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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)

**CONTINUING CONNECTED TRANSACTIONS –
THE LEASE AGREEMENTS IN RESPECT OF OFFICE PREMISES**

The Company is pleased to announce that on 30 March 2012, the Company entered into the New Lease Agreement with BICD, pursuant to which the Company will lease the Office Premises for a term of three years from 1 April 2012 to 31 March 2015 at an annual rent of approximately RMB4.83 million.

By virtue of BICD being a wholly-owned subsidiary of BSAM and BSAM is a substantial shareholder of the Company holding approximately 63.31% equity interest in the Company as at the date of this announcement, BICD is a connected person of the Company under the Listing Rules. As such, the transactions contemplated under the New Lease Agreement and the BJCS Office Lease Agreements constitute continuing connected transactions of the Company. Since the relevant percentage ratios (as defined under the Listing Rules) in respect of the rent payable by the Company to BICD under the New Lease Agreement and the BJCS Office Lease Agreements are more than 0.1% but less than 5%, the transactions contemplated thereunder are subject to the reporting and announcement requirements in accordance with Rules 14A.45 to 14A.47 of the Listing Rules, but are exempt from the Company's independent shareholder's approval requirement under Rule 14A.34 of the Listing Rules.

The Company will also comply with the annual review requirements under Rules 14A.37 and 14A.38 of the Listing Rules in respect of the transactions contemplated under the New Lease Agreement and the BJCS Office Lease Agreements.

THE NEW LEASE AGREEMENT

Background

The Company, on 31 March 2009, entered into the Old Lease Agreement with BICD, pursuant to which the Company would lease the Office Premises with an aggregate floor area of 2,940.2 sq.m. for a term of three years from 1 April 2009 to 31 March 2012. After trading hours on 30 March 2012, the Company entered into the New Lease Agreement with BICD to extend the term of the Old Lease Agreement for three years to 31 March 2015.

Date

30 March 2012

Parties to the New Lease Agreement

Landlord: BICD

Tenant: the Company

Location

The Office Premises

Term

The Company will lease the Office Premises from BICD for a term of three years from 1 April 2012 to 31 March 2015.

Rent payable

The monthly rent of the Office Premises under the New Lease Agreement is approximately RMB402,440 and is payable quarterly in cash within 15 days prior to the beginning of each three-month period.

REASONS FOR ENTERING INTO OF THE NEW LEASE AGREEMENT

The principle business of the Company and its subsidiaries mainly comprises provision of information technology service in China. The Company has leased the Office Premises as its headquarters in Beijing since March 2003. Having taken into account (i) the relocation and renovation expenses of the Company that might be incurred by the Company for any relocation of office premises; and (ii) the terms under the New Lease Agreement having been 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 directors (including the independent non-executive directors) of the Company consider that the New Lease Agreement is entered into on normal commercial terms and in the ordinary course of business of the Company, and the terms of the New Lease Agreement are fair and reasonable and is in the interests of the Company and its shareholders as a whole.

Since Mr. Xu Zhe, Ms. Zhang Kaihua and Ms. Li Zhi are the directors of the Company and the employees of BSAM, they have been abstained from voting on the meeting of the board of directors of the Company for resolution relating to the aforesaid continuing connected transactions.

BASIS OF DETERMINING THE ANNUAL CAPS

The directors of the Company propose the caps (the “Proposed Caps”) of approximately RMB5.0 million, RMB6.7 million RMB6.7 million and RMB1.7 million for the rent and related expenses payable to BICD under the New Lease Agreement and the BJCS Office Lease Agreements in aggregate for the nine months ending 31 December 2012, each of the two years ending 31 December 2013 and 2014 and the three months ending 31 March 2015 respectively. Such Proposed Caps are determined based on the rent payable under the New Lease Agreement and the BJCS Office Lease Agreements.

