THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Information Technology Development Limited ("**Company**"), you should at once hand this Prospectus and the accompanying Application Form to the purchaser, the transferee or to the bank, licensed securities dealer, registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

A copy of each of the Prospectus Documents, together with the written consent referred to in the paragraph headed "Expert and Consent" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance. Neither the Securities and Futures Commission nor the Registrar of Companies in Hong Kong takes any responsibility as to the contents of any of the Prospectus Documents.

Subject to the grant of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Share on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. You should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

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)

OPEN OFFER ON THE BASIS OF TWO OFFER SHARES FOR EVERY ONE SHARE HELD ON THE RECORD DATE

Underwriter to the Open Offer
NOVEL RAINBOW LIMITED

Financial Adviser

KINGSTON CORPORATE FINANCE LTD.

Capitalised terms used in this cover page shall have the same meanings as defined in this Prospectus.

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional (see the section headed "Conditions of the Underwriting Agreement" herein) and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (see the section headed "Termination of the Underwriting Agreement" herein). Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

The latest time for acceptance of and payment for the Offer Shares is at 4:00 p.m. on Thursday, 27 February 2014. The procedures for application and payment for the Offer Shares are set out on pages 30 and 31 of this Prospectus.

13 February 2014

CONTENTS

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may by attached than other companies listed on the Stock, Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The expected timetable for the Open Offer is set out below:

All times stated in this Prospectus refer to Hong Kong times. The expected timetable has been prepared on the assumption that all conditions of the Open Offer will be fulfilled and is indicative only and may be extended or varied. Any change to the anticipated timetable for the Open Offer will be announced as appropriate.

	2014
Latest time for acceptance of, and payment for Offer Shares	4:00 p.m. on Thursday, 27 February
Latest time for the Open Offer to become unconditional	4:00 p.m. on Tuesday, 4 March
Announcement of results of acceptance of the Offer Shares	Thursday, 6 March
Despatch of share certificates for Offer Shares	Friday, 7 March
Dealings in Offer Shares commence	9:00 a.m. on Monday, 10 March

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE OFFER SHARES

The latest time for acceptance of and payment for the Offer Shares will not take place if there is:

1. a tropical cyclone warning signal number 8 or above; or

2. a "black" rainstorm warning

   (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of Latest Time for Acceptance. Instead the latest time for acceptance of and payment for the Offer Shares will be extended to 5:00 p.m. on the same business day; or

   (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of Latest Time for Acceptance. Instead the latest time for acceptance of and payment for the Offer Shares will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Offer Shares does not take place on the date of Latest Time for Acceptance, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event as soon as possible.

In this Prospectus, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

"acting in concert"	has the meaning ascribed thereto under the Takeovers Code
"Announcement"	the announcement of the Company dated 28 November 2013 in relation to, among other things, the proposed increase in the authorised share capital of the Company, the Open Offer, the Underwriting Agreement and the Whitewash Waiver
"Application Form(s)"	the application form(s) to be issued to the Qualifying Shareholders in respect of their assured entitlements under the Open Offer
"associates"	has the meaning ascribed thereto in the GEM Listing Rules
"Board"	the board of Directors
"business day"	any day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Circular"	the shareholders' circular issued by the Company in accordance with the GEM Listing Rules dated 10 January 2014 in respect of, among other things, the proposed increase in the authorised share capital of the Company, the Open Offer, the Underwriting Agreement, the Whitewash Wavier and the transactions contemplated thereunder
"Company"	China Information Technology Development Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the GEM

"Complying Applications"	valid applications under the application forms made in accordance with the terms of the Prospectus Documents together with cheques or cashier's orders or other remittances for the full amount payable in respect of the Offer Shares being applied for under such application forms which are honoured on first or, at the discretion of the Underwriter, subsequent presentation
"Companies Ordinance"	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
"Directors"	directors of the Company for the time being
"EGM"	the extraordinary general meeting of the Company convened on 27 January 2014 for the purpose of considering and, if thought fit, approving the resolutions in respect of the proposed increase in the authorised share capital of the Company, the Open Offer, the Underwriting Agreement, the Whitewash Waiver, and the respective transactions contemplated thereunder
"Excluded Shareholders"	those Overseas Shareholders who, in the opinion of the Directors based on enquiry made in compliance with the GEM Listing Rules, are necessary or expedient to be excluded from the Open Offer on account of either of the legal restriction under the laws or requirements of the relevant regulatory body or stock exchange in such places
"Executive"	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate(s) of the Executive Director
"Group"	the Company and its subsidiaries
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the GEM
"Hong Kong"	the Hong Kong Special Administrative Region of PRC
"HKSCC"	Hong Kong Securities Clearing Company Limited

"Independent Shareholder(s)"	Shareholders other than the Underwriter, Mr. Wei and parties acting in concert with any of them and those who are involved in or interested in the Open Offer, the Underwriting Agreement and/or the Whitewash Waiver who are required by the GEM Listing Rules and/or the Takeovers Code to abstain from voting in respect of the resolutions relating to the Open Offer, the Underwriting Agreement and the Whitewash Waiver to approve the resolutions at the EGM
"Irrevocable Undertaking"	the irrevocable undertaking from the Underwriter as described in the paragraph headed "Irrevocable Undertaking" under the section headed "UNDERWRITING AGREEMENT" in this Prospectus
"Latest Practicable Date"	10 February 2014, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information for inclusion herein
"Last Trading Day"	Wednesday, 27 November 2013, being the last trading day for the Shares immediately prior to the date of the Announcement
"Latest Time for Acceptance"	4:00 p.m. on Thursday, 27 February 2014 or such later time or date as may be agreed between the Underwriter and the Company, being the latest time for acceptance of, and payment for, the Offer Shares as described in the Prospectus
"Latest Time for Termination"	4:00 p.m. on the third business day after the Latest Time for Acceptance or such later time or date as may be agreed between the Underwriter and the Company, being the latest time to terminate the Underwriting Agreement
"Mr. Wei"	Mr. Wei Gao, the beneficial owner and the sole director of the Underwriter
"Offer Share(s)"	1,796,981,272 new Shares proposed to be issued and allotted under the Open Offer

"Open Offer"	the proposed offer for subscription at the Subscription Price to be made by the Company to the Qualifying Shareholders in the proportion of two Offer Shares for every Share held on the Record Date on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
"Overseas Shareholders"	Shareholders with registered addresses (as shown in the register of members of the Company on the Record Date) which are outside Hong Kong
"PRC"	the People's Republic of China, for the purpose of this Prospectus, excluding the Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
"Prospectus"	the prospectus in connection with the Open Offer (in such agreed form as the Company and the Underwriter may agree) to be despatched to the Shareholders on the Prospectus Posting Date
"Prospectus Documents"	the Prospectus and the Application Form in respect of the assured allotment of Offer Shares
"Prospectus Posting Date"	Thursday, 13 February 2014 or such later date as may be agreed between the Underwriter and the Company for the despatch of the Prospectus Documents
"Qualifying Shareholders"	the Shareholders, other than the Excluded Shareholders, whose names appear on the register of members of the Company as at the close of business on the Record Date
"Record Date"	Monday, 10 February 2014 or such other date as may be agreed between the Company and the Underwriter for the determination of the entitlements under the Open Offer
"Registrar"	the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited of Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

"Relevant Period"	the period commencing six months proceeding 28 November 2013, being the date of the Announcement, and ending on the Latest Practicable Date
"Settlement Date"	the date being the third business day following (but excluding) the Latest Time for Acceptance or such later date as the Company and the Underwriter may agree
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shareholder(s)"	holder(s) of the Share(s)
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Side Letter"	the side letter dated 18 December 2013 entered into between the Company and the Underwriter to revise certain dates for the proposed Open Offer as set out in the Underwriting Agreement
"Special Event"	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	the issue price of HK$0.11 per Offer Share
"Takeovers Code"	the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong
"Underwriter"	Novel Rainbow Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly and beneficially owned by Mr. Wei

"Underwriting Agreement"	the underwriting agreement dated 28 November 2013 entered into between the Company and the Underwriter in relation to the Open Offer (as supplemented by the Side Letter)
"Underwritten Shares"	1,688,901,272 Offer Shares under the Open Offer which are fully underwritten by the Underwriter
"Untaken Shares"	those (if any) of the Underwritten Shares for which Complying Applications have not been lodged for acceptance, or received, as the case may be, on or before the Latest Time for Acceptance
"Whitewash Waiver"	a waiver that the Underwriter has applied to the Executive pursuant to Note 1 on the dispensation from Rule 26 of the Takeovers Code to waive the obligation by the Underwriter to make a mandatory general offer for all the issued Shares not already owned and/or agreed to be acquired by the Underwriter, Mr. Wei and parties acting in concert with any of them which may otherwise arise as a result of the subscription of the Underwritten Shares by the Underwriter pursuant to the Underwriting Agreement
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"%"	per cent.

