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CAPINFO
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)

**MAJOR TRANSACTION
IN RELATION TO
THE PROPOSED ACQUISITION OF XIAMEN RITOINFO
TECHNOLOGY COMPANY LIMITED***

Financial adviser to the Company



THE ACQUISITION

On 21 July 2014 (after trading hours of the Stock Exchange), the Company entered into the Share Transfer Agreement with Xiamen Ruitailong, the Individual Vendors and the Trustee regarding the Acquisition. Pursuant to the Share Transfer Agreement, the Group has conditionally agreed to acquire for, and the Vendors have conditionally agreed to dispose of, the Sale Interests, representing the entire equity interest of the Target Company, at the Consideration of RMB305 million (subject to adjustments) to be settled by way of cash. The transfer of the Sale Interests will be conducted in three phases.

LISTING RULES IMPLICATION

As one of the highest percentage ratios of the Acquisition calculated pursuant to Rule 14.07 of the Listing Rules exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the approval by the Shareholders under Chapter 14 of the Listing Rules.

Given that the Company will obtain a written approval from BSAM, the controlling shareholder of the Company holding 1,834,541,756 Shares as at the date of this announcement (representing approximately 63.31% of the issued share capital of the Company), in respect of the Share

Transfer Agreement and transactions contemplated herein, the Company will make an application pursuant to Rule 14.44 of the Listing Rules for a waiver from the requirements to convene a general meeting.

GENERAL

A circular containing details regarding, among others, (i) further details of the Acquisition and the transactions contemplated thereunder; (ii) financial and other information of the Group; (iii) financial and other information of Target Company; (iv) pro forma financial information of the Group as enlarged by the Acquisition; and (v) the Valuation prepared by the Valuer, will be despatched to the Shareholders in accordance to the Listing Rules as soon as practicable, which is expected to be on or before 11 August 2014.

BACKGROUND

On 21 July 2014 (after trading hours of the Stock Exchange), the Company entered into the Share Transfer Agreement with Xiamen Ruitailong, the Individual Vendors and the Trustee regarding the Acquisition. Pursuant to the Share Transfer Agreement, the Group has conditionally agreed to acquire for, and the Vendors have conditionally agreed to dispose of, the Sale Interests, representing the entire equity interest of the Target Company, at the Consideration of RMB305 million (subject to adjustments) to be settled by way of cash.

THE ACQUISITION

Set out below are the principal terms of the Share Transfer Agreement:

Date

21 July 2014

Parties involved

- (i) the Company
- (ii) Xiamen Ruitailong
- (iii) Individual Vendors
- (iv) the Trustee

As at the date of this announcement, the Target Company is owned as to 60% by Xiamen Ruitailong and 40% by the Trustee in trust of the Individual Vendors (the “**Interest Held in Trust**”), being 25 employees of the Target Company (i.e. the Individual Vendors are the beneficial owners of the 40%

equity interest in the Target Company). The Trustee will transfer the Interest Held in Trust to the Individual Vendors before completion of the Phase I Transfer (as defined below). Detailed shareholding structure of the Target Company is set out under the section headed “Information on the Target Company” below. Xiamen Ruitailong is a company incorporated in the PRC with limited liabilities and is principally engaged in the hi-tech information technology, real estate investment and investment management.

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, (i) each of the Vendors, the Trustee, the Target Company and their respective ultimate beneficial owner(s) (if applicable) and associates (a) is an Independent Third Party; and (b) does not hold any Shares or other convertible securities in the Company as at the date of this announcement; and (ii) there were no previous transactions or business relationship between the Company and each of the Vendors, the Trustee, the Target Company and their respective ultimate beneficial owner(s) (if applicable) and associates in the previous 12 months which would result in aggregation under Rule 14.22 of the Listing Rules.

Subject matter

Pursuant to the Share Transfer Agreement, the Company has conditionally agreed to acquire for, and the Vendors have conditionally agreed to dispose of, the Sale Interests, representing the entire equity interests of the Target Company, at the Consideration of RMB305 million (subject to adjustments) to be settled by way of cash.