Set out below are the details of the Proposed Caps:

	For the nine months ending 31 December 2012	For the year ending 31 December 2013	For the year ending 31 December 2014	For the three months ending 31 March 2015
	<i>(RMB)</i>	<i>(RMB)</i>	<i>(RMB)</i>	<i>(RMB)</i>
Rent payable				
– under the New Lease Agreement (<i>Note 1</i>)	3,621,960	4,829,280	4,829,280	1,207,320
– under the First BJCS Office Lease Agreement (<i>Notes 1,2</i>)	278,946	371,928	371,928	92,982
– under the Second BJCS Office Lease Agreement (<i>Notes 1,2</i>)	76,248	101,664	101,664	25,416
	<u>3,977,154</u>	<u>5,302,872</u>	<u>5,302,872</u>	<u>1,325,718</u>
Proposed Caps	<u>5,000,000</u>	<u>6,700,000</u>	<u>6,700,000</u>	<u>1,660,000</u>

Notes:

- Balances are calculated based on the monthly rental of approximately RMB402,440, RMB30,994 and RMB8,472 under the New Lease Agreement, the First BJCS Office Lease Agreement and the Second BJCS Office Lease Agreement respectively.
- On 27 April 2011 and 31 May 2011, BJCS and BICD entered into the First BJCS Office Lease Agreement and the Second BJCS Office Lease Agreement respectively in order to replace the Old BJCS Office Lease Agreement, pursuant to which BJCS would lease the BJCS Office Premises from 28 April 2011 to 27 April 2013 and from 1 June 2011 to 31 May 2013 respectively.

As at the date of this announcement, the Company holds 45% equity interest in BJCS. As set out in the circular of the Company dated 15 March 2012, the Company entered into the BJCS Equity Transfer Agreement with BJ BeiAo, pursuant to which the Company will dispose of its 25% equity interest in BJCS to BJ BeiAo, subject to shareholders' approval on 4 May 2012 and approval from Beijing SASAC. Following completion of the transfer of the 25% equity interest in BJCS from the Company to BJ BeiAo, the Company's equity interest in BJCS will decrease from 45% to 20% and BJCS will cease to be a subsidiary of the Company and, therefore, the transactions contemplated under the BJCS Office Lease Agreements will no longer constitute connected transactions.

Since BJCS intends to renew the BJCS Office Lease Agreements in 2013, while the disposal of the Company's equity interest in BJCS is subject to the approval of the shareholders of the Company, the potential rent payable to BICD regarding the BJCS Office Premises is included in the Proposed Caps.

3. In July 2011, BJCS and BICD mutually agreed to terminate the Old BJCS Office Lease Agreement. As a result, the relevant details are not included in the above calculation of Proposed Caps. Details of the Old BJCS Office Lease Agreement are set out in the Company's announcement dated 23 April 2010.

IMPLICATION OF THE LISTING RULES

By virtue of BICD being a wholly-owned subsidiary of BSAM and BSAM is a substantial shareholder of the Company holding approximately 63.31% equity interest in the Company as at the date of this announcement, BICD is a connected person of the Company under the Listing Rules. As such, the transactions contemplated under the New Lease Agreement and the BJCS Office Lease Agreements constitute continuing connected transactions of the Company. Since the relevant percentage ratios (as defined under the Listing Rules) in respect of the rent payable by the Company to BICD under the New Lease Agreement and the BJCS Office Lease Agreements are more than 0.1% but less than 5%, the transactions contemplated thereunder are subject to the reporting and announcement requirements in accordance with Rules 14A.45 to 14A.47 of the Listing Rules, but are exempt from the Company's independent shareholder's approval requirement under Rule 14A.34 of the Listing Rules.

The Company will also comply with the annual review requirements under Rules 14A.37 and 14A.38 of the Listing Rules in respect of the transactions contemplated under the New Lease Agreement and the BJCS Office Lease Agreements.

