
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in China Information Technology Development Limited, you should at once hand this circular to the purchaser or the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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中國信息科技發展有限公司
China Information Technology Development Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8178)

- (1) PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE AND
REPURCHASE SHARES**
- (2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS**
- (3) PROPOSED SHARE PREMIUM REDUCTION**
- AND**
- (4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of China Information Technology Development Limited to be held at Suite No. 5A, 9/F., Sino Plaza, 255-257 Gloucester Road, Hong Kong on Friday, 27 June 2014 at 11:30 a.m. is set out on pages 15 to 19 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk).

Whether or not you are able to attend the annual general meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

27 May 2014

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CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a high investment risk may be attached. 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.

RESPONSIBILITY STATEMENT

This circular, 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:

1. the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive; and
2. there are no other matters the omission of which would make any statement in this circular or this document misleading.

DEFINITIONS

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

“Accumulated Losses”	the audited balances in the accumulated losses account of the Company and the Group as at 31 December 2013 of approximately HK\$1,196.5 million and approximately HK\$1,198.6 million respectively
“Annual General Meeting”	an annual general meeting of the Company to be held at Suite No. 5A, 9/F., Sino Plaza, 255-257 Gloucester Road, Hong Kong on Friday, 27 June 2014 at 11:30 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 15 to 19 of this circular, or any adjournment thereof
“Articles of Association”	the articles of association from time to time adopted by the Company
“Associate(s)”	shall have the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Buyback Mandate”	as defined in paragraph 2(a) of the Letter from the Board
“Cayman Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	China Information Technology Development Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the Proposed Share Premium Reduction shall become effective, being the next business day immediately following the date of the AGM at which the relevant special resolution approving the Proposed Share Premium Reduction will be considered by the Shareholders
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

DEFINITIONS

“Group”	the Company and its subsidiaries
“Issuance Mandate”	as defined in paragraph 2(b) of the Letter from the Board
“Latest Practicable Date”	22 May 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Proposed Share Premium Reduction”	the proposed reduction of approximately HK\$1,193.3 million standing to the credit of the share premium account of the Company, as more particularly set out under the section headed “Proposed Share Premium Reduction” of this circular
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.1 each in the capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



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

Hong Kong

27 May 2014

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE AND
REPURCHASE SHARES**

(2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS

(3) PROPOSED SHARE PREMIUM REDUCTION

AND

(4) NOTICE OF ANNUAL GENERAL MEETING

(1) INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) the granting of the Buyback Mandate to the Directors; (ii) the granting of the Issuance Mandate to the Directors; (iii) the extension of the Issuance Mandate by adding to it the aggregate number of the issued Shares repurchased by the Company under the Buyback Mandate; (iv) re-election of retiring Directors; and (v) share premium reduction.

LETTER FROM THE BOARD

(2) BUYBACK AND ISSUANCE MANDATES

At the annual general meeting of the Company held on 28 June 2013, general mandates were given to the Directors to exercise the powers of the Company to repurchase Shares and to issue new Shares respectively. Such mandates will lapse at the conclusion of the 2014 Annual General Meeting.

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,695,471,908 Shares.

Ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of new general mandates to the Directors:

- (a) to purchase Shares on the Stock Exchange of an aggregate nominal amount of up to 10% of the aggregate nominal amount of the issued share capital of the Company on the date of passing of such resolution, i.e. a maximum of 269,547,190 Shares on the basis that no further Shares will be issued or repurchased prior to the date of the Annual General Meeting (the “Buyback Mandate”);
- (b) to allot, issue or deal with Shares of an aggregate nominal amount of up to 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of such resolution, i.e. a maximum of 539,094,381 Shares on the basis that no further Shares will be issued or repurchased prior to the date of the Annual General Meeting (the “Issuance Mandate”); and
- (c) to extend the Issuance Mandate by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to and in accordance with the Buyback Mandate.

The Buyback Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the Annual General Meeting or any earlier date as referred to in ordinary resolutions numbered 6A and 6B set out in the notice of the Annual General Meeting. With reference to the Buyback Mandate and the Issuance Mandate, the Directors wish to state that they have no immediate plan to repurchase or issue any Shares pursuant thereto.

In accordance with the requirements of the GEM Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Buyback Mandate. The explanatory statement as required by the GEM Listing Rules in connection with the Buyback Mandate is set out in the Appendix I to this circular.