The transfer of the Sale Interests will be conducted in three phases: (i) transfer of 51% of the Sale Interests upon signing of the Share Transfer Agreement (“**Phase I Transfer**”); (ii) transfer of 32% of the Sale Interests in 2016 (“**Phase II Transfer**”); and (iii) transfer of 17% of the Sale Interests in 2017 (“**Phase III Transfer**”).

Upon completion of the Phase I Transfer, each of the Vendors will execute a power of attorney to assign his/its rights on his/its respective remaining interests in the Target Company (i.e. 49% of the Sale Interests in aggregate) to the Company. Accordingly, the Company will be entitled to 100% dividends or distribution (if any) as well as the net assets of the Target Company after the completion of the Phase I Transfer. Upon completion of the Acquisition, the Target Company will become a wholly owned subsidiary of the Company and its financial results will be consolidated into the financial results of the Group.

Conditions precedent

Completion of the Phase I Transfer is conditional upon each of the following conditions (the “**Phase I Condition(s)**”) being satisfied (or, where applicable, waived by the Company):

- (i) the Trustee having completed the transfer of the Interest Held in Trust to the Individual Vendors and change the business registration for such transfer (as supported by the registration in the competent Administration for Industry and Commerce of the PRC);

- (ii) all outstanding loan due from the Vendors to the Target Company (if any) and the outstanding loan (including shareholders' loan) due from the Target Company to the Vendors (if any) being settled;
- (iii) the legal, financial and operational due diligence review on the Target Company having been completed to the satisfaction of the Company;
- (iv) should the completion of the Acquisition requires approval of any third party(ies) according to legal requirements (if any), all written approval from such third party(ies) having been obtained;
- (v) all of the Vendors and the Company having obtained the approvals of the Acquisition from their respective board of directors and/or shareholders, if applicable;
- (vi) the Company having obtained the approval of the Acquisition from the relevant regulatory authorities, including the State-owned Assets Supervision and Administration Commission of the State Council and the Stock Exchange, if necessary;
- (vii) the Target Company and the Individual Vendors having entered into the non-competition agreements in the format as stipulated in the Share Transfer Agreement;
- (viii) the transfer of the Phase I Interests and the changes in the article of association, directors, supervisors and senior management of the Target Company, if applicable, having been registered or filed with the company registration authority, as supported by the registration in the competent Administration for Industry and Commerce of the PRC; and all documents filed to the company registration authority shall be verified by the Company;
- (ix) all representations made and warrants given by the Vendors under the Share Transfer Agreement remain true, valid and accurate until the Phase I Completion Date;
- (x) the Vendors having fulfilled and complied with all the undertakings and obligations in every aspects as stipulated under the Share Transfer Agreement until the Phase I Completion Date; and
- (xi) no event or circumstance that incurred, or reasonably expected to incur material adverse impact on the Target Company having been occurred until the Phase I Completion Date.

Phase I Conditions (i), (v), (vi), (vii) and (viii) are not waivable.

Completion of the Phase II Transfer is subject to the signing of the settlement agreement for the execution of the Phase II Transfer.

Completion of the Phase III Transfer is subject to the signing of the settlement agreement for the execution of the Phase III Transfer.

Consideration

The Consideration of RMB305 million (subject to adjustments) was arrived after arm's length negotiations among the Vendors and the Company after taking into account the valuation of the entire equity interest of the Target Company of approximately RMB307.77 million as at 28 February 2014 (the "**Valuation**"), which was prepared by China Tong Cheng Assets Appraisal Co., Ltd. (中通誠資產評估有限公司), an independent valuer (the "**Valuer**"). The Valuer had considered the market approach and the income approach in preparing the Valuation and adopted the result of the market approach for the Valuation. The Consideration represents a slight discount to the Valuation. The Consideration shall be payable by the Company to the Vendors in three phases.

