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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)**

## **CONTINUING CONNECTED TRANSACTIONS TECHNIQUE SERVICES FRAMEWORK AGREEMENT**

In order to establish a clear and comprehensive cooperation system for the daily business dealings between the Company (for itself and on behalf of the Group) and Capinfo Technology in respect of information technology services and products, on 31 July 2025 (after the trading hours), the Company (for itself and on behalf of the Group) has entered into the Framework Agreement with Capinfo Technology, effective from 31 July 2025 to 31 December 2027, to standardize (i) the provision of information technology products and services, including software products, software design and development, software testing, cloud resources, CPIP network protocol services, by the Company (for itself and on behalf of the Group) to Capinfo Technology; and (ii) the provision of information technology products and services, including infrastructure operation and maintenance, application system operation and maintenance, technology consultation and emergency response, software products (different from the said products to be provided by the Company), by Capinfo Technology to the Company (for itself and on behalf of the Group).

As of the date of this announcement, BSAM is the Controlling Shareholder of the Company and holds 95% of Capnet, therefore, Capnet is an associate of BSAM, and thus a connected person of the Company. Capinfo Technology is held as to approximately 71.24% and 25.03% by the Company and Capnet, respectively, therefore, Capinfo Technology is a connected subsidiary of the Company, and thus a connected person of the Company. Accordingly, the transactions contemplated under the Framework Agreement constitute continuing connected transactions of the Company.

As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the annual caps for the fees relating to the provision of services and products by the Group to Capinfo Technology under the Framework Agreement are more than 0.1% but less than 5%, the relevant transactions are subject to the reporting, announcement, annual review requirements and are exempted from the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Meanwhile, as the highest applicable percentage ratios in respect of the annual caps for the fees relating to the provision of services by Capinfo Technology to the Group in the same period are also more than 0.1% but less than 5%, the relevant transactions are also subject to the reporting, announcement, annual review requirements and are exempted from the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **THE FRAMEWORK AGREEMENT**

On 31 July 2025 (after the trading hours), the Company (for itself and on behalf of the Group) has entered into the Framework Agreement with Capinfo Technology.

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

### **Date**

31 July 2025

### **Parties**

- (1) The Company (for itself and on behalf of the Group); and
- (2) Capinfo Technology, a connected subsidiary of the Company.

### **Subject matters**

According to the Framework Agreement, (i) the Company has agreed to provide information technology products and services, including software products, software design and development, software testing, cloud resources, CPIP network protocol services, to Capinfo Technology; and (ii) Capinfo Technology has agreed to provide information technology products and services, including infrastructure operation and maintenance, application system operation and maintenance, technology consultation and emergency response, software products (different from the said products to be provided by the Company), to the Group.

For all specific matters, necessary procurement procedures, including tender and selection, must be performed based on the systems of the Company (for itself and on behalf of the Group) and Capinfo Technology and pursuant to the applicable laws and regulations, and a separate service and product procurement contract shall be signed after selection of the relevant party.

### **Term**

From 31 July 2025 to 31 December 2027.

## Annual Caps

The annual caps in respect of (i) the service fees to be paid by Capinfo Technology to the Group; and (ii) the service fees to be paid by the Group to Capinfo Technology under the Framework Agreement have been determined based on the business needs, expected business growth of the Group and Capinfo Technology, the types of software and scope of services that both parties could provide, and the provision of similar products and services from other parties.

### Annual Caps under the Framework Agreement

For the period from 31 July 2025 to 31 December 2025 and for each of the two years ending 31 December 2027, according to the Framework Agreement, (i) the service fees to be paid by Capinfo Technology to the Group; and (ii) the service fees to be paid by the Group to Capinfo Technology are set out as follows:

	<b>For the period from 31 July 2025 to 31 December 2025</b>	<b>For the year ending 31 December 2026</b>	<b>For the year ending 31 December 2027</b>
		<i>(RMB'0,000)</i>	
Annual caps in respect of the service fees to be paid by Capinfo Technology to the Group	2,000	2,600	2,600
Annual caps in respect of the service fees to be paid by the Group to Capinfo Technology	1,200	2,300	2,300

In respect of software products, taking into account that the workload is concentrated in early stage, which involves various procedures such as analysis, design and development, and it is necessary for the Group to invest a huge amount of manpower, resources and time in this stage to ensure the product quality and functionalities meet the demand, the cost and execution expenses for early stage will be relatively higher than those for the later maintenance and upgrade. Accordingly, a relatively higher service fee to be paid by Capinfo Technology to the Group for the period from 31 July 2025 to 31 December 2025 is reasonably expected, which reflects the high investment and high cost for early development stage. Although 2025 is already half way through, the cap of the service fee to be paid by Capinfo Technology to the Group for the period from 31 July 2025 to 31 December 2025 is estimated to approximate the caps for the year 2026 and 2027. In terms of operation and maintenance, the demand is usually stable, therefore, the differences of the fees for each stage are small.

It is expected that the annual transaction amount between the Company and Capinfo Technology will be higher in the future, which is mainly attributable to the considerably stronger mutual business coordination and complementarity. In recent years, adjustments on organizational structure and division of duties have been commenced within the Group, clearer business segments and

differentiation development direction have been formed between the parent company and the subsidiaries. The Company, being the parent company, has rich experience and technical advantages in respect of basic software products such as artificial intelligence and big data, software design and development, and software testing services. Capinfo Technology, being the subsidiary, demonstrates professional capabilities in network information technology operation and maintenance and application software product development such as general and industry products. Such clear division of business segments enables both parties to leverage on their own edges, realize resources sharing and advantage complementarity, thereby driving the increase in the transaction amount.

