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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 TRANSACTION
BXLE LEASE AGREEMENT
AND
CONTINUING CONNECTED TRANSACTION
PROPERTY SERVICE AGREEMENT

Reference is made to the announcement of the Company dated 26 May 2021, pursuant to which the Company entered into (i) the Original BXLE Lease Agreement with BXLE, and (ii) the Original Property Service Agreement with BXLE Property Management.

The BXLE Lease Agreement

As the Original BXLE Lease Agreement will expire on 31 December 2023, on 29 December 2023, the Company entered into a lease agreement with BXLE, pursuant to which the Company agreed to further lease the BXLE Office Premises from BXLE for office use from 1 January 2024 to 30 June 2026.

The Property Service Agreement

As the Original Property Service Agreement will expire on 31 December 2023, on 29 December 2023, the Company also entered into a property service agreement with BXLE Property Management, pursuant to which BXLE Property Management agreed to provide property services in respect of the BXLE Office Premises to the Company from 1 January 2024 to 30 June 2026.

IMPLICATIONS UNDER THE LISTING RULES

In accordance with Accounting Standard for Business Enterprise No. 21, the Group is required to recognize the BXLE Office Premises as right-of-use assets. As a result, the entering into of the BXLE Lease Agreement and the transactions contemplated thereunder will be regarded as acquisitions of assets by the Group pursuant to the Listing Rules.

* *For identification purposes only*

As at the date of this announcement, BXLE is owned as to 70% by BSAM, the Controlling Shareholder who is interested in approximately 63.31% of the issued share capital of the Company and BXLE Property Management is a wholly-owned subsidiary of BXLE, therefore, each of BXLE and BXLE Property Management is a connected person of the Company pursuant to the Listing Rules. Accordingly, the transactions contemplated under the BXLE Lease Agreement constitute connected transaction and the transactions contemplated under the Property Service Agreement constitute continuing connected transaction under Chapter 14A of the Listing Rules.

According to the requirements under Rule 14A.81 of the Listing Rules, the value of the right-of-use asset under the BXLE Lease Agreement shall be calculated in aggregate with the proposed annual caps under the Property Service Agreement. As the highest applicable percentage ratio for the BXLE Lease Agreement and the Property Service Agreement exceeds 0.1% but is less than 5%, the transactions contemplated thereunder are subject to the reporting and announcement requirements, but are exempted from independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 26 May 2021, pursuant to which the Company entered into (i) a BXLE lease agreement (the “**Original BXLE Lease Agreement**”) with BXLE, and (ii) a property service agreement (the “**Original Property Service Agreement**”) with BXLE Property Management. The term of the Original BXLE Lease Agreement and the Original Property Service Agreement will expire on 31 December 2023.

CONNECTED TRANSACTION

The BXLE Lease Agreement

On 29 December 2023, the Company entered into a lease agreement with BXLE, pursuant to which the Company agreed to lease the BXLE Office Premises from BXLE from 1 January 2024 to 30 June 2026 for office use.

The principal terms of the BXLE Lease Agreement are as follows:

Date	29 December 2023
Parties	BXLE as landlord; and the Company as tenant

Premises	BXLE Office Premises, which has an aggregate rental area of 5,807 sq.m. and is located at units A501, B501, C501, C502, C503, D501, E501 and E502 of Longfu Mansion, No. 95 Longfusi Street, Dongcheng District, Beijing, the PRC
Term	The Company will lease the BXLE Office Premises from BXLE from 1 January 2024 to 30 June 2026
Usage	Office use, mainly for operating an office
Rental payable	The monthly rent is RMB1,308,260.48 (including value-added tax) and is payable on a monthly basis. Such rent was arrived at after arm's length negotiation between the Company and BXLE, with reference to, among other things, the market rental rate of other comparable office premises in the same geographical region (i.e. at a rate of RMB225.29025/month/sq.m.) and shall be paid by the Company to BXLE.

