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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)

**Listing on the Growth Enterprise Market of
The Stock Exchange of Hong Kong Limited**

BY WAY OF PLACING OF H SHARES

**Number of H Shares
under the Placing** : 710,134,912 H Shares including
645,577,193 New H Shares and
64,557,719 Sale H Shares
(subject to the Over-allocation Option)

Placing Price : HK\$0.48 per H Share

Nominal value : RMB0.10 per H Share

Stock Code : 8157

Global Co-ordinator and Sponsor



Core Pacific – Yamaichi Capital Limited

Lead Manager



Core Pacific – Yamaichi International (H.K.) Limited

Co-Lead Manager

Nomura International (Hong Kong) Limited

Co-Managers

Phoenix Capital Securities Limited

**SBI E2-Capital Securities Limited
GC Capital (Asia) Limited
Kingsway SW Securities Limited**

**First Shanghai Securities Limited
JS Cresvale International Limited
OpenIBN (HK) Ltd.**

Unless the context otherwise requires, the terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus dated 17 December 2001 (the “Prospectus”) issued by Capinfo Company Limited (the “Company”).

SUMMARY

- The Placing of 742,498,000 H Shares (comprising 710,134,912 H Shares initially offered under the Placing and 32,363,088 H Shares placed pursuant to the partial exercise of the Over-allocation Option (the “Partial Over-allocation Placing”)) were approximately 3.66 times subscribed and have been conditionally allocated in full to 407 individuals, and professional and institutional investors. All of the placees are independent of and not connected with any of the Directors, chief executive, substantial shareholders or Initial Management Shareholders of the Company or associates of any of them as defined under the GEM Listing Rules.
- The Company will thus have a public float of approximately 25.9% of its enlarged registered share capital immediately following the Placing and the Partial Over-allocation Placing but before full exercise of the Over-allocation Option (assuming the options granted under the Share Option Scheme and the Pre-IPO Share Option Plan are not exercised). Should the Over-allocation Option be exercised in full, the Company’s public float will increase to approximately 27.8% of its enlarged registered share capital (assuming the options granted under the Share Option Scheme and the Pre-IPO Share Option Plan are not exercised).
- The Company and the Vendor have granted to the Placing Underwriters the Over-allocation Option, exercisable by Core Pacific – Yamaichi International (H.K.) Limited (“CPY International”) (on behalf of the Placing Underwriters) within 30 days from 17 December 2001, being the date of the Prospectus, to require the Company to issue up to 96,836,579 additional New H Shares, and the Vendor to sell up to 9,683,658 additional Sale H Shares, both at the Placing Price, which together represent approximately 15% of the total H Shares initially available under the Placing. In the event that, in addition to the Partial Over-allocation Option (comprising 29,420,989 new H Shares and 2,942,099 Sale H Shares), the Over-allocation Option is further exercised, an announcement will be made on the GEM website, and in South China Morning Post and in Hong Kong Economic Times.
- On 14 December 2001, the Company has entered into preferential placing arrangements only as to allocation with each of Beijing Enterprises and Pacific Millennium. Pursuant to the strategic placing agreements, Beijing Enterprises and Pacific Millennium have respectively agreed with the Company to subscribe for or purchase 48,000,000 and 32,000,000 Placing Shares respectively.
- Dealings in the H Shares on GEM are expected to commence at 10:00 a.m. on Friday, 21 December 2001. If there is any change to the expected timetable, an announcement will be made by the Company on the GEM website at www.hkgem.com.

THE STRATEGIC PLACING

On 14 December 2001, the Company has entered into preferential placing arrangements as to only allocation with each of Beijing Enterprises and Pacific Millennium. Pursuant to the strategic placing agreements, Beijing Enterprises and Pacific Millennium have respectively agreed with the Company to

subscribe for or purchase 48,000,000 and 32,000,000 Placing Shares respectively, representing approximately 1.67% and 1.12% respectively of the registered share capital of the Company immediately after completion of the Placing and the Partial Over-allocation Placing (assuming that the options granted under the Share Option Scheme and the Pre-IPO Share Option Plan are not exercised), through CPY International at the Placing Price (plus 1% brokerage, 0.005% Stock Exchange trading fee and 0.007% Securities and Futures Commission transaction levy) under the Placing.

Beijing Enterprises and Pacific Millennium have respectively undertaken with the Company, and have respectively agreed to give undertakings to CPY International that, without the prior written consent of the Company and CPY International, it will not for a period of six months from the Listing Date, directly or indirectly, dispose of any of their interests in the aforesaid Placing Shares.

LEVEL OF INTEREST

The 742,498,000 H Shares (comprising 710,134,912 H Shares initially offered under the Placing and 32,363,088 H Shares offered under the Partial Over-allocation Placing) were approximately 3.66 times subscribed, and have been conditionally issued or transferred in full to 407 individuals, and professional and institutional investors in Hong Kong and in certain other jurisdictions. Those places are independent of and not connected with any of the directors, management shareholders, substantial shareholders or chief executive of the Company or any of its subsidiaries or any of their respective associates.

