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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)**

**CONNECTED TRANSACTIONS  
THE LEASE AGREEMENTS IN RESPECT OF OFFICE PREMISES**

On 4 July 2023, the Company entered into the Lease Agreement I and Lease Agreement II with Jizhi Future, pursuant to which the Company agreed to lease the Office Premises I and Office Premises II from Jizhi Future. On the same date, Capinfo Cloud Technology entered into Lease Agreement III with Jizhi Future, pursuant to which Capinfo Cloud Technology agreed to lease the Office Premises III from Jizhi Future.

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, BSAM, being the controlling shareholder, is interested in approximately 63.31% of the issued share capital of the Company and is therefore a connected person of the Company under the Listing Rules. As Jizhi Future is a wholly-owned subsidiary of BSAM, Jizhi Future is a connected person of the Company pursuant to the Listing Rules. Accordingly, the transactions contemplated under the Lease Agreements constitute connected transactions under Chapter 14A of the Listing Rules.

As the transactions under the Lease Agreement I, Lease Agreement II and Lease Agreement III are of similar nature, the transactions contemplated thereunder shall be aggregated for the purpose of computing the relevant percentage ratios pursuant to the Listing Rules. As all the applicable percentage ratios on an aggregated basis in respect of the transactions contemplated under the Lease Agreements are more than 0.1% but less than 5%, the transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## BACKGROUND

On 4 July 2023, the Company entered into the Lease Agreement I and Lease Agreement II with Jizhi Future, pursuant to which the Company agreed to lease the Office Premises I and Office Premises II from Jizhi Future. On the same date, Capinfo Cloud Technology, a subsidiary of the Company, entered into the Lease Agreement III with Jizhi Future, pursuant to which Capinfo Cloud Technology agreed to lease the Office Premises III from Jizhi Future.

## LEASE AGREEMENT I

Major terms of the Lease Agreement I are set forth as below:

- Date:** 4 July 2023
- Parties:**
- Landlord: Jizhi Future
  - Tenant: the Company
- Location:** Office Premises I, which has an aggregate rental area of 2,557.44 sq.m. and is located at units of 301-312 and 501-512 of Quantum Core Building (量子芯座大厦), 27 Zhichun Road, Haidian District, Beijing, the PRC.
- Term:** The Company agreed to lease the Office Premises I from Jizhi Future for a period from 15 July 2023 to 30 April 2028.
- Rent:** A total rent (property service fees inclusive) of RMB18,740,357.67 is payable under the Lease Agreement I.
- The rent was arrived at after arm's length negotiation between the Company and Jizhi Future, with reference to, among other things, the market rental rate of other comparable office premises in the nearby geographical region.

## LEASE AGREEMENT II

Major terms of the Lease Agreement II are set forth as below:

- Date:** 4 July 2023
- Parties:**
- Landlord: Jizhi Future
  - Tenant: the Company

**Location:** Office Premises II, which has an aggregate rental area of 639.36 sq.m. and is located at units of 601-606 of Quantum Core Building (量子芯座大厦), 27 Zhichun Road, Haidian District, Beijing, the PRC.

**Term:** The Company agreed to lease the Office Premises II from Jizhi Future for a period from 15 July 2023 to 30 April 2028.

**Rent:** A total rent (property service fees inclusive) of RMB4,685,089.48 is payable under the Lease Agreement II.

The rent was arrived at after arm's length negotiation between the Company and Jizhi Future, with reference to, among other things, the market rental rate of other comparable office premises in the nearby geographical region.

### **LEASE AGREEMENT III**

Major terms of the Lease Agreement III are set forth as below:

**Date:** 4 July 2023

**Parties:**

- Landlord: Jizhi Future
- Tenant: Capinfo Cloud Technology, a subsidiary of the Company

**Location:** Office Premises III, which has an aggregate rental area of 1,965.06 sq.m. and is located at units of 209-214 and 1109-1114 of Quantum Ginza Building (量子銀座大厦), 23 Zhichun Road, Haidian District, Beijing, the PRC.

**Term:** Capinfo Cloud Technology agreed to lease the Office Premises III from Jizhi Future for a period from 15 July 2023 to 30 April 2028.

**Rent:** A total rent (property service fees inclusive) of RMB16,378,775.10 is payable under the Lease Agreement III.

The rent was arrived at after arm's length negotiation between Capinfo Cloud Technology and Jizhi Future, with reference to, among other things, the market rental rate of other comparable office premises in the nearby geographical region.

In accordance with Accounting Standards for Business Enterprise No. 21, the lease payments under the Lease Agreements are capital in nature, so the Office Premises will be recognized as a right-of-use asset of the Group for an approximate amount of RMB25.6 million. The rental payment (inclusive of property service fees) under the Lease Agreements are expected to be satisfied by the internal resources of the Group in its usual and ordinary course of business.

## **REASONS FOR AND BENEFITS OF THE ENTERING INTO THE LEASE AGREEMENTS**

The principal business of the Company and its subsidiaries mainly comprises provision of information technology service in the PRC. The new Office Premises will be used as replacement of existing office premises which the previous leases will end in July 2023. The new Office Premises will have an area addition of approximately 700 sq.m. Having taken into account the terms under the Lease Agreements having been arrived at after arm's length negotiation between the Group and Jizhi Future, with reference to, among other things, the market rental rate of other comparable office premises in the nearby geographical region, the Board (including the independent non-executive Directors) is of the view that the terms of the Lease Agreements and the rent payable are fair and reasonable and on normal commercial terms or better, and the entering into the Lease Agreements are in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

Ms. Yan Yi, being an employee of BSAM and who is a Director, had abstained from voting on the board resolutions to approve the Lease Agreements and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has any material interest in the board resolutions in relation to the Lease Agreements and the transactions contemplated thereunder.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, BSAM, being the controlling shareholder, is interested in approximately 63.31% of the issued share capital of the Company and is therefore a connected person of the Company under the Listing Rules. As Jizhi Future is a wholly-owned subsidiary of BSAM, Jizhi Future is a connected person of the Company pursuant to the Listing Rules. Accordingly, the transactions contemplated under the Lease Agreements constitute connected transactions under Chapter 14A of the Listing Rules.

As the transactions under the Lease Agreements are of similar nature, the transactions contemplated thereunder shall be aggregated for the purpose of computing the relevant percentage ratios pursuant to the Listing Rules. As all the applicable percentage ratios on an aggregated basis in respect of the transactions contemplated under the Lease Agreements are more than 0.1% but less than 5%, the transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## INFORMATION ABOUT THE PARTIES

### The Company

The Company is a joint stock limited company established in the PRC on 23 January 1998 with limited liability, which is principally engaged in software development and services, system integration, data processing services and professional services on information technology.

### Capinfo Cloud Technology

Capinfo Cloud Technology is a company established in the PRC with limited liability and is a subsidiary of the Company. Capinfo Cloud Technology specializes in cloud computing business, provides cloud infrastructure services for smart city operations, digital applications and data services for government and enterprise customers.

### JIZHI FUTURE

Jizhi Future is a company incorporated in the PRC with limited liability and is wholly-owned by BSAM. Jizhi Future is principally engaged in the provision of operation and management of high-tech parks.

## DEFINITIONS

“Board”	the board of 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
“Capinfo Cloud Technology”	Capinfo Cloud Technology Co., Ltd.* (首信雲技術有限公司), a limited company incorporated under the laws of the PRC
“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
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Independent Shareholders”	Shareholders other than Shareholders who have material interest in the Lease Agreements and the transactions contemplated thereunder
“Independent Third Parties”	independent third parties independent of the Company and the connected persons of the Company
“Jizhi Future”	北京集智未來人工智能產業創新基地有限公司 (Beijing Jizhi Future Artificial Intelligence Industry Innovation Base Co., Ltd.*), formerly known as 北京集成電路設計園有限責任公司 (Beijing IC Design Park Co., Ltd.*), a company established in the PRC with limited liability and a wholly-owned subsidiary of BSAM
“Lease Agreements”	collectively, the Lease Agreement I, Lease Agreement II and the Lease Agreement III
“Lease Agreement I”	the lease agreement dated 4 July 2023 entered into between the Company and Jizhi Future in respect of the lease of the Office Premises I
Lease Agreement II	The lease agreement dated 4 July 2023 entered into between the Company and Jizhi Future in respect of the lease of the Office Premises II
“Lease Agreement III”	the lease agreement dated 4 July 2023 entered into between Capinfo Cloud Technology and Jizhi Future in respect of the lease of the Office Premises III
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Office Premises”	collectively, the Office Premises I, the Office Premises II and the Office Premises III
“Office Premises I”	The office premises located at units of 301-312 and 501-512 of Quantum Core Building (量子芯座大廈), 27 Zhichun Road, Haidian District, Beijing, the PRC

“Office Premises II”	The office premises located at units of 601-606 of Quantum Core Building (量子芯座大厦), 27 Zhichun Road, Haidian District, Beijing, the PRC
“Office Premises III”	The office premises located at units of 209-214 and 1109-1114 of Quantum Ginza Building (量子銀座大厦), 23 Zhichun Road, Haidian District, Beijing, the PRC
“PRC” or “China”	the People’s Republic of China which, for the purposes of this announcement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Share(s)
“Shares”	ordinary share(s) of RMB0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percent

\* *The English name is a translation of its Chinese name and is included for identification purposes only.*

By Order of the Board  
**CAPINFO COMPANY LIMITED\***  
**YU DONGHUI**  
*Chairman*

Beijing, the People’s Republic of China, 4 July 2023

*As of the date of this announcement, the executive directors of the Company are Mr. Yu Donghui, Mr. Zhang Yiqian and Mr. Yang Yongxin; the non-executive directors of the Company are Mr. Zhou Weihua, Mr. Shan Yuhu, Mr. Feng Jianxun, Ms. Yan Yi and Mr. Xin Shuangbai; and the independent non-executive directors of the Company are Mr. Gong Zhiqiang, Mr. Cheung, Wai Hung Boswell, Mr. Yang Xiaohui and Mr. Su Zhongxing.*