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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)

UPDATE ON MAJOR TRANSACTIONS
DISPOSAL OF THE GROUP'S EQUITY INTERESTS IN PAYEASE CORP.
IN CONSIDERATION OF EQUITY INTERESTS IN MOZIDO INC.

On 3 January 2015 (Hong Kong time), the Company received from the PayEase the Amendment Agreement and was informed that the Merger Agreement was amended in accordance with the Amendment Agreement, pursuant to which on 31 December 2014 (United States time) all parties to the Merger Agreement agreed to waive, among other things, some of the conditions precedent of the Merger Agreement. Closing took place on 31 December 2014 (United States time).

On 8 January 2015 (Hong Kong time), the Company received from PayEase (i) the Letter of Transmittal; (ii) the Put Agreement; and (iii) tax forms. The Company understood from PayEase that the Company will not entitle to receive its portion of the Consideration until it has signed and returned certain documents set out in the Letter of Transmittal, including but not limited to the Letter of Transmittal and the Put Agreement.

As at the date of this announcement, the Board has not approved the Merger Agreement, and the Letter of Transmittal and the Put Agreement have not been signed by the Group. As informed by PayEase, subject to any escrow arrangements, the Consideration receivable by the Company following the execution and return of certain documents is expected to amount to approximately US\$14.8 million (equivalent to approximately HK\$115.4 million) in form of cash; 1,254,164 shares of Series C-1 preferred stock of Mozido; and 5,452,886 shares of Series C-2 preferred stock of Mozido.

Reference is made to the announcement of the Company dated 18 November 2014 (the "Announcement") in respect of the Merger Agreement which constitutes major transactions to the Company. Capitalised terms used herein shall have the same meaning as those defined in the Announcement.

Since the publication of the Announcement, the management of the Company has been communicating with PayEase and Mozido from time to time in order to better understand the progress of the Mergers. On 3 January 2015 (Hong Kong time), the Company received from PayEase an amendment agreement (the “Amendment Agreement”) and was informed that the Merger Agreement was amended in accordance with the Amendment Agreement, pursuant to which on 31 December 2014 (United States time) all parties to the Merger Agreement agreed to waive, among other things, some of the conditions precedent of the Merger Agreement.

As set out in the Announcement, one of the conditions precedent to the Merger Agreement was that:

“the Company shall have obtained all necessary consents from any governmental authority/other person in order to vote for/provide written consent with respect to, and consummate the transactions contemplated under the Merger Agreement, provided certain documents to Mozido including, among others, the board and shareholder resolutions of each of the Company and Capinfo HK approving the Merger Agreement and the transactions contemplated thereunder and approvals of Beijing State-owned Assets Management Co., Ltd., State-owned Assets Supervision and Administration Commission of Beijing Municipality and Beijing Municipal Commission of Development and Reform with respect of the Disposal and the Acquisition pursuant to the Merger Agreement and entered into an agreement with Mozido pursuant to which the Company and/or Capinfo HK agrees to execute/deliver/file certain documents with governmental authorities from and after Completion in respect of the transactions contemplated under the Merger Agreement. In addition, Capinfo HK shall have voted for, or provided written consent with respect to, all of the PayEase’ shares owned by Capinfo HK in favour of the adoption and approval of the merger of PayEase and First Sub and adoption of the Merger Agreement.”

Pursuant to the Merger Agreement and as disclosed in the Announcement, the above conditions precedent could be waived by Mozido at its sole discretion and the Merger Agreement would still proceed to Closing if all other conditions were satisfied or waived (where applicable). PayEase informed the Company on 3 January 2015 (Hong Kong time) that the above conditions had been waived under the Amendment Agreement and all conditions (other than those which had been waived under the Amendment Agreement) had been satisfied including among others that the Mergers had been approved by a majority of PayEase’s stockholders and Closing (as defined in the Merger Agreement) took place on 31 December 2014 (United States time).

On 6 January 2015 (Hong Kong time), the Company received from PayEase a signed copy of the Amendment Agreement dated 31 December 2014 and the lawyer to PayEase confirmed that Closing took place shortly after execution of the Amendment Agreement. The Company further received from PayEase supporting documents evidencing that First Sub was merged with and into PayEase on 31 December 2014 and then PayEase was merged with and into Second Sub on 2 January 2015.

On 8 January 2015 (Hong Kong time), the Company received from PayEase (i) the letter of transmittal in relation to the surrender of the shares of PayEase and appointment of the Securityholder Representative (the “Letter of Transmittal”); (ii) the Put Agreement; and (iii) tax forms. The

Company understood from PayEase that the Company will not entitle to receive its portion of the Consideration until it has signed and returned certain documents set out in the Letter of Transmittal, including but not limited to the Letter of Transmittal and the Put Agreement.

As at the date of this announcement, the Board has not approved the Merger Agreement, and the Letter of Transmittal and the Put Agreement have not been signed by the Group. As informed by PayEase, subject to any escrow arrangements, the Consideration receivable by the Company following the execution and return of certain documents is expected to amount to approximately US\$14.8 million (equivalent to approximately HK\$115.4 million) in form of cash; 1,254,164 shares of Series C-1 preferred stock of Mozido; and 5,452,886 shares of Series C-2 preferred stock of Mozido.

The Company will make further announcement(s) in respect of the Merger Agreement as and when appropriate.

This announcement contains translation between HK\$ and US\$ at HK\$7.8 = US\$1. The translation shall not be taken as representation that the HK\$ amount could actually be converted into US\$ at that rate, or at all.

By Order of the Board
CAPINFO COMPANY LIMITED*
Wang Xu
Chairman

Beijing, the PRC, 8 January 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.

The English text of this announcement shall prevail over its respective Chinese text in case of inconsistency.

* *For identification purposes only*