) the Purchaser, an Independent Third Party.

Assets to be disposed of

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Property. The Property is located at No. 123, Lu Jing Road, Tianhe District, Guangzhou City, Guangdong Province, the PRC, with a total gross floor area of 10,518.74 sq. m.

Consideration

The total consideration of the Disposal is RMB150,000,000 (equivalent to approximately HK\$163,800,000). The Purchaser shall pay the consideration to the Vendor in cash or via bank transfer under the following payment schedule:

- (i) a sum of RMB10,000,000 (equivalent to approximately HK\$10,920,000) (the “**Deposit**”) as refundable deposit is payable by the Purchaser to the escrow account within 15 business days upon the signing of the Sale and Purchase Agreement (subject to the opening of the escrow account). The Deposit shall be treated as part of the consideration at Completion; and
- (ii) the remaining balance of RMB140,000,000 (equivalent to approximately HK\$152,880,000) (the “**Second Payment**”) is payable by the Purchaser to the escrow account within 15 days after the date on which all the conditions precedent specified in the Sale and Purchase Agreement are fulfilled.

Basis of the consideration

The consideration was determined after arm’s length negotiations between the Vendor and the Purchaser with reference to, among other things, (i) the preliminary appraised value of the Property, which amounts to RMB155,000,000 as at 31 May 2025 under the preliminary valuation based on income approach conducted by the Valuer; and (ii) the reasons for and benefits of the Disposal as set out in the section headed “Reasons for and benefits of the Disposal” below.

Conditions precedent

Completion shall be subject to and conditional upon fulfilment of the following conditions:

- (i) all necessary consents and approvals required to be obtained on the part of the Vendor in accordance with the GEM Listing Rules in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained;
- (ii) the EGM having been duly convened at which resolutions shall have been passed by the Shareholders, by way of poll to approve the Sale and Purchase Agreement and the transactions contemplated thereunder in accordance with the GEM Listing Rules;
- (iii) the valuation report of the fair value of the Property as at 31 May 2025 has been issued by the Valuer; and
- (iv) all necessary approvals required to be obtained on the part of both Vendor and Purchaser in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained.

None of the above conditions can be waived. As at the date of this announcement, none of the conditions precedent have been fulfilled.

Pursuant to the terms and conditions of the Sale and Purchase Agreement, in the event that the abovesaid conditions are not fulfilled within 110 days upon signing of the Sale and Purchase Agreement (i.e. on or before 6 October 2025), the Sale and Purchase Agreement shall be terminated, the Deposit will be refunded to the Purchaser and the transactions contemplated under the Sale and Purchase Agreement will not proceed.

Completion

The Purchaser and the Vendor shall jointly register for the transfer of the Property in the relevant government bodies within 10 business days after the Second Payment is paid by the Purchaser to the escrow account. Completion shall take place after completion of the registration of transfer of title of the Property and the signing of the property handover confirmation by the parties.

INFORMATION OF THE PARTIES

The Company

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

Vendor

The Vendor is a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. The Vendor is principally engaged in assets acquisition and provision of management and consultancy services. As at the date of this announcement, the Vendor is the registered owner of the Property.

Purchaser

The Purchaser is incorporated in the PRC with limited liability and is indirectly wholly-owned by Dayou Digital Resources Co., Ltd.* (大有數字資源有限責任公司) (“**Dayou Digital**”), which is owned by CITIC Group, Huadi Computer Group Co., Ltd.* (華迪計算機集團有限公司) and the Party School of the Chinese Communist Party Central Committee (National Academy of Governance)* (中共中央黨校(國家行政學院)). Dayou Digital and its subsidiaries are principally engaged in the construction of the digital information system of the national party schools, covering the Central Party School’s website, distance education, television station, teaching and infrastructure support, and the provision of services for the co-construction and sharing of digital resources of more than 3,000 Central Party Schools at all levels across the country. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Purchaser, Dayou Digital and their associates are Independent Third Parties.

INFORMATION OF THE PROPERTY

The Property is a composite building for commercial and office use, which consists of 11 units, and is held by the Vendor for investment purpose. The Property is located at No. 123, Lu Jing Road, Tianhe District, Guangzhou City, Guangdong Province, the PRC, with a total gross floor area of 10,518.74 sq. m. As at the date of this announcement, the Property is secured under the bank loan with the balance of approximately RMB32.00 million and the Company being the guarantor.

