

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement does not constitute an offer to buy, or the solicitation of an offer to sell or subscribe for, any securities or an invitation to enter into an agreement to do any such things, nor is it calculated to invite any offer to buy, sell or subscribe for any securities.*



## **CHINAINFO HOLDINGS LIMITED**

**神州資訊控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8206)**

### **Placing agent**



- (1) PLACING OF CONVERTIBLE BONDS;**
- (2) PLACING OF EXISTING SHARES; AND**
- (3) SUBSCRIPTION FOR NEW SHARES**

#### **CB Placing Agreement**

On 10 May 2005, the Company entered into the CB Placing Agreement with the Placing Agent for the placing of the Convertible Bonds, on a best efforts basis, up to a maximum principal amount of HK\$5 million. The conversion price of the Convertible Bonds is HK\$0.42 per Share (subject to adjustment).

Completion of the CB Placing is subject to the fulfillment of certain conditions which include, inter alia, the granting of the listing of, and permission to deal in, the Conversion Shares on GEM by the Listing Committee of the Stock Exchange.

#### **Placing Agreement**

On 10 May 2005, the Vendor entered into the Placing Agreement with the Placing Agent for the placing of up to a maximum of 50 million existing Shares owned by the Vendor at a price of HK\$0.40 per Placing Share on a best efforts basis. The Placing Price represents (i) a discount of approximately 2.4% to the closing price of HK\$0.41 per Share as quoted on GEM on 10 May 2005, being the date of

\* For identification purpose only

the Placing Agreement and the last trading day of the Shares on GEM prior to the suspension of the trading in the Shares on GEM pending the release of this announcement; (ii) a discount of approximately 2.7% to the average closing price of approximately HK\$0.411 per Share for the last 10 consecutive trading days up to and including 10 May 2005 as quoted on GEM; and (iii) a premium of approximately 9.6% over the average closing price of approximately HK\$0.365 per Share for the last 30 consecutive trading days up to and including 10 May 2005 as quoted on GEM.

Assuming all the 50 million Placing Shares are successfully placed, the Placing Shares will represent (i) approximately 12.4% of the existing issued share capital of the Company; and (ii) approximately 11.1% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

### **Subscription Agreement**

On 10 May 2005, the Vendor has also entered into the Subscription Agreement with the Company to subscribe for the Subscription Shares which is equal to the number of the Placing Shares successfully placed under the Placing, at the Subscription Price of HK\$0.40 per Subscription Share, being the same as the Placing Price.

As at the date of this announcement, Ms. Chan was beneficially interested in approximately 26.72% of the Company's existing issued share capital. Assuming all the 50 million Placing Shares are successfully placed, the shareholding interest of Ms. Chan in the Company will be reduced to approximately 14.27% of the Company's existing issued share capital immediately after the completion of the Placing. Immediately after completion of the Subscription, the shareholding interest of Ms. Chan in the Company will increase to approximately 23.76% of the Company's issued share capital as enlarged by the issue of the Subscription Shares.

In addition, immediately after completion of the Placing and the Subscription and assuming 11,904,761 Conversion Shares are to be issued upon the full conversion of the Convertible Bonds of HK\$5 million at the conversion price of HK\$0.42 per Share, the shareholding interest of Ms. Chan in the Company will be approximately 23.15% of the Company's issued share capital as enlarged by the issue of the Conversion Shares and the Subscription Shares.

The Company has not conducted any fund raising activities during the 12 months immediately preceding the date of the CB Placing Agreement, the Placing Agreement and the Subscription Agreement. Assuming that the 50 million Subscription Shares are fully subscribed, the gross proceeds from the Subscription will be HK\$20 million. In addition, assuming that the Convertible Bonds are fully placed, the gross proceeds from the CB Placing will be HK\$5 million.

Assuming that (i) 50 million Subscription Shares are fully subscribed; and (ii) the Convertible Bonds are fully placed, the aggregate net proceeds from the Subscription and the CB Placing will be approximately HK\$24.0 million. The Group intends to use such net proceeds as its general working capital.