LETTER FROM THE BOARD

(3) RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Article 87(1) and 87(2) of the Articles of Association, Mr. Tse Chi Wai and Mr. Chen Zhongfa (the “Retiring Directors”) will retire by rotation from office as Directors at the Annual General Meeting and being eligible have offered themselves for re-election. Details of Mr. Tse Chi Wai and Mr. Chen Zhongfa required to be disclosed under the GEM Listing Rules are set out in Appendix II to this circular.

(4) PROPOSED SHARE PREMIUM REDUCTION

The Board intends to put forward for approval by the Shareholders at the AGM a proposal to reduce the credit standing to the share premium account of the Company to the extent of approximately HK\$1,193.3 million and to apply the credit arising from such reduction to set off the Accumulated Losses by the same amount.

Effects of the Proposed Share Premium Reduction

As at 31 December 2013, the Company and the Group recorded audited accumulated losses of approximately HK\$1,196.5 million and approximately HK\$1,198.6 million, respectively. The amount standing to the credit of the share premium account of the Company and the Group were approximately HK\$1,193.3 million and approximately HK\$1,204.1 million, respectively as at 31 December 2013. As a result of the Proposed Share Premium Reduction, the credit standing to the share premium account of the Company will be reduced by an amount of approximately HK\$1,193.3 million, and the credit arising therefrom will be applied towards eliminating the Accumulated Losses by the same amount. After the Proposed Share Premium Reduction, the balances of the Accumulated Losses of the Company and the Group will be approximately HK\$3.2 million and approximately HK\$5.3 million respectively.

The implementation of the Proposed Share Premium Reduction does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or the trading arrangements concerning the Shares. Other than the expenses incurred by the Company in relation to the Proposed Share Premium Reduction, the implementation of the Proposed Share Premium Reduction will not, of itself, alter the underlying assets, liabilities, business operations, management or financial position of the Company or affect the interests of the Shareholders.

LETTER FROM THE BOARD

Reasons for the Proposed Share Premium Reduction

The Board is of the view that the Proposed Share Premium Reduction will allow the Company to eliminate its accumulated losses arising from the Group's past operations, thus enabling a better appreciation of the financial position of the Group and its current businesses. The Board believes that the Proposed Share Premium Reduction is in the best interests of the Company and the Shareholders as a whole.

Conditions of the Proposed Share Premium Reduction

Pursuant to article 6 of the Articles of Association, the Company may from time to time by special resolution, subject to any confirmation or consent required by the Cayman Companies Law, reduce its share premium account in any manner permitted by the Cayman Companies Law. According to article 146(1) of the Articles of Association, the Company may apply the share premium account in such manner as permitted by the Cayman Companies Law. As advised by Cayman Islands' legal counsel, a reduction of the share premium account does not require court approval under the Cayman Companies Law. However, the implementation of the Proposed Share Premium Reduction will be conditional upon the approval by the Shareholders at the AGM by way of special resolution. As none of the Shareholders is interested in the Proposed Share Premium Reduction, no Shareholder is required to abstain from voting on the Proposed Share Premium Reduction.

Shareholders and potential investors should also be aware of and take note that the Proposed Share Premium Reduction is conditional upon satisfaction of the conditions set out in this circular. Therefore, the Proposed Share Premium Reduction may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and other securities of the Company.

Expected Effective Date of the Proposed Share Premium Reduction

Assuming the above conditions are fulfilled, it is expected that the Proposed Share Premium Reduction will become effective on the next business day immediately following the date of passing the relevant special resolution approving the Proposed Share Premium Reduction.

LETTER FROM THE BOARD

(5) PROCEDURES FOR DEMANDING A POLL

According to Article 66 of the Articles of Association, a resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right; or
- (e) by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.

Pursuant to GEM Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution put to the vote of the Annual General Meeting pursuant to Article 66 of the Articles of Association.

(6) ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 15 to 19 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, re-election of the retiring Directors, the granting of the Buyback Mandate, the Issuance Mandate and the extension of the Issuance Mandate by the addition thereto of the number of Shares repurchased pursuant to the Buyback Mandate.

LETTER FROM THE BOARD

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

(7) RECOMMENDATION

The Directors consider that (i) the proposed granting of general mandate to issue and repurchase Shares; (ii) the proposed re-election of retiring Directors and (iii) proposed share premium reduction of the Company are in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

(8) GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix I (Explanatory Statement on the Buyback Mandate) and Appendix II (Details of Directors proposed to be re-elected at the Annual General Meeting) to this circular.

