

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

**CAPINFO**  
**CAPINFO COMPANY LIMITED\***  
**首都信息發展股份有限公司**

*(a joint stock limited company incorporated in the PRC with limited liability)*  
**(Stock Code: 1075)**

**CONNECTED TRANSACTIONS  
IN RELATION TO  
THE HAZARDOUS CHEMICAL TRADING  
MANAGEMENT SYSTEM IN BEIJING**

**Financial adviser to the Company**



普頓資本有限公司  
PROTON CAPITAL LIMITED

On 30 May 2013, the Company entered into the Phase 2 Contract with Beijing Petroleum Exchange in respect of the development of the hazardous chemical trading management system of Beijing Petroleum Exchange (phase 2) in Beijing (the “**Phase 2 Development Project**”), pursuant to which, the Company has agreed to undertake the Phase 2 Development Project at the Phase 2 Service Fee of RMB11,736,000.

On 20 April 2012, the Company entered into the Phase 1 Contract with Beijing Petroleum Exchange in respect of the development of the hazardous chemical trading management system of Beijing Petroleum Exchange (phase 1) in Beijing (the “**Phase 1 Development Project**”), pursuant to which, the Company had agreed to undertake the Phase 1 Development Project at the Phase 1 Service Fee of RMB695,800. The Phase 1 Development Project was completed in September 2012.

Beijing Petroleum Exchange is beneficially owned as to 35% by BSAM, the controlling shareholder of the Company which holds approximately 63.31% of the issued share capital of the Company. Therefore, Beijing Petroleum Exchange is a connected person of the Company and the transactions contemplated under the Phase 1 Contract and Phase 2 Contract constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

As the relevant applicable percentage ratios for the Phase 1 Contract were less than 5% and the Phase 1 Service Fee was less than HK\$1,000,000, the Phase 1 Contract was exempt from the reporting and announcement requirements set out in Chapter 14A of the Listing Rules. However, as the applicable percentage ratios of the Phase 1 Contract and Phase 2 Contract on an aggregated

basis are more than 0.1% but less than 5%, the Phase 1 Contract and Phase 2 Contract are subject to the reporting and announcement requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **THE PHASE 2 CONTRACT**

On 30 May 2013, the Company entered into the Phase 2 Contract with Beijing Petroleum Exchange in respect of the Phase 2 Development Project, pursuant to which, the Company has agreed to undertake the Phase 2 Development Project at the Phase 2 Service Fee of RMB11,736,000.

The principal terms of the Phase 2 Contract are summarized as follows:

### **Date:**

30 May 2013

### **Parties:**

The Company

Beijing Petroleum Exchange

### **Subject matter**

The provision of services related to the Phase 2 Development Project by the Company. Including the sourcing of the necessary basic hardware and software and the development of software for the hazardous chemical trading management system of Beijing Petroleum Exchange, the development of software in particular including (i) website system; (ii) membership management system; (iii) trading service management system; (iv) compliance service management system; (v) operation management system; (vi) information exchange system; and (vii) application support.

### **Term**

The development period for the Phase 2 Development Project is expected to be approximately 21 months.

## Phase 2 Service Fee

The Phase 2 Service Fee payable by Beijing Petroleum Exchange for the Phase 2 Development Project is RMB11,736,000. The Phase 2 Service Fee was arrived at after arm's length negotiation between the Company and Beijing Petroleum Exchange with reference to the prevailing market price and the estimated cost to be incurred under the Phase 2 Development Project. The Phase 2 Service Fee shall be payable by Beijing Petroleum Exchange in the following manners:

- (i) as to RMB3,520,800 payable in cash within 50 days upon signing of the Phase 2 Contract, subject to the provision of relevant invoice;
- (ii) as to RMB5,868,000 payable in cash within ten days upon completion of the purchase of hardware and software and the Phase 2 Development Project (after completion) passing the preliminary acceptance check, subject to the provision of (a) a signed copy of "preliminary acceptance check passing certificate (for the Phase 2 Development Project)"; and (b) relevant invoices; and
- (iii) as to RMB2,347,200 payable in cash within ten days upon the Phase 2 Development Project (after completion) passing the final acceptance check, subject to the provision of (a) a signed copy of "final acceptance check passing certificate (for the Phase 2 Development Project)"; and (b) relevant invoices.

