

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (“the Stock Exchange”) 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 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: 8157)

EXTENSION OF SPECIFIC MANDATE TO ISSUE H SHARES

The board of directors of the Company refers to the announcement of the Company dated 12 October 2007 and the circular of the Company dated 29 October 2007 in relation to the proposed issue of not more than 579,617,218 H Shares of the Company (including the NSSF Council Shares) (representing not more than 20% of the total issued Shares and not more than 74.84% of the total issued H shares, respectively, as at the date of this announcement) to the Professional and Institutional Investors by way of private placement (except for the NSSF Council Shares).

Specific mandate has been granted to the Board to allot and issue such number of H Shares in connection with the Proposed H Share Issue and the Board has been authorized to determine and deal with, at its discretion and with full authority, matters relating thereto (including but not limited to the specific timing of the issue, the number of additional H Shares to be issued, issue price, target subscribers and the number and proportion of H Shares to be issued to each subscriber) at the Company’s extraordinary general meeting, class meeting of H shareholders and class meeting of the Domestic Shareholders held on 13 December 2007. Due to the downturn in the global economy and the uncertainties in the international and domestic investment market, the Company has not issued H Shares subsequent to the granting of the special mandate on 13 December 2007. Such specific mandate has expired on 12 December 2008. The Board has approved the extension of, subject to the Shareholders’ approval at each of the EGM, the Domestic Shareholders Class Meeting and the H Shareholders Class Meeting, such specific mandate, which shall be valid for 12 months from the date of such Shareholders’ approval.

As at the date of this announcement, the Company has not entered into any placing or underwriting agreement or fixed any terms with any parties in connection with the Proposed H Share Issue. The Company will start to identify, and negotiate the placement terms with, appropriate placee(s) following receipt of the approvals from the Shareholders in relation to the Proposed H Share Issue.

The purpose of the Proposed H Share Issue is to finance the Group’s investment in (i) the public medical and health care information services platform; and (ii) “Beijing-China” and “Multilingual” public information services platform.

The Board would like to seek Shareholders' approval of the Proposed H Share Issue. A circular containing details of the Proposed H Share Issue and the notice of each of the EGM, the Domestic Shareholders Class Meeting and the H Shareholders Class Meeting will be despatched to the Shareholders as soon as practicable in accordance with the requirements of the GEM Listing Rules.

There is no assurance that the Proposed H Share Issue will proceed. Investors are advised to exercise caution in dealing in the H Shares. Further announcement(s) in relation to the details of the Proposed H Share Issue will be made by the Company when such details are available.

1. Background

The board of directors of the Company refers to the announcement of the Company dated 12 October 2007 and the circular of the Company dated 29 October 2007 in relation to the proposed issue of not more than 579,617,218 H Shares of the Company (including the NSSF Council Shares) (representing not more than 20% of the total issued Shares and not more than 74.84% of the total issued H shares, respectively, as at the date of this announcement) to the Professional and Institutional Investors by way of private placement (except for the NSSF Council Shares).

Specific mandate has been granted to the Board to allot and issue such number of H Shares in connection with the Proposed H Share Issue and the Board has been authorized to determine and deal with, at its discretion and with full authority, matters relating thereto (including but not limited to the specific timing of the issue, the number of additional H Shares to be issued, issue price, target subscribers and the number and proportion of H Shares to be issued to each subscriber) at the Company's extraordinary general meeting, class meeting of H shareholders and class meeting of the Domestic Shareholders held on 13 December 2007. Due to the downturn in the global economy and the uncertainties in the international and domestic investment market, the Company has not issued H Shares subsequent to the granting of the special mandate on 13 December 2007. Such specific mandate has expired on 12 December 2008. The Board has approved the extension of, subject to the Shareholders' approval at each of the EGM, the Domestic Shareholders Class Meeting and the H Shareholders Class Meeting, such specific mandate, which shall be valid for 12 months from the date of such Shareholders' approval.