Further announcement will be made by the Company in respect of completion of the CB Placing Agreement, the Placing Agreement and the Subscription Agreement.

## **Suspension and resumption of trading in the Shares on GEM**

Trading in the Shares on GEM was suspended with effect from 9:30 a.m. on Wednesday, 11 May 2005 at the request of the Company pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares on GEM with effect from 9:30 a.m. on Thursday, 12 May 2005.

### **CB PLACING AGREEMENT DATED 10 MAY 2005**

#### **1. Parties to the CB Placing Agreement**

Issuer : The Company

The Placing Agent : Tai Fook Securities Company Limited, an Independent Third Party

The conversion price of the Convertible Bonds was fixed on the date of the CB Placing Agreement. The placing commission under the CB Placing Agreement is 2.0% of the amount of the Convertible Bonds successfully placed through the Placing Agent pursuant to the CB Placing Agreement.

#### **2. CB Placing**

The Convertible Bonds will be placed to a CB Placee (Mr. Kong Yun Kan, being an Independent Third Party) through the Placing Agent on a best efforts basis.

#### **3. Principal terms of the Convertible Bonds**

Issuer : The Company

Principal amount : Up to a maximum principal amount of HK\$5,000,000

Conversion price : HK\$0.42 per Share (subject to adjustment as a result of, among others, any consolidation or sub-division of the Shares, the issue of (other than in lieu of a cash dividend) any Shares by the Company credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund), rights issue, grant of share options or warrants), representing:

- (i) a premium of approximately 2.4% over the closing price of HK\$0.41 per Share as quoted on GEM as at 10 May 2005, being the date of the CB Placing Agreement and the last trading day of the Shares on GEM prior to the suspension of the trading in the Shares on GEM pending the release of this announcement;

- (ii) a premium of approximately 2.2% over the 10-day average closing price of approximately HK\$0.411 per Share for the last 10 consecutive trading days up to and including 10 May 2005 as quoted on GEM; and
- (iii) a premium of approximately 15.1% over the 30-day average closing price of approximately HK\$0.365 per Share for the last 30 consecutive trading days up to and including 10 May 2005 as quoted on the GEM.

The Conversion Price was determined after arm's length negotiations between the parties to the CB Placing Agreement.

Interest	:	4% per annum, payable semi-annually in arrears. Such interest rate was determined after arm's length negotiations between the parties to the CB Placing Agreement.
Conversion period	:	The Convertible Bonds may be converted in whole or in part at any time following the date of issue of the Convertible Bonds before the maturity date of the Convertible Bonds.
Maturity	:	The Company shall redeem the outstanding principal amount of the Convertible Bonds, together with interest accrued from the last interest payment date up to and including the date of maturity, which is on the expiry date of two years from the date of issue of the Convertible Bonds or, if such expiry date is not a business day, the next following business day.
Shares to be issued upon conversion	:	The Conversion Shares to be issued upon conversion of the Convertible Bonds will rank pari passu in all respects with the Shares in issue on the date of conversion.
Voting rights	:	The holders of the Convertible Bonds will not have any right to attend or vote at any meetings of the Company by virtue of their being holders of the Convertible Bonds.
Listing	:	No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchanges. An application will be made by the Company for the listing of, and the permission to deal in, the Conversion Shares to be issued upon exercise of the conversion rights attaching to the Convertible Bonds on GEM.

The Convertible Bonds may not be assigned or transferred to the connected persons of the Company unless all the requirements under the GEM Listing Rules have been fully complied with to the satisfaction of the Stock Exchange. Based on the placing commission of 2.0% under the CB Placing Agreement, the maximum net amount of the Convertible Bonds to be received by the Company (after deduction of the 2.0% placing commission) will be HK\$4.9 million.

The Conversion Shares will be issued pursuant to the general mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 30 July 2004. The general mandate authorises the Company to allot and issue Shares from time to time not exceeding 20% of 400,000,000 Shares, being the aggregate number of the issued Shares as at 30 July 2004. As at the date of this announcement, the general mandate has not been utilised. Upon conversion of the Convertible Bonds in full and based on the conversion price of HK\$0.42 per Share (subject to adjustment), a maximum number of 11,904,761 Conversion Shares will be issued, which represents approximately 3.0% of the existing issued share capital of the Company and approximately 2.6% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares and the Subscription Shares.

