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China Information Security Technology Subsidiaries Granted National High-Tech Enterprise Certification from Chinese Government

SHENZHEN, China, July 13 /PRNewswire-Asia-FirstCall/ -- China Information Security Technology, Inc., (Nasdaq: CPBY) ('China Information Security,' 'CIST' or the 'Company'), a leading total solutions provider of digital security, geographic, and hospital information systems in China, today announced that its wholly-owned subsidiary, Information Security Technology (China) Co., Ltd. ('IST') and its variable interest entity, iASPEC Software Co., Ltd. ('iASPEC'), were each granted 'National High-Tech Enterprise' status ('National HT Status') by the PRC government, as approved by the Ministry of Science and Technology of China, the Ministry of Finance and the State Administration of Taxation.

According to relevant regulations issued by the State Administration of Taxation and the China Banking Regulatory Commission, companies with HT Status are eligible for a number of significant benefits, including lower tax rates, preferential treatment in obtaining financial support from the national Technological Development Fund and receiving competitive commercial bank loans and subsidized interest rates. IST and iASPEC's National HT Status will last three years, after which they will be reviewed for re-eligibility.

National HT Status is awarded by the PRC government to recognize companies that consistently invest in new product development and have substantial revenues generated by their own proprietary patented or innovative products. In this way, the Chinese government encourages domestic and foreign investment in advanced technologies, and has created a series of preferential tax policies to stimulate and promote the production of high-tech products, the provision of high-tech related services and technology moving both into and within China. The requirements for the recognition and administration of new high-tech enterprises are specified in the Measures for the Recognition and Administration of New and High-Tech Enterprises, which is jointly published by the Ministry of Science and Technology of China, the Ministry of Finance and the State Administration of Taxation.

Mr. Jiang Huai Lin, Chairman and CEO of the Company, stated, 'We are very pleased to announce our subsidiaries' recognition as national high-tech enterprises. This award will give us additional policy support and advantages in government biddings and funding, and further demonstrates the fundamental strength of our business particularly related to our proprietary products and innovative capabilities in the public security and GIS industries.

'We are truly proud that CIST has achieved this esteemed status, thereby enabling us to maintain our leading position in China's public security industry and continue to gain momentum for our future growth, build our brand image, and strengthen our technological innovations by taking advantages of government funding and grant incentives.'

About China Information Security Technology, Inc.

Through its wholly-owned Chinese subsidiary, China Information Security Technology, Inc. ('CIST' or the 'Company') headquartered in Shenzhen, China ('PRC'), is a leading application software developer, systems integrator and full-service Geographic Information Systems ('GIS') solutions provider to the public security and civil-use markets in China, aiming to use information technology to improve public safety and information management. Its main business lines range from digital information security, to Geographic Information Systems (GIS), and digital hospital information systems. The Company provides a broad portfolio of fully integrated solutions and services, including its First Responder Coordination Platform, Intelligent Border Control System, Residence Card Information Management System, Police- and Civil-use GIS products, and Digital Hospital Information System to serve the growing demand for digital hospital and electronic medical record systems in China. Its commitment to leading-edge technology and quality assurance has won the Company numerous government and enterprise contracts throughout China. To learn more about the Company, please visit the corporate website at <http://www.chinacpby.com>.

Safe Harbor Statement

This press release may contain certain 'forward-looking statements' relating to the business of China Information Security Technology, Inc., and its subsidiary companies. All statements, other than statements of historical fact included herein are 'forward-looking statements' including statements regarding the significance of the Company's award as National HT Enterprise Certification by the PRC government; the general ability of the Company to achieve its commercial objectives; the business strategy, plans and objectives of the Company and its subsidiaries; and any other statements of non-historical information. These forward-looking statements are often identified by the use of forward-looking terminology such as 'believes,' 'expects' or similar expressions, involve known and unknown risks and uncertainties. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. Investors should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed in the Company's periodic reports that are filed with the Securities and Exchange Commission and available on its website (<http://www.sec.gov>). All forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these factors. Other than as required under the securities laws, the Company does not assume a duty to update these forward-looking statements.

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