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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: 8157)**

**DISCLOSEABLE TRANSACTION  
ENTRUSTED LOAN AGREEMENT**

**Financial Adviser**



**KBC BANK N.V. HONG KONG BRANCH**

**THE ENTRUSTED LOAN AGREEMENT**

The Company is pleased to announce that on 25 September 2009, the Company, Beijing Motor and China Minsheng entered into the Entrusted Loan Agreement, pursuant to which China Minsheng will, on behalf of the Company, extend the Entrusted Loan of RMB100.0 million (equivalent to approximately HK\$113.6 million) to Beijing Motor. Beijing Motor has also provided a letter of guarantee to the Company, pursuant to which Beijing Motor agreed to guarantee the repayment of the Entrusted Loan with the dividend to be declared by Beijing Motor Investment and attributable to Beijing Motor for the year ending 31 December 2009.

**IMPLICATIONS OF THE GEM LISTING RULES**

The transaction contemplated under the Entrusted Loan Agreement represents the granting of a financial assistance and an advance by the Company to Beijing Motor under Rules 19.04(1)(e) and 17.15 of the GEM Listing Rules, respectively. Since the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Entrusted Loan are more than 5% but less than 25%, the entering into of the Entrusted Loan Agreement constitutes a discloseable transaction under the GEM Listing Rules. Given that the Entrusted Loan also represents more than 8% of the consolidated total asset value of the Company as at 30 June 2009, the Entrusted Loan is also subject to the disclosure requirements under Rule 17.17 of the GEM Listing Rules.

## **THE ENTRUSTED LOAN AGREEMENT**

### **Date**

25 September 2009

### **Parties to the Entrusted Loan Agreement**

**Trustee** : China Minsheng

**Lender** : the Company

**Borrower** : Beijing Motor

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, both China Minsheng and Beijing Motor are Independent Third Parties.

### **Major terms of the Entrusted Loan Agreement**

#### *Terms of the Entrusted Loan*

China Minsheng will, on behalf of the Company, extend the Entrusted Loan in the amount of RMB100.0 million, which is to be financed by the internal resources of the Company, to Beijing Motor. The Entrusted Loan shall only be used as the general working capital of Beijing Motor and has a term of 1 year commencing on 25 September 2009. The entire principal shall become repayable upon expiry of the Entrusted Loan.

#### *Interest rate*

The interest rate of the Entrusted Loan will be at a discount of 15% to the one-year benchmark lending rate by financial institutions (which is 5.31% as at the date of this announcement) published by the People's Bank of China in the corresponding period. Interest shall be payable quarterly to the Company by Beijing Motor and calculated based on the number of days in the relevant quarters. The entire interest income, calculated under the current one-year benchmark lending rate, will amount to approximately RMB4.51 million (equivalent to approximately HK\$5.13 million). Should Beijing Motor fail to repay the interest or principal on the specified date or change the designated use of the Entrusted Loan without the consent of the Company, a penalty interest at the rate of 115% of the one-year benchmark lending rate will be charged on the Entrusted Loan commencing on the date of occurrence of the aforesaid events until the full repayment of the outstanding principal and interest.

### *Handling Fee*

A one-off 0.03% of the principal of the Entrusted Loan will be payable to China Minsheng within 5 business days after the execution of the Entrusted Loan Agreement as the handling fee for its services of extending the Entrusted Loan and collecting the principal and the interest of the Entrusted Loan.

### *Guarantee*

The Entrusted Loan will be secured by the dividend to be declared by Beijing Motor Investment and attributable to Beijing Motor for the year ending 31 December 2009.

