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 THE ENTIRE ISSUED SHARE CAPITAL IN FULL TRUMP INTERNATIONAL LIMITED

The Board is pleased to announce that on 30 June 2011, Proud Stars Limited ("Proud Stars"), a wholly owned subsidiary of the Company, entered into a sale and purchase agreement (the "S&P Agreement") with Ka Yip International Investment Limited ("Ka Yip"), pursuant to which Proud Stars agreed to dispose, and Ka Yip agreed to acquire the Sale Share, being the entire issued share capital of Full Trump International Limited ("Full Trump") at the aggregate consideration of RMB100,000 (approximately HK$119,000) plus the consolidated net operating profit of Full Trump for the period from 31 December 2010 to the date of Completion, if any.

As more than one of the relevant percentage ratios (as defined in Rule 19.07 of the GEM Listing Rules) exceeds 5% but is less than 25%, the transaction contemplated under the S&P Agreement will constitute a discloseable transaction under Rule 19.06 of the GEM Listing Rules and is therefore subject to the notification and announcement requirements as set out in Rules 19.34 to 19.37 of the GEM Listing Rules.

I. INTRODUCTION

The Board is pleased to announce that on 30 June 2011, Proud Stars entered into the S&P Agreement with Ka Yip, pursuant to which Proud Stars agreed to dispose and Ka Yip agreed to acquire the Sale Share, being the entire issued share capital of Full Trump, at the aggregate consideration of RMB100,000 (approximately HK$119,000) plus the consolidated net operating profit of Full Trump for the period from 31 December 2010 to the date of Completion, if any.

II. THE SALE AND PURCHASE AGREEMENT

1. Date

30 June 2011

2. Parties

(i) Proud Stars as the Vendor; and

(ii) Ka Yip as the Purchaser

3. Principal terms of the S&P Agreement

Pursuant to the S&P Agreement, the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Share, being the entire issued share capital of Full Trump.

4. Consideration

The consideration for the disposal of the Sale Share, which will be payable to the Vendor within 10 working days after the date of the Completion, is RMB100,000 (approximately HK$119,000) plus the consolidated net operating profit of Full Trump for the period from 31 December 2010 to the date of Completion, if any. The consideration will be satisfied entirely in cash. The unaudited consolidated net operating loss of Full Trump for the 5 months ended 31 May 2011 was approximately HK$7,200,000. The consideration has been determined between the two parties after arm's length negotiations and after considering the prospects and the asset value of Full Trump based on its unaudited financial information as at 31 December 2010.

5. Completion

Completion will be conditional upon the satisfactory verification of assets of Full Trump and its subsidiaries by the Purchaser within 20 days after the signing date of the S&P Agreement.

6. Other

For existing and future uncertain factors related to the transaction, both parties agree to resolve them via supplemental agreements.

III. INFORMATION ON FULL TRUMP

Full Trump is a wholly-owned subsidiary of Proud Stars which in turn is a wholly-owned subsidiary of the Company. The principal activity of Full Trump is investment holding. The subsidiaries of Full Trump engage in the provision of internet and mobile communication value-added services.

Set out below is the consolidated financial information of Full Trump for the years ended 31 December 2010 and 2009:

	Year ended 31 December	
	2010	**2009**
	HK$'000	***HK$'000***
	(unaudited)	**(unaudited)**
Revenue	12,286	12,058
Net loss before taxation	17,798	39,368
Net loss after taxation	17,774	39,381
Net liabilities (as at 31 December)	94,251	77,211

IV. FINANCIAL EFFECT OF THE TRANSACTION

According to the unaudited management accounts of Full Trump, Full Trump has an unaudited net liability value of approximately HK$94 million as at 31 May 2011. The Company will record an aggregate gain of approximately HK$24 million from the disposal transaction. The gain is derived from the factors including that the Company no longer needs to account for the net liability value of Full Trump, the full provision of cash investment in Full Trump in the amount of approximately HK$70 million, and the expected proceeds of RMB100,000 (approximately HK$119,000).