Under the BXLE Lease Agreement, the Company is required to pay a monthly property management fee of RMB174,210 (including value-add tax) and on a monthly basis to BXLE. Such property management fee was arrived at after arm's length negotiation between the Company and BXLE, with reference to, among other things, the market property management rate of other comparable office premises in the same geographical region (i.e. at a rate of RMB30/month/sq.m.) and shall be paid by the Company to BXLE.

In accordance with Accounting Standards for Business Enterprises No. 21, the lease payments under the BXLE Lease Agreement are capital in nature, so the BXLE Office Premises will be recognized as a right-of-use asset of the Group on 1 January 2024 for an amount of RMB38,699,330. The rental payment and property management payment under the BXLE Lease Agreement is expected to be satisfied by the internal resources of the Group in its ordinary and usual course of business.

CONTINUING CONNECTED TRANSACTION

The Property Service Agreement

On 29 December 2023, the Company entered into a property service agreement with BXLE Property Management, pursuant to which BXLE Property Management agreed to provide the Company with property services in respect of the BXLE Office Premises from 1 January 2024 to 30 June 2026.

The principal terms of the Property Service Agreement are as follows:

Date	29 December 2023
Parties	BXLE Property Management as service provider; and the Company as service recipient
Premises	BXLE Office Premises, which has an aggregate rental area of 5,807 sq.m. and is located at units A501, B501, C501, C502, C503, D501, E501 and E502 of Longfu Mansion, No. 95 Longfusi Street, Dongcheng District, Beijing, the PRC
Term	From 1 January 2024 to 30 June 2026
Scope of service	The property services provided by BXLE Property Management include fees for electricity, water supply and heat supply service
Property services fee	Pursuant to the Property Service Agreement, the total property service fees payable by the Company to BXLE Property Management shall not exceed the proposed annual caps for each year during the term. The property services fee shall be payable on a monthly basis.
Pricing basis	Such property service fees was agreed between the Company and BXLE Property Management, calculated based on the actual consumption of electricity, water and heat supply service at a rate of RMB1.1826/kwh, RMB9.5/tons and RMB45/sq.m. with reference to the charging standard as announced by Beijing Municipal Commission of Development and Reform's official website (http://fgw.beijing.gov.cn/bmcx/djcx/jzldj/), respectively. Among them, the fee for electricity supply is calculated with reference to the peak segment, valley segment and flat segment of Longfu Mansion charged by the power company. Such fees shall be paid by the Company to BXLE Property Management.

Basis of Determining the Proposed Annual Caps

The proposed annual caps for the transactions under the Property Service Agreement for each of the period from 1 January 2024 to 30 June 2026 are as follows:

	For the year ending 31 December 2024 (RMB)	For the year ending 31 December 2025 (RMB)	For the period ending 30 June 2026 (RMB)
Proposed Annual Caps	1,200,000	1,200,000	600,000

The proposed annual caps set out above are determined based on the following factors:

- (1) historical transaction amount of the relevant transactions of the Group;
- (2) the pricing basis of property service fees under the Property Service Agreement as set out in the principal terms; and
- (3) the qualification, experience, scope of service and pricing procedures in property management services of BXLE Property Management.

The historical amount paid by the Company to BXLE Property Management pursuant to the Original Property Service Agreement for the period from 1 June 2021 to 20 December 2023 are as follows:

	From 1 June 2021 to 31 December 2021 (RMB)	For the year ended 31 December 2022 (RMB)	For the period ended 20 December 2023 (RMB)
Historical amount	716,559	987,201	994,443

The proposed annual caps under the Property Service Agreement have been set higher than the historical transaction amounts mainly due to (i) the expectation of a rise in energy price in the future; and (ii) the expectation of a rise in electricity and water consumption in light of operational needs of the Company.

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, among others, software development and service, system integration, data processing service and information professional service, etc. As at the date of this announcement, BSAM held approximately 63.31% of the issued share capital of the Company.

BXLE

BXLE is a company established in the PRC with limited liability and is owned as to 70% by BSAM, which is wholly-owned by the Beijing Municipal Government of the PRC. BXLE is principally engaged in real estate development; property management; project investment; investment management; organizing cultural exchange activities (excluding performances); undertaking display demonstration; advertisement design, production, agency and publishing; sale of commodity properties.