The Property is currently leased by the Vendor to Guangzhou City Jiayi Seniors Care Co. Ltd.* (廣州市嘉怡頤養院有限公司) (“**Guangzhou Jiayi**”), a company established under PRC laws with limited liability and an Independent Third Party, for a lease term from 5 March 2021 to 4 March 2041. As at the date of this announcement, the outstanding rent owed by Guangzhou Jiayi to the Vendor is approximately RMB9.78 million. The Vendor has filed a lawsuit against Guangzhou Jiayi with the Guangzhou Yuexiu District People’s Court* (廣州市越秀區人民法院) on 22 January 2025 to terminate the lease agreement and reclaim the outstanding rent and the leased premises. As at the date of this announcement, the lawsuit is under trial and the leased premises is still occupied by Guangzhou Jiayi. The Purchaser clearly acknowledged the status of the lease dispute between the Vendor and Guangzhou Jiayi. Pursuant to the terms and conditions of the Sale and Purchase Agreement, upon the Completion and delivery of the Property to the Purchaser, (i) the Purchaser shall not hold the Vendor liable for any breach of contract and demand compensation from the Vendor due to any lease dispute and/or the inability to use the Property; and (ii) the rights and obligations under the lease contract between the Vendor and Guangzhou Jiayi, together with rights in the lease dispute and the interest or income brought by the Property (including the rent owed by Guangzhou Jiayi to the Vendor and/or liquidated damages brought by such lease dispute but except for the rent and deposit already received by the Vendor) will be transferred to the Purchaser.

Set out below is a summary of the financial information of the Property for the financial years ended 31 December 2023 and 31 December 2024:

	For the year ended 31 December 2023 (unaudited) approximately HK\$’000	For the year ended 31 December 2024 (unaudited) approximately HK\$’000
Revenue	11,185	11,194
Net profit/(loss) before tax	3,744	(11,581)
Net profit/(loss) after tax	3,744	(11,581)

As at 31 December 2024, the book value of the Property was approximately HK\$216.04 million.

REASONS FOR AND BENEFITS OF THE DISPOSAL

With reference to the announcement of the Company dated 21 October 2022, the Company had been seeking a purchaser for the Property. As the Company had not been able to enter into any agreement with a purchaser to sell the Property, the Company entered into the lease contract with Guangzhou Jiayi to generate rental income to the Group while the Company could continue to approach new investor for the Property. However, as discussed in the section headed “Information of the Property” above the outstanding rent owed by Guangzhou Jiayi to the Vendor have reached approximately RMB9.78 million as at the date of this announcement. The Vendor has already filed a lawsuit against Guangzhou Jiayi to terminate the lease agreement and reclaim the outstanding rent and the leased premises.

Furthermore, according to the market research of the Guangzhou office market (<https://assets.cushmanwakefield.com/-/media/cw/marketbeat-pdfs/2025/q1/apac-and-gc/guangzhou-office-marketbeat-q1-2025-final.pdf?rev=ca8abecbdebf422bb6712aa7a321e1d4>) conducted by Cushman & Wakefield, a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries, the overall vacancy rate of Guangzhou office buildings rose to 19.3% in the first quarter of 2025. On the other hand, the Guangzhou office market will see 2.5 million sq. m. of new supply in the coming three years. Therefore, the report suggested that the landlords would need to optimize rental strategies, tenant acquisition approaches, and operational management to better face challenges. Given such challenging market condition and increasing competition of office lease market in Guangzhou, the Directors believe that the Disposal represents a good opportunity for the Company to realise the value of the Property and reallocate its financial resources to other business needs, as well as, to increase the general working capital of the Group.

After considering (i) the lease dispute between the Vendor and Guangzhou Jiayi and the time and cost required to reclaim the outstanding rent from Guangzhou Jiayi; (ii) the increasing competition of office lease market in Guangzhou; (iii) the valuation of the Property as at 31 May 2025; and (iv) the intended use of proceeds from the Disposal as disclosed below, the Directors are of the view that the terms of the Sale and Purchase Agreement are on normal commercial terms and fair and reasonable and the Disposal is in the interest of the Company and the Shareholders as a whole.