## Other terms

Pursuant to the Phase 2 Contract:

- (i) within one year after the Phase 2 Development Project passing the final acceptance check, the Company will provide maintenance services free of charge;
- (ii) the Company will provide a maintenance period of 36 months for the hardware and a maintenance period of 12 months for the software developed, both starting from the date of the final acceptance check (the "**Phase 2 Maintenance Period**");
- (iii) the Company guarantees that the system, including the hardware and software, as provided by the Company to Beijing Petroleum Exchange are new, complete, unused and in compliance with the performance and quality as specified in the Phase 2 Contract. Should there be any system breakdown resulting replacement of parts prior to or within the Phase 2 Maintenance Period and such fault being not caused by Beijing Petroleum Exchange, the Company shall be responsible for all the fee incurred from the replacement of the relevant parts; and
- (iv) after the Phase 2 Maintenance Period, should the system encounter urgent and abnormal condition, the Company will send experienced staff to inspect, repair and maintain the system on site for a fee no higher than that being charged to similar customers.

## **THE PHASE 1 CONTRACT**

On 20 April 2012, the Company entered into the Phase 1 Contract with Beijing Petroleum Exchange in respect of the Phase 1 Development Project, pursuant to which, the Company had agreed to undertake the Phase 1 Development Project at the Phase 1 Service Fee of RMB695,800. The Phase 1 Development Project was completed in September 2012.

The principal terms of the Phase 1 Contract are summarized as follows:

### **Date:**

20 April 2012

### **Parties:**

The Company

Beijing Petroleum Exchange

### **Subject matter**

The provision of services, including the design, development, installation, commissioning, testing, technical assistance, training and other relevant services, related to the Phase 1 Development Project by the Company.

### **Term**

The development period for the Phase 1 Development Project was approximately 5 months.

### **Phase 1 Service Fee**

The Phase 1 Service Fee payable by Beijing Petroleum Exchange for the Phase 1 Development Project is RMB695,800. The Phase 1 Service Fee was arrived at after arm's length negotiation between the Company and Beijing Petroleum Exchange with reference to the prevailing market price and the estimated cost to be incurred under the Phase 1 Development Project. The Phase 1 Service Fee shall be payable by Beijing Petroleum Exchange in the following manners:

- (i) as to RMB347,900 payable in cash within 14 days upon signing of the Phase 1 Contract, subject to the provision of relevant invoice;
- (ii) as to RMB243,530 payable in cash within 42 days upon provision of (a) a signed copy of "preliminary acceptance check passing certificate (for the Phase 1 Development Project)"; and (b) relevant invoice;

- (iii) as to RMB69,580 payable in cash within 20 days upon the provision of (a) a signed copy of “final acceptance check passing certificate (for the Phase 1 Development Project)”; and (b) relevant invoice; and
- (iv) as to RMB34,790 payable in cash within 90 days after the commencement of the formal operation of the system.

As at the date of this announcement, the Phase 1 Service Fee has been fully settled.

### **Other terms**

Pursuant to the Phase 1 Contract:

- (i) within one year after the Phase 1 Development Project passing the final acceptance check, the Company will provide maintenance services free of charge;
- (ii) the Company will provide a maintenance period of 36 months for the hardware and a maintenance period of 12 months for the software developed, both starting from the date of final acceptance check (the “**Phase 1 Maintenance Period**”);
- (iii) the Company guarantees that the system, including the hardware and software, as provided by the Company to Beijing Petroleum Exchange are new, complete, unused and in compliance with the performance and quality as specified in the Phase 1 Contract. Should there be any system breakdown resulting replacement of parts prior to or within the Phase 1 Maintenance Period and such fault being not caused by Beijing Petroleum Exchange, the Company shall be responsible for all the fee incurred from the replacement of the relevant parts; and
- (iv) after the Phase 1 Maintenance Period, should the system encounter urgent and abnormal condition, the Company will send experienced staff to inspect, repair and maintain the system on site for a fee no higher than that charged to similar customers.

### **REASONS FOR THE ENTERING INTO OF THE PHASE 1 CONTRACT AND PHASE 2 CONTRACT**

The principal activities of the Group consist of the provision of information technologies and services supply including system integration, software development, IT planning and consultancy, IT operation and maintenance, etc..