Phase I Consideration

The consideration for the Phase I Transfer is RMB155.55 million ("**Phase I Consideration**") (subject to adjustments) which is payable by the Company to the Vendors in the following manner:

- a) as to RMB77.775 million payable in cash within 15 business days after the satisfaction (or, where applicable, waived by the Company) of Phase I Conditions (i) to (vii); and
- b) as to RMB77.775 million payable in cash within 15 business days after the satisfaction (or, where applicable, waived by the Company) of Phase I Conditions (viii) to (xi).

Phase II Consideration

The consideration for the Phase II Transfer is RMB97.60 million ("**Phase II Consideration**") (subject to adjustments) which is payable by the Company to the Vendors in the following manner:

- a) as to RMB48.80 million payable in cash upon signing of the settlement agreement for the execution of the Phase II Transfer before 30 June 2016; and
- b) as to RMB48.80 million payable in cash upon completion of the Phase II Transfer before 31 August 2016.

Phase III Consideration

The consideration for the Phase III Transfer is RMB51.85 million ("**Phase III Consideration**") (subject to adjustments) which is payable by the Company in the following manner:

- a) as to RMB9.15 million payable to Xiamen Ruitailong in cash upon signing of the settlement agreement for the execution of the Phase III Transfer before 30 June 2017;
- b) as to RMB9.15 million payable to Xiamen Ruitailong and RMB16.775 million payable to the Individual Vendors in cash upon completion of the Phase III Transfer before 31 August 2017; and

c) as to RMB16.775 million payable to the Individual Vendors in cash before 31 August 2018.

Adjustments to the Consideration

Pursuant to the Share Transfer Agreement, the minimum Consideration which is payable to Xiamen Ruitailong is RMB47.00 million (the “**Minimum Consideration**”) which was arrived after arm’s length negotiations between the Company and Xiamen Ruitailong. The respective minimum consideration under the Phase I Transfer, the Phase II Transfer and the Phase III Transfer are RMB23.97 million, RMB15.04 million and RMB7.99 million respectively (the “**Phase I/Phase II/Phase III Minimum Consideration**”).

Pursuant to the Share Transfer Agreement, the Consideration is subject to adjustments with reference to the guarantee provided by the Vendors on the audited net profit after tax (excluding extraordinary items) of the Target Company of RMB28,587,500, RMB31,470,900 and RMB34,596,500 for the three years ending 31 December 2016 respectively (the “**2014/2015/2016 Guaranteed Profit**”), in the following manners:

Adjustment I

The Phase II Consideration will be adjusted in the following manner:

A. Should the sum of the audited net profit after tax (excluding extraordinary items) for the two years ending 31 December 2015 (the “**2014/2015 Actual Profit**”) exceed 110% of the sum of the 2014/2015 Guaranteed Profit (i.e. RMB60,058,400), the Phase II Consideration would be:

Phase II Minimum Consideration + (Consideration – Minimum Consideration) X 32% X 110%

B. Should the sum of the 2014/2015 Actual Profit fall between 85% to 110% of the sum of the 2014/2015 Guaranteed Profit, the Phase II Consideration would be:

Phase II Minimum Consideration + (Consideration – Minimum Consideration) X 32% X the sum of the 2014/2015 Actual Profit ÷ the sum of the 2014/2015 Guaranteed Profit

C. Should the sum of the 2014/2015 Actual Profit fall below 85% of the sum of 2014/2015 Guaranteed Profit, the Phase II Consideration would be:

Phase II Minimum Consideration + (Consideration – Minimum Consideration) ÷ 2 X 32% X the sum of the 2014/2015 Actual Profit ÷ the sum of the 2014/2015 Guaranteed Profit

Adjustment II

Should the sum of the 2014/2015 Actual Profit fall below 60% of the sum of 2014/2015 Guaranteed Profit, the Vendors will compensate the Company in cash in the amount to be determined by the formula below:

$$\text{Cash compensation} = \frac{(\text{Phase I Consideration} - \text{Phase I Minimum Consideration}) \times (\text{the sum of 2014/2015 Guaranteed Profit} - \text{the sum of the 2014/2015 Actual Profit})}{\text{the sum of the 2014/2015/2016 Guaranteed Profit}}$$

The maximum amount of cash compensation under Adjustment II is the difference between the Phase I Consideration and the Phase I Minimum Consideration and such cash compensation shall be paid by the Vendors to the Company in 2016 at the same time of the payment of the Phase II Consideration.