TERMINATION OF THE UNDERWRITING AGREEMENT

If, prior to the Latest Time for Termination:

(1) in the reasonable opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:

(a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or

(b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not such event or change is of the same kind with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or

(2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or

(3) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any member of the Group or the destruction of any material asset of the Group; or

(4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or

(5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not such material adverse change is of the same kind with any of the foregoing; or

(6) any event occurring or matter arising on or after the Prospectus Posting Date and prior to the Latest Time for Termination, which if it had occurred or arisen before the Prospectus Posting Date would have been regarded as materially adverse to the Open Offer by the Underwriter acting reasonably; or

(7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement or the Circular or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or

(8) any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange due to exceptional financial circumstances or otherwise,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to terminate the Underwriting Agreement if prior to the Latest Time for Termination:

(1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or

(2) any Specified Event comes to the knowledge of the Underwriter, and such breach or Specified Event will have a material adverse effect in the context of the Open Offer.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

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)

Executive Directors:
Mr. Hu Zhuoer *(Chief Executive Officer)*
Mr. Tse Chi Wai

Independent Non-executive Directors:
Dr. Sun Guofu
Mr. Ng Kwok Fai
Mr. Chen Zhongfa

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KYI-1111
Cayman Islands

Principal place of business in Hong Kong:
Suite No. 5A, 9/F.,
Sino Plaza
255-257 Gloucester Road
Causeway Bay, Hong Kong

13 February 2014

To the Qualifying Shareholders and, for information only, the Excluded Shareholders

Dear Sir or Madam,

OPEN OFFER ON THE BASIS OF TWO OFFER SHARES FOR EVERY ONE SHARE HELD ON THE RECORD DATE

INTRODUCTION

Reference is made to the Circular dated 10 January 2014 in relation to, among other things, the proposed increase in the authorised share capital of the Company, the Open Offer, the Underwriting Agreement and the Whitewash Waiver and the transactions contemplated thereunder.

The Board proposed to raise approximately HK$197.7 million before expenses, by issuing 1,796,981,272 Offer Shares to the Qualifying Shareholders at the Subscription Price of HK$0.11 per Offer Share under the Open Offer on the basis of two (2) Offer Shares for every one (1) Share held on the Record Date and payable in full on acceptance.

The Open Offer will be fully underwritten by the Underwriter. The Underwriting Agreement contains provisions granting the Underwriter the right, which may be exercised at any time prior to 4:00 p.m. on Tuesday, 4 March 2014, being the third business day after the latest time for acceptance of, and payment for, the Offer Shares, to terminate the Underwriting Agreement on the occurrence of certain events. If the Underwriter terminates the Underwriting Agreement, the Open Offer will not proceed.

The Open Offer is conditional on, among other things, the Whitewash Waiver being granted by the Executive and approved by the Independent Shareholders. On 24 January 2014, the Executive granted the Whitewash Waiver which was subject to, among other things, the approval of the Independent Shareholders by the way of poll at the EGM. At the EGM held on 27 January 2014, the resolutions for approving, among other things, propose increase in the authorised share capital of the Company, the Open Offer, the Underwriting Agreement and the Whitewash Waiver were duly passed by the Independent Shareholders by the way of poll.

The purpose of this Prospectus is to provide you with further information in relation to the Open Offer, including information on dealings in and application for the Offer Shares, the financial information and other general information of the Group.

OPEN OFFER ON THE BASIS OF TWO OFFER SHARES FOR EVERY ONE SHARE HELD ON THE RECORD DATE

Issue statistics

Basis of the Open Offer:	Two (2) Offer Shares for every one (1) Share held on the Record Date
Subscription Price:	HK$0.11 per Share
Number of Shares in issue as at the Latest Practicable Date:	898,490,636 Shares
Number of Offer Shares:	1,796,981,272 Offer Shares
Aggregate nominal value of Offer Shares:	HK$179,698,127.2

Number of Offer Shares undertaken to be taken up by the Underwriter:	Pursuant to the Underwriting Agreement, the Underwriter has irrevocably undertaken to the Company, among other things, that (i) it will not, within the period commencing from the date of the Underwriting Agreement and ending on the Settlement Date, transfer or otherwise dispose of, or create any right in respect of any Shares held by it, and (ii) subject to the fulfillment (or waiver) of the conditions of the Open Offer and the Underwriting Agreement not having been terminated in accordance with its terms, it will take up its entitlements under the Open Offer, being 108,080,000 Offer Shares.
Number of Offer Shares underwritten by the Underwriter:	All of the Offer Shares (other than the Offer Shares undertaken to be taken up by the Underwriter under the Irrevocable Undertaking), being, 1,688,901,272 new Shares
Number of Shares in issue immediately upon completion of the Open Offer:	2,695,471,908 Shares

As at the Latest Practicable Date, the Company has no other outstanding derivatives, warrants, options and conversion rights or other similar rights which are convertible or exchangeable into Shares. The Offer Shares represent 200% of the existing issued share capital of the Company and approximately 66.7% of the issued share capital of the Company as enlarged by the issue of the Offer Shares.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, a Shareholder must, at the close of business on the Record Date:

(i) be registered as a member of the Company on the register of members of the Company; and

(ii) not be an Excluded Shareholder.

The register of members of the Company was closed from Wednesday, 5 February 2014 to Monday, 10 February 2014 (both days inclusive) for determining the entitlements of the Qualifying Shareholders to the Open Offer, and accordingly no transfer of Shares was registered during that period.

Rights of the Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Based on the register of members of the Company, the Company had shareholders with addresses in the British Virgin Islands and the PRC as at the Record Date. The Company has complied with the requirements specified in Rule 17.41(1) of the GEM Listing Rules and made enquiry on the legal restrictions on the offer of the Offer Shares to such overseas Shareholders. The Company is of the view that no local regulatory compliance is required to extend the Offer Shares to the overseas Shareholders in the British Virgin Islands and the PRC. Accordingly, the Open Offer will be extended to those Shareholders in the British Virgin Islands and the PRC and the Company does not have any Excluded Shareholder under the Open Offer.

It is the responsibility of any person (including but not limited to nominee, agent and trustee) outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself or herself or itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been complied with. For the avoidance of doubt, HKSCC Nominees Limited, who subscribes the Offer Shares on behalf of CCASS Participants, is not subject to the above representations and warranty. Shareholders should consult their professional advisers if in doubt.

Subscription Price

The Subscription Price is HK$0.11 per Offer Share, payable in full upon application.

The Subscription Price represents:

(a) a discount of approximately 36.05% to the closing price of HK$0.172 per Share as quoted on the Stock Exchange on the Last Trading Day;

(b) a discount of approximately 16.03% to the theoretical ex-entitlement price of HK$0.131 per Share as adjusted for the effects of the Open Offer, based on the closing price of HK$0.172 per Share as quoted on the Stock Exchange on the Last Trading Day;

(c) a discount of approximately 37.85% to the average of the closing prices of approximately HK$0.177 per Share for the last five consecutive trading days including and up to the Last Trading Day; and

(d) a discount of approximately 47.62% to the closing price of HK$0.210 per Share as quoted on Stock Exchange on the Latest Practicable Date.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the prevailing market price of the Shares and the financial positions of the Group. Each Qualifying Shareholder is entitled to subscribe for the Offer Shares at the same price in proportion to his/her/its existing shareholding in the Company. The Directors consider the Subscription Price to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Offer Shares

The Offer Shares (when allotted, fully paid and issued) will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Offer Shares. Holders of the Offer Shares will be entitled to receive all future dividends and distributions, which are declared, made or paid on or after the date of allotment and issue of the Offer Shares.

Certificates of the Offer Shares

Subject to the Open Offer becoming unconditional, share certificates in respect of the Offer Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Friday, 7 March 2014 or such later date as the Board may determine. One share certificate will be issued for all the offer shares allotted to the applicant.

No application for excess Offer Shares

Considering that the Open Offer will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company, if application for excess Offer Shares is arranged, the Company will be required to put in additional effort and costs to administer the excess application procedures. Accordingly, after arm's length negotiation with the Underwriter, the Board has decided that no excess Offer Shares will be offered to the Qualifying Shareholders and any Untaken Shares will be underwritten by the Underwriter.

Fractional entitlements

Fractions of Offer Shares will not be allotted to Qualifying Shareholders and fractional entitlements will be rounded down to the nearest whole number of Offer Shares. Any Offer Shares created from the aggregation of fractions of Offer Shares will be aggregated and taken up by the Underwriter.

Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares.

Subject to the grant of listing of, and permission to deal in, the Offer Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by the HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the general rules of CCASS and CCASS operational procedures in effect from time to time.

Dealings in the Offer Shares will be subject to the payment of stamp duty and any other applicable fees and charges in Hong Kong.

The board lot size of trading of the Offer Shares will be 24,000 Shares.

UNDERWRITING AGREEMENT

Irrevocable Undertaking

Pursuant to the Underwriting Agreement, the Underwriter has irrevocably undertaken to the Company, among other things, that (i) it will not, within the period commencing from the date of the Underwriting Agreement and ending on the Settlement Date, transfer or otherwise dispose of, or create any right in respect of any Shares held by it, and (ii) subject to the fulfillment of the conditions of the Open Offer and the Underwriting Agreement not having been terminated in accordance with its terms, it will take up its entitlements under the Open Offer.

Save for the Irrevocable Undertaking as disclosed above, the Board has not received any information or irrevocable undertakings from any substantial Shareholders of their intention to take up the securities of the Company to be offered to them under the Open Offer as at the Latest Practicable Date.

Underwriting Agreement

Date:	28 November 2013
Underwriter:	Novel Rainbow Limited, which is incorporated under the laws of the British Virgin Islands and is wholly and beneficially owned by Mr. Wei. It is principally engaged in investment holding and its ordinary course of business does not include underwriting. The Underwriter will finance its commitment under the Irrevocable Undertaking and the Underwriting Agreement by its internal funding from Mr. Wei and the companies owned by him, which is not financed by funding from other parties.
Number of Offer Shares underwritten:	All the Offer Shares (other than the Offer Shares undertaken to be taken up by the Underwriter under the Irrevocable Undertaking), being 1,688,901,272 new Shares. Accordingly, the Open Offer is fully underwritten.

As at the Latest Practicable date, the Underwriter is interested in 54,040,000 Shares, representing approximately 6.0% in the issued share capital of the Company.

An underwriting commission of 1.25% of the aggregate Subscription Price in respect of all the Offer Shares under the Underwriter's underwriting obligations pursuant to the Underwriting Agreement (excluding the 108,080,000 Offer Shares which will constitute the provisional entitlement of Offer Shares in respect of the Shares legally and beneficially owned by the Underwriter), being an amount of approximately HK$2.3 million, will be payable to the Underwriter. The Company will reimburse the Underwriter for the reasonable out-of-pocket expenses of the Underwriter in respect of the Open Offer pursuant to the Underwriting Agreement. The Directors consider that the amount and the basis of the underwriting commission are fair and reasonable and the commission rate is comparable to the prevailing market rate.

Conditions of the Underwriting Agreement

The Open Offer is conditional on the fulfillment or waiver (as the case may be) of the following conditions:

(1) the passing by the Independent Shareholders at the relevant EGM by way of poll of all necessary resolutions to approve the Open Offer, the Underwriting Agreement and the Whitewash Waiver as required by the GEM Listing Rules and/or the Takeovers Code as appropriate by no later than the Prospectus Posting Date;

(2) the passing by the Shareholders at the relevant EGM by way of poll of the resolution to approve the proposed increase in the authorised share capital of the Company as required by the GEM Listing Rules by no later than the Prospectus Posting Date;

(3) the grant by the Executive, and not having withdrawn or revoked such grant, of the Whitewash Waiver, and the fulfillment of all conditions (if any) attached thereto;

(4) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively not later than the Prospectus Posting Date of one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the GEM Listing Rules and the Companies Ordinance;

(5) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus stamped "For Information Only" and accompanied by a letter of the Company (in the agreed form) to the Excluded Shareholders, if any, explaining the circumstances in which they are not permitted to participate in the Open Offer, both on the Prospectus Posting Date;

(6) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Offer Shares either unconditionally or subject to such conditions as the Company may accept by no later than the first day of dealing of the Offer Shares;

(7) compliance with and performance of all the undertakings and obligations of the Underwriter under the Irrevocable Undertaking; and

(8) compliance with and performance of all the undertakings and obligations of the Company under the Underwriting Agreement and the representations and warranties given by the Company under the Underwriting Agreement remaining true, correct and not misleading in all material respects.

The above conditions precedent are incapable of being waived (other than condition (8) which can be waived by the Underwriter). If the conditions precedent are not satisfied in whole (or waived where applicable) by the Latest Time for Termination or such other date as the Company and the Underwriter may agree in writing, the Underwriting Agreement may be terminated by the Underwriter by written notice to the Company, in which case the Underwriting Agreement should be terminated and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

As at the Latest Practicable Date, conditions precedent (1), (2) and (3) above have been fulfilled.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination:

(1) in the reasonable opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:

(a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or

(b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not such event or change is of the same kind with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or

(2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or

(3) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or

(4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or

(5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not such material adverse change is of the same kind with any of the foregoing; or

(6) any event occurring or matter arising on or after the Prospectus Posting Date and prior to the Latest Time for Termination, which if it had occurred or arisen before the Prospectus Posting Date would have been regarded as materially adverse to the Open Offer by the Underwriter acting reasonably; or

(7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the announcement or the Circular or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or

(8) any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange due to exceptional financial circumstances or otherwise,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to terminate the Underwriting Agreement if prior to the Latest Time for Termination:

(1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or

(2) any Specified Event comes to the knowledge of the Underwriter, and such breach or Specified Event will have a material adverse effect in the context of the Open Offer.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

REASONS FOR THE OPEN OFFER

The Company is principally engaged in the development and sale of computer software and hardware, the provision of system integration and related support services in the PRC.

As disclosed in the third quarterly report of the Company for the nine months ended 30 September 2013, the Directors expect the total revenue of the Group may shrink in 2013 subsequent to the disposal of Astoria Innovations Limited ("**Astoria**") and Beijing Enterprises Sanxing Information Technology Co., Limited ("**Sanxing**"), both of which were the then subsidiaries of the Company and engaged in provision of system supports to the systems in social security and social insurance administration, human resource and labor force management, and transient population administration to the relevant authorities of the Beijing Municipal Government in early 2013. Nonetheless, the Group will continue to focus on the development of information technology related services in the PRC via the remaining operations of the Group, namely Beijing Enterprises VST Software Technology Co., Ltd. ("**VST**") and Shanghai Pantosoft Company Ltd. ("**Pantosoft**"). In addition, the Group will strive to expand its operation scale and proactively seek for investment opportunities to acquire businesses with good potentials so as to strengthen its operations.

In September 2013, the Company, Bloom Faith Holdings Limited and Shenzhen Qian Ti Investment Limited entered into an agreement, pursuant to which the Company had conditionally agreed to purchase 21.45% of the partnership interest (the "**Acquisition**") in 上海瑞鴻九坊投資合夥企業 (Shanghai Rui Hung Jiu Fong Investment Partnership Enterprise#) ("**Jiu Fong**"), for a consideration of RMB25,000,000 (equivalent to approximately HK$31,518,000). Jiu Fong is principally engaged in investments, investments consultancy, investment management and business consultation. Jiu Fong is in the arrangement to acquire up to 7.5% equity interest in 四川省宜賓高洲酒業責任有限公司(Sichuan Yibing Gaozhou Jiuye Limited Company#) ("**SYGJ**"), which is one of the largest manufacturers and suppliers of base wine for white spirits in the PRC with good cash flow position and strong revenue growth potential. For details of the Acquisition, please refer to the announcements of the Company dated 6 September 2013 and 30 December 2013. The Company has already paid the deposit of HK$500,000 and the balance of the consideration will be paid by the Company within fifteen business days from the date of completion of the Acquisition. Completion of the Acquisition will take place upon (i) the nominee of the Company becoming the record holder of the sale interest in Jiu Fong and (ii) the Company having an attributable interest of 1.18% equity interest in SYGJ through Jiu Fong completing its acquisition of the equity interest in SYGJ. The Directors believe that the Group will share good investment return from its investment in Jiu Fong upon completion of the acquisition in the equity interest in SYGJ by Jiu Fong. The Company also considers further acquiring the shareholding interests in Jiu Fong from the other partners of Jiu Fong upon completion of the Acquisition in view of prospects in Jiu Fong and the advantage to broaden the income base of the Group should the IT Projects (as defined below) not be materialized in 2014.

In addition, the Company has held preliminary discussions with third parties regarding the proposed acquisition of the shareholding interest in a company principally engaged in the development and sales of environmental friendly sterilization technology products and other potential investment projects, details of certain information technology related projects ("**IT Projects**") are set out in the section headed "USE OF PROCEEDS" below. Up to the Latest Practicable Date, save for the entering into of the agreement regarding the Acquisition, the Company has not entered into any agreement, arrangement or understanding about any acquisition of assets or business.

