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**CITIC 21CN**  
**中信 21世紀**  
**CITIC 21CN COMPANY LIMITED**  
**中信 21 世紀有限公司\***  
*(Incorporated in Bermuda with limited liability)*  
**(Stock code: 241)**

**VOLUNTARY ANNOUNCEMENT**

On 29 October 2009, the Company received the Arbitration Notice issued by CIETAC.

According to the Arbitration Notice, Oracle Beijing submitted an application in relation to an arbitration (the “**Arbitration**”) on the dispute arising from the Payment Agreement signed by Oracle Beijing, CITIC 21CN China, the Company and Oracle HK on 30 May 2006. The Payment Agreement set out the settlement arrangement of license fee and service fee in relation to the Oracle License and Services Agreement.

Details of the Payment Agreement and the Oracle License and Services Agreement, which were classified as “Discloseable Transaction”, were disclosed by the Company in the announcement dated 1 June 2006 and the circular dated 20 June 2006.

The reason for the dispute over the Payment Agreement was that the parties to the agreements could not reach a consensus on the execution of the agreements.

The Company had sought legal advice in relation to the Arbitration and considered that it had reasonable prospects in having the Arbitration Application dismissed by CIETAC.

**1. ARBITRATION NOTICE**

The main content of the Arbitration Notice is extracted below:

**Application:** The Arbitration Application was made by Oracle Beijing in relation to the dispute over the Payment Agreement.

The Arbitration Application has been accepted by CIETAC. The Company is required to submit a defence in writing to CIETAC. As of the date of this Announcement, the date of hearing of the Arbitration has not been scheduled by CIETAC.

\* For identification purposes only

The main content of Arbitration Application is extracted below:

- (a) The Applicant demanded the payment of RMB88,088,108 from the First Respondent and the Second Respondent (which composed of the license fee and the first year service fee) (the “**First Payment**”), whereby:
  - (i) the First Payment would be partially offset by the payment of US\$10,959,231 already made by the Second Respondent to the account of the Third Respondent, together with the interest incurred during the period from 30 May 2006 to 18 August 2006; and
  - (ii) the remaining balance as a result of (i) above would be paid to the Applicant by the First Respondent and the Second Respondent.
- (b) The Applicant demanded the payment of RMB33,180,831.74 from the First Respondent and the Second Respondent in relation to the second year service fee and the third year service fee (collectively, the “**Extended Service Fees**”).
- (c) The Applicant demanded the payment of RMB24,539,663.61 from the First Respondent and the Second Respondent, being the interest incurred up until 1 October 2009 in relation to the First Payment and the Extended Service Fees.

## 2. REPRESENTATION OF THE COMPANY

On 29 October 2009, the Company received the Arbitration Notice issued by CIETAC.

According to the Arbitration Notice, Oracle Beijing submitted an application in relation to an arbitration on the dispute arising from the Payment Agreement signed by Oracle Beijing, CITIC 21CN China, the Company and Oracle HK on 30 May 2006. The Payment Agreement set out the settlement arrangement of license fee and service fee in relation to the Oracle License and Services Agreement.

Details of the Payment Agreement and the Oracle License and Services Agreement, which were classified as “Discloseable Transaction”, were disclosed by the Company in the announcement dated 1 June 2006 and the circular dated 20 June 2006 respectively.

The reason for the dispute over the Payment Agreement was that the parties to the agreements could not reach a consensus on the execution of the agreements.

The Company had sought legal advice in relation to the Arbitration and considered that it had reasonable prospects in having the Arbitration Application dismissed by CIETAC.

## DEFINITIONS

“Arbitration Application”	an arbitration application made by Oracle Beijing on 29 September 2009 against CITIC 21CN China, the Company and Oracle HK in relation to the dispute arising from the Payment Agreement signed on 30 May 2006;
“Arbitration Notice”	On 29 October 2009, the Company received an arbitration notice No. X20090538 issued by CIETAC in relation to the Arbitration Application;
“Board”	the board of directors of the Company;
“CIETAC”	China International Economic and Trade Arbitration Commission;
“CITIC 21CN China/First Respondent”	CITIC 21CN (China) Technology Co., Ltd. ( 中信 21 世紀 ( 中國 ) 科技 有 限 公 司 ), a company incorporated in the PRC with limited liability and is wholly owned by the Company;
“Company/Second Respondent”	CITIC 21CN COMPANY LIMITED ( 中 信 21 世 紀 有 限 公 司 ), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange of Hong Kong Limited;
“Oracle Beijing/Applicant”	Beijing Oracle Software Systems Co., Ltd. ( 甲 骨 文 ( 中 國 ) 軟 體 系 統 有 限 公 司 );
“Oracle HK/Third Respondent”	Oracle Systems Hong Kong Limited ( 甲 骨 文 香 港 有 限 公 司 );
“Oracle License and Services Agreement”	the Oracle License and Services Agreement made between Oracle Beijing and CITIC 21CN China on 30 May 2006;
“Payment Agreement”	a payment agreement dated 30 May 2006 made amongst Oracle Beijing, CITIC 21CN China, the Company and Oracle HK which set out the payment arrangements in relation to the Oracle License and Services Agreement;
“PRC”	The People’s Republic of China;
“Respondents”	The First Respondent, the Second Respondent and the Third Respondent, jointly or severally;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“RMB”	Renminbi, the lawful currency of the PRC;

“US\$” United States dollars, the lawful currency of the United States of America; and

“%” per cent.

By order of the Board  
**CITIC 21CN COMPANY LIMITED**  
**Chen Xiao Ying**  
*Executive Vice-Chairman*

Hong Kong, 16 November 2009

*As at the date of this announcement, the Board comprises Mr. Wang Jun, Ms. Chen Xiao Ying, Mr. Luo Ning, Mr. Sun Yalei, Mr. Zhang Lian Yang, Ms. Xia Guilan, Dr. Hui Ho Ming, Herbert (Independent Non-executive Director), Mr. Zhang Jian Ming (Independent Non-executive Director) and Dr. Long Junsheng (Independent Non-executive Director).*