2. Structure of the Proposed H Share Issue

Type of securities to be issued: H Shares

Maximum number of H Shares to be issued: 579,617,218 H Shares (including the NSSF Council Shares), representing 20% of the total issued Shares as at the date of this announcement

Pursuant to the applicable laws and regulations, the state-owned Domestic Shareholders are required to convert an aggregate number of their Domestic Shares amounting to 10% of the total number of H Shares to be issued pursuant to the Proposed H Share Issue, into the H Shares which shall be, at the option of the NSSF Council, (i) assigned to the NSSF Council for nil consideration; or (ii) allotted and issued to the target subscribers at the issue price as described below and the proceeds from such allotment and issue shall be contributed to the NSSF Council

- Nominal value: RMB0.10 per H Share
- Rights attached to H Shares: H Shares to be allotted and issued pursuant to the Proposed H Share Issue shall rank pari passu with the existing Domestic Shares and H Shares in all respects except as otherwise provided for under the applicable laws, rules and regulations and the articles of association of the Company
- Target subscribers: Professional and Institutional Investor(s), save for the NSSF Council Shares
- Method of issue: Private placement, save for the NSSF Council Shares
- Issue price: To be determined by the Board as may be authorised by the Shareholders at the EGM, the Domestic Shareholders Class Meetings and the H Shareholders Class Meeting, respectively, according to the market price of the H Shares and market conditions as at the time of the allotment and issue of such additional H Shares. The issue price of the H Shares to be issued pursuant to the Proposed H Share Issue shall not be less than 80% of the benchmarked price of the H Shares, such benchmarked price being the higher of:
- (i) the closing price on the date of the relevant placing agreement or other agreement involving the Proposed H Share Issue; and
 - (ii) the average closing price in the 5 trading days immediately prior to the earlier of:
 - (a) the date of the announcement of the placing or the Proposed H Share Issue;
 - (b) the date of the placing agreement or other agreement involving the Proposed H Share Issue; and
 - (c) the date on which the placing or subscription price is fixed.

As at the date of this announcement, the Company has not entered into any placing or underwriting agreement or fixed any terms with any parties in connection with the Proposed H Share Issue. The Company will start to identify, and negotiate the placement terms with, appropriate placee(s) following receipt of the relevant approvals from the Shareholders, respectively. Further announcement(s) in relation to any placing arrangement will be made by the Company as and when appropriate.

3. Use of the Proceeds from the Proposed H Share Issue

The Group is an internet technology and network solutions provider with its principal place of business located in the Beijing Municipality, the PRC. Currently, the Group undertakes and has completed a number of large scale projects involving the construction, operation and maintenance of information systems and applications in the Beijing Municipality as well as other parts of the country, with the initial formation of a wide coverage IT services network with distinctive features.

The purpose of the Proposed H Share Issue is to finance the Group's investment in (i) the public medical and health care information services platform; and (ii) "Beijing-China" and "Multilingual" public information services platform. The details of the two projects are set out below:

Public Medical and Health Care Information Services Platform

It is to upgrade and enhance the existing medical insurance system network and terminals connecting more than 1600 medical institutions in Beijing to achieve real-time upload of the clinical information. It is expected to require not less than RMB200 million for the first stage of the project.

"Beijing-China" and Multilingual Public Information Services Platform

It is to enhance the existing "Beijing-China" website and establish a stable and safe multilingual services public information services platform to serve the public of Beijing. It is expected to require not less than RMB200 million.

Apart from the proceeds to be raised from the Proposed H Share Issue, the investments in such projects will be financed by the Company's internal resources, bank loans and other appropriate financing activities. In the event that the proceeds to be raised from the Proposed H Share Issue exceed the capital requirement of such projects, the excess amount will be applied towards the Company's working capital or investments in other appropriate projects.

The Directors consider that the Proposed H Shares Issue would be in the interests of the Group and the Shareholders as a whole.

