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CAPINFO COMPANY LIMITED*
首都信息發展股份有限公司

(a joint stock limited company established in the People's Republic of China with limited liability)
(Stock Code: 1075)

**RENEWAL OF ANNUAL CAPS FOR
CONTINUING CONNECTED TRANSACTION
IN RELATION TO THE LEASE OF OFFICE PREMISES**

References are made to the announcements of the Company dated 30 March 2012, 8 May 2012 and 1 August 2013 in relation to the entering into of the Lease Agreements between the Company and BICD, pursuant to which the Company rented the Office Premises from BICD during the three years from 1 April 2012 to 31 March 2015. The Lease Agreements were expired on 31 March 2015.

On 22 April 2015, the Company and BICD entered into (i) the Lease Agreement I, pursuant to which the Company rent the Office Premises I from BICD for a term of one year from 1 April 2015 to 31 March 2016; and (ii) the Lease Agreement II, pursuant to which the Company rent the Office Premises II from BICD for a term of three years from 1 April 2015 to 31 March 2018.

As at the date of this announcement, BSAM, being the controlling Shareholder, is interested in approximately 63.31% of the issued share capital of the Company and is therefore a connected person of the Company under the Listing Rules. As BICD is a wholly-owned subsidiary of BSAM, BICD is also a connected person of the Company pursuant to the Listing Rules. Accordingly, the New Lease Agreement constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the New Annual Caps are more than 0.1% but less than 5%, the transactions contemplated under the New Lease Agreements is subject to the reporting, announcement and annual review requirements only and is exempt from the independent shareholders' approval requirements under the Listing Rules.

* For identification purposes only

BACKGROUND

References are made to the announcements of the Company dated 30 March 2012, 8 May 2012 and 1 August 2013 in relation to the entering into of the Lease Agreements between the Company and BICD, pursuant to which the Company rented the Office Premises from BICD during the three years from 1 April 2012 to 31 March 2015. The Lease Agreements were expired on 31 March 2015.

On 22 April 2015, the Company and BICD entered into (i) the Lease Agreement I, pursuant to which the Company rent the Office Premises I from BICD for a term of one year from 1 April 2015 to 31 March 2016; and (ii) the Lease Agreement II, pursuant to which the Company rent the Office Premises II from BICD for a term of three years from 1 April 2015 to 31 March 2018.

THE LEASE AGREEMENT I

Date

22 April 2015

Parties

Landlord: BICD

Tenant: The Company

Location

The Office Premises I, which has an aggregate rental area of 982.53 sq.m., is located at units 1009-1014 of Quantum Silver Plaza, 23 Zhichun Road, Haidian District, Beijing, the PRC.

Term

The Company lease the Office Premises I from BICD for the period from 1 April 2015 to 31 March 2016.

Rent

The monthly rent is RMB179,312 and is payable on a quarterly basis. Such rent was arrived at after arm's length negotiation between the Company and BICD, with reference to, among other things, the market rental rate of other comparable office premises in the same geographical region.

THE LEASE AGREEMENT II

Date

22 April 2015

Parties

Landlord: BICD

Tenant: The Company

Location

The Office Premises II, which has an aggregate rental area of 4,230.20 sq.m., is located at units 106, 709-714, 1201-1214 and 1501-1508 of Quantum Silver Plaza, 23 Zhichun Road, Haidian District, Beijing, the PRC.

Term

The Company lease the Office Premises II from BICD for the period from 1 April 2015 to 31 March 2018.

Rent

The monthly rent is RMB772,012 and is payable on a quarterly basis. Such rent was arrived at after arm's length negotiation between the Company and BICD, with reference to, among other things, the market rental rate of other comparable office premises in the same geographical region.

THE NEW ANNUAL CAPS

The historical amount paid by the Company to BJCA pursuant to the Lease Agreements and the Previous Annual Caps for the period from 1 April 2012 to 31 March 2015 are as follows:

	For the period from 1 April 2012 to 31 December 2012 <i>RMB</i>	For the year ended 31 December 2013 <i>RMB</i>	For the year ended 31 December 2014 <i>RMB</i>	For the period from 1 January 2015 to 31 March 2015 <i>RMB</i>
Historical amount paid	5,153,565	8,227,000	9,709,000	2,171,858
Previous Annual Caps	7,000,000	11,000,000	15,000,000	4,000,000

The New Annual Caps for the period from 1 April 2015 to 31 March 2018 are as follows:

	For the period from 1 April 2015 to 31 December 2015 <i>RMB</i>	For the year ending 31 December 2016 <i>RMB</i>	For the year ending 31 December 2017 <i>RMB</i>	For the period from 1 January 2018 to 31 March 2018 <i>RMB</i>
Rent payable under the Lease Agreement I	1,613,808	537,936	–	–
Rent payable under the Lease Agreement II	6,948,108	9,264,144	9,264,144	2,316,036
New Annual Caps	8,570,000	9,810,000	9,270,000	2,320,000

The New Annual Caps for the period from 1 April 2015 to 31 March 2018 are determined with reference to the rent payable to BICD pursuant to the New Lease Agreements.