Upon Completion, Full Trump will cease to be a subsidiary of the Company, and the financial results of Full Trump will no longer be consolidated into the Group's financial statements.

V. INFORMATION ON KA YIP, PROUD STARS AND THE GROUP

Ka Yip

Ka Yip is an investment holding company incorporated in Hong Kong with limited liability. Some of the connected companies of Ka Yip are involved in the information technology business in the People's Republic of China.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Ka Yip and its ultimate beneficial owners are determined as third parties independent to the Company and its connected persons.

Proud Stars

Proud Stars is an investment holding company incorporated in the British Virgin Islands with limited liability. It is a wholly-owned subsidiary of the Company.

The Group

The Group is principally engaged in the development and sale of computer software and hardware, the provision of system integration and related support services and the provision of internet, mobile and telecommunication value-added services in the People's Republic of China.

VI. REASONS FOR AND BENEFITS IN RELATION TO THE TRANSACTION

The Directors consider that the Group shall streamline its existing business and it is beneficial to the Company to dispose of its interest in Full Trump so as to focus its financial resources in core businesses of the Group.

The disposal shall also avoid future drain of resources that will be resulted from the Company's financing the operating loss if Full Trump is not disposed.

It is the intention of the Company that the net sale proceeds arising from the disposal will be used as general working capital of the Group.

The Directors, including the independent non-executive Directors, consider that the terms under the S&P Agreement are on normal commercial terms, which are fair and reasonable and are in the interests of the Company and the shareholders of the Company as a whole.

VII. LISTING RULES IMPLICATIONS

As more than one of the relevant percentage ratios (as defined in Rule 19.07 of the GEM Listing Rules) exceeds 5% but is less than 25%, the transaction contemplated under the S&P Agreement will constitute a discloseable transaction under Rule 19.06 of the GEM Listing Rules and is therefore subject to the notification and announcement requirements as set out in Rules 19.34 to 19.37 of the GEM Listing Rules.

DEFINITIONS

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

"Board"	the board of Directors of the Company
"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 Growing Enterprise Market of the Stock Exchange
"Completion"	completion of the sale and purchase of the Sales Share in accordance with the terms and conditions of the S&P Agreement
"connected person(s)"	has the meaning ascribed to it in the GEM Listing Rules
"Directors"	directors of the Company
"Full Trump"	Full Trump International Limited, a company incorporated with limited liability in the British Virgin Islands and a wholly-owned subsidiary of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Ka Yip"	Ka Yip International Investment Limited, a company incorporated with limited liability in Hong Kong
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
"Proud Stars"	Proud Stars Limited, a company incorporated in British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
"Purchaser"	Ka Yip International Investment Limited, a company incorporated in Hong Kong with limited liability
"RMB"	Renminbi, the lawful currency of the People's Republic of China

"S&P Agreement"	the formal sale and purchase agreement dated 30 June 2011 entered into between the Vendor and the Purchaser relating to the sale and purchase of the Sale Share
"Sale Share"	one share of US$1.00 of Full Trump, representing the entire issued share capital of Full Trump
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendor"	Proud Stars Limited, a company incorporated in the British Virgin Islands with limited liability and a directly wholly-owned subsidiary of the Company
"%"	per cent.

Note:

Unless otherwise specified and for reference only, the conversion of RMB into HK$ is based on the exchange rate of HK$1.00 = RMB0.84 in this announcement.

By Order of the Board
CHINA INFORMATION TECHNOLOGY DEVELOPMENT LIMITED
Hu Zhuoer
Executive Director and Chief Executive Officer

Hong Kong, 4 July 2011

As at the date of this announcement, the Board comprises Mr. Hu Zhuoer (Chief Executive Officer) and Dr. Yu Xiaoyang as Executive Directors, Ms. Ma Yuhua, Dr. Sun Guofu and Mr. Ng Kwok Fai as Independent Non-executive Directors.

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange 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.chinainfotech.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.