Taking into consideration of (i) the financial position of the Group; (ii) investment plan of the Group and (iii) prevailing financial market conditions, the Board believes that it is beneficial for the Group to raise long-term equity funding via the proposed Open Offer to strengthen the Company's capital base and to enhance its financial position.

The Board has considered other alternative fund raising methods such as issue of new shares and bank borrowings and considers that the Open Offer will provide an equal opportunity to all Qualifying Shareholders to maintain their respective shareholdings in the Company and participate in the growth and development of the Company. Accordingly, the Directors after consider that the Open Offer is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

Upon the full subscription of the Offer Shares and assuming no further Shares will be allotted and issued from the date hereof to the Record Date, the Company will receive gross proceeds of approximately HK$197.7 million. The net proceeds under the Open Offer are expected to amount to approximately HK$193.0 million (after deducting the costs and expenses in relation to the Open Offer). The net proceeds per Offer Share is equivalent to HK$0.1074.

The Group intends to apply the net proceeds from the Open Offer of (i) approximately HK$5 million for the development of the sales network of Pantosoft; (ii) approximately HK$7 million for general working capital of the Group; and (iii) approximately HK$181 million (equivalent to approximately RMB143 million) on investments on certain IT Projects in 2014, which is able to capitalize the experience of the Group on system integration and development and information technology support and bring synergy to the Group, as below:

1. **City emergency management ("CEM") system in the areas of automated air and water pollution level monitoring**

    The Group intends to invest in a third party enterprise (the "**CEM Enterprise**"), which is principally engaged in the research, development and production of information technology and automation products and operation management of CEM system. The CEM Enterprise has obtained national patents on certain projects and software products, including a CEM system, which has been implemented in certain areas in the PRC on a test basis.

    The CEM system of the CEM Enterprise comprises monitoring equipment located in specified areas in the city to monitor the water and air pollution levels. The equipment will transmit real time data to the monitoring center for continuously intelligent assessment on the water and air conditions. Once the data exceeds a pre-set value, alarm will be triggered. The CEM System facilities the early warning, and alert, and the implementation of emergency plans and support for the entire emergency command system.

    Currently, the Group is closely monitoring the progress of the test and prepares to carry out detailed evaluation on the test results in June 2014 so as to make the investment decision.

The Company intends to apply approximately HK$89 million (equivalent to approximately RMB70 million) from the net proceeds of the Open Offer for (i) acquisition of the entire equity interest in the CEM Enterprise and related technologies; (ii) further development on the CEM system; and (iii) general working capital for the CEM Enterprise. The investment amount is determined after considering (i) the amount required to acquire the entire equity interest in the CEM Enterprise according to preliminary negotiations with its existing shareholders; and (ii) the capital requirement to further develop the project.

Upon completion of the acquisition of the CEM Enterprise, the Directors consider that the Group's capability in products development and implementation will be enhanced and the variety of products offered to the customers will be increased, thereby increasing the market competitiveness of the Group.

2. Automated control and monitoring system for new steel refining technology

The PRC government is urging iron and steel refineries to adopt new refining technology to produce steel in a more environmental friendly manner. A broad adoption of new steel refining technology across steel refineries in the PRC will promote the use of automated control and monitoring system in the future.

The Group intends to set up a joint venture company (the "**JV Company**") specializing in research and development of the automated control and monitoring system with a third party company (the "**Partner**") to support the new refining technology for the iron and steel enterprises. The Company intends to use approximately HK$37 million (equivalent to approximately RMB30 million) from the net proceeds of the Open Offer for capital injection to the JV Company taking into account the capital requirement for developing the project. Initially, the Company estimates to invest approximately HK$14 million (equivalent to approximately RMB11 million) for early development of the project so as to obtain the certification on the technology of the projects and commence trial run by the end of 2014. The Company intends to further invest approximately HK$23 million (equivalent to approximately RMB19 million) for field testing, further development of the system and business development.

The Directors believe that such investment will generate additional revenue to the Group in due course and enhance the capability of the Group for research and product development and provision of the maintenance services for automated control and monitoring system.

3. Medical related information technology system ("MRS")

The Company intends to invest in a third party enterprise (the "**MRS Enterprise**"), which is principally engaged in development of a medical related information technology system for the use in community health care institutions. The development of the MRS is expected to be completed and commenced trial run by the third quarter of 2014. The Company intends to further invest into such project after considering the results and response of the trial run.

The Company prepares to apply approximately HK$32 million (equivalent to approximately RMB25 million) from the net proceeds from the Open Offer to acquire a controlling interest in the MRS Enterprise after considering the preliminary expected financial performance of such enterprise.

The Directors consider that the project will assist the Company to enter the promising healthcare market and will greatly enhance its competencies in system development, construction and management.

4. Medium to small size projects in the area of electronic business platforms

The Group intends to invest up to HK$23 million (equivalent to approximately RMB18 million) on projects which cover the areas of internet applications for sales network and logistics management platforms. Electronic business platforms are becoming more popular across the world and also in the PRC. A footprint in this area is beneficial to the Group.

As the Latest Practicable Date, the Company had not entered into any significant agreement, arrangement, understanding or undertaking in relation to the IT Projects above. Depending on the development progress and materialization of the above IT Projects in 2014 and in case if not all of the above IT Projects are to be commercialized on a timely basis as a result of circumstances not in the control of the Group, the Group then will consider to apply (i) the funds not yet utilized in the IT Projects in an aggregate amount of not more than HK$115 million, of which (a) approximately HK$38 million for the Company to exercise its preemptive right to acquire not more than 24% equity interest in Jiu Fong and (b) approximately HK$77 million to further acquire another 45.45% equity interest of Jiu Fong (together, as the "**Investment**") from another limited partner so as to channel the raised proceeds into income generating operations and (ii) approximately HK$66 million for other investment projects with potential when such opportunities arise.

Shareholders should note that upon completion of the Acquisition and the Investment, the Company will own up to approximately 90.9% equity interest in Jiu Fong, which is in the arrangement to acquire up to 7.5% equity interest in SYGJ. If the Acquisition and the Investment are materialized, the Company will therefore be a minority shareholder of SYGJ while the Company may be required to spend substantial amount from the net proceeds for such acquisition. Although the Company will only become a minority shareholder of SYGJ upon completion of the Acquisition and the Investment, the Directors consider that it is justifiable to invest in Jiu Fong in view of (i) the financial performance and business prospects of SYGJ after reviewing its financial information; (ii) the understanding in Jiu Fong and SYGJ after performing detailed due diligence and studies on those companies prior to entering into the Acquisition; and (iii) the opportunities to channel the net proceeds from the Open Offer to invest in income generating business. However, the Company sets the priority to invest in the IT Projects and will only make the Investment should there be no suitable IT related opportunity.

In addition, the Directors consider that it is an appropriate time for the Group to raise fund through the Open Offer in view of (i) the IT Projects are of good potential, and will be beneficial for the Group's expansion in 2014; (ii) the financial position and working capital requirement of the Group; (iii) the enhancement in bargaining power of the Group to negotiate with the potential partners after improving the cash position of the Group; (iv) the potential difficulties in obtaining funds from financial institutions should the government of United States of America pronounce to reverse the quantitative easing policy and other unfavorable monetary policies be launched; and (v) the timeframe to complete the Open Offer. As such, it is beneficial for the Group to raise funds through the Open Offer in due course to finance suitable investment opportunities in the coming few months so as to enhance the financial position of the Group and to invest in revenue and profit generating projects.

As at 30 June 2013, the Group recorded unaudited total assets of approximately HK$149.4 million, including cash and cash equivalents of approximately HK$80.3 million. Upon the payment of the consideration of the Acquisition of approximately HK$31.5 million, it is estimated that the Group would have total assets amounting to approximately HK$347.0 million immediately upon completion of the Open Offer, among which the cash and cash equivalents retained by the Group immediately upon completion of the Open Offer is estimated to be approximately HK$241.8 million. The percentage of cash to total assets would then be approximately 70% immediately upon completion of the Open Offer.

As (i) the Company's assets will not consist wholly or substantially of cash immediately upon completion of the Open Offer and (ii) the Company prepares to invest in various potential investment projects, the Directors are of the view that, immediately after the Open Offer, the Company will not be a "cash company" as described under Rule 19.82 of the GEM Listing Rules.

BUSINESS REVIEW OF THE GROUP

In January 2013, the Company disposed its equity interests in Astoria and hence Sanxing at a consideration of RMB50 million (equivalent to HK$62.24 million) and recognized an unaudited gain on disposal of approximately HK$10.21 million from the transaction.