Adjustment III

The Phase III Consideration will be adjusted in the following manner:

- A. Should the sum of the audited net profit after tax (excluding extraordinary items) for the three years ending 31 December 2016 (the “**2014/2015/2016 Actual Profit**”) exceed 110% of the sum of the 2014/2015/2016 Guaranteed Profit (i.e. RMB94,654,900), the Phase III Consideration would be:

$$\text{Phase III Minimum Consideration} + (\text{Consideration} - \text{Minimum Consideration}) \times 17\% \times 110\%$$

- B. Should the sum of the 2014/2015/2016 Actual Profit fall between 85% to 110% of the sum of the 2014/2015/2016 Guaranteed Profit, the Phase III Consideration would be:

$$\text{Phase III Minimum Consideration} + (\text{Consideration} - \text{Minimum Consideration}) \times 17\% \times \frac{\text{the sum of the 2014/2015/2016 Actual Profit}}{\text{the sum of the 2014/2015/2016 Guaranteed Profit}}$$

- C. Should the sum of the 2014/2015/2016 Actual Profit fall below 85% of the sum of the 2014/2015/2016 Guaranteed Profit, the Phase III Consideration would be:

$$\text{Phase III Minimum Consideration} + (\text{Consideration} - \text{Minimum Consideration}) \div 2 \times 17\% \times \frac{\text{the sum of the 2014/2015/2016 Actual Profit}}{\text{the sum of the 2014/2015/2016 Guaranteed Profit}}$$

Adjustment IV

Should the sum of the 2014/2015/2016 Actual Profit fall below 60% of the sum of 2014/2015/2016 Guaranteed Profit, the Vendors will compensate the Company in cash in the amount to be determined by the formulae below:

A. In the event that Adjustment I(A) and I(B) above apply,

$$\text{Cash compensation} = (\text{Phase I Consideration} + \text{Phase II Consideration} - \text{Phase I Minimum Consideration} - \text{Phase II Minimum Consideration}) \times (\text{the sum of 2014/2015/2016 Guaranteed Profit} - \text{the sum of the 2014/2015/2016 Actual Profit}) \div \text{the sum of the 2014/2015/2016 Guaranteed Profit}$$

The maximum amount of cash compensation under Adjustment IV(A) is the difference between (i) the aggregated amount of the Phase I Consideration and the Phase II Consideration; and (ii) the aggregated amount of the Phase I Minimum Consideration and the Phase II Minimum Consideration. Such cash compensation shall be paid by the Vendors to the Company in 2017/2018 (as the case may be) at the same time of the payment of the Phase III Consideration.

B. In the event that Adjustment I(C) above apply,

$$\text{Cash compensation} = (\text{Phase I Consideration} - \text{Phase I Minimum Consideration}) \times (\text{the sum of 2014/2015/2016 Guaranteed Profit} - \text{the sum of the 2014/2015/2016 Actual Profit}) \div (\text{the sum of the 2014/2015/2016 Guaranteed Profit} - \text{Cash compensation paid under Adjustment II (if any)})$$

The maximum amount of cash compensation under Adjustment IV(B) is the difference between the Phase I Consideration and the Phase I Minimum Consideration and such cash compensation shall be paid by the Vendors to the Company in 2017/2018 (as the case may be) at the same time of the payment of the Phase III Consideration.