BXLE Property Management

BXLE Property Management is a company established in the PRC with limited liability and is a wholly-owned subsidiary of BXLE, thus a subsidiary of BSAM. BSAM is wholly-owned by the Beijing Municipal Government of the PRC. BXLE Property Management is principally engaged in property management; leasing of commercial properties; organizing cultural and art exchange activities; undertaking display demonstration, design, production, agency and advertisement publishing.

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE BXLE LEASE AGREEMENT AND THE PROPERTY SERVICE AGREEMENT

The Group has been entering into of the BXLE Lease Agreement and the Property Service Agreement in order to provide the Group with stable and successive premises for its operations since June 2018. There will be considerable time and cost saved (in terms of relocation and renovation) for the Group to lease the BXLE Office Premises from the BXLE. The Directors, including the independent non-executive Directors, are of the view that the transactions contemplated under the BXLE Lease Agreement and the Property Service Agreement are entered into in the ordinary and usual course of business of the Group and on normal commercial terms after arm's length negotiations between the parties. The terms of the transactions contemplated under the BXLE Lease Agreement and the Property Service Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

By virtue of her capacity as an employee of BSAM, Ms. Yan Yi, our non-executive Director, is regarded to have a material interest in the BXLE Lease Agreement and the Property Service Agreement and the transactions contemplated thereunder and had abstained from voting on the Board resolutions approving the renewed agreements and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has any material interest in the renewed agreements and the transactions contemplated thereunder.

IMPLICATIONS UNDER THE LISTING RULES

In accordance with Accounting Standard for Business Enterprise No. 21, the Group is required to recognize the BXLE Office Premises as right-of-use assets. As a result, the entering into of the BXLE Lease Agreement and the transactions contemplated thereunder will be regarded as acquisitions of assets by the Group pursuant to the Listing Rules.

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 BXLE is owned as to 70% by BSAM, thus a subsidiary of BSAM, and BXLE Property Management is a wholly-owned subsidiary of BXLE, thus an indirect subsidiary of BSAM. Therefore, each of BXLE and BXLE Property Management is a connected person of the Company pursuant to the Listing Rules. Accordingly, the transactions contemplated under the BXLE Lease Agreement constitute connected transaction and the transactions contemplated under the Property Service Agreement constitute continuing connected transaction under Chapter 14A of the Listing Rules.

According to the requirements under Rule 14A.81 of the Listing Rules, the value of the right-of-use asset under the BXLE Lease Agreement shall be calculated in aggregate with the proposed annual caps under the Property Service Agreement. As the highest applicable percentage ratio under the BXLE Lease Agreement and the Property Service Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the BXLE Lease Agreement and the Property Service Agreement are subject to the reporting and announcement requirements, but are exempted from independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Board”	the board of Directors
“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
“BXLE”	北京新隆福文化投資有限公司 (Beijing Xinlongfu Cultural Investment Co., Ltd.*), a company incorporated in the PRC with limited liability and owned as to 70% by BSAM, thus a subsidiary of BSAM
“BXLE Lease Agreement”	the lease agreement entered into between the Company and BXLE on 29 December 2023, pursuant to which the Company agreed to lease the BXLE Office Premises from BXLE from 1 January 2024 to 30 June 2026 for office use
“BXLE Office Premises”	the office premises located at units A501, B501, C501, C502, C503, D501, E501 and E502 of Longfu Mansion, No. 95 Longfusi Street, Dongcheng District, Beijing, the PRC
“BXLE Property Management”	北京新隆福物業管理有限公司 (Beijing Xinlongfu Property Management Co., Ltd.*), a company incorporated in the PRC with limited liability and wholly-owned by BXLE, thus an indirect subsidiary of BSAM
“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 to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC” or “China”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Property Service Agreement”	the property service agreement entered into between the Company and BXLE Property Management on 29 December 2023, pursuant to which BXLE Property Management agreed to provide the Company with property services in respect of the BXLE Office Premises from 1 January 2024 to 30 June 2026
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of RMB0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percent

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

Beijing, the People’s Republic of China, 29 December 2023

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

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