Yours faithfully,

By order of the Board

China Information Technology Development Limited

Hu Zhuoer

Executive Director and Chief Executive Officer

The following is an explanatory statement required by the GEM Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Buyback Mandate.

1. REASONS FOR SHARE BUYBACK

Although the Directors have no present intention of repurchasing any Shares, they believe that the flexibility afforded by the Buyback Mandate would be beneficial to the Company and the Shareholders. Trading conditions on the Stock Exchange have sometimes been volatile in recent years. At any time in the future when Shares are trading at a discount to their underlying value, the ability of the Company to repurchase Shares will be beneficial to the Shareholders who retain their investment in the Company since their percentage interest in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company and thereby resulting in an increase in net assets and/or earnings per Share of the Company. Such repurchases will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,695,471,908 Shares.

Subject to the passing of the ordinary resolution numbered 6B, the Company would be allowed under the Buyback Mandate to repurchase a maximum of 269,547,190 Shares on the basis that no further Shares will be issued or repurchased prior to the date of the Annual General Meeting.

3. FUNDING OF REPURCHASES

In repurchasing the Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and Articles of Association and the applicable laws and regulations of the Cayman Islands. The Company may not purchase securities on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published audited accounts) in the event that the Buyback Mandate is exercised in full. However, the Directors do not propose to exercise the Buyback Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or which would result in the Company's gearing levels increasing to a degree which in the opinion of the Directors from time to time would be inappropriate for the Company.

5. EFFECT OF THE TAKEOVERS CODE

If as a result of a share repurchase, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer for Shares under Rule 26 of the Takeovers Code, according to Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, Novel Rainbow Limited and its Associates was interested in 1,037,067,449 Shares, representing approximately 38.47% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Mandate, the shareholding of Novel Rainbow Limited and its Associates in the Company would be increased to approximately 42.75% of the issued share capital of the Company. Such increase will not trigger any mandatory offer under Rule 26 of the Takeovers Code. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchase made under the Repurchase Mandate.

6. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective Associates have any present intention to sell any Shares to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons (as defined in the GEM Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Buyback Mandate in accordance with the GEM Listing Rules and the laws of the Cayman Islands.

7. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which the Shares have traded on the Stock Exchange during each of the previous twelve months were as follows:

	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2013		
May	0.183	0.157
June	0.160	0.130
July	0.168	0.134
August	0.165	0.143
September	0.160	0.135
October	0.143	0.135
November	0.139	0.129
December	0.128	0.116
2014		
January	0.142	0.121
February	0.260	0.142
March	0.240	0.163
April	0.186	0.140
May (up to the Latest Practicable Date)	0.154	0.130

8. REPURCHASES MADE BY THE COMPANY

The Company did not purchase any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

Pursuant to the GEM Listing Rules, the details of the Directors who will retire at the Annual General Meeting according to the Articles of Association and will be proposed to be re-elected at the Annual General Meeting are provided below.

(1) MR. TSE CHI WAI, EXECUTIVE DIRECTOR

Experience

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 twenty 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 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.

Length of service

Pursuant to the service contract between Mr. Tse and the Company, Mr. Tse has no fixed length of service with the Company, but is subject to retirement by rotation and re-election at annual general meeting in accordance with the Articles of Association.

Relationships

Other than the relationship arising from his being an executive director, the financial controller, company secretary and an authorised representative, Mr. Tse is independent of any Directors, senior management, substantial Shareholders, management Shareholders or controlling Shareholders of the Company.

Interests in Shares

Mr. Tse does not have any interest in Shares.

Director's emoluments

Mr. Tse is entitled to receive an annual director's fee of HK\$120,000 from the Company, a monthly salary of HK\$65,000 and a year-end payment equivalent to one month of his basic salary (pro rata adjusted for any period shorter than a year) and discretionary management performance bonus. His emoluments is determined from time to time by the Board with reference to his duties, responsibilities and market rate.

Directorships

Saved as disclosed above, Mr. Tse does not have any directorship in other listed company in the last three years.

Others

Save as disclosed above, the Board is not aware of any other matters or information that need to be brought to the attention of the Shareholders or to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules in relation to Mr. Tse's re-election.

(2) MR. CHEN ZHONGFA, INDEPENDENT NON-EXECUTIVE DIRECTOR**Experience**

Mr. Chen Zhongfa, aged 64, 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, 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.