Adjustment V

After 31 December 2016, the Company will engage an intermediary qualified to carry out securities and futures business to conduct impairment test on the then entire equity interest of the Target Company and prepare an impairment test report. If the amount impaired as at 31 December 2016 exceed the aggregated cash compensation made by the Vendors under Adjustment II and Adjustment IV (if any), the Vendors shall further compensate the Company in cash for such difference. The maximum amount of cash compensation under Adjustment V is the difference between the Consideration and the Minimum Consideration. Such cash compensation shall be paid by the Vendors to the Company in 2017/2018 (as the case may be) at the same time of the payment of the Phase III Consideration.

For avoidance of doubt, the Company will be entitled to the cash compensation under all of the Adjustment II, Adjustment IV and Adjustment V when the relevant conditions are satisfied.

Given the above possible adjustments to the Consideration, the maximum amount of the Consideration will be RMB317,642,000.

Undertakings from the Vendors

Pursuant to the Share Transfer Agreement, the Individual Vendors (nine of whom are senior management of the Target Company, namely Jiang Haiping (姜海平), Fu Ruqing (傅如青), Zhong Xuxin (鐘徐新), Wu Xiadan(吳夏丹), Zeng Zhigang (曾志剛), Lan Xingsheng (藍興生), Li Feng (李鋒), Li Huayong (李化勇) and Xie Rong (謝榕) (the “**Management Owners**”)) undertaken to the Company that they shall continue to be employed by the Target Company from the Phase I Completion Date until 31 December 2018 (the “**Undertaken Employment Period**”).

In addition, each of the Vendors has provided non-competition undertakings to the Company for a term of five years from the Phase I Completion Date under the Share Transfer Agreement.

In the event that (i) any of the Management Owners resign from the Target Company during the Undertaken Employment Period; or (ii) any of the Individual Vendors breach the non-competition undertakings, the resigning person/the person breaching the non-competition undertakings shall:

- (i) dispose and the Company shall purchase his/her remaining equity interest in the Target Company at a consideration equivalent to (a) the amount of capital contribution of the Target Company (i.e. RMB20 million in total as at 28 February 2014) in proportion to his/her remaining equity interest in the Target Company; or (b) the amount of the Consideration after adjustments (if any) in proportion to his/her remaining equity interest in the Target Company at the time of resign/breach of the non-competition undertakings (as the case may be), whichever is lower; and
- (ii) refund the difference between (a) the then consideration received by him/her for the Acquisition by the time of resign/breach of the non-competition undertakings (as the case may be); and (b) the amount of capital contribution of the Target Company in proportion to his/her percentage equity interest in the Target Company disposed under the Acquisition. Any cash compensation made by the resigning person/the person breaching the non-competition undertakings as stipulated under the section headed “Adjustments to Consideration” above shall be deducted from the amount of the refund.

In the event that any of the Individual Vendors other than the Management Owners resign from the Target Company during the Undertaken Employment Period, the resigning person shall:

- (i) dispose and the Company shall purchase his/her remaining equity interest in the Target Company at a consideration equivalent to (a) the amount of capital contribution of the Target Company in proportion to his/her remaining equity interest in the Target Company; or (b) the amount of the Consideration after adjustments (if any) in proportion to his/her remaining equity interest in the Target Company at the time of resign, whichever is lower;
- (ii) be entitled to the difference between (a) the then Consideration received by him/her for the Acquisition by the time of resign; and (b) the amount of capital contribution of the Target Company in proportion to his/her percentage equity interest in the Target Company disposed under the Acquisition, in proportion to the length of his/her service from the Phase I Completion Date to his/her time of resign over the Undertaken Employment Period (the “**Entitlement**”); and
- (iii) refund the difference between (a) the then consideration received by him/her for the Acquisition by the time of resign; and (b) the amount of capital contribution of the Target Company in proportion to his/her percentage equity interest in the Target Company disposed under the Acquisition. The Entitlement and any cash compensation made by the resigning person as stipulated under the section headed “Adjustments to Consideration” above shall be deducted from the amount of the refund.