4. Shareholders' Approval and other Approvals

The EGM, the Domestic Shareholders Class Meeting and the H Shareholders Class Meeting will be held to consider and, if thought fit, approve, among other things, (i) the grant of a specific mandate to the Board to allot and issue not more than 579,617,218 additional H Shares (including the NSSF Council Shares) (representing not more than 20% of the total issued Shares as at the date of this announcement) in connection with the Proposed H Share Issue; (ii) to approve the Proposed H Share Issue; and (iii) to authorise the Board to determine and deal with, at its discretion and with full authority, matters relating thereto (including but not limited to the specific timing of the issue, the number of additional H Shares to be issued, issue price, target subscribers and the number and proportion of H Shares to be issued to each subscriber). CSRC approval in relation to the Proposed H Share Issue has been obtained on 21 July 2008. Approval of the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, such additional H Shares on GEM is required.

The Shareholder's approval as described above shall be valid until for a period of 12 months from the date of approval.

There is no assurance that the Proposed H Share Issue will proceed. Investors are advised to exercise caution in dealing in the H Shares. Further announcement(s) in relation to the details of the Proposed H Share Issue will be made by the Company when such details are available.

EFFECT OF THE PROPOSED H SHARE ISSUE ON THE COMPANY'S SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company as at the date of this announcement and immediately upon completion of the Proposed H Share Issue assuming that an aggregate of 579,617,218 additional H Shares, representing 20% of the total issued Shares as at the date of this announcement, are issued pursuant to the Proposed H Share Issue:

(a) assuming 579,617,218 H Shares are issued to the Professional and Institutional investor(s) only

	As at the date of this announcement		Immediately after the completion of the Proposed H Share Issue	
	Number of Shares	As a percentage of total issued Shares (%)	Number of Shares	As a percentage of total issued Shares (%)
Domestic Shareholders:				
Beijing State-owned Assets				
Management Corporation Limited* (北京市國有資產經營有限 責任公司)	1,834,541,756	63.31	1,785,418,496 ^{Note}	52.13
Beijing Sino-Sky Radio, TV & Communication Technology Co., Ltd.* (北京中天廣電通信技術 有限公司)	102,832,000	3.55	102,832,000	3.00
Beijing All Media and Culture Investment and Development Centre* (北京北廣傳媒投資發展中心)	102,832,000	3.55	100,077,497 ^{Note}	2.92
Beijing Telecommunication Investments Co., Ltd.* (北京電信投資有限公司)	52,832,000	1.82	52,832,000	1.54
China Finance Electronic Company (中國金融電子化公司)	30,550,335	1.05	29,735,623 ^{Note}	0.87
H Shareholders				
Public Shareholders	774,498,000	26.72	1,354,115,218	39.54
Total	2,898,086,091	100.00	3,425,010,834	100.00

(b) assuming 579,617,218 H Shares are issued to the Professional and Institutional Investor(s) and the NSSF Council

	As at the date of this announcement		Immediately after the completion of the Proposed H Share Issue	
	Number of Shares	As a percentage of total issued Shares (%)	Number of Shares	As a percentage of total issued Shares (%)
Domestic Shareholders:				
Beijing State-owned Assets Management Corporation Limited* (北京市國有資產經營有限 責任公司)				
	1,834,541,756	63.31	1,785,418,496 ^{Note}	52.13
Beijing Sino-Sky Radio, TV & Communication Technology Co., Ltd.* (北京中天廣電通信技術有限公司)				
	102,832,000	3.55	102,832,000	3.00
Beijing All Media and Culture Investment and Development Centre* (北京北廣傳媒投資發展中心)				
	102,832,000	3.55	100,077,497 ^{Note}	2.92
Beijing Telecommunication Investments Co., Ltd.* (北京電信投資有限公司)				
	52,832,000	1.82	52,832,000	1.54
China Finance Electronic Company (中國金融電子化公司)				
	30,550,335	1.05	29,735,623 ^{Note}	0.87
H Shareholders				
Public Shareholders (excluding NSSF Council)				
	774,498,000	26.72	1,301,422,744	38.00
NSSF Council				
	—	—	52,692,474	1.54
Total	2,898,086,091	100.00	3,425,010,834	100.00

Note: Due to reduction in the number of the Domestic Shares pursuant to the applicable PRC laws and regulations

GENERAL

A circular containing details of the Proposed H Share Issue as set out in this announcement and the notice of each of the EGM, the Domestic Shareholders Class Meeting and the H Shareholders Class Meeting will be despatched to the Shareholders as soon as practicable in accordance with the requirements of the GEM Listing Rules.

DEFINITIONS

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

“Beijing-China”	首都之窗, the website at www.beijing.gov.cn , representing the online project of the Beijing Municipal Government
“Board”	the board of Directors
“Company”	CapInfo Company Limited, a joint stock limited company incorporated in the PRC, the issued H Shares of which (stock code: 8157) are listed on the GEM
“connected person(s)”	has the same meaning ascribed thereto under the GEM Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Directors”	the directors of the Company
“Domestic Shares”	domestic shares of RMB0.10 each in the registered capital of the Company
“Domestic Shareholders”	holders of Domestic Shares
“Domestic Shareholders Class Meetings”	the class meeting of Domestic Shareholders to be held to consider and, if thought fit, to approve, among other things, the Proposed H Share Issue
“EGM”	the extraordinary general meeting of the Company to be held to consider and, if thought fit, to approve, among other things, the Proposed H Share Issue
“GEM”	the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
“GEM Listing Rules”	Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“H Share(s)”	overseas listed foreign share(s) of RMB0.10 each in the share capital of the Company which are listed on the GEM
“H Shareholders”	holders of H Shares
“H Shareholders Class Meetings”	the class meeting of H Shareholders to be held to consider and, if thought fit, to approve, among other things, the Proposed H Share Issue
“NSSF Council”	National Council for Social Security Fund of the PRC (全國社會保障基金理事會)
“NSSF Council Shares”	H Shares which may be required to be converted from the Domestic Shares held by the existing state-owned Domestic Shareholders and allocated to the NSSF Council pursuant to the applicable laws and regulations of the PRC
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement only, Hong Kong, Macau Special Administrative Region, and Taiwan
“Professional and Institutional Investor(s)”	the professional and institutional investor(s) independent of and not connected with the connected persons of the Company
“Proposed H Share Issue”	the proposed allotment and issue of not more than 579,617,218 additional H Shares (including the NSSF Council Shares) (representing not more than 20% of the existing total issued Shares as at the date of this announcement) to, save for the NSSF Council Shares, the Professional and Institutional Investor(s) by way of private placement
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of Domestic Shares and H Shares
“Shares”	Domestic Shares and H Shares
“%”	per cent.

For the purpose of this announcement, translations of RMB into Hong Kong dollars are made for illustration purposes only at the exchange rate of HK\$1.00 to RMB0.96.

By order of the Board of
CAPINFO COMPANY LIMITED*
Mr. Li Minji
Chairman

Beijing, The People’s Republic of China
18 February, 2009

As at the date hereof, the executive Directors are Dr. Wang Xu, Ms. Zhang Yan; the non-executive Directors are Mr. Li Minji, Mr. Xu Zhe, Mr. Qi Qigong, Mr. Pan Jiaren, Mr. Cao Jun, Ms. Lu Xiaobing and the independent non-executive Directors are Mr. Chen Jing, Mr. Ye Lu and Mr. Liu Dongdong.

This announcement, for which the Directors collectively and individually accept full responsibility, include particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at www.hkgem.com on the “ Latest Company Announcement ” page for at least 7 days from the date of its posting and on the Company’s website at www.capinfo.com.cn.

** For identification purpose only*