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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 incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 1075)**

**DISCLOSEABLE AND CONNECTED TRANSACTION  
IN RELATION TO  
THE CONSTRUCTION PROJECT FOR BEIJING AIYUHUA HOSPITAL**

**Financial adviser to the Company**



普頓資本有限公司  
PROTON CAPITAL LIMITED

**THE FORMAL AGREEMENT**

The Company entered into the Formal Agreement with Guotong Xintai on 23 May 2013 (after trading hours) in respect of the Construction Project, pursuant to which, the Company has conditionally agreed to undertake the Construction Project at the Service Fee of RMB33,786,778.33.

**LISTING RULES IMPLICATIONS**

As one of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules exceeds 5% but are less than 25%, the transaction contemplated under the Formal Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

Guotong Xintai is beneficially owned as to 80.80% by BSAM, the controlling shareholder of the Company which is interested in approximately 63.31% of the issued share capital of the Company. Therefore, Guotong Xintai is a connected person of the Company and the transaction contemplated under the Formal Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and subject to the reporting, announcement and independent shareholders' approval requirements.

The EGM will be convened at which resolution will be proposed to seek the Independent Shareholders' approval of, among other things, the Formal Agreement and the transaction contemplated thereunder. BSAM and its associates who are Shareholders will abstain from voting on the relevant resolution at the EGM.

## **GENERAL**

A circular containing details regarding, among others, (i) the Formal Agreement and the transaction contemplated thereunder; (ii) the recommendation from the Independent Board Committee in respect of the Formal Agreement; (iii) the advice from Guangdong Securities to the Independent Board Committee and the Independent Shareholders; (iv) the notice of the EGM; and (v) other information required under the Listing Rules, will be despatched to the Shareholders as soon as possible, which is expected to be on or before 14 June 2013.

Reference is made to the announcement of the Company dated 24 April 2013 regarding the Construction Project.

On 24 April 2013, the Company received notification from Beijing International Tendering that the Company successfully won the tender for the Construction Project at the bid price of RMB33,786,778.33.

The Company entered into the Formal Agreement with Guotong Xintai on 23 May 2013 (after trading hours) in respect of the Construction Project, pursuant to which, the Company has conditionally agreed to undertake the Construction Project at the Service Fee of RMB33,786,778.33.

## **THE FORMAL AGREEMENT**

The principal terms of the Formal Agreement are summarized as follows:

### **Date:**

23 May 2013

### **Parties:**

The Company

Guotong Xintai

Guotong Xintai is a company established in the PRC and is beneficially owned as to 80.80% by BSAM, the controlling shareholder of the Company. Therefore, Guotong Xintai is a connected person of the Company under the Listing Rules.

## **Subject matter**

The provision of services related to the Construction Project by the Company. In particular, the construction of the necessary information technology infrastructure and application system before the commencement of the trial operation of Beijing Aiyuhua Hospital, including, among other things, the provision of equipment procurement, software development, system integration and the overall design services and the construction of infrastructure related to the hospital information system, electronic medical records system, machinery room, system and network.

## **Term**

The construction period for the Construction Project is expected to be approximately 14 months.

## **Service Fee**

The Service Fee payable by Guotong Xintai for the Construction Project is RMB33,786,778.33, being the bid price. The Service Fee was determined by the Company with reference to the prevailing market price and the estimated cost to be incurred under the Construction Project. The Service Fee shall be payable by Guotong Xintai in the following manners:

- (i) as to RMB10,136,033.50 payable in cash within five Business Days upon the Formal Agreement becoming effective;
- (ii) as to RMB16,893,389.17 payable in cash within five Business Days upon the Construction Project (after completion) passing the preliminary acceptance check; and
- (iii) as to RMB6,757,355.66 payable in cash within five Business Days upon the Construction Project (after completion) passing the final acceptance check.

The Company shall provide RMB1,689,338.92 to Guotong Xintai as the performance security deposit, being 5% of the Service Fee, within 30 days upon the signing of the Formal Agreement. Should the Company fail to fulfill its obligations under the Formal Agreement, the performance security deposit shall be used to compensate Guotong Xintai for the damages it may cause. The performance security deposit will be refunded to the Company within 30 days upon completion of the Formal Agreement.

## **Condition precedent**

The Formal Agreement shall be effective upon obtaining all the approvals for entering into the Formal Agreement and the transaction contemplated thereunder, including but not limited to, the Independent Shareholders' approval in accordance with the Listing Rules.

## **Other terms**

Pursuant to the Formal Agreement:

- (i) within one year after the Construction Project passing the final acceptance check, the Company will provide maintenance services free of charge, including phone support, system breakdown troubleshooting, remote technical support, regular follow-up, system software upgrade and on-site services. Thereafter, the Company may negotiate with Guotong Xintai for further maintenance service with maintenance fee to be determined; and
- (ii) both parties to the Formal Agreement agreed to co-operate with the independent supervising unit which monitor the execution of the Construction Project.

## **INFORMATION OF BEIJING AIYUHUA HOSPITAL**

Beijing Aiyuhua Hospital is currently under construction by Guotong Xintai and located in 北京經濟技術開發區 (Beijing Economic-Technological Development Area\*), Beijing, the PRC. Beijing Aiyuhua Hospital would provide comprehensive medical and health management services including but not limited to prenatal care, obstetrics, pediatrics; and children health management services upon full operation.

As at the date of this announcement, Guotong Xintai is an investment holding company beneficially owned as to 80.80% by BSAM, the controlling shareholder of the Company. As such, Guotong Xintai is a connected person of the Company.