In the event that Xiamen Ruitailong breach the non-competition undertakings, Xiamen Ruitailong shall:

- (i) dispose and the Company shall purchase its remaining equity interest in the Target Company at a consideration equivalent to (a) the aggregated amount of capital contribution of the Target Company and the Minimum Consideration in proportion to its remaining equity interest in the Target Company; or (b) the amount of the Consideration after adjustments (if any) in proportion to its remaining equity interest in the Target Company at the time of breach of the non-competition undertakings, whichever is lower; and
- (ii) refund the difference between (a) the then consideration received by it for the Acquisition by the time of breach of the non-competition undertakings; and (b) the aggregated amount of capital contribution of the Target Company and the Minimum Consideration in proportion to its percentage equity interest in the Target Company disposed under the Acquisition. Any cash compensation made by it as stipulated under the section headed “Adjustments to Consideration” above shall be deducted from the amount of the refund.

Management of the Target Company

Upon completion of the Phase I Transfer, the board of directors of the Target Company shall comprise of five directors, all of which will be nominated by the Company. The Company will nominate a supervisor for the Target Company. In addition, a general manager will be appointed by the board of directors of the Target Company.

REASONS FOR THE ACQUISITION

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.

According to the Group's Twelfth Five-year strategic planning of expansion in specialised industry and to increase in scale through mergers and acquisition, the Group intend to expand its operation scope in addition to strengthening its leading position in information technology service field based on its existing resources, capabilities and strategic direction. Going forward, the Group will utilise its financial resources to implement the merger and acquisition strategy such that the Group would be able to effectively integrate its resources to create comprehensive competitiveness for the Group. In this relation, the Directors consider that the Acquisition would enable the Group to expand its scope of service to the tobacco industry and diversify the Group's income and customer base.

Accordingly, the Directors are of the view that the Acquisition would be in the interests of the Company and the Shareholders as a whole and the terms of the Acquisition are fair and reasonable and on normal commercial terms.

As none of the Directors had any material interest in the Acquisition, no Directors had abstained from voting on the Board resolutions on approving the Acquisition.

INFORMATION ON THE TARGET COMPANY

The Target Company was established in the PRC on 10 June 2011. The Target Company is principally engaged in the provision of (i) information technology service in tobacco industry, including capital regulatory system, construction supervision system, quality control system and policies and regulatory management platform; (ii) group financial company information system; and (iii) information technology security services.

Financial information

Set out below is the unaudited consolidated financial information of Target Company for the two years ended 31 December 2013 and the two months ended 28 February 2014 prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the year ended 31 December 2012	For the year ended 31 December 2013	For the two months ended 28 February 2014
	<i>RMB'million</i>	<i>RMB'million</i>	<i>RMB'million</i>
Profit/(loss) before tax	18.18	29.61	(2.14)
Profit/(loss) after tax	18.37	25.80	(2.01)
	As at 31 December 2012	As at 31 December 2013	As at 28 February 2014
	<i>RMB'million</i>	<i>RMB'million</i>	<i>RMB'million</i>
Net assets	33.25	67.05	65.04

Shareholding structure

Set out below are the percentage equity interests of the Target Company beneficially owned by the Vendors and the Company (i) as at the date of this announcement; (ii) immediately after the completion of the Phase I Transfer; (iii) immediately after the completion of the Phase I Transfer and the Phase II Transfer; and (iv) immediately after the completion of the Acquisition:

Name of beneficial owners (<i>Note</i>)	% of equity interest in Target Company			
	as at the date of this announcement	immediately after the completion of the Phase I Transfer	immediately after the completion of the Phase I Transfer and Phase II Transfer	immediately after the completion of the Acquisition
The Company	–	51.00	83.00	100
Xiamen Ruitailong	60.00	22.00	6.00	–
<i>Management Owners</i>				
Jiang Haiping (姜海平)	23.00	15.53	6.33	–
Fu Ruqing (傅如青)	1.80	1.22	0.50	–
Zhong Xuxin (鐘徐新)	5.00	3.38	1.38	–
Wu Xiadan (吳夏丹)	0.80	0.54	0.22	–

