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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: 1075)

**ADJUSTMENTS TO PHASE II CONSIDERATION
IN RELATION TO
A MAJOR TRANSACTION**

Reference is made to the announcement of Capinfo Company Limited (the “**Company**”) dated 21 July 2014 and the circular of the Company dated 25 August 2014 (the “**Circular**”) in relation to proposed acquisition of the entire equity interests in the Target Company. Unless otherwise stated, capitalised terms used in this announcement should have the same meaning as those defined in the Circular.

Pursuant to the Share Transfer Agreement, the Consideration is subject to adjustments with reference to the guarantee provided by the Vendors severally on the 2014/2015/2016 Guaranteed Profit (i.e. 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 Board wishes to announce that the audited net profit after tax (excluding extraordinary items) of the Target Company for the year ended 31 December 2014 and the year ended 31 December 2015 were RMB24,854,135.27 and RMB28,682,972.91 respectively. Therefore, the 2014/2015 Actual Profit was RMB53,537,108.18, representing approximately 89.14% of the sum of the 2014/2015 Guaranteed Profit.

The Target Company’s failure to meet 100% of the sum of the 2014/2015 Guaranteed Profit was mainly due to the slowdown in tender process of key customers, which adversely impacted the Target Company’s revenue for the two years ended 31 December 2015.

* *For identification purpose only*

Pursuant to the Share Transfer Agreement, 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

Based on the above formula, the Phase II Consideration is adjusted from RMB97,600,000 to RMB 88,635,428 (the “**Adjusted Phase II Consideration**”).

In accordance with the Share Transfer Agreement, the Company entered into the settlement agreement (the “**Phase II Settlement Agreement**”) on 30 June 2016 with the Vendors for the execution of the Phase II Transfer. Pursuant to the Phase II Settlement Agreement, the entire Adjusted Phase II Consideration of RMB88,635,428 will be payable to the Vendors by 31 August 2016.

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

Beijing, the PRC, 8 July 2016

As of the date hereof, the executive director of the Company is Mr. Lu Lei; the non-executive directors of the Company are Mr. Xu Zhe, Dr. Feng Hao Cheng, Mr. Cao Jun, Mr. Zhou Weihua, Mr. Shan Yuhu and Ms. An Lili, and the independent non-executive directors of the Company are Ms. Zhou Liye, Mr. Gong Zhiqiang, Mr. Cheung, Wai Hung Boswell and Mr. Li He.