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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)

ANNOUNCEMENT

The Board is pleased to announce that on 21 January 2013, the Company entered into the 2013 Entrusted Cash Management Contract, pursuant to which the Company has engaged Huaneng Trust as the trustee to manage a sum of RMB150.00 million (equivalent to approximately HK\$186.00 million) on a discretionary basis for a term commencing from 21 January 2013 to 27 December 2013 on an expected annualised return of up to 10.00% per annum (after the deduction of trust expenses) on the Trust Investment.

On the even date, the Company entered into the 2013 Guarantee Agreement with Golden Regal for guarantee of the repayment of the Trust Investment by Huaneng Trust.

References are made to the announcements of Capinfo Company Limited* (the “**Company**”) dated 3 June 2010, 24 March 2011 and 13 April 2012 (the “**Announcements**”) in relation to, among others, the entering into of a number of entrusted cash management agreements 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 2013 ENTRUSTED CASH MANAGEMENT CONTRACT

Background:

As the 2012 Entrusted Cash Management Contract had expired on 27 December 2012, the Company entered into a new entrusted cash management agreement (the “**2013 Entrusted Cash Management Contract**”) with Huaneng Trust on 21 January 2013.

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 2013 Entrusted Cash Management Contract, the Company has engaged Huaneng Trust (a non-bank financial institution established in the People's Republic of China (the "PRC") and under the supervision of the China Banking Regulatory Commission) as trustee to manage a sum of RMB150.00 million (equivalent to approximately HK\$186.00 million) (the "Trust Investment") on a discretionary basis for a term commencing from 21 January 2013 to 27 December 2013 on an expected annualised return of up to 10.00% 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.

Trust expenses and incentive fee

Huaneng Trust will charge trust expenses of approximately 1.00% of the Trust Investment per annum and will receive all investment return in excess of the aforesaid annualised return of 10.00% per annum (after the deduction of trust expenses) as incentive fee.

THE 2013 GUARANTEE AGREEMENT

As an additional security to ensure the repayment of the Trust Investment, on the even date, the Company had entered into a guarantee agreement (the "2013 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 financial guarantee. Pursuant to the 2013 Guarantee Agreement, upon the termination of the 2013 Entrusted Cash Management Contract, if the residual balance of the trust assets received by the Company (as the beneficiary) is lower than the sum of (i) the Trust Investment actually paid by the Company; and (ii) the interest of the fixed bank deposits during the same period, Golden Regal will provide guarantee to the Company and be responsible for the aforesaid amount shortage. The Company shall pay Golden Regal a fee of RMB1.50 million (equivalent to approximately HK\$1.86 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 2013 ENTRUSTED CASH MANAGEMENT CONTRACT AND THE 2013 GUARANTEE AGREEMENT

The Group is an IT and service supplier, which is principally engaged in software development, IT planning and consulting and IT operation and maintenance and services. The Company has from time to time entered into arrangements with financial institutions in the PRC to manage its surplus cash in

accordance with its cash management policy, such as the entering into of the entrusted cash management agreements with Huaneng Trust in the past. Having considered (i) the Group's substantial bank deposits, bank balances and cash of approximately RMB345.05 million (equivalent to approximately HK\$427.86 million) as at 30 June 2012; (ii) the anticipated relatively attractive return offered under the 2013 Entrusted Cash Management Contract of up to 10.00% when compared to the most current one-year benchmark time deposit rate of 3.00% set by the People's Bank of China; and (iii) the guarantee provided by Golden Regal, the directors of the Company are of the view that the entering into of the 2013 Entrusted Cash Management Contract and the 2013 Guarantee Agreement are in the interests of the Company and its shareholders as a whole.

By order of the Board
CAPINFO COMPANY LIMITED*
Mr. Xu Zhe
Chairman

Beijing, the PRC, 21 January 2013

As of the date hereof, the executive director of the Company is Dr. Wang Xu; the non-executive directors are Mr. Xu Zhe, Ms. Zhang Kaihua, Mr. Lu Lei, Mr. Pan Jiaren, Mr. Shi Hongyin, Ms. Lu Xiaobing, and Ms. Hu Sha and the independent non-executive directors are Mr. Chen Jing, Ms. Zhou Liye, Mr. Zeng Xianggao and Mr. Gong Zhiqiang.

Unless otherwise specified in this announcement, amounts denominated in RMB has been converted, for illustrative purpose only, into HK\$ at exchange rate of RMB1.00 = HK\$1.24. Such exchange rate is for the purpose of illustration only and do not constitute a representation that any amount has been, could have been or may be converted at the above exchange rate and any other exchange rates or at all.

This announcement is published on the website of the Company (www.capinfo.com.cn) and the designated issuer website of the Stock Exchange (www.hkexnews.hk).

* For identification purpose only