Name of beneficial owners <i>(Note)</i>	% of equity interest in Target Company			
	as at the date of this announcement	immediately after the completion of the Phase I Transfer	immediately after the completion of the Phase I Transfer and Phase II Transfer	immediately after the completion of the Acquisition
Zeng Zhigang (曾志剛)	0.80	0.54	0.22	—
Lan Xingsheng (藍興生)	0.50	0.34	0.14	—
Li Feng (李鋒)	0.50	0.34	0.14	—
Li Huayong (李化勇)	1.20	0.81	0.33	—
Xie Rong (謝榕)	1.00	0.68	0.28	—
<i>Other Individual Vendors</i>				
Huang Wucheng (黃武城)	0.30	0.20	0.08	—
Zhang Feng (張鋒)	0.50	0.34	0.14	—
Jiang Zhigang (蔣志剛)	0.40	0.27	0.11	—
Chen Gang (陳剛)	0.45	0.30	0.12	—
Chen Weixian (陳為賢)	0.40	0.27	0.11	—
Huang Haoming (黃浩明)	0.30	0.20	0.08	—
Wang Jingxiu (王敬秀)	0.15	0.10	0.04	—
Jiang Yicong (江藝聰)	0.30	0.20	0.08	—
Zhang Songyu (張松宇)	0.30	0.20	0.08	—
Li Daohua (李道華)	0.30	0.20	0.08	—
Zhang Yong (張勇)	0.30	0.20	0.08	—
Xu Chenhui (許晨暉)	0.30	0.20	0.08	—
Zhou Jinbo (周瑾波)	0.50	0.34	0.14	—
Xiang Shilin (向世林)	0.30	0.20	0.08	—
Zhou Min (周敏)	0.30	0.20	0.08	—
Li Bin (李斌)	0.30	0.20	0.08	—
Total	100	100	100	100

Note: 40% equity interest of the Target Company is held by the Trustee in trust of the Individual Vendors as at the date of this announcement.

LISTING RULES IMPLICATION

As one of the highest percentage ratios of the Acquisition calculated pursuant to Rule 14.07 of the Listing Rules exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the approval by the Shareholders under Chapter 14 of the Listing Rules.

Given that the Company will obtain a written approval from BSAM, the controlling shareholder of the Company holding 1,834,541,756 Shares as at the date of this announcement (representing approximately 63.31% of the issued share capital of the Company), in respect of the Share Transfer Agreement and transactions contemplated herein, the Company will make an application pursuant to Rule 14.44 of the Listing Rules for a waiver from the requirements to convene a general meeting.

GENERAL

A circular containing details regarding, among others, (i) further details of the Acquisition and the transactions contemplated thereunder; (ii) financial and other information of the Group; (iii) financial and other information of Target Company; (iv) pro forma financial information of the Group as enlarged by the Acquisition; and (v) the Valuation prepared by the Valuer, will be despatched to the Shareholders in accordance to the Listing Rules as soon as practicable, which is expected to be on or before 11 August 2014.

DEFINITIONS

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

“Acquisition”	the proposed acquisition of the Sale Interests by the Company
“associates”	has the meaning ascribed to it under the Listing Rules
“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)
“Consideration”	the consideration for the Acquisition
“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
“Independent Third Party(ies)”	third party(ies) and their ultimate beneficial owner(s) (if applicable) which are independent of the Company and its connected persons
“Individual Vendors”	the individual vendors under the Share Transfer Agreement, being 25 employees of Target Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Phase I Completion Date”	Date of completion of the Phase I Transfer
“Phase I Interest”	51% of the Sale Interests to be transferred under Phase I Transfer
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interests”	the entire equity interests in Target Company
“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
“Target Company”	廈門融通信息技術有限責任公司 (Xiamen Ritoinfo Technology Company Limited*)
“Trustee”	Fu Minghong (傅明虹)
“Vendors”	Xiamen Ruitailong and the Individual Vendors

“Xiamen Ruitailong”

廈門銳泰隆投資發展有限公司 (Xiamen Ruitailong Investment Development Company Limited*)

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

Beijing, the PRC, 21 July 2014

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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