## **REASONS AND BENEFITS OF THE ENTERING INTO OF THE ENTRUSTED LOAN AGREEMENT**

### **Background of the Company**

The Group is principally engaged in the provision of information technology services in China. In September 2008, the Company entered into a trust arrangement for extending a one-year entrusted loan in the amount of RMB92 million to a third party. As disclosed in the interim report for the six months ended 30 June 2009, the aforesaid entrusted loan was fully repaid on 24 July 2009 in addition to the Group's bank and cash balances of approximately RMB338 million as at 30 June 2009. Having considered the facts that (i) the excessive cash level of the Group after the aforesaid entrusted loan was fully repaid in July 2009; (ii) the extension of part of its excess cash in the form of entrusted loan is in the ordinary and usual course of business of the Company to enhance return to the shareholders of the Company; (iii) the interest rate is based on normal commercial terms; and (iv) the guarantee provides additional protection against the default risk of the Entrusted Loan, the Directors are of the view that the terms of the Entrusted Loan Agreement are fair and reasonable and the entering into the Entrusted Loan Agreement is in the interests of the Company and its shareholders as a whole.

### **Implications of the GEM Listing Rules**

The transaction contemplated under the Entrusted Loan Agreement represents the granting of a financial assistance and an advance by the Company to Beijing Motor under Rules 19.04(1)(e) and 17.15 of the GEM Listing Rules, respectively. Since the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Entrusted Loan are more than 5% but less than 25%, the entering into of the Entrusted Loan Agreement constitutes a discloseable transaction under the GEM Listing Rules. Given that the Entrusted Loan also represents more than 8% of the consolidated total asset value of the Company as at 30 June 2009, the Entrusted Loan is also subject to the disclosure requirements under Rule 17.17 of the GEM Listing Rules.

## Definitions

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

- “Beijing Motor” : 北京汽車工業控股有限責任公司 (Beijing Motor Industrial Holdings Co., Ltd.\*), a state-owned company incorporated in China with limited liability
- “Beijing Motor Investment” : 北京汽車投資有限公司 (Beijing Motor Investment Co., Ltd.\*), a non-wholly owned subsidiary of Beijing Motor, whose principal investment is its 50% equity interest in Beijing Hyundai Motor Company Corporation (北京現代汽車有限公司)
- “China” : the People’s Republic of China, which for the purpose of this announcement, excludes the Hong Kong Special Administrative Region of China, the Macau Special Administrative Region of China and Taiwan
- “China Minsheng” : 中國民生銀行北京西直門支行 (China Minsheng Banking Beijing Xizhimen Sub-branch\*), a sub-branch of China Minsheng Banking Corp., Ltd. (中國民生銀行股份有限公司), which is a bank incorporated in China and under the direct supervision of the China Banking Regulatory Commission
- “Company” : 首都信息發展股份有限公司 (Capinfo Company Limited\*), a joint stock limited company incorporated in China, of which the overseas listed foreign share(s) of RMB0.10 each in its share capital are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
- “Directors” : the directors of the Company
- “Entrusted Loan” : the entrusted loan under the Entrusted Loan Agreement
- “Entrusted Loan Agreement” : the entrusted loan agreement dated 25 September 2009 entered into among the Company, Beijing Motor and China Minsheng in respect of the Entrusted Loan
- “GEM Listing Rules” : the 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

- “Independent Third Party(ies)” : person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the Directors’ best knowledge, information and belief, having made all reasonable enquiries, are third parties independent of and not connected with the Company and its subsidiaries and any director, chief executive or substantial shareholders of the Company and its subsidiaries or any of their respective associates
- “HK\$” : Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of China
- “RMB” : Renminbi, the lawful currency of China
- “%” : Percent

*All amounts in RMB in this announcement have been translated in HK\$ at a rate of RMB 1.000 = HK\$1.136 for illustration purpose only.*

By Order of the Board of Directors  
**Capinfo Company Limited\***  
**Dr. Li Minji**  
*Chairman*

Beijing, The People’s Republic of China, 25 September 2009

*As at the date hereof, the executive Director is Dr. Wang Xu; the non-executive Directors are Dr. Li Minji, Ms. Sun Jing, Ms. Li Zhi, Mr. Pan Jiaren, Mr. Cao Jun, Mr. Qi Qigong, Ms. Lu Xiaobing and the independent non-executive Directors are Mr. Chen Jing, Dr. Wang Huacheng and Mr. Gong Zhiqiang.*

*This announcement, for which the Directors collectively and individually accept full responsibilities, 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: (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.*

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\* *for identification purposes only*