In May 2013, the Company repaid all the outstanding long term loans amounted to HK$31,968,000 to reduce interest expense for the future.

In June 2013, the Company acquired certain bonds with a total nominal value of USD2,800,000 at a total consideration of USD2,825,390 (equivalent to approximately HKD21,784,000 and HK$21,981,000 respectively). Their respective maturities range from 2015 to 2023. The coupon rates are from 3.625% to 9.75% per annum and bond interests are paid semi-annually.

In September 2013, the Company entered into the Acquisition.

Other than the above, for the nine months ended 30 September 2013, revenue from provision of information technology related services to authorities of the Beijing Municipal Government remained as staple income of the Group.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Directors foresee that total revenue of the Group may shrink in 2013 subsequent to the disposals of Astoria and Sanxing. Nonetheless, the Group will continue to focus on the development of information technology related services in the PRC via the remaining operations of the Group, namely, VST and Pantosoft.

VST is principally engaged in the provision of system integration and related services including system set up, system upgrading, and long-term maintenance to the systems in social insurance and land resources of the relevant authorities of the Beijing Municipal Government. The revenue from its key income drivers, namely, provision of integrated information services to Beijing social insurances and Beijing state owned land resources are currently expected to increase moderately in 2013 and remain stable in 2014.

Pantosoft is principally engaged in the development of educational software as well as digital education campus in the PRC. In 2012, Pantosoft developed a new product, e-campus (數字化校園), which has been launched in 2013 and is gradually gaining acceptance by the market. The Group is committed to expand the sales network of Pantosoft to enable it to further promote its e-campus product to new schools and generate additional income.

Mainland China's economy is expected to maintain relatively fast growth in 2013 and 2014 as well. The development in areas of e-government, vocational education informatization and technology innovation and investments will bring opportunities for the Group's business expansion and performance enhancement.

Besides, the Group will strive to expand its operation scale and proactively seek for investment opportunities to acquire businesses with good potentials, such as the recently announced acquisition of the equity interest in Jiu Fong in September 2013, so as to strengthen its operations, diversify its business and enhance its profitability. With the proceeds raised from the Open Offer and as explained more fully in the above section headed "USE OF PROCEEDS", the Group will have additional funding to expand its scale of business and develop its business.

RISK FACTORS

Before making any investment decision (including the Open Offer) in relation to the Company, the Shareholders and prospective investors should consider carefully all the information set out in this Prospectus and, in particular, should evaluate the risks in connection with the operation of the Group. The business, financial condition or results of operations could be materially and adversely affected by the occurrence of any of the risks and uncertainties described below.

Risk factors relating to the operation of the Group

(a) Failure to meet customers' requirements

The Group's software and solutions are tailor-made and designed with significant investment of time and expertise to employ complex technology so that customers' specifications can be adequately addressed. In the cases, if the Group lose the ability to incorporate its software and solutions to meet the customers' requirements, the reputation and relationships with the existing and prospective customers may be damaged, which could have a material and adverse effect on the revenue growth.

(b) Failure to match the rapid pace of technological development

Currently, the Group's software system and solutions are specifically designed before orders were made by the customers. There is no assurance that there will be no technological revolution where the current software and solutions will not be able to function in. The introduction of new technologies may render the finished software and solutions obsolete or non-compatible such that the Group needs to be able to keep abreast of technological development in the information technology industry and possible re-design and update in a timely matter to meet market needs and consumers' satisfaction. In the event that the Group failed to respond to the technological revolution and changes in the market, the competitiveness of its products and therefore its profitability will be adversely affected.

(c) Economical and business cycles

The demand for enterprise information technology ("**IT**") products and services are subject to business cycles, which may rise or fall along with overall economic growth and business investment environment. There is no assurance that the current software and information system provided by the Group would not be replaced by other similar products developed and introduced by other competitors. The future success of the Group will depend on its technical know-how on adapting to the new IT technologies and product features, its ability to respond and adapt quickly to IT technology change and business cycles, as well as its capability to understand the changing needs, preferences and requirements of its customers.

(d) Failure to retain skilled personnel

The IT industry relies heavily on necessary skilled personnel to provide technical services and deployment to develop new software, solutions and technologies to keep up with technological trend and to maintain competitive to gain market shares. There is no assurance that skilled personnel of the Group will not be lured to the competitors and become their forces after the Group provided the required training and time. As a result, the Group may be exposed to the risk of having higher labor costs for the reason to obtain its labors. Labour disruptions of any form or scale may cause negative impacts on the Group's operations and any material increase in labour costs which the Group cannot be fully passed onto the customers may adversely affect on its profit.

(e) Failure to deliver finished products on a timely basis

The IT services and system that the Group provides are typically a time consuming process. As such, the Group often may need to deliver their services or products according to a pre-agreed schedule in order to complete the integration work as planned. Any delays in the delivery of the finished products or delivery of the services are responsible to the Group which may expose the Group to possible claims and materially and adversely affect its profitability and reputation.

(f) Competition

In respect of its software products and systems, the Group faces intensive competition from both local and overseas competitors that develop and distribute other software similar to those being offered by the Group. The competition could affect the current and future market share of the Group, which might lead to price reductions of the Group's products and increase in expenditure in marketing and product development.

(g) Failure of the software, hardware or system failure

The software development operation of the Group depends heavily on the performance of its hardware and software as well as the services provided by various Internet and telecommunications service providers. Any significant or prolongs breakdown of or disruptions in the use of the hardware and software of the Group or the Internet or telecommunications service, whether as a result of computer viruses, power supply or connection failure or otherwise, may adversely affect the software development operations of the Group.

Also, the computer network or system of the Group is vulnerable to unauthorized access (generally known as "hacking") which may jeopardize the security of confidential information stored in it. In the event that the computer network or system of the Group is subject to hacking and the Group is unable to develop effective remedial measures, it may cause losses to the Group or deter potential customers from purchasing or subscribing for its products or services, which could have a material adverse effect on the operations of the Group.

(h) Passive investment in SYGJ

In September 2013, the Company has entered into an agreement regarding the acquisition in Jiu Fong to acquire 21.45% equity interest in Jiu Fong. As mentioned in the paragraph headed "USE OF PROCEEDS" set out in this Prospectus, the Group will consider to further acquire 69.45% equity interest of Jiu Fong in an aggregate amount of not more than HK$115.0 million in the event that the IT Projects are not yet to be commercialized on a timely basis. Upon completion of the Acquisition and the Investment, the Company will own up to 90.9% equity interest in Jiu Fong. Currently, Jiu Fong is in the arrangement to acquire up to 7.5% equity interest in SYGJ, which is one of the largest manufacturers and suppliers of base wine for white spirits in the PRC. If the Acquisition and the Investment are materialized, the Company will therefore be a passive investor only and will not be able to exert any management control over the SYGJ.

Risk relating to the Open Offer

The Underwriter is entitled to terminate its obligations under the Underwriting Agreement

Under the Underwriting Agreement, the Underwriter is entitled to terminate its obligations by giving notice in writing to the Company upon the occurrence of any of the events stated in the paragraph headed "Termination of the Underwriting Agreement" in this Prospectus on or before the Latest Time for Termination.

EFFECTS ON SHAREHOLDING STRUCTURE

For illustration purpose only, the shareholding structure of the Company as at the Latest Practicable Date and immediately after the completion of the Open Offer is set out below:

	As at the Latest Practicable date		Immediately after completion of the Open Offer (assuming all Qualifying Shareholders have fully subscribed for their entitlements under the Open Offer)		Immediately after completion of the Open Offer (assuming no Qualifying Shareholders subscribed for their entitlements under the Open Offer except for the Underwriter)	
Shareholders	*Number of Shares*	*Approximate%*	*Number of Shares*	*Approximate%*	*Number of Shares*	*Approximate%*
The Underwriter, Mr. Wei and parties acting in concert with any of them *(Note 1)*	54,040,000	6.0%	162,120,000	6.0%	1,851,021,272	68.7%
Substantial Shareholders						
Prime Technology Group Limited *(Note 2)*	167,754,607	18.7%	503,263,821	18.7%	167,754,607	6.2%
E-Tron Limited *(Note 2)*	21,796,737	2.4%	65,390,211	2.4%	21,796,737	0.8%
Subtotal	189,551,344	21.1%	568,654,032	21.1%	189,551,344	7.0%
Carford Holdings Limited *(Note 3)*	64,700,000	7.2%	194,100,000	7.2%	64,700,000	2.4%
Getwin Investments Limited *(Note 3)*	10,156,000	1.1%	30,468,000	1.1%	10,156,000	0.4%
Other public Shareholders	580,043,292	64.6%	1,740,129,876	64.6%	580,043,292	21.5%
Total	898,490,636	100.0%	2,695,471,908	100.0%	2,695,471,908	100.0%

Notes:

(1) The entire issued share capital of the Underwriter is legally and beneficially owned by Mr. Wei, who was deemed to be interested in the 54,040,000 Shares by virtue of his controlling interests in the Underwriter. Mr. Wei and all of his associates are parties acting in concert with the Underwriter.