Beijing Petroleum Exchange is a company established in the PRC and is a large scale electronic exchange platform that specialised in the trading of petroleum and chemical, plastic, rubber and related products in the northern part of the PRC. As at the date of this announcement, Beijing Petroleum Exchange is beneficially owned as to 35% by BSAM, the controlling shareholder of the Company. Therefore, Beijing Petroleum Exchange is a connected person of the Company under the Listing Rules.

The Directors consider that the Phase 2 Development Project and Phase 1 Development Project are conducted in the ordinary and usual course of business of the Group. Through the entering into of the Phase 1 Contract and Phase 2 Contract, the Directors expect that the Company would gain exposure in the centralised management of hazardous chemical business process outsourcing services and increase the Company's products and solutions, and lay a foundation for the Company to explore other business process outsourcing services in the PRC.

The Directors are of the view that the terms of the Phase 1 Contract and Phase 2 Contract are fair and reasonable and on normal commercial terms, and the entering into of the Phase 1 Contract and Phase 2 Contract are in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

Beijing Petroleum Exchange is beneficially owned as to 35% by BSAM, the controlling shareholder of the Company which holds approximately 63.31% of the issued share capital of the Company. Therefore, Beijing Petroleum Exchange is a connected person of the Company and the transactions contemplated under the Phase 1 Contract and Phase 2 Contract constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

As the relevant applicable percentage ratios for the Phase 1 Contract were less than 5% and the Phase 1 Service Fee was less than HK\$1,000,000, the Phase 1 Contract was exempted from the reporting and announcement requirements set out in Chapter 14A of the Listing Rules. However, as the applicable percentage ratios of the Phase 1 Contract and Phase 2 Contract on an aggregated basis are more than 0.1% but less than 5%, the Phase 1 Contract and Phase 2 Contract are subject to the reporting and announcement requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Save and except for Mr. Xu Zhe (Chairman), Ms. Zhang Kaihua and Mr. Lu Lei, all being non-executive Directors and hold offices at BSAM, none of the Directors have any material interest in the Phase 2 Contract. Accordingly, Mr. Xu Zhe, Ms. Zhang Kaihua and Mr. Lu Lei had abstained from voting on the Board resolution on approving the Phase 2 Contract.

## **DEFINITIONS**

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beijing Petroleum Exchange”	Beijing Petroleum Exchange Limited, a company established in the PRC and is a large scale electronic exchange platform that specialised in the trading of petroleum and chemical, plastic, rubber and related products in the northern part of the PRC

“Board”	the board of the directors of the Company
“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(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Phase 1 Contract”	the technology development contract entered into between the Company and Beijing Petroleum Exchange in relation to the Phase 1 Development Project
“Phase 2 Contract”	the technology development contract entered into between the Company and Beijing Petroleum Exchange in relation to the Phase 2 Development Project
“Phase 1 Development Project”	the development of the hazardous chemical trading management system of Beijing Petroleum Exchange (phase 1) in Beijing
“Phase 2 Development Project”	the development of the hazardous chemical trading management system of Beijing Petroleum Exchange (phase 2) in Beijing
“Phase 1 Service Fee”	the service fee of approximately RMB695,800 payable by Beijing Petroleum Exchange to the Company for the Phase 1 Development Project pursuant to the Phase 1 Contract

“Phase 2 Service Fee”	the service fee of RMB11,736,000 payable by Beijing Petroleum Exchange to the Company for the Phase 2 Development Project pursuant to the Phase 2 Contract
“PRC”	the People’s Republic of China
“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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board  
**CAPINFO COMPANY LIMITED\***  
**Xu Zhe**  
*Chairman*

Beijing, the PRC, 30 May 2013

*As of the date hereof, the executive Director is Dr. Wang Xu; the non-executive Directors are Mr. Xu Zhe, Ms. Zhang Kaihua, Mr. Lu Lei, Mr. Pan Jiaren, Mr. Shi Hongyin, Ms. Lu Xiaobing, and Ms. Hu Sha and the independent non-executive Directors are Mr. Chen Jing, Ms. Zhou Liye, Mr. Zeng Xianggao and Mr. Gong Zhiqiang.*

*This announcement is published on the website of the Company ([www.capinfo.com.cn](http://www.capinfo.com.cn)) and the designated issuer website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).*

*If there is any inconsistency between the Chinese names of the PRC entities mentioned in this announcement and their English translations, the Chinese names shall prevail.*

*In the event of any inconsistency, the English text of this announcement shall prevail over the Chinese text.*

\* *For identification purposes only*