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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 People's Republic of China with limited liability)

(Stock Code: 1075)

ANNOUNCEMENT

The Board is pleased to announce that on 13 April 2012, the Company entered into the 2012 Entrusted Cash Management Contract, pursuant to which the Company has engaged Huaneng Trust as the trustee to manage a sum of RMB175,000,000 on a discretionary basis for a term commencing from 13 April to 27 December 2012 on an expected annualised return of up to 11% on the Trust Investment.

On the even date, the Company entered into the 2012 Guarantee Agreement with Golden Regal for guarantee of the repayment of the Trust Investment by Huaneng Trust.

Reference is made to the announcement of Capinfo Company Limited* (the "Company") dated 3 June 2010 and 24 March 2011 (the "Announcements") in relation to, among others, the entering into of the Entrusted Cash Management Contract and the New Entrusted Cash Management Contract between the Company and Huaneng Trust, respectively. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

THE 2012 ENTRUSTED CASH MANAGEMENT CONTRACT

Background

As the New Entrusted Cash Management Contract had expired on 27 December 2011, the Company entered into a new entrusted cash management agreement (the "2012 Entrusted Cash Management Contract") with Huaneng Trust on 13 April 2012.

Date

13 April 2012

* For identification purpose only

Parties

- (i) The Company; and
- (ii) Huaneng Trust

To the best of the knowledge, information and belief of the directors of the Company having made all reasonable enquiry, Huaneng Trust and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Principal terms

Pursuant to the 2012 Entrusted Cash Management Contract, the Company has engaged Huaneng Trust (a non-bank financial institution established in China and under the supervision of the China Banking Regulatory Commission) as trustee to manage a sum of RMB175,000,000 (the “Trust Investment”) on a discretionary basis for a term commencing from 13 April to 27 December 2012 on an expected annualised return of up to 11% on the Trust Investment. Huaneng Trust will invest the entire Trust Investment in debts related fixed income products issued from creditable large scale state-owned enterprises.

Management fee and incentive fee

Huaneng Trust will charge a fee comprising a fixed management fee of 0.8% of the Trust Investment and an administration fee of 0.2% of the Trust Investment per annum and will receive all investment return in excess of the aforesaid annualised return of 11% per annum (after the deduction of management fee) as incentive fee.

THE 2012 GUARANTEE AGREEMENT

As an additional security to ensure the repayment of the Trust Investment, on 13 April 2012, the Company also entered into a guarantee agreement (the “2012 Guarantee Agreement”) with 深圳市金瑞格融資擔保有限公司 (Shenzhen Golden Regal Guarantee and Investment Co., Ltd.*, “Golden Regal”), which is principally engaged in the business of financing guarantee. Pursuant to the 2012 Guarantee Agreement, Golden Regal will guarantee the repayment of the Trust Investment together with a return based on the relevant benchmark time deposit rate set by the People’s Bank of China to the Company during the tenure of the 2012 Entrusted Cash Management Contract and the Company shall pay Golden Regal a fee of RMB1.75 million for the aforesaid guarantee.

To the best of the knowledge, information and belief of the directors of the Company having made all reasonable enquiry, Golden Regal and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE 2012 ENTRUSTED CASH MANAGEMENT CONTRACT AND THE 2012 GUARANTEE AGREEMENT

The Group is an information technology and service provider. The Company has from time to time entered into arrangements with financial institutions in China to manage its surplus cash in accordance with its cash management policy, such as the entering into of the Entrusted Cash Management Contract and the New Entrusted Cash Management Contract with Huaneng Trust in 2010 and 2011. Having considered (i) the Group's substantial bank deposits, bank balances and cash of approximately RMB620 million as at 31 December 2011; (ii) the anticipated higher return offered under the 2012 Entrusted Cash Management Contract than the current half-year and one-year benchmark time deposit rate of 3.3% and 3.5% set by the People's Bank of China, respectively; and (iii) the guarantee provided by Golden Regal, the directors (including the independent non-executive directors) of the Company are of the view that the entering into of the 2012 Entrusted Cash Management Contract and the 2012 Guarantee Agreement is beneficial to the Company and its shareholders as a whole.

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

Beijing, China, 13 April 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.

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