## **PRICING POLICY**

In respect of the provision of services and products by the Company to Capinfo Technology, or the provision of services and products by Capinfo Technology to the Group, the quotations of both parties shall be determined based on the following factors:

- (1) in respect of the major products/services which need to be provided by the Company under the Framework Agreement, the overall cost of manpower, software and other costs involved will be calculated by the Company first, and based on which, a reasonable gross profit margin (the estimated gross profit margin of software products is 35% to 60%, and the gross profit margin of software development services is 25% to 40%) shall be added to form a preliminary quotation;
- (2) in respect of the major products/services which need to be provided by Capinfo Technology under the Framework Agreement, the overall cost of manpower, software and other costs involved shall be calculated by Capinfo Technology first, and based on which, a reasonable gross profit margin (the estimated gross profit margin of software products is 35% to 60%, and the gross profit margin of operation and maintenance services is 20% to 35%) shall be added to form a preliminary quotation;
- (3) reference shall be made to the average bidding prices of similar services and products available in the open market (such as the China Government Procurement Network (<http://www.ccgp.gov.cn/>));
- (4) reference shall be made to the average quotations of similar services and products each offered to independent third parties;
- (5) negotiation by both parties at arm's length shall be carried out to ensure reasonable and competitive pricing; and
- (6) relevant laws and regulations, policy documents and the relevant pricing system shall be strictly complied.

## **INTERNAL CONTROL POLICIES**

Each quotation for the service and products to be provided by the Group to Capinfo Technology under the Framework 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 Capinfo Technology to the Group under the Framework 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 Framework Agreement, the Company will regularly review the transactions to be entered into with Capinfo Technology to identify any transactions that may be at risk of exceeding the annual caps and any measures to be taken in response to such transactions. All transactions to be conducted between the Group and Capinfo Technology shall be reviewed in details at least once per 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.

The purchasing department of the Group will obtain quotation from Capinfo Technology for each purchase and compare the quotations of similar services and products from other independent suppliers to ensure the price competitiveness of services and products before placing order(s) with Capinfo Technology. Where possible and practicable, the Group will usually set a benchmark by obtaining three quotations from independent third parties as price references when procuring 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 THE FRAMEWORK AGREEMENT**

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

Even since its establishment, Capinfo Technology has been committed to serving the construction of Beijing's information technology and digitalization. It has stronger cloud network-integrated platform operation capability, information construction delivery capability and system operation and guarantee

capability. The Board believes that the entering into the Framework Agreement will be beneficial to the Group's operation. The Board is also of the view that the services to be provided by Capinfo Technology to the Group will continue to help the Group enhance its capabilities to provide standardized product systems and services to the customers, reduce cooperation costs, and improve the related level of technologies and services.

In addition, the converging internal management models, and the consistency in technical route and research and development management system between the Company and Capinfo Technology provide strong guarantee for efficient mutual collaboration, enabling resource allocation and response in a more convenient way, which reduces the costs for communication and management, enhances business execution efficiency, and facilitates deeper development of the respective fields of both parties.

Accordingly, the Directors (including the independent non-executive Directors) consider that the terms of the Framework Agreement, the annual caps for the service fees to be paid by the Group to Capinfo Technology and that to be paid by Capinfo Technology to the Group under the Framework Agreement are fair and reasonable, are 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.

By virtue of her capacity as an employee of BSAM, Ms. Yan Yi, had abstained from voting on the Board resolutions approving the Framework Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has any material interest in the Framework Agreement.

## **GENERAL INFORMATION**

### **Information on the Company**

The Company is a joint stock limited company established in the PRC on 23 January 1998, which is principally engaged in products and software development and services, industry solutions and operation and maintenance services, etc.. As of the date of this announcement, BSAM holds approximately 63.3% interests in the issued share capital of the Company.

### **Information on Capinfo Technology**

Capinfo Technology is a company established in the PRC on 29 May 2006 with limited liability, and it is ultimately controlled by the Beijing Municipal Government. It is principally engaged in services including information system integration, software development, network and information system operation and maintenance, etc.. Capinfo Technology is held as to approximately 71.24% and 25.03% by the Company and Capnet, respectively.

## LISTING RULES IMPLICATIONS

BSAM is the Controlling Shareholder of the Company and holds 95% of Capnet, therefore, Capnet is an associate of BSAM, and thus a connected person of the Company. Capinfo Technology is held as to approximately 71.24% and 25.03% by the Company and Capnet, respectively, therefore, Capinfo Technology is a connected subsidiary of the Company, and thus a connected person of the Company. Accordingly, the transactions contemplated under the Framework Agreement constitute continuing connected transactions of the Company.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“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 Technology”	Capinfo Technology Development Co., Ltd.* (首都信息科技發展有限公司), a company incorporated in the PRC with limited liability, and is held as to approximately 71.24% and 25.03% by the Company and Capnet, respectively
“Capnet”	北京首信網創網絡信息服務有限責任公司 (Capnet Company Limited*), a company incorporated in the PRC with limited liability and which is owned by BSAM as to 95%
“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 RMB1.00 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

“Framework Agreement”	the Technique Services Framework Agreement entered into between the Company (for itself and on behalf of the Group) and Capinfo Technology on 31 July 2025, pursuant to which, the Group and Capinfo Technology have agreed to provide products and services to each other from 31 July 2025 to 31 December 2027
“Group”	the Company and its subsidiaries
“Independent Shareholders”	Shareholders other than those who have material interest in the Framework Agreement and the transactions contemplated thereunder
“independent third party(ies)”	independent third party(ies) who is/are independent of the Company and the connected person(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“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, 31 July 2025

*As at 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 Ms. Yan Yi, Mr. Xin Shuangbai, Ms. Zhao Shujie, Mr. Jiang Wei and Mr. Wang Yuzheng; and the independent non-executive directors of the Company are Mr. Gong Zhiqiang, Mr. