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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: 8178)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

PLACING AGENT

天行聯合證券有限公司
United Simsen Securities Limited

On 8 June 2012 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has agreed to place, on a best effort basis, to independent Placees for up to 1,000,000,000 new Shares at a price of HK$0.027 per Placing Share.

The Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Placing Shares. If such condition is not fulfilled, the Placing will not proceed.

The maximum number of 1,000,000,000 Placing Shares represents approximately 15.40% of the entire issued share capital of the Company of 6,494,906,368 Shares as at the date of this announcement and approximately 13.34% of the Company's entire issued share capital as enlarged by the Placing Shares. The net proceeds from the Placing of approximately HK$26,000,000 (assuming the Placing Shares are fully placed and after all relevant expenses) are intended to be applied for the repayment of certain term loans and for the working capital of the Group.

THE PLACING AGREEMENT

Date:	8 June 2012 (after trading hours)
Placing Agent:	United Simsen Securities Limited. To the best of the Company's knowledge, information and belief after making reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.
Placee:	The Placing Shares will be placed to not less than six Placees (which will be independent individual, corporate and/or institutional investors) and their ultimate beneficial owners will be Independent Third Parties. It is expected that no Placee will become a substantial Shareholder (as such term is defined in the GEM Listing Rules) immediately following completion of the Placing.
Number of Placing Shares:	Up to 1,000,000,000 new Shares, to be placed by the Placing Agent on a best effort basis. Assuming the Placing Shares are fully placed, the Placing Shares represents approximately 15.40% of the entire issued share capital of the Company of 6,494,906,368 Shares as at the date of this announcement and approximately 13.34% of the Company's entire issued share capital as enlarged by the Placing Shares. The aggregate nominal value of the Placing Shares is HK$10,000,000 as at the date of this announcement.
Placing Price:	HK$0.027 per Placing Share. The Placing Price was agreed after arm's length negotiations between the Company and the Placing Agent, with reference to, among other things, the recent trading price of the Shares on the Stock Exchange. The Placing Price represents:

(i) a discount of approximately 10% to the closing price of HK$0.030 per Share as quoted on the Stock Exchange on 8 June 2012, being the date of the Placing Agreement;

(ii) a discount of approximately 13.46% to the average closing price of approximately HK$0.0312 per Share as quoted on the Stock Exchange for the last five trading days of the Shares immediately prior the date of the Placing Agreement; and

(iii) a premium of approximately 62.65% over the audited net assets value per Share of approximately HK$0.0166 as at 31 December 2011.

The Company will bear the costs and expenses in connection with the Placing and the net proceeds from the Placing is estimated to be approximately HK$26,000,000 (assuming the Placing Shares are fully placed). As a result, the net price per Placing Share will be approximately HK$0.026.

Placing Commission: The Placing Agent will receive a placing commission of 2.5% on the gross proceeds of the Placing.

General Mandate: The Placing Shares will be issued pursuant to the general mandate to allot, issue and deal with the Shares granted to the Directors by resolution of the Shareholders passed at the Company's annual general meeting held on 17 June 2011 up to 1,298,981,273 shares. As at the date of this announcement, no Share has been issued pursuant to the said general mandate.

Ranking of Placing Shares: The Placing Shares, when issued and fully paid, will rank *pari passu* among themselves and with Shares in issue at the time of issue and allotment of the Placing Shares.

Conditions to the Placing: The Placing is conditional upon the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Placing Shares.

Application will be made to the Stock Exchange for approval for the listing of and permission to deal in the Placing Shares.

The Placing is not subject to the Shareholders' approval.

Completion of the Placing: Subject to the satisfaction of all the conditions set out above, the Placing is expected to be completed on or before 31 August 2012 or such later time and/or such other date as the Placing Agent and the Company may agree.

Termination: Notwithstanding anything contained in the Placing Agreement, if, at any time prior to 12:00 noon on the Completion Date,

(A) (1) there is any change or prospective change (whether or not permanent) in the business or in the financial or trading position or prospects of the Company or any other member of the Group; or

(2) any event or series of events resulting or representing or likely to result in any change or development (whether or not permanent) in local, national, regional or international financial, political, industrial, economic, currency, military, conflict-related, legal, fiscal, exchange control, regulatory conditions or any monetary or trading settlement system (including but not limited to a change in the system under which the value of the Hong Kong currency or Renminbi is linked to that of the currency of the United States), equity or other financial market or other conditions, circumstances or matters shall have occurred, happened or come into effect; or

(3) any relevant new law, regulations, decree or change (whether or not forming part of a series of changes) in existing laws or any change in the interpretation or application thereof by any court or Governmental Authority in Hong Kong, the Cayman Islands, the People's Republic of China ("**PRC**"), the United States, European Union or in other jurisdiction which the Group operates or has or is deemed by any applicable law to have a presence (by whatever name called) or any other jurisdiction relevant to the Group shall have been introduced or effected (each a "**Relevant Jurisdiction**"); or