DEFINITIONS

“Beijing SASAC”	:	the Stated-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality
“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 and principally engaged in the research and development of integrated circuits
“BJ BeiAo”	:	北京北奧集團有限責任公司 (Beijing BeiAo Group Corporation Limited*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of BSAM
“BJCS”	:	北京文化體育科技有限公司 (Beijing Culture & Sports Technology Co., Ltd.*), a company incorporated in PRC with limited liability and a non wholly-owned subsidiary of the Company
“BJCS Equity Transfer Agreement”	:	The equity transfer agreement dated 19 December 2011 entered into between the Company and BJ BeiAo in relation to the sale of 25% equity interest in BJCS by the Company to BJ BeiAo
“BJCS Office Lease Agreements”	:	The First BJCS Office Lease Agreement and the Second BJCS Office Lease Agreement
“BJCS Office Premises”	:	the office premises under (i) the First BJCS Office Lease Agreement with an aggregate floor area of 275.4 sq.m., located at units 503 and 507; and (ii) the Second BJCS Office Lease Agreement with an aggregate floor area of 75.28 sq.m., located at unit 502 of Quantum Silver Plaza, 23 Zhichun Road, Haidian District, Beijing, the PRC
“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 wholly-owned by the Beijing Municipal Government
“Company”	:	首都信息發展股份有限公司 (Capinfo Company Limited*), a joint stock limited company incorporated in the PRC, the H Shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited

“connected person”	:	the meaning ascribed to it in the Listing Rules
“First BJCS Office Lease Agreement”	:	the lease agreement dated 27 April 2011 entered into between BJCS and BICD in respect of the lease of the BJCS Office Premises by BJCS for a term of two years from 28 April 2011 to 27 April 2013
“HK\$”	:	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	:	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	:	the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited
“New Lease Agreement”	:	the lease agreement dated 30 March 2012 entered into between the Company and BICD in respect of the lease of the Office Premises by the Company for a term of three years from 1 April 2012 to 31 March 2015
“Office Premises”	:	the office premises in respect of the New Lease Agreement with an aggregate floor area of 2,940.2 sq.m., located at units 1201–1214 and 1501–1508 of Quantum Silver Plaza, 23 Zhichun Road, Haidian District, Beijing, the PRC
“Old BJCS Office Lease Agreement”	:	the lease agreement dated 28 February 2010 entered into between BJCS and BICD in respect of the lease of office premises with an aggregate floor area of 215 sq.m., located at the lobby of the 1st floor of Quantum Silver Plaza, 23 Zhichun Road, Haidian District, Beijing, the PRC by BJCS for a term of three years from 1 March 2010 to 28 February 2013
“Old Lease Agreement”	:	the lease agreement dated 31 March 2009 entered into between the Company and BICD in respect of the lease of the Office Premises by the Company for a term of three years from 1 April 2009 to 31 March 2012
“PRC”	:	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan

“RMB”	:	Renminbi, the lawful currency of the PRC
“Second BJCS Office Lease: Agreement”	:	the lease agreement dated 31 May 2011 entered into between BJCS and BICD in respect of the lease of the BJCS Office Premises by BJCS for a term of two years from 1 June 2011 to 31 May 2013
“sq.m.”	:	square metres
“%”	:	per cent

By Order of the board of directors
Capinfo Company Limited*
Mr. Xu Zhe
Chairman

Beijing, the PRC, 30 March 2012

As of the date hereof, the executive director of the Company is Dr. Wang Xu; the non-executive directors of the Company are Mr. Xu Zhe, Ms. Zhang Kaihua, Ms. Li Zhi, Mr. Pan Jiaren, Mr. Shi Hongyin, Dr. Qi Qigong, Ms. Lu Xiaobing and the independent non-executive directors of the Company are Mr. Chen Jing, Dr. Wang Huacheng, Mr. Zeng Xianggao and Mr. Gong Zhiqiang.

The announcement is published on the website of the Company (www.capinfo.com.cn) and the designated issuer website of the Stock Exchange of Hong Kong Limited (www.hkexnews.hk).

* *For identification purposes only*