## **REASONS FOR THE ENTERING INTO OF THE FORMAL AGREEMENT**

The principal activities of the Group consist of the provision of information technologies and services supply including system integration, software development, IT planning and consultancy, IT operation and maintenance, etc.

Guotong Xintai is a company established in the PRC with limited liability and is principally engaged in investment management.

The Directors consider that the Construction Project is conducted in the ordinary and usual course of business of the Group and would generate revenue for the Group. In addition, the Directors expect that the Company would further integrate its ability in the construction, operation and maintenance of hospital information technology system and be familiar with the business and operation of hospital through the Construction Project. Hence, the Construction Project will be a signature project for the Company and lay a solid foundation for the Company to enter into the field of high-end hospital information technology system construction in the future.

The Directors (excluding the independent non-executive Directors who will express their opinion after taking into account the advice from Guangdong Securities) are of the view that the terms of the Formal Agreement are fair and reasonable and on normal commercial terms, and the entering into of the Formal Agreement is in the interests of the Company and the Shareholders as a whole.

Save and except for Mr. Xu Zhe (Chairman), Ms. Zhang Kaihua and Mr. Lu Lei, all being non-executive Directors and hold offices at BSAM, none of the Directors had any material interest in the Formal Agreement. Accordingly, Mr. Xu Zhe, Ms. Zhang Kaihua and Mr. Lu Lei had abstained from voting on the Board resolutions on approving the participation in and bidding for the tender for the Construction Project and the Formal Agreement.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules exceeds 5% but are less than 25%, the transaction contemplated under the Formal Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

Guotong Xintai is beneficially owned as to 80.80% by BSAM, the controlling shareholder of the Company which is interested in approximately 63.31% of the issued share capital of the Company. Therefore, Guotong Xintai is a connected person of the Company and the transaction contemplated under the Formal Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and subject to the reporting, announcement and independent shareholders' approval requirements. BSAM and its associates will be required to abstain from voting at the EGM in respect of the Formal Agreement.

## **GENERAL**

The Independent Board Committee comprising all of the independent non-executive Directors has been established to advise the Independent Shareholders in relation to the Formal Agreement and the transaction contemplated thereunder. Guangdong Securities has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Formal Agreement.

The EGM will be convened at which resolution will be proposed to seek the Independent Shareholders' approval of, among other things, the Formal Agreement and the transaction contemplated thereunder. BSAM and its associates who are Shareholders will abstain from voting on the relevant resolution(s) to approve the transaction contemplated under Formal Agreement at the EGM.

A circular containing details regarding, among others, (i) the Formal Agreement and the transaction contemplated thereunder; (ii) the recommendation from the Independent Board Committee in respect of the Formal Agreement; (iii) the advice from Guangdong Securities to the Independent Board

Committee and the Independent Shareholders; (iv) the notice of the EGM; and (v) other information required under the Listing Rules, will be despatched to the Shareholders as soon as possible, which is expected to be on or before 14 June 2013.

## DEFINITIONS

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

“associates”	has the meaning ascribed to it under the Listing Rules
“Beijing Aiyuhua Hospital”	北京愛育華婦兒醫院 (Beijing Aiyuhua Hospital for Children and Women*), a hospital under construction by Guotong Xintai
“Beijing International Tendering”	北京國際招標有限公司 (Beijing International Tendering Co., Ltd.*), a specialised tendering company in the PRC
“Board”	the board of the directors of the Company
“BSAM”	北京市國有資產經營有限責任公司 (Beijing State-Owned Assets Management Corporation Limited*), a company established in the PRC and is wholly-owned by the Beijing Municipal Government, being the controlling shareholder of the Company
“Business Day”	a day on which banks in Hong Kong are open to conduct business generally throughout their normal business hours, excluding Saturdays, Sundays, public holidays and days on which a typhoon cyclone warning no. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. on weekdays
“Company”	首都信息發展股份有限公司 (Capinfo Company Limited*), a joint stock limited company established in the PRC, the overseas listed foreign share(s) of RMB0.10 each in the share capital of the Company are listed on the Main Board of the Stock Exchange (Stock code: 1075)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules and the word “connected” shall be construed accordingly
“Construction Project”	the construction of an integrated information system in Beijing Aiyuhua Hospital
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules

“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting to be convened and held for the purposes of considering and, if thought fit, approving the Formal Agreement and the transaction contemplated thereunder
“Formal Agreement”	the formal agreement entered into between the Company and Guotong Xintai in relation to the Construction Project
“Group”	the Company and its subsidiaries
“Guangdong Securities” or “Independent Financial Adviser”	Guangdong Securities Limited, a licensed corporation to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the Securities and Futures Ordinance and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Formal Agreement and the transaction contemplated thereunder
“Guotong Xintai”	北京國通鑫泰投資管理有限公司 (Beijing Guotong Xintai Investment Management Company Limited*), a company established in the PRC with limited liability and is beneficially owned as to 80.80% by BSAM
“Independent Board Committee”	an independent committee of the Board which comprises Mr. Chen Jing, Ms. Zhou Liye, Mr. Zeng Xianggao and Mr. Gong Zhiqiang
“Independent Shareholders”	Shareholders other than BSAM and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Service Fee”	the service fee of approximately RMB33,786,778.33 payable by Guotong Xintai to the Company for the Construction Project pursuant to the Formal Agreement
“Shares”	ordinary share(s) of RMB0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

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

Beijing, the PRC, 23 May 2013

*As of the date hereof, the executive Director 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.*

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*If there is any inconsistency between the Chinese names of the PRC entities mentioned in this announcement and their English translations, the Chinese names shall prevail.*

*In the event of any inconsistency, the English text of this announcement shall prevail over the Chinese text.*

\* For identification purposes only