USE OF PROCEEDS FROM THE DISPOSAL

The net proceeds from the Disposal, after deducting the estimated expenses in relation to the Disposal, will be approximately HK\$163.23 million. The Company intends to apply the net proceeds as follows:

- (i) approximately HK\$34.94 million for the repayment of the bank loan secured by the Property;
- (ii) approximately HK\$20.80 million for the repayment of the other loans;
- (iii) approximately HK\$67.63 million for the future business development of the Group; and

(iv) approximately HK\$39.86 million for the Group's general working capital (including the rental payment, salaries and other administrative expenses) in the next 18 months.

FINANCIAL EFFECT OF THE DISPOSAL

Based on (i) the total consideration of the Disposal; (ii) the book value of the Property of approximately HK\$216.04 million as at 31 December 2024; (iii) the estimated expenses in relation to the Disposal of approximately HK\$0.57 million; and (iv) the estimated impairment loss of the trade receivables in respect of the rental income from the Property of approximately HK\$10.68 million, it is estimated that a loss of approximately HK\$63.49 million will be recorded as a result of the Disposal.

The actual financial effect in connection with the Disposal is subject to review and final audit by the Company's auditor and therefore may be different from the figure provided above. Shareholders and potential investors of the Company should note that the above estimation is for illustrative purpose only.

GEM LISTING RULES IMPLICATIONS

As one or more of the relevant applicable percentage ratios in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder is more than 25% but less than 75%, the Sale and Purchase Agreement and the transactions contemplated thereunder constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is accordingly subject to the notification, announcement and Shareholders' approval requirements set out under Chapter 19 of the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder or its/his/her associate(s) has a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and accordingly, no Shareholder is required to abstain from voting at the EGM to be convened by the Company for approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

GENERAL

A circular containing, among other things, (i) further details of the Disposal; (ii) the valuation report of the Property; and (iii) a notice convening the EGM, is expected to be despatched to the Shareholders on or before 11 July 2025.

Completion is subject to the fulfilment of certain conditions precedent, and, therefore may or may not take place. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“associate(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“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)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Property under the Sale and Purchase Agreement
“EGM”	the extraordinary general meeting of the Company to be convened and held at which resolution(s) will be proposed to consider, and, if thought fit, to approve, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder
“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 dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any individual(s) or company(ies) not being the connected persons (as defined under the GEM Listing Rules) of the Company, independent of the Company and its connected persons and not connected with any of them or their respective associate(s)
“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

“Property”	Zhuangshi Building, No. 123, Lu Jing Road, Tianhe District, Guangzhou City, Guangdong Province, the PRC* (中國廣東省廣州市天河區麓景路123號裝飾大廈)
“Purchaser”	Guangdong Xinjingsheng Industrial Investment Co., Ltd.* (廣東新景晟產業投資有限公司), a company incorporated in the PRC with limited liability and is an Independent Third Party
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 19 June 2025 entered into between the Vendor and Purchaser in relation to disposal of the Property
“Share(s)”	the ordinary share(s) with a par value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“sq. m.”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Valuer”	BonVision International Appraisals Limited, an independent valuer
“Vendor”	Guangzhou Xinfeng Investment Consultancy Company Limited* (廣州信豐投資諮詢有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent.

* *The English transliteration of the Chinese names in this announcement, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.*

For the purpose of this announcement, unless the context otherwise requires or expressly specified, conversion of Renminbi into Hong Kong dollars is based on the approximate exchange rate of RMB1.00 to HK\$1.092. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in Hong Kong dollars or Renminbi has been, could have been or may be converted at such or any other rate or at all.

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

Hong Kong, 19 June 2025

As at the date of this announcement, the Board comprises Mr. Wong King Shiu, Daniel (Chairman and Chief Executive Officer), Mr. Chu Joshua Allen Kiu Wah and Mr. So Han Meng Julian as executive Directors; Hon. Li Sai Wing, MH, JP and Ms. Leung Kar Ming, MH as non-executive Directors; Dr. Chen Shengrong, Mr. Wong Hoi Kuen and Mr. Chu Wun Chiu 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 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 Stock Exchange's website at <http://www.hkexnews.hk> for at least 7 days from the date of its posting.