REASONS FOR THE ENTERING INTO OF THE NEW LEASE AGREEMENTS

The Group are principally engaged in the installation of network systems, network design, consultancy and related technical services, and sales of computers, related accessories and equipment and self-developed computer software.

BICD is a company incorporated in the PRC with limited liability and is wholly owned by BSAM. BICD is principally engaged in the provision of diversified services such as technical services, training, financial support and office rental to enterprises which engaged in the business of integrated circuits.

The Group entered into the Lease Agreements to rent the Office Premises as its main offices during the three years from 1 April 2012 to 31 March 2015. The Directors considered that the Office Premises can meet the operating need of the Group. Accordingly, the Company entered into the New Lease Agreement to continue the rental of the Office Premises during the three years from 1 April 2012 to 31 March 2018.

The Board (including the independent non-executive Directors) is of the view that the terms of the New Lease Agreements and the New Annual Caps are fair and reasonable and on normal commercial terms, and the entering into of the New Lease Agreements is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, BSAM, being the controlling Shareholder, is interested in approximately 63.31% of the issued share capital of the Company and is therefore a connected person of the Company under the Listing Rules. As BICD is a wholly-owned subsidiary of BSAM, BICD is also a connected person of the Company pursuant to the Listing Rules. Accordingly, the New Lease Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the New Annual Caps are more than 0.1% but less than 5%, the transactions contemplated under the New Lease Agreements are subject to the reporting, announcement and annual review requirements only and is exempt from the independent shareholders' approval requirements under the Listing Rules.

Save and except for Mr. Wu Shengjiao who is an employee of BSAM, none of the Directors have any material interest in the New Lease Agreements. Accordingly, Mr. Wu Shengjiao had abstained from voting on the Board resolution on approving the New Lease Agreements and the New Annual Caps.

DEFINITIONS

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

“Board”	the board of the directors of the Company
“BICD”	北京集成電路設計園有限責任公司 (Beijing IC Design Park Co., Ltd.*), a company incorporated in the PRC with limited liability and is wholly owned by BSAM
“BSAM”	北京市國有資產經營有限責任公司 (Beijing State-Owned Assets Management Corporation Limited*), a company established in the PRC and is wholly-owned by the Beijing Municipal Government, being the controlling shareholder of the Company

“Company”	首都信息發展股份有限公司 (Capinfo Company Limited*), a joint stock limited company established in the PRC, the overseas listed foreign share(s) of RMB0.10 each in the share capital of the Company are listed on the Main Board of the Stock Exchange (Stock code: 1075)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules and the word “connected” shall be construed accordingly
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Lease Agreement I”	the lease agreement dated 22 April 2015 entered into between the Company and BICD in respect of the lease of the Office Premises I for a term of one year from 1 April 2015 to 31 March 2016
“Lease Agreement II”	the lease agreement dated 22 April 2015 entered into between the Company and BICD in respect of the lease of the Office Premises II for a term of three years from 1 April 2015 to 31 March 2018
“Lease Agreements”	the three lease agreements dated 30 March 2012, 8 May 2012 and 1 August 2013 entered into between the Company and BICD in respect of the lease of the Office Premises during the period from 1 April 2012 to 31 March 2015
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Annual Caps”	the new annual caps in respect of the New Lease Agreements for the period from 1 April 2015 to 31 March 2018
“New Lease Agreements”	the Lease Agreement I and the Lease Agreement II
“Office Premises”	the Office Premises I and the Office Premises II
“Office Premises I”	the office premises located at units 1009-1014 of Quantum Silver Plaza, 23 Zhichun Road, Haidian District, Beijing, the PRC
“Office Premises II”	the office premises located at units 106, 709-714, 1201-1214 and 1501-1508 of Quantum Silver Plaza, 23 Zhichun Road, Haidian District, Beijing, the PRC

“PRC”	the People’s Republic of China
“Previous Annual Caps”	the annual caps in respect of the Lease Agreements for the period from 1 April 2012 to 31 March 2015
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	ordinary share(s) of RMB0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
CAPINFO COMPANY LIMITED*

Dr. Wang Xu
Chairman and Chief Executive

Beijing, the PRC, 22 April 2015

As of the date hereof, the executive director of the Company is Dr. Wang Xu; the non-executive directors of the Company are Mr. Lu Lei, Mr. Wu Shengjiao, Mr. Pan Jiaren, Mr. Shi Hongyin, Ms. Hu Sha and Mr. Wang Zhuo and the independent non-executive directors of the Company are Mr. Chen Jing, Ms. Zhou Liye, Mr. Zeng Xianggao and Mr. Gong Zhiqiang.

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