(2) Beijing Development (Hong Kong) Limited was deemed to be interested in the 189,551,344 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 189,551,344 Shares by virtue of its controlling interests in Beijing Development (Hong Kong) Limited. Beijing Enterprises Investments Limited was deemed to be interested in the 189,551,344 Shares by virtue of its controlling interests, together with Beijing Enterprises Group Company Limited, in Beijing Enterprises Holding Limited. Beijing Enterprises Group Company Limited was deemed to be interested in the 189,551,344 Shares by virtue of its controlling interests in Beijing Enterprises Investments Limited and Beijing Enterprises Holdings Limited.

(3) Mr. Xia Xiaoman was deemed to be interested in the 74,856,000 Shares by virtue of his controlling interests in Carford Holdings Limited and Getwin Investments Limited.

WARNING OF THE RISK OF DEALING IN THE SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the satisfaction of the conditions set out in the section headed "Conditions of the Underwriting Agreement" in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed.

Shareholders and potential investors should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders and potential investors should note that the Shares are expected to be dealt in on an ex-entitlement basis commencing from Wednesday, 29 January 2014 and that dealings in Shares will take place while the conditions to which the Open Offer is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on 4:00 p.m. on Tuesday, 4 March 2014), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional advisers.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company had not conducted any equity fund raising exercises in the past twelve months from the Latest Practicable Date.

PROCEDURE FOR APPLICATION AND PAYMENT FOR THE OFFER SHARES

The Application Form is enclosed with this Prospectus which entitles the Qualifying Shareholder to whom it is addressed to apply for the number of Offer Shares as shown therein subject to payment in full by the Latest Time for Acceptance. Qualifying Shareholders should note that they may apply for any number of Offer Shares only up to the number set out in the Application Forms respectively addressed to them. If a Qualifying Shareholder wishes to apply for all the Offer Shares offered to it as specified in the Application Form addressed to it or wish to apply for any number less than its entitlement under the Open Offer, it must complete, sign and lodge the Application Form in accordance with Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:00 p.m. on Thursday, 27 February 2014. All remittance(s) must be made in Hong Kong dollars and cheques must be drawn on an account with, or bankers' cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "**China Information Technology Development Limited – Open Offer A/C**" and crossed "**Account Payee Only**". It should be noted that unless the duly completed and signed Application Form, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Thursday, 27 February 2014, the entitlements of the respective Qualifying Shareholders under the Open Offer and all rights in relation thereto shall be deemed to have been declined and will be cancelled.

The Application Form contains further information regarding the procedures to be followed if Qualifying Shareholders wish to accept the whole or part of their assured allotment.

All cheques and cashier's orders accompanying completed Application Form will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of an Application Form with a cheque and/or a banker's cashier order will constitute a warranty by the applicant that the cheque and/or the banker's cashier order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any application, and the entitlement given pursuant to which will be deemed to have been declined and will be cancelled.

The Application Form is for use only by the person(s) named therein and is not transferable. No receipt will be issued in respect of any acceptance monies received. If the conditions of the Underwriting Agreement are not fulfilled and/or the Underwriting Agreement is terminated in accordance with its terms before the Latest Time for Termination, the monies received in respect of acceptance of Offer Shares will be returned to the relevant Qualifying Shareholders, or in case of joint applicants, to the first-named person without interest by means of cheques despatched by ordinary post to the respective addresses specified in the register of members of the Company at their own risk as soon as practicable thereafter.

All Qualifying Shareholders are recommended to consult their independent professional advisers if they are in any doubt as to the taxation implications of applying for, holding, disposing of or dealing in the Offer Shares. It is emphasised that none of the Company, the Directors or any other parties involved in the Open Offer accepts responsibility of any tax effects or liabilities of holders of the Offer Shares resulting from the application for, holding, disposal of, or dealing in the Offer Shares.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information of the Group set out in the appendices to this Prospectus.

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

1. FINANCIAL INFORMATION

Details of the audited consolidated financial statements of the Group for each of the three financial years ended 31 December 2010, 2011 and 2012, including the notes thereto, have been set out in the annual reports of the Company for each of the three years ended 31 December 2010 (pages 27 to 111), 2011 (pages 25 to 109) and 2012 (pages 27 to 105) respectively. The unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2013 and for the nine months ended 30 September 2013, including the notes thereto, has been set out in the interim report of the Company for the six months ended 30 June 2013 (pages 7 to 26) and the third quarterly report of the Company for the nine months ended 30 September 2013 (page 6 to 17) respectively. The said annual reports, interim report and third quarterly report of the Company are available on the website of the Stock Exchange at http://www.hkexnews.hk and the website of the Company at http://www.chinainfotech.com.hk/ respectively.

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 December 2013, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this Prospectus, the Group had total outstanding borrowings of approximately HK$1,269,000, comprising amounts due to a director of and a senior manager of a subsidiary of approximately HK$888,000 and HK$381,000 respectively.

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of the business, as at the close of business on 31 December 2013, the Group did not have other outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans, other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into consideration the financial resources presently available to the Group, including facilities provided by persons, other internal resources and the estimated net proceeds from the Open Offer, the Group has sufficient working capital for its present requirements, that is for at least the next twelve months from the date of this Prospectus.

4. MATERIAL CHANGE

Save for the completion of the disposal of the 68% equity interests in Astoria which was announced on 4 February 2013, the acquisition of certain bonds which was announced on 4 June 2013 and the acquisition of 21.45% partnership interest in 上海瑞鴻九坊投資合夥企業 (Shanghai Rui Hung Jiu Fong Investment Partnership Enterprise#) which was announced on 6 September 2013, the Directors confirmed that there had been no material change in the financial or trading position or outlook of the Group since 31 December 2012, the date to which the latest published audited financial statements of the Group were made up, up to and including the Latest Practicable Date.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group prepared in accordance with Paragraph 13 of Appendix 1B and 31 of Chapter 7 of the GEM Listing Rules is set out below to illustrate the effects of the Open Offer on the consolidated net tangible assets of the Group as if the Open Offer had taken place on 30 June 2013.

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only, based on the judgements and assumptions of the Directors of the Company, and because of its hypothetical nature, may not give a true picture of the financial position of the Group following the Open Offer.

The following statement of unaudited pro forma adjusted consolidated net tangible assets of the Group is based on the unaudited consolidated net tangible assets of the Group as at 30 June 2013, adjusted as described below:

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2013	**Estimated net proceeds from the Open Offer**	**Unaudited pro forma adjusted consolidated net tangible assets of the Group as at 30 June 2013**
	(Note 1)	*(Note 2)*	
	HK$'000	*HK$'000*	*HK$'000*
	111,127	193,000	304,127
Unaudited consolidated net tangible assets per Share before completion of the Open Offer *(Note 3)*			HK$0.12
Unaudited pro forma adjusted consolidated net tangible assets per Share immediately after completion of the Open Offer *(Note 4)*			HK$0.11

Notes:

1. The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2013 are based on the consolidated net assets in the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2013, being calculated as deducting the goodwill of HK$15,000,000 and the other intangible assets of approximately HK$673,000 from the equity of approximately HK$126,800,000 attributable to the owners of the Company as at 30 June 2013.

2. The estimated net proceeds from the Open Offer are based on 1,796,981,272 Offer Shares at the Subscription Price of HK$0.11 per Offer Share, after deduction of the underwriting fees and other share issue related expenses payable by the Company of approximately HK$4,700,000.

3. Based on 898,490,636 existing Shares in issue as at 30 June 2013 before completion of the Open Offer.

4. Based on 2,695,471,908 Shares, on which 898,490,636 existing Shares and 1,796,981,272 Offer Shares were in issue as at 30 June 2013, assuming that the Open Offer had been completed on 30 June 2013.

B. ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the sole purpose of inclusion in this Circular, from the independent reporting accountant, ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong.

中汇 ZHONGHUI

13 February 2014

The Board of Directors
China Information Technology Development Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of China Information Technology Development Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company for illustrative purposes only. The pro forma financial information consists of the pro forma adjusted consolidated net tangible assets as at 30 June 2013 as set out in Appendix II - 1 to Appendix II - 2 of the Prospectus issued by the Company. The applicable criteria on the basis of which the directors have compiled the pro forma financial information are described in Appendix II - 1.

The pro forma financial information has been compiled by the directors of the Company (the "**Directors**") to illustrate the impact of the Open Offer on the Group's net tangible assets as at 30 June 2013 as if the transaction had been taken place at 30 June 2013. As part of this process, information about the Group's net tangible assets has been extracted by the directors from the Group's condensed consolidated interim financial statements as included in the interim report for the six months ended 30 June 2013.

Directors' Responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 13 of Appendix 1B and paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock exchange of Hong Kong Limited (the "**GEM Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 31(7) of Chapter 7 of the GEM Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the pro forma financial information in accordance with paragraph 31 of Chapter 7 of the GEM Listing Rules and with reference to AG 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2013 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We make no comments regarding the reasonableness of the amount of net proceeds from the Open Offer, the application of those net proceeds, or whether such use will actually take place as described under "REASONS FOR THE OPEN OFFER" and "USE OF PROCEEDS" set out on page 18 to page 20 and page 20 to page 23 of the Prospectus respectively.

Opinion

In our opinion:

(a) the pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Listing Rules.

Yours faithfully,

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Sze Lin Tang
Practising Certificate Number P03614
Hong Kong

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors 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 Prospectus 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 Prospectus misleading.

2. SHARE CAPITAL

Share capital of the Company

(a) Share capital as at the Latest Practicable Date

	HK$
Authorised:	
4,000,000,000 Shares	400,000,000.00
Issued and fully paid:	
898,490,636 Shares	89,849,063.60

(b) Share capital immediately upon completion of the Open Offer

		HK$
Authorised:		
4,000,000,000	Shares	400,000,000.00
Issued and fully paid:		
898,490,636	Shares	89,849,063.60
1,796,981,272	Offer Shares to be issued pursuant to the Open Offer	179,698,127.20
2,695,471,908	Shares following the completion of the Open Offer	269,547,190.80

As at the Latest Practicable Date, the Company has no other outstanding derivatives, warrants, options and conversion rights or other similar rights which are convertible or exchangeable into Shares.

No new Shares have been issued by the Company since 31 December 2012 (being the date to which its latest published audited accounts were prepared). All issued Shares rank pari passu with each other in all respects including the rights as to voting, dividends and return of capital. The Offer Shares to be allotted and issued will, when issued and fully paid, rank *pari passu* in all respects with the Shares then in issue.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Offer Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

As at the Latest Practicable Date, no share or loan capital of the Company or any of its subsidiaries had been put under option or agreed conditionally or unconditionally to be put under option.

3. DISCLOSURE OF INTERESTS

(a) Interest of Directors and chief executives of the Company

Directors' interests and short positions in shares and underlying Shares

As at the Latest Practicable Date, none of the Directors nor chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to Rules 5.46 and 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified by the Company and the Stock Exchange.

(b) Substantial Shareholders

As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, of each person, other than a Director or chief executive of the Company, who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group and the amount of each of such person's interest in such securities, together with particulars of any options in respect of such capital:

Long positions in ordinary shares of the Company:

Name	*Notes*	**Capacity and nature of interest**	**Number of ordinary shares held**	**Percentage of the Company's issued share capital**
Beijing Development (Hong Kong) Limited	*(a)*	Through controlled corporations	189,551,344	21.1%
Beijing Enterprises Holdings Limited	*(b)*	Through controlled corporations	189,551,344	21.1%
Beijing Enterprises Investments Limited	*(c)*	Through controlled corporations	189,551,344	21.1%
Beijing Enterprises Group Company Limited	*(d)*	Through controlled corporations	189,551,344	21.1%
Prime Technology Group Limited		Directly beneficially owned	167,754,607	18.7%
E-tron Limited		Directly beneficially owned	21,796,737	2.4%
Carford Holdings Limited		Directly beneficially owned	64,700,000	7.2%
Getwin Investments Limited		Directly beneficially owned	10,156,000	1.1%
Mr. Xia Xiaoman	*(e)*	Through controlled corporations	74,856,000	8.3%
Novel Rainbow Limited		Directly beneficially owned	54,040,000	6.0%
Mr. Wei Gao	*(f)*	Through controlled corporation	54,040,000	6.0%

Notes:

(a) Beijing Development (Hong Kong) Limited was deemed to be interested in the 189,551,344 shares by virtue of its controlling interests in its wholly owned subsidiaries, Prime Technology Group Limited and E-Tron Limited.

(b) Beijing Enterprises Holdings Limited was deemed to be interested in the 189,551,344 shares by virtue of its controlling interests in Beijing Development (Hong Kong) Limited.

(c) Beijing Enterprises Investments Limited was deemed to be interested in the 189,551,344 shares by virtue of its controlling interests, together with Beijing Enterprises Group Company Limited, in Beijing Enterprises Holdings Limited.

(d) Beijing Enterprises Group Company Limited was deemed to be interested in the 189,551,344 shares by virtue of its controlling interests in Beijing Enterprises Investments Limited and Beijing Enterprises Holdings Limited.

(e) Mr. Xia Xiaoman was deemed to be interested in the 74,856,000 shares by virtue of his controlling interests in Carford Holdings Limited and Getwin Investments Limited.

(f) Mr. Wei was deemed to be interested in the 54,040,000 shares by virtue of his controlling interests in Novel Rainbow Limited.

Save as disclosed above, as at the Latest Practicable Date, there was no other person so far as is known to the Directors and the chief executive of the Company, other than a Director or chief executive of the Company has an interest or a short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any member of the Group (excluding contracts expiring or determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation)).

5. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by any members of the Group) have been entered into by members of the Group after the date two years immediately preceding the date of the Announcement, being 28 November 2013, and up to the Latest Practicable Date which are or may be material:

(a) the placing agreement dated 8 June 2012 entered into between the Company and United Simsen Securities Limited, in respect of the placing of 1,000,000,000 new Shares at HK$0.027 per Share;

(b) the placing agreement dated 25 September 2012 entered into between the Company and Kingston Securities Limited, in respect of the placing of 149,000,000 new Shares at HK$0.18 per Share;

(c) the sale and purchase agreement dated 15 November 2012 entered into between the Company and QIFA Holdings Limited in respect of the disposal of 68% issued share capital of Astoria Innovations Limited at a consideration of RMB50 million (equivalent to approximately HK$62.24 million);

(d) the agreement dated 6 September 2013 entered into between the Company, Bloom Faith Holdings Limited and 深圳市乾惕投資有限公司 (Shenzhen Qian Ti Investment Limited[#]) in respect of the acquisition of the 21.45% partnership interest in the Jin Fong at a consideration of RMB25 million (equivalent to approximately HK$31.52 million) (as supplemented by a supplemental agreement dated 30 December 2013); and

(e) the Underwriting Agreement (as supplemented by the Side Letter).

6. INTEREST IN THE GROUP'S A SSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2012, being the date to which the latest published audited accounts of the Group were made up.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

7. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective associates had any interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or the Group.

8. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was involved in any litigation or arbitration of material importance and no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

9. EXPENSES

The expenses in connection with the Open Offer, including financial advisory fees, underwriting commission, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK$4.7 million, which are payable by the Company.

10. EXPERT AND CONSENT

The following is the qualification of the expert who has given an opinion or advice which is contained in this Prospectus:

Name	Qualifications
ZHONGHUI ANDA CPA Limited (“**Zhonghui**”)	Certified Public Accountants

Zhonghui has given and has not withdrawn its written consent to the issue of the Prospectus with the inclusion therein of its reports and references to its name in the form and context in which the appear.

As at the Latest Practicable Date, Zhonghui was not beneficially interested in the share capital of any member of the Group nor had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any interest, either directly or indirectly, in the assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group, since 31 December 2012, being the date to which the latest published audited consolidated financial statements of the Group were made up.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection (i) at the Company's head office and principal place of business in Hong Kong at Suite No. 5A, 9/F., Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong during normal business hours from 9:00 a.m. to 6:00 p.m. on any week day (except public holidays); (ii) on the website of the SFC at www.sfc.hk; and (iii) on the Company's website at http://www.chinainfotech.com.hk/ from the date of this Prospectus up to and including the date of completion of the Open Offer:

(a) the memorandum of association and bye-laws of the Company;

(b) the memorandum and articles of association of the Underwriter;

(c) the annual reports 2011 and 2012 of the Company containing audited consolidated financial statements of the Group for the two years ended 31 December 2011 and 2012;

(d) the interim report 2013 of the Company for the six months ended 30 June 2013 and the third quarterly report of the Company for the nine months ended 30 September 2013;

(e) the letter from Zhonghui in respect of the unaudited pro forma financial information following completion of the Open Offer, the text of which is set out in Appendix II to this Prospectus;

(f) the material contracts referred to in the paragraph headed "Material contracts" in this appendix; and

(g) the written consent referred to in the paragraph headed "Expert and consent" in this appendix.