Length of service

Pursuant to the service contract between Mr. Chen and the Company, Mr. Chen has no fixed length of service with the Company, but is subject to retirement by rotation and re-election at annual general meeting in accordance with the Articles of Association.

Relationships

Other than the relationship arising from his being an independent non-executive director, member of the audit committee and remuneration committee, and as the chairman of the nomination committee of the Company, Mr. Chen is independent of any Directors senior management, substantial Shareholders, management Shareholders or controlling Shareholders of the Company.

Interests in Shares

Mr. Chen does not have any interest in Shares.

Director's emoluments

Mr. Chen is currently entitled to receive an annual director's fee of HK\$120,000 from the Company, which is determined from time to time by the Board with reference to his duties, responsibilities and market rate.

Directorships

Saved as disclosed above, Mr. Chen does not have any directorship in other listed company in the last three years.

Others

Save as disclosed above, the Board is not aware of any other matters or information that need to be brought to the attention of the Shareholders or to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules in relation to Mr. Chen's re-election.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that the 2014 Annual General Meeting of the Company will be held at Suite No. 5A, 9/F., Sino Plaza, 255-257 Gloucester Road, Hong Kong on Friday, 27 June 2014 at 11:30 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To consider and adopt the Audited Consolidated Financial Statements and the Reports of the Directors and Auditors for the year ended 31 December 2013;
2. To re-elect Mr. Tse Chi Wai as Director;
3. To re-elect Mr. Chen Zhongfa as Director;
4. To authorise the Board of Directors to fix Directors' remuneration;
5. To re-appoint ZHONGHUI ANDA CPA Limited as the Company's auditor and to authorise the Board of Directors to fix the auditor's remuneration; and

AS SPECIAL BUSINESS

6. As special business, to consider and, if thought fit, pass the following resolutions with or without amendments as ordinary resolutions:

ORDINARY RESOLUTIONS

A. **“THAT**

- (a) subject to paragraph (c) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares in the capital of the Company or securities convertible into such shares or options, warrants, or similar rights to subscribe for any shares or convertible securities and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal value of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise), issued or dealt with by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) of this Resolution), (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company, (iii) the exercise of any options granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to eligible persons of options to subscribe for, or rights to acquire, shares of the Company or, (iv) any scrip dividend or similar arrangement providing for the allotment of shares in the capital of the Company in lieu of the whole or part of the cash payment for any dividend on shares of the Company pursuant to the Articles of Association of the Company from time to time, shall not in aggregate exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution:–

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:–

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law of the Cayman Islands to be held; or

NOTICE OF ANNUAL GENERAL MEETING

(iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in a general meeting; and “Rights Issue” means the allotment, issue or grant of shares in the capital of the Company pursuant to an offer of shares open for a period fixed by the Directors made to holders of shares of the Company or any class thereof whose names appear on the Register of Members of the Company on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in or in any territory applicable to the Company).”

B. “THAT

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph (c) of this Resolution) of all the powers of the Company to repurchase its own issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchanges on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange or rules of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(c) for the purpose of this Resolution:-

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:-

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law of the Cayman Islands to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in a general meeting.”

C. **“THAT** subject to the passing of the Ordinary Resolution Numbers 6A and 6B, the general mandate granted to the Directors to allot, issue and deal with additional securities pursuant to Resolution Number 6A be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares repurchased by the Company under the authority granted pursuant to Resolution Number 6B, provided that such amount of shares so repurchased shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing this Resolution.”

To consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution of the Company:

SPECIAL RESOLUTION

7. **“THAT** the reduction of the share premium account of the Company by an amount of HK\$1,193.3 million be approved and the directors of the Company be and are hereby authorised to apply the sum from the share premium account towards elimination of the accumulated losses of the Company as at 31 December 2013 in the same amount.”

By order of the Board
China Information Technology Development Limited
Tse Chi Wai
Executive Director and Company Secretary

Hong Kong, 27 May 2014

NOTICE OF ANNUAL GENERAL MEETING

Head office and principal place of business:

Suite No. 5A, 9/F., Sino Plaza
255-257 Gloucester Road
Hong Kong

As of the date of this notice, the Board comprises the following directors:

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

This notice, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this notice 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 notice misleading.

This notice will be available on the Company's website <http://www.chinainfotech.com.hk> and will remain on the "Latest Company Announcement" page on the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting.