

8 December 2025

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO RENEWAL OF TECHNIQUE SERVICES FRAMEWORK AGREEMENT

INTRODUCTION

Reference is made to the announcement of the Company dated 31 October 2025 in relation to the renewal of the continuing connected transactions under the Technique Services Framework Agreement. The purpose of this circular is to provide you with further information on the relevant transactions, a letter from the Independent Board Committee, a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the transactions and other information as required by the Listing Rules.

Reference is made to the announcement of the Company dated 31 October 2025 in relation to, among other things, the renewed Technique Services Framework Agreement entered into between the Company and BSAM. In accordance with such agreement, BSAM Group will provide information technology products and services including electronic certification services to the Group from the effective date of the renewed Technique Services Framework Agreement to 31 December 2028. The Group will provide information technology products and services including software development services to BSAM Group from the effective date of the renewed Technique Services Framework Agreement to 31 December 2028. Of which, the service fees for the products and service to be provided to each other shall not exceed the annual caps for the continuing connected transactions as contemplated by both parties.

As at the Latest Practicable Date, the Controlling Shareholder of the Company is Beijing Data Group, which directly holds approximately 48.3% interests in the issued share capital of the Company. Beijing Data Group is wholly owned by BSAM, while BSAM holds approximately 15.0% interests in the issued share capital of the Company through another subsidiary Beijing Industrial Investment, therefore, BSAM is a connected person of the Company under the Listing Rules. Accordingly, pursuant to the Listing Rules, the transactions contemplated under the Renewal Agreement between the Company and BSAM constitute the continuing connected transactions of the Company.

The Group has agreed to continue providing software development services, network system establishment and service, network design, website intensification, system integration, technical operation and maintenance, technical consultancy services, cloud services, cloud products, wireless products and related information technology services and products to BSAM Group; and BSAM Group has agreed to continue

providing electronic certification, information security, network security, internet access and other products and services and system development, operation and maintenance services, as well as information technology products and services such as data governance and analysis to the Group.

RENEWAL OF TECHNIQUE SERVICES FRAMEWORK AGREEMENT

On 31 October 2025, the Company (for itself and on behalf of the Group) has entered into the Renewal Agreement with BSAM (for itself and on behalf of the BSAM Group).

The principal terms of the Renewal Agreement are set out as follows:

Date

31 October 2025

Parties

- (1) the Company (for and on behalf of the Group); and
- (2) BSAM (for and on behalf of the BSAM Group), a connected person of the Company

Subject Matter

Pursuant to the Renewal Agreement, (i) the Group has agreed to continue providing software development services, network system establishment and service, network design, website intensification, system integration, technical operation and maintenance, technical consultancy services, cloud services, cloud products, wireless products and related information technology services and products to BSAM Group; and (ii) BSAM Group has agreed to continue providing electronic certification, information security, network security, internet access and other products and services and system development, operation and maintenance services, as well as information technology products and services such as data governance and analysis to the Group.

Term

From the effective date of the renewed Technique Services Framework Agreement (i.e. 1 January 2026) to 31 December 2028.

CONDITIONS PRECEDENT

The transactions contemplated under the Renewal Agreement shall be subject to approval by the Independent Shareholders at the general meeting of the Company.

ANNUAL CAPS

The annual caps under the Renewal Agreement for (i) the service fees to be paid by the BSAM Group to the Group and (ii) the service fees to be paid by the Group to the BSAM Group.

Historical transaction amounts under the Technique Services Framework Agreement

The actual circumstances of the connected transactions under the Technique Services Framework Agreement of each year from 2023 to 2025 are as follows:

	For the year ended 31 December 2023 (RMB0'000)	For the year ended 31 December 2024 (RMB0'000)	For the ten months ended 31 October 2025 (RMB0'000)
Provision of information technology services including software development, system integration, network system services, cloud platform by the Group to BSAM Group	3,409	7,316	4,024
Provision of electronic certification, information security, network security, internet access and other products and services and system development, operation and maintenance services, as well as information technology products and services such as data governance and analysis by BSAM Group to the Group	2,759 (including service fees under Capnet Framework Agreement with an amount of 323)	3,089	1,916

Historical Annual Transaction Caps under the Technique Services Framework Agreement

The historical annual transaction caps for service fees (i) paid by the Group to BSAM Group; and (ii) paid by BSAM Group to the Group are set out below:

	For the year ended 31 December 2023 (RMB0'000)	For the year ended 31 December 2024 (RMB0'000)	For the year ending 31 December 2025 (RMB0'000)
Annual caps for the service fees paid by BSAM Group to the Group	3,500	3,500	3,500
Revised annual caps for the service fees to be paid by BSAM Group to the Group	/	9,500	9,500
Annual caps for the service fees paid by the Group to BSAM Group	3,000	3,000	3,000
Revised annual caps for the service fees to be paid by the Group to BSAM Group	/	4,500	4,500

Annual Caps under the Renewal Agreement

The annual caps for (i) the service fees to be paid by BSAM Group to the Group and (ii) the service fees to be paid by the Group to BSAM Group under the Renewal Agreement for the each of the three years ending 31 December 2028 are set out as follows:

	For the year ending 31 December 2026 (RMB0'000)	For the year ending 31 December 2027 (RMB0'000)	For the year ending 31 December 2028 (RMB0'000)
Annual cap for the service fees to be paid by BSAM Group to the Group	10,500	10,500	10,500
Annual cap for the service fees to be paid by the Group to BSAM Group	4,950	4,950	4,950

The Annual Caps stated above (i.e., the annual cap for the service fees to be paid by BSAM Group to the Group and the annual cap for the service fees to be paid by the Group to BSAM Group) are determined with reference to: (1) the historical transaction amounts under the Technique Services Framework Agreement; (2) significant increases in the historical actual transaction amounts, particularly regarding the services and products provided and fees paid by BSAM Group to the Group; (3) the increasing demand from BSAM Group for the Group's services and products in the near future; and (4) the trust that the Group and BSAM Group have built in each other, along with their commitment to each other's services and products.

The Board, based on the prevailing available information and assessment, reasonably expects a significant volume of transactions with BSAM Group for the three years ending 31 December 2028, which could be generated/incurred from existing contracts on hand and the anticipated future contracts between the Group and BSAM Group.

PRICING POLICY

Regarding the services and products to be provided by the Group to the BSAM Group

For the services and products to be provided by the Group to the BSAM Group, the relevant members of the Group which provide the services and products will estimate the overall costs based on costs of labour, software and hardware equipment and etc., and then proposes a preliminary quotation based on the estimated overall costs plus a gross profit margin. The gross profit margin is determined; (i) by making reference to the average bidding price of similar services and products in the open market, such as the China Government Procurement Network (中國政府採購網) (<http://www.ccgp.gov.cn/>) and the average price of similar services and products provided by the Group to independent third parties; (ii) in compliance with the relevant laws, regulations and systems in relation to pricing; (iii) based on an arm's length negotiations with the BSAM Group so as to ensure the service and product fees of the Group are reasonable and competitive.

The average gross profit margin applied to the initial quotations for services and products is approximately 25% to 40%, after, where applicable, taking into account the procurement costs, capital usage costs, and corresponding operation and maintenance service fees (with an operation and maintenance service period of three to five years). When making reference to the average price of similar services and products provided by independent third parties, the Group generally uses three samples as a benchmark.

To ensure that the quotations provided by the Group are comparable to those provided by other suppliers of similar services and products in the market, the Group will make reference to: (i) the average bid prices of similar services and products that can be collected from the open market, such as the China Government Procurement Network (<http://www.ccgp.gov.cn/>); and (ii) the average quotations of the Group for similar services and products provided to independent third parties, to adjust its prices. The management of the Group will adjust the pricing policy from time to time in light of the changing market environment and taking into account of the status of development of the Company so that its pricing is competitive, beneficial to the Group and in compliance with the applicable laws, regulations and policy documents.

Regarding the services and products to be provided by the BSAM Group to the Group

For the service and products to be provided by the BSAM Group to the Group, the procurement department of the Group is responsible for the management of the procurement process. When the procurement department receives procurement requests from other business departments of the Group, it will determine the procurement approach in accordance with relevant laws, regulations and policy documents and the provisions of the Company's procurement management system, and undergo the procedures as required.

The procurement department will consider multiple factors, including the preliminary quotation, the average bidding price of similar services and products in the open market, and the necessary tendering procedures. To ensure that the fees charged by the BSAM Group are fair and reasonable, for each individual transaction, the procurement department will conduct supplier inquiries, negotiations, or tendering and selection procedures to determine the final preferred supplier.

According to the relevant procurement internal procedures, single transaction with procurement amount not exceeding RMB2.5 million generally uses supplier inquiries and commercial negotiations. For asset-related construction projects, goods and services exceeding RMB2.5 million, the Group would normally conduct tendering and selection procedures.

Regardless of whether supplier inquiries, negotiations, or tendering and selection procedures are used, the procurement process is organized and executed by the procurement department. If the supplier inquiry method is used, the procurement department will normally invite three or more suppliers to participate for comparison and evaluation. If the tendering and selection procedure is used, detailed technical specifications and other requirements as well as the evaluation criteria will be prepared and included in the tender documents, which will be sent to at least three potential bidders for submission. An evaluation committee will be formed by engineers and experienced procurement staff to evaluate the bids based on the predetermined evaluation criteria, which include the supplier's quality management and measures, the ability to complete the work on time, price, qualifications, and reputation. According to the evaluation criteria and the applicable procurement management measures, the preferred supplier will be selected.

INTERNAL CONTROL POLICIES

Each quotation for the service and products to be provided by the Group to BSAM Group under the Renewal Agreement will go through the internal approval system of the Group, under which it passes through different departments for consideration, including the planning department, the finance management department and the management of the Company for review and approval. The management of the Company would ensure that the final quotation is fair and reasonable and beneficial to the Group as a whole.

Each individual transaction in relation to the service and products to be provided by BSAM Group to the Group under the Renewal Agreement shall be reviewed and approved by the head of the procurement department of the Group before execution to ensure that the terms and procedures are in compliance with the Company's pricing policy. Following the entering into of the renewed Technique Services Framework Agreement, the Company will regularly review the transactions to be entered into with BSAM Group to identify any transactions that may be at risk of exceeding the annual caps and any measures to be introduced in response to such transactions. All transactions between the Group and BSAM Group will be subject to detailed review at least once a year. The finance management department of the Group is responsible for monitoring the transaction amounts of the continuing connected transactions quarterly, reporting to Board's office to ensure that the transactions are conducted in accordance with the respective pricing policies and the annual caps are not exceeded.

Before placing an order with BSAM Group, the Group's procurement department will obtain quotations from BSAM Group for each purchase and compare quotations from other independent suppliers for similar services and products to ensure price competitiveness. Where possible and feasible, the Group will usually establish a benchmark, i.e., obtaining three quotations from independent third parties as a price reference when purchasing similar services and products. The auditors and independent non-executive Directors of the Company will also conduct annual review of the continuing connected transactions entered into by the Group on whether the continuing connected transactions have been conducted in compliance of the pricing policies and whether the relevant annual caps have been exceeded.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE RENEWAL AGREEMENT

The Group is principally engaged in, inter alia, products and software development and services; industry solutions; and operation and maintenance services, etc.

BSAM Group has maintained good cooperation relationship with the Group for a long time and with the extensive and in-depth application of internet, cloud computing, and big data technologies, the number of information technology services and product transactions between the Group and BSAM Group has increased. The Board believes that the entering into the Renewal Agreement will be beneficial to the Group's operation.

The Board is also of the view that the services to be provided by BSAM Group to the Group will continue helping the Group to maintain and enhance its network security system, and improve the level of technology and services.

Accordingly, the Directors (including the independent non-executive Directors) consider that the terms of the Renewal Agreement, the annual caps for the service fees to be paid by the Group to BSAM Group and that to be paid by BSAM Group to the Group under the Renewal Agreement are fair and reasonable, entered into in the ordinary and usual course of business of the Group and are in the interests of the Group and the Shareholders as a whole.

The Company's non-executive Director Ms. Yan Yi is also an employee of BSAM. Ms. Yan Yi, is regarded to have a material interest in the Renewal Agreement and the transactions contemplated thereunder, and had abstained from voting on the Board resolution approving the Renewal Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has any material interest in the Renewal Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, the Controlling Shareholder of the Company is Beijing Data Group, which directly holds approximately 48.3% of the Company's issued share capital. Beijing Data Group is wholly owned by BSAM. Meanwhile, BSAM indirectly holds approximately 15.0% of the Company's issued share capital through its other wholly-owned subsidiary, Beijing Industrial Investment. Therefore, BSAM is a connected person of the Company under the Listing Rules. Accordingly, pursuant to the Listing Rules, the transactions contemplated under the Renewal Agreement between the Company and BSAM constitute the continuing connected transactions of the Company.

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the annual caps for the service fees to be paid by BSAM Group to the Group under the Renewal Agreement are more than 5%, the transactions under the Renewal Agreement are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the annual caps for the service fees to be paid by the Group to BSAM Group under the Renewal Agreement are more than 5%, the transactions under the Renewal Agreement are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL INFORMATION

Information on 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, inter alia, products and software development and services; industry solutions; and operation and maintenance services, etc. As of the Latest Practicable Date, Beijing Data Group directly holds approximately 48.3% interests in the issued share capital of the Company, and Beijing Data Group is wholly owned by BSAM.

Information on BSAM

BSAM is a company established in the PRC with limited liability and is wholly-owned by the Beijing Municipal Government of the PRC. BSAM, as the implementer and operator of major projects in Beijing, focuses its business operations in financial services, high-tech and modern manufacturing, culture and creativity, urban development of functionality area, environmental protection and new energies.

EXTRAORDINARY GENERAL MEETING

Resolution in relation to the Renewal Agreement and the transactions contemplated thereunder and the relevant proposed annual caps will be proposed at the EGM for approval.

The EGM will be held at Conference Room, 5th Floor, Longfu Mansion, No. 95 Longfusi Road, Dongcheng District, Beijing, the PRC on 30 December 2025 at 10:30 a.m. for the consideration and, if think fit, approval of the renewal of the continuing connected transactions under the Technique Services Framework Agreement.

The notice convening the EGM, together with the proxy form for the EGM, have been enclosed with this circular, which will be despatched to the Shareholders on 8 December 2025 and published on the websites of the Stock Exchange and the Company.

In accordance with the Listing Rules, any connected person or Shareholder or their associate who has material interest in the Renewal Agreement and the transaction contemplated thereunder shall abstain from voting on the resolution to approve the Renewal Agreement and the transactions contemplated thereunder and the proposed annual caps at the EGM.

BSAM is a connected person of the Company and has a material interest in the resolution in relation to the Renewal Agreement and the transactions contemplated thereunder, therefore, its wholly-owned subsidiaries, Beijing Data Group and Beijing Industrial Investment, will abstain from voting on the ordinary resolution to approve the Renewal Agreement and the transactions contemplated thereunder at the EGM. As at the Latest Practicable Date, BSAM, through its wholly-owned subsidiaries, Beijing Data Group and Beijing Industrial Investment, indirectly held 183,454,200 Shares, representing approximately 63.3% of the total issued shares of the Company. The Board confirms that Beijing Data Group and Beijing Industrial Investment will abstain from voting on the resolution to approve the Renewal Agreement and the transactions contemplated thereunder.

Whether you intend to attend the EGM or not, you are requested to complete and return the accompanying proxy form in accordance with the instructions set out therein to the Company's principal place of business in the PRC at 5th Floor, Longfu Mansion, No. 95 Longfusi Road, Dongcheng District, Beijing, the People's Republic of China (in the case of proxy form of holder of Domestic Shares) or to the Company's H shares registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (in the case of proxy form of holders of H Shares) as soon as possible and in any event not less than 24 hours before the time appointed for holding the meeting (i.e. not later than 29 December 2025 at 10:30 a.m. (Hong Kong time)). Completion and return of the proxy form will not preclude you from attending and voting at the EGM should you so wish.

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 23 December 2025 to Tuesday, 30 December 2025, both days inclusive, during which period no transfer of Shares will be effected. Shareholders whose names appear on the Company's register of members at the close of business on Tuesday, 23 December 2025 will be entitled to attend and vote at the EGM. In order to qualify for attending and voting at the EGM, all transfers of Shares, accompanied by the relevant share certificates must be lodged with the Company's H shares registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shop 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (applicable for H Shares) or the Company's office, at 5th Floor, Longfu Mansion, No. 95 Longfusi Road, Dongcheng District, Beijing, the People's Republic of China (applicable for Domestic Shares), for registration not later than 4:30 p.m. on Monday, 22 December 2025.

RECOMMENDATION

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, consider that the renewal of the continuing connected transactions under the Technique Services Framework Agreement is entered into in the ordinary and usual course of business of the Company on normal commercial terms, is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM in relation to the renewal of the continuing connected transactions under the Technique Services Framework Agreement. Full text of the letter from the Independent Board Committee is set out on page 14 of this circular.

The Directors (including members of the Independent Board Committee) consider that the renewal of the continuing connected transactions under the Technique Services Framework Agreement is entered into in the ordinary and usual course of business of the Company on normal commercial terms, is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM in relation to the renewal of the continuing connected transactions under the Technique Services Framework Agreement.

Yours faithfully,

By Order of the Board

CAPINFO COMPANY LIMITED*



Yu Donghui
Chairman

* For identification purpose only