#### **4. Conditions and completion of the CB Placing**

Completion of the CB Placing is conditional upon the fulfillment of the following conditions:–

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Conversion Shares on GEM; and
- (ii) no event having occurred or occurring which would constitute an event of default or a potential event of default under the terms of the Convertible Bonds had the Convertible Bonds been issued.

If the conditions are not fulfilled on or before 19 May 2005 (or such later date as the parties to the CB Placing Agreement may agree), the CB Placing Agreement will lapse.

Completion of the CB Placing is expected to take place on or before 23 May 2005.

### **PLACING AGREEMENT DATED 10 MAY 2005**

#### **1. Parties to the Placing Agreement**

The Vendor : Superhero Limited, a company which is wholly owned by Ms. Chan, an executive Director and the chairman of the Company

The Placing Agent : Tai Fook Securities Company Limited, an Independent Third Party

The Placing Price was fixed on the date of the Placing Agreement. The placing commission under the Placing Agreement is 2.0% of the amount of the Placing Shares successfully placed through the Placing Agent pursuant to the Placing Agreement. Based on the estimated expenses of approximately HK\$1.0 million to be incurred in the CB Placing, the Placing and the Subscription and assuming that (i) the Convertible Bonds of HK\$5 million are successfully placed through the Placing Agent pursuant to the CB Placing Agreement; and (ii) all 50,000,000 Placing Shares are successfully placed through the Placing Agent pursuant to the Placing Agreement, the net price of the Placing Shares (after deduction of the estimated expenses of approximately HK\$1.0 million to be incurred in the CB Placing, the Placing and the Subscription) will be approximately HK\$0.38 per Placing Share.

## 2. Principal terms of the Placing Agreement

Placing Shares : Up to a maximum of 50 million Shares will be placed through the Placing Agent to the Independent Third Party(ies) on a best efforts basis.

The Placing Shares represent approximately 12.4% of the existing issued share capital of the Company and approximately 11.1% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

Placing Price : HK\$0.40 per Share, representing:

(i) a discount of approximately 2.4% to the closing price of HK\$0.41 per Share as quoted on GEM as at 10 May 2005, being the date of the Placing Agreement and the last trading day of the Shares on GEM prior to the suspension of the trading in the Shares on GEM pending the release of this announcement;

(ii) a discount of approximately 2.7% to the 10-day average closing price of approximately HK\$0.411 per Share for the last 10 consecutive trading days up to and including 10 May 2005 as quoted on GEM; and

(iii) a premium of approximately 9.6% over the 30-day average closing price of approximately HK\$0.365 per Share for the last 30 trading days up to and including 10 May 2005 as quoted on the GEM.

The Placing Price was determined after arm's length negotiations between the parties to the Placing Agreement.

Placee(s) : Not less than six Placees. It is expected that no Placee will become a substantial shareholder (as defined under the GEM Listing Rules) of the Company as a result of completion of the Placing.

Completion : The Placing is not subject to any condition precedents. The Placing is expected to be completed on or before 19 May 2005.

## SUBSCRIPTION AGREEMENT DATED 10 MAY 2005

### 1. Parties to the Subscription Agreement

Subscriber : Superhero Limited, a company which is wholly owned by Ms. Chan, an executive Director and the chairman of the Company

Issuer : The Company

## 2. Principal terms of the Subscription Agreement

Subscription Shares : The number of new Shares to be subscribed by the Vendor shall be up to 50 million Shares and shall be equal to the number of the Placing Shares successfully placed under the Placing. Assuming all the 50 million Placing Shares are placed, the Subscription Shares will represent approximately 12.4% of the existing issued share capital of the Company and approximately 11.1% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

The Subscription Shares will be issued pursuant to the general mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 30 July 2004. The general mandate authorises the Company to allot and issue Shares from time to time not exceeding 20% of 400,000,000 Shares, being the aggregate number of the issued Shares as at 30 July 2004. As at the date of this announcement, the general mandate has not been utilised.

Subscription Price : HK\$0.40 per Share, which is the same as the Placing Price. The Subscription Price was fixed on the date of the Subscription Agreement.

Ranking : The Subscription Shares, when issued, will rank pari passu in all respects with the existing issued Shares as at the date of the Subscription Agreement.

Conditions : The Subscription is conditional upon:

- (i) completion of the Placing pursuant to the Placing Agreement; and
- (ii) the Listing Committee granting the listing of, and permission to deal in, the Subscription Shares on GEM.

In the event that any of the conditions is not fulfilled on or before 19 May 2005 or such later date as may be agreed between the parties to the Subscription Agreement pursuant to the Subscription Agreement, the Subscription Agreement will cease and terminate.

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares on GEM.

Completion : On or before 23 May 2005, being within 14 days from the date of the Placing Agreement. In the event the Subscription Agreement is not completed or terminated on or before 23 May 2005, the Company will comply with the relevant requirements under Chapter 20 of the GEM Listing Rules in relation to connected transactions.

## **REASONS FOR THE CB PLACING, THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS**

The Company is an investment holding company. The Group is principally engaged in the provision of (i) real-time financial news and up-to-date financial market commentaries and recommendations through multimedia; (ii) financial programme and video production services; and (iii) investor education on financial market in Hong Kong.

The Directors believe that the CB Placing and the Placing will enlarge the Company's investors base. The Company has not conducted any fund raising activities during the 12 months immediately preceding the date of the CB Placing Agreement, the Placing Agreement and the Subscription Agreement. Assuming all the 50 million Subscription Shares are fully subscribed, the gross proceeds from the Subscription will be HK\$20 million. In addition, assuming that the Convertible Bonds are fully placed, the gross proceeds from the CB Placing will be HK\$5 million. Assuming that (i) all the 50 million Subscription Shares are fully subscribed; and (ii) the Convertible Bonds are fully placed, the aggregate net proceeds from the Subscription and the CB Placing will be approximately HK\$24.0 million. The Group intends to use such net proceeds as its general working capital. The expenses to be incurred in the CB Placing, the Placing and the Subscription are estimated to be approximately HK\$1.0 million, which include placing commissions and other professional charges.

Further announcement will be made by the Company in respect of completion of the CB Placing Agreement, the Placing Agreement and the Subscription Agreement.

## EFFECT OF THE CB PLACING, PLACING AND SUBSCRIPTION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table summarises the effect the CB Placing, the Placing and the Subscription on the shareholding structure of the Company:

	As at the date of this announcement		Immediately after completion of the Placing but before completion of the Subscription (Note 1)		Immediately after completion of the Placing and the Subscription (Note 1)		Immediately after completion of the Placing and the Subscription and assuming the full conversion of the Convertible Bonds (Note 1)	
	Number of Shares held	%	Number of Shares held	%	Number of Shares held	%	Number of Shares held	%
Ms. Chan (Note 2)	107,319,195	26.72	57,319,195	14.27	107,319,195	23.76	107,319,195	23.15
Mr. Fu Shing Ki	97,001,144	24.15	97,001,144	24.15	97,001,144	21.47	97,001,144	20.92
Ms. Chan Wong Kam Fung, Cecilia	71,265,798	17.74	71,265,798	17.74	71,265,798	15.78	71,265,798	15.37
Sub-total	275,586,137	68.61	225,586,137	56.16	275,586,137	61.01	275,586,137	59.44
Public Shareholders	126,113,863	31.39	176,113,863	43.84	176,113,863	38.99	188,018,624	40.56
Total	401,700,000	100.00	401,700,000	100.00	451,700,000	100.00	463,604,761	100.00

### Notes:

1. Assuming no other changes in the shareholding structure of the Company after the date of this announcement.
2. Out of the 107,319,195 Shares beneficially owned by Ms. Chan as at the date of this announcement, 107,079,195 Shares were owned by Superhero Limited which is wholly owned by Ms. Chan as at the date of this announcement.

## SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

Trading in the Shares on GEM was suspended with effect from 9:30 a.m. on Wednesday, 11 May 2005 at the request of the Company pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares on GEM with effect from 9:30 a.m. on Thursday, 12 May 2005.

## DEFINITIONS

In this announcement, unless the content otherwise requires, the following expressions have the same meanings as set opposite thereto:

“associate(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“CB Placee(s)”	professional, institutional or other investor(s), who is/are the Independent Third Party(ies) procured by the Placing Agent to purchase the Convertible Bonds
“CB Placing”	the placing of the Convertible Bonds through the Placing Agent pursuant to the CB Placing Agreement on a best efforts basis
“CB Placing Agreement”	the placing agreement in relation to the CB Placing dated 10 May 2005 entered into between the Company and the Placing Agent
“Company”	Chinainfo Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
“connected person(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Conversion Shares”	new Shares falling to be issued upon conversion of the Convertible Bonds
“Convertible Bonds”	convertible Bonds to be issued by the Company to the CB Placee(s) up to a maximum principal amount of HK\$5,000,000 pursuant to the terms and conditions of the CB Placing Agreement
“Directors”	directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a person(s) or company(ies) who/which and the ultimate beneficial owner(s) of which (where applicable) is/are independent of and not connected with the directors, chief executive, substantial shareholders (as defined under the GEM Listing Rules) and management shareholders (as defined under the GEM Listing Rules) of the Company or its subsidiaries or any of their respective associates, and is/are not connected person(s) of the Company

“Listing Committee”	the listing sub-committee of the Stock Exchange
“Ms. Chan”	Ms. Chan Tan Lui, Danielle, an executive Director and the chairman of the Company and is beneficially interested in approximately 26.72% of the issued share capital of the Company prior to the Placing
“Placee(s)”	professional, institutional or other investor(s), who is/are the Independent Third Party(ies) procured by the Placing Agent to purchase the Placing Shares
“Placing”	the placing of the Placing Shares by the Vendor through the Placing Agent pursuant to the Placing Agreement on a best efforts basis
“Placing Agent”	Tai Fook Securities Company Limited, a licensed corporation to carry out Types 1, 3 and 4 regulated activities for the purpose of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the placing agent for the CB Placing and the Placing
“Placing Agreement”	the placing agreement dated 10 May 2005 in relation to the Placing entered into between the Vendor and the Placing Agent
“Placing Price”	the placing price pursuant to the Placing Agreement, being HK\$0.40 per Share
“Placing Shares”	up to a maximum of 50 million existing Shares to be placed by the Vendor through the Placing Agent under the Placing Agreement
“PRC”	the People’s Republic of China, and, for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of a nominal value of HK\$0.01 each in the issued capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	subscription for the Subscription Shares by the Vendor pursuant to the Subscription Agreement
“Subscription Agreement”	the agreement dated 10 May 2005 entered into between the Vendor and the Company in relation to the Subscription
“Subscription Price”	the subscription price pursuant to the Subscription Agreement, being HK\$0.40 per Share

“Subscription Shares”	up to a maximum of 50 million new Shares to be subscribed by the Vendor pursuant to the Subscription Agreement, which will be equal to the number of the Placing Shares successfully placed under the Placing
“Vendor”	Superhero Limited, a company incorporated in Samoa with limited liability and is wholly owned by Ms. Chan, being the vendor under the Placing Agreement
“%”	per cent.

By Order of the Board  
**CHINAINFO HOLDINGS LIMITED**  
**Chan Tan Lui, Danielle**  
*Chairman*

As at the date of this announcement, the Board comprises of:

Ms. Chan Tan Lui, Danielle (*Executive Director and Chairman*)  
Mr. Choo Kwok How (*Executive Director*)  
Ms. Guo Qi (*Independent non-executive Director*)  
Mr. Yip Tai Him (*Independent non-executive Director*)  
Mr. Chiu Kwok Ching (*Independent non-executive Director*)

Hong Kong, 11 May 2005

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for 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 opinion 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 remain at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting and on the website of the Group at [www.hk6.com](http://www.hk6.com).*