12. PARTICULARS OF DIRECTORS

Executive Directors

Mr. HU Zhuoer, aged 48, chief executive officer ("**CEO**"), graduated from Shanghai University of Finance and Economics with a bachelor's degree in science in 1986, obtained a master's degree in Finance from Peking University in 2000 and obtained the qualification of Senior Engineer in 2007. Mr. Hu had served in the Ministry of Finance and was a deputy director and then director of the State Administration of Taxation and a party constitution member and deputy director of the Chengdu Municipal Office of the State Administration of Taxation. During his term of office in the State Administration of Taxation, he mainly engaged in technology and equipment management, IT construction and planning, international exchanges on technology, etc. During his service in the Chengdu Municipal Office of the State Administration of Taxation, he was mainly responsible for tax audit, the Golden Taxation project, tax collection for large enterprises, etc. Mr. Hu has extensive experiences in eGovernment planning and construction, tax reform implementation and governance and government affair restructuring and innovation. Mr. Hu joined the Group on 25 August 2009.

Mr. TSE Chi Wai, aged 46, was appointed an executive director on 15 August 2011. He is also the financial controller and company secretary of the Company. Mr. Tse graduated from the University of Hong Kong in 1989 with a bachelor degree in Social Science Studies. Mr. Tse is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Tse has over 20 years of experience in auditing, accounting and finance gained from working with various international accounting firms and listed companies. Mr. Tse is also an executive director of Jih Sun Financial Holding Company Limited, the shares of which are listed on the Taiwan Stock Exchange, and is an independent non-executive director of Sunac China Holdings Limited, the shares of which are listed on the Stock Exchange. Mr. Tse joined the Group in May 2010.

Independent non-executive Directors

Dr. SUN Guofu, aged 44, graduated from Shanxi Mining Institute in 1991 and obtained a bachelor's degree in engineering. He obtained a master's degree in engineering from Beijing Institute of Technology in 1997 and a doctor's degree in engineering from Tsinghua University in 2001. He worked at Shanxi Mining Institute and Communication Equipment Company and was a vice president of Founder Technology Group Corp. He is currently the managing partner of Beijing FHYC Investment & Management Center (LLP), the general manager of FounderSec Technologies Limited, vice chairman of the China Communications Industry Association, a standing member of the China Electronic Chamber of Commerce and a member of the China Computer Users Association. Dr. Sun has extensive experience in management and research & development. Dr. Sun joined the Group on 25 August 2009.

Mr. NG Kwok Fai, aged 41, has extensive experience in the financial market of Hong Kong and the PRC and is mainly responsible for providing advices to various types of clients including private and institutional investors, Hong Kong listed companies and PRC enterprises in a comprehensive approach. He has originated and handled numerous corporate transactions throughout the Asia-Pacific region, including securities dealing, investment portfolio management and accounting and financial advisory. Mr. Ng's insight in these areas, along with his substantial experience in international business development, assisted the management of the clients in its oversight of their companies' businesses. He also has in-depth knowledge in due diligence review and internal control advisory which provides him with expertise of corporate governance. Mr. Ng is a member of American Institute of Certified Public Accountants, a member of the Hong Kong Institute of Certified Public Accountants, a member of The Hong Kong Institute of Chartered Secretaries and a member of the Institute of Chartered Secretaries and Administrators. Mr. Ng joined the Group on 13 May 2011.

Mr. CHEN Zhongfa, aged 63, has extensive experience in enterprise management. During March 1995 to June 2001, Mr. Chen had been the vice general manager and general manager of Shanghai Tourism Investment and Development Group Company in the PRC. From July 2001 to March 2010, Mr. Chen served as the chief economist, CFO, a director and the vice general manager of China Landed Property Development Group Company in the PRC. Since April 2011, Mr. Chen is the vice chairman of the China Commerce Association for Senior Citizens. He is also currently a senior consultant to the Chinese Overseas Students Development Fund. Mr. Chen obtained a master degree in International Enterprise Management from the Post Graduate School of the Shanghai Finance and Economic University in 1999. Since February 2009, Mr. Chen is a Fellow Member of the Chartered Financial Practitioner of the Asia Pacific Financial Services Association. He is also an independent non-executive director of Carry Wealth Holdings Limited, a company listed on the Stock Exchange. Mr. Chen joined the Group on 15 August 2011.

Senior management

Mr. CHEN Wenwei, aged 43, is the assistant to CEO of the Group and general manager of Xteam Software (China) Company Limited. Mr. Chen graduated from Huazhong University of Science and Technology and obtained a EMBA from the Beijing University. He had been an assistant engineer with the North China Institute of Computing Technology for computing technology, manager of the Beijing Strong Technical Industry Company, assistant general manager of Beijing Strong Technical Industry Company, partner of Taineng Technology Investment Company Limited, etc. He has extensive experiences in market development, business investment and channel management. Mr. Chen joined the Group in March 2012.

Mr. LI Jicheng, aged 49, is the chief executive of VST. He graduated from Tianjin University with a bachelor's degree and obtained a master's degree therefrom in 1988. Mr. Li was a university lecturer and has over 15 years of experience in project management and information technology. Mr. Li joined the Group in August 2004.

Mr. PENG Wensheng, aged 46, is the chairman of Shanghai Pantosoft. Mr. Peng graduated from the Engineering Faculty of Nanjing University of Science & Technology in 1987 with a bachelor degree in Science. He also obtained a master degree in Science in Huazhong University of Science and Technology in 1994. He joined the Group in December 2002.

13. CORPORATE INFORMATION

Head office and principal place of business	Suite No. 5A, 9/F., Sino Plaza 255-257 Gloucester Road Causeway Bay, Hong Kong
Registered office	Cricket Square Hutchins Drive, P.O. Box 2681 Grand Cayman KY1-1111 Cayman Island
Auditors	ZHONGHUI ANDA CPA Limited *Certified Public Accountants* 21/F., Max Share Centre 373 King's Road, North Point Hong Kong
Principal bankers	The Hong Kong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong

Principal share registrar and transfer agent	Royal Bank of Canada Trust Company (Cayman) Limited 4th Floor, Royal Bank House 24 Shedden Road, George Town Grand Cayman KY1-1110 Cayman Islands
Hong Kong branch share registrar and transfer office	Computershare Hong Kong Investor Services Limited Shops 1712-16, 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong
Authorised representatives	Mr. Hu Zhuoer 9/F., Beijing Nongke Building, Block B No. 11 Shuguang Garden Central Road Haidian District, Beijing 100097 China Mr. Tse Chi Wai Suite No. 5A, 9/F., Sino Plaza 255-257 Gloucester Road Causeway Bay, Hong Kong
Company secretary	Mr. Tse Chi Wai (fellow member of the Associate of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants)
Compliance Officer	Mr. Tse Chi Wai
Audit Committee	Mr. Ng Kwok Fai *(Chairman)* Dr. Sun Guofu Mr. Chen Zhongfa

14. PARTIES INVOLVED IN THE OPEN OFFER

Underwriter	Novel Rainbow Limited P.O. Box 957 Offshore Incorporations Centre Road Town, Tortola British Virgin Islands
Financial adviser to the Company	Kingston Corporate Finance Limited Suite 2801, 28th Floor One International Finance Centre 1 Harbour View Street, Central Hong Kong
Legal advisers to the Company as to Hong Kong law	Sidley Austin 39/F, Two International Finance Centre Central, Hong Kong
Auditors and reporting accountants of the Company	ZHONGHUI ANDA CPA Limited *Certified Public Accountants* Hong Kong

15. LEGAL EFFECT

The Prospectus Documents and all acceptance of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies Ordinance.

16. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent referred to in the paragraph headed "Expert and consent" in this appendix have been delivered to the Registrar of Companies of Hong Kong pursuant to Section 342C of the Companies Ordinance.

17. MISCELLANEOUS

(a) In the event of inconsistency, the English text of this Prospectus and the accompanying form of proxy shall prevail over the Chinese text.

(b) The English names of the PRC entities mentioned in this prospectus marked "#" are translations from their respective Chinese names. If there is any inconsistency, the Chinese name shall prevail.

(c) As at the Latest Practicable Date, there was no restriction affecting the remittance of profits or repatriation of capital of the Company into Hong Kong from outside of Hong Kong. Save and except for Renminbi, the Group has no exposure to foreign exchange liabilities. The Group will have sufficient foreign exchange, generated from the operation of its subsidiaries to pay forecasted or planned dividends and to meet its foreign exchange liabilities as they become due.