(4) a change or development occurs involving a prospective change in taxation or exchange control (or in the implementation of any exchange control) or foreign investment regulations in Hong Kong, the Cayman Islands, the PRC, the United States, the European Union (or any member thereof), or any Relevant Jurisdiction; or

(5) the imposition of economic or other sanctions, in whatever form, directly or indirectly, by the United States, the European Union (or any member thereof) or any other country or organisation any Relevant Jurisdiction; or

(6) any event, or series of events, beyond the control of the Placing Agent (including without limitation, any acts of God, acts of government, large scale labour disputes, acts or threats of war, riots, public disorder, civil commotion, fire, flooding, explosion, outbreak of diseases or epidemic (including but not limited to severe acute respiratory syndrome and H5N1, avian flu, influenza A (H1Na)

(swine flu) and such related or mutated forms), terrorism, strikes or lockouts) or extensive interruption or delay in transportation, economic sanction and any declaration of a national or international emergency or war shall have occurred, happened or come into effect in any Relevant Jurisdiction; or

(7) any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or crisis involving or affecting any Relevant Jurisdiction; or

(8) the imposition or declaration of (i) any suspension or material limitation on dealings in shares or securities generally on the Hong Kong Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, New York Stock Exchange, Inc., London Stock Exchange plc. or any other major international stock exchange or (ii) any moratorium on banking activities or disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance services in or affecting Hong Kong, the PRC, New York, London or any other jurisdiction; or

(9) any change or deterioration in the conditions of local, national or international securities markets occurs; or

(10) a demand by any creditor for repayment or payment of any indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or

(11) any litigation of claim of any third party being instigated against any member of the Group; or

(12) any loss or damage sustained by any member of the Group (howsoever caused and whether or not the subject of any insurance or claim against any person); or

(13) a petition is presented for the winding-up or liquidation of any member of the Group or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or

(14) approval by the Listing Committee of the listing of, and permission to deal in, the Placing Shares to be issued or sold under the Placing is refused or not granted, other than subject to customary conditions, on or before the Completion Date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld, which in the sole and absolute opinion of the Placing Agent:

(i) is or will or may individually or in aggregate have a material adverse effect on the business, financial, trading or other condition or prospects of the Company taken alone or the Group taken as a whole and/or, in the case of this clause (a)(4), to any present or prospective shareholder in its capacity as such; or

(ii) has or will or may have a material adverse effect on the success of the Placing; or

(iii) is or will or may make it impracticable, inadvisable, inexpedient or not commercially viable (a) for any material part of the Placing Agreement and/or the Placing to be performed or implemented as envisaged; or (b) to proceed with the Placing on the terms and in the manner contemplated under the Placing Agreement; or

(B) the Placing Agent shall become aware of the fact that, or have cause to believe that:

(1) any of the warranties or undertakings given by the Company is untrue, inaccurate, misleading or breached in any respect when given or as repeated as determined by the Placing Agent in its sole and absolute discretion;

(2) any statement contained in the this announcement and/or the relevant circular issued by the Company in respect of the Placing was or is untrue, incorrect or misleading in any respect, or any matter arises or is discovered which would, if this announcement and/or the relevant circular in respect of the Placing were to be issued at that time, constitute a material omission therefrom as determined by the Placing Agent in its sole and absolute discretion; or

(3) there has been a breach in any material respect on the part of any of the Company of any of the provisions of the Placing Agreement as determined by the Placing Agent in its sole and absolute discretion,

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received by the Company prior to 12:00 noon on the Completion Date.

For the purpose of the provisions of clause (A)(1) mentioned above, a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States or any change of the value of Hong Kong currency under such system shall be taken as an event resulting in a change in currency conditions; and any market fluctuations, whether or not within the normal range therefor, may be considered as a change of market conditions.

EFFECT OF THE PLACING ON THE SHAREHOLDING

For illustrative purpose only, the shareholdings in the Company as at the date of this announcement (as extracted from the Disclosure of Interests filed in the website of the Stock Exchange by the relevant Shareholders and the latest available public information) and immediately after completion of the Placing are and will be as follows:

Shareholders	As at the date of this announcement		Immediately after completion of the Placing	
	No. of Shares	*Approximately %*	*No. of Shares*	*Approximately %*
Substantial Shareholders				
Prime Technology Group Limited *(Note 1)*	1,677,546,070	25.83	1,677,546,070	22.38
E-Tron Limited *(Note 1)*	217,967,375	3.35	217,967,375	2.91
Sub-total	1,895,513,445	29.18	1,895,513,445	25.29
Carford Holdings Limited *(Note 2)*	647,000,000	9.96	647,000,000	8.63
Getwin Investment Limited *(Note 2)*	377,024,000	5.80	377,024,000	5.03
Sub-total	1,024,024,000	15.76	1,024,024,000	13.66
Public Shareholders				
Placee(s)	–	–	1,000,000,000	13.34
Existing public Shareholders	3,575,368,923	55.06	3,575,368,923	47.71
Total	**6,494,906,368**	**100**	**7,494,906,368**	**100**

Notes:

(1) Beijing Development (Hong Kong) Limited was deemed to be interested in the 1,895,513,445 Shares by virtue of its controlling interests in its wholly owned subsidiaries, Prime Technology Group Limited and E-Tron Limited. Beijing Enterprises Holdings Limited was deemed to be interested in the 1,895,513,445 Shares by virtue of its controlling interests in Beijing Development (Hong Kong) Limited. Beijing Enterprises Group Company Limited was deemed to be interested in the 1,895,513,445 Shares by virtue of its controlling interests in Beijing Enterprises Holdings Limited.

(2) Mr. Xia Xiaoman was deemed to be interested in the 1,024,024,000 Shares by virtue of his controlling interests in Carford Holdings Limited and Getwin Investment Limited.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF THE PROCEEDS

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 mainland China, the PRC.

According to the annual report of the Company for the year ended 31 December 2011, the cash and cash equivalents of the Group was approximately HK$133,821,000 as at 31 December 2011. The Directors consider that the major portion of such cash and cash equivalents is reserved for maintaining the day-to-day operation cash-flow and for working capital of the Group. In order to reduce the gearing level and strengthen the financial position of the Group, the Directors consider the Placing a good opportunity to raise capital for the Company to repay certain term loans and achieve such purposes. This also helps to reduce loan interest expense outlay thus will improve future operation results of the Group. In addition, the Placing Price represents a premium of approximately 62.65% over the audited net assets value per Share of approximately HK$0.0166 as at 31 December 2011. In view of above, the Directors consider the terms of the Placing Agreement to be fair and reasonable and in the interest of the Group and the Shareholders as a whole.

Subject to the Placing being completed, the Company will bear all the costs and expenses of approximately HK$1,000,000 in connection with the Placing. As a result, the net price per Placing Share will be approximately HK$0.026 and the net proceeds of approximately HK$26,000,000 from the Placing are intended to be applied for the said repayment of certain term loans with a principal amount of approximately HK$18,324,000 and for working capital of the Group.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company does not have any equity fund raising activities for the 12 months immediately before the date of this announcement.

DEFINITIONS

Unless the context otherwise requires, the following terms shall have the meaning set out below:

"associate(s)"	has the meaning ascribed thereto under the GEM Listing Rules
"Board"	board of Directors
"Business Day"	any day (other than a Saturday or Sunday or public holiday) on which banks in Hong Kong are generally open for the transaction of normal business
"Company"	China Information Technology Development Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM

"Completion Date"	the date falling into two Business Day after the date upon which the conditions shall have been satisfied or such other time and/or date as the Company and the Placing Agent may agree in writing
"connected person(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Director(s)"	the director(s) of the Company
"GEM"	the Growth Enterprise Market operated by the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	an independent third party, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, who is not connected with the Company and its connected persons (as defined under the GEM Listing Rules)
"Listing Committee"	the listing sub-committee of the board of The Stock Exchange of Hong Kong Limited
"Placee(s)"	any individual, institutional or other professional investor procured by the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agreement
"Placing"	the placing of the Placing Shares by the Company, through the Placing Agent, pursuant to the Placing Agreement
"Placing Agent"	United Simsen Securities Limited, a licensed corporation under the SFO to carry on types 1 (dealing in securities), 2 (dealing in future contracts), 4 (advising on securities) and 6 (advising on corporate finance) regulated activities under the SFO
"Placing Agreement"	the placing agreement entered into between the Company and the Placing Agent dated 8 June 2012 in relation to the Placing
"Placing Price"	HK$0.027 per Placing Share
"Placing Shares"	a maximum of 1,000,000,000 new Shares to be placed pursuant to the Placing Agreement

"PRC"	The People's Republic of China
"SFO"	the Securities and Futures Ordinance
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent.

By order of the Board
China Information Technology Development Limited
Hu Zhuoer
Executive Director and Chief Executive Officer

Hong Kong, 8 June 2012

As at the date of this announcement, the Board comprises Mr. Hu Zhuoer (Chief Executive Officer) and Mr. Tse Chi Wai as Executive Directors, Mr. Ng Kwok Fai, Dr. Sun Guofu and Mr. Chen Zhongfa 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 GEM Listing Rules 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.

In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.