No Placing Share has been allocated to any party or group of persons specified under Rule 10.12(4) of the GEM Listing Rules.

RESULTS OF ALLOCATIONS

Pursuant to the Placing, 742,498,000 H Shares will be held by a total of 407 places. The following table sets out the distribution of the 742,498,000 H Shares:

| | Aggregate number of Placing Shares held | Approximate percentage of the H Shares immediately after completion of the Placing and the Partial Over-allocation Placing (assuming the options granted under the Share Option Scheme and the Pre-IPO Share Option Plan are not exercised) | Approximate percentage of shareholding immediately after completion of the Placing and the Partial Over-allocation Placing (assuming the options granted under the Share Option Scheme and the Pre-IPO Share Option Plan are not exercised) |
|-------------------------------------|--|--|--|
| Top placee (Beijing Enterprises) | 48,000,000 | 6.46 | 1.67 |
| Top 5 placees | 201,084,000 | 27.08 | 7.01 |
| Top 10 placees | 337,418,000 | 45.44 | 11.77 |
| Top 25 placees | 543,962,000 | 73.26 | 18.97 |

The number of places and their respective range of shareholding are as follows:

| Number of Placing Shares | Number of Places |
|---------------------------------|-------------------------|
| 0 – 24,000 | 36 |
| 24,001 – 54,000 | 64 |
| 54,001 – 102,000 | 56 |
| 102,001 – 204,000 | 44 |
| 204,001 – 402,000 | 53 |
| 402,001 – 804,000 | 41 |
| 804,001 – 1,602,000 | 44 |
| 1,602,001 – 3,204,000 | 28 |
| 3,204,001 – 5,004,000 | 8 |
| 5,004,001 – 10,020,000 | 10 |
| 10,020,001 – 20,160,000 | 15 |
| 20,160,001 – 40,332,000 | 7 |
| 40,332,001 or above | 1 |
| Total | <u><u>407</u></u> |

There is a high concentration of the H Shares held by a small number of shareholders. The investors should be aware that the concentration of shareholders may affect the liquidity of the Placing Shares in the secondary market. Consequently, the shareholders and potential investors are advised to exercise extreme caution in dealing in the Placing Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

According to Rule 11.23(1) of the GEM Listing Rules, the Company is required to maintain a public float of not less than 25% of its registered share capital. Immediately following the Placing and the Partial Over-allocation Placing (assuming the options granted under the Share Option Scheme and the Pre-IPO Share Option Plan are not exercised), the Company will have a public float of approximately 25.9% of its enlarged registered share capital. Should the Over-allocation Option be exercised in full, the Company's public float will increase to approximately 27.8% of its enlarged registered share capital (assuming the options granted under the Share Option Scheme and the Pre-IPO Share Option Plan are not exercised).

DEPOSIT OF SHARE CERTIFICATES INTO CENTRAL CLEARING AND SETTLEMENT SYSTEM (“CCASS”)

Subject to the granting of the listing of, and permission to deal in, the H Shares on GEM as well as the compliance with the stock admission requirements of Hongkong Clearing, the H Shares will be accepted as eligible securities by Hongkong Clearing for deposit, clearance and settlement in CCASS with effect from the Listing Date. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The share certificates issued in respect of the Placing Shares have been deposited into CCASS on 20

December 2001 for credit to the respective CCASS investor participants stock accounts of the designated CCASS participants of the placees and will become valid certificates of title provided that the terms and conditions of termination as stated in the section headed “Grounds for termination” of the Prospectus have not been exercised thereto.

OVER-ALLOCATION OPTION

The Company and the Vendor have granted to the Placing Underwriters the Over-allocation Option, exercisable by Core Pacific – Yamaichi International (H.K.) Limited (“CPY International”) (on behalf of the Placing Underwriters) within 30 days from 17 December 2001, being the date of the Prospectus, to require the Company to issue up to 96,836,579 additional New H Shares, and the Vendor to sell up to 9,683,658 additional Sale H Shares, both at the Placing Price, which together represent approximately 15% of the total H Shares initially available under the Placing. In the event that, in addition to the Partial Over-allocation Option (comprising 29,420,989 new H Shares and 2,942,099 Sale H Shares), the Over-allocation Option is further exercised, an announcement will be made on the GEM website, and in South China Morning Post and in Hong Kong Economic Times.

COMMENCEMENT OF DEALINGS

Dealings in the H Shares on GEM are expected to commence at 10:00 a.m. on Friday, 21 December 2001. If there is any change to the expected timetable, an announcement will be made by the Company on the GEM website at www.hkgem.com.

By order of the Board
Capinfo Company Limited
Chen Xinxiang
Chairman

Hong Kong, 20 December 2001

* *For identification purposes only*

This announcement for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) 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 appear on the GEM website at www.hkgem.com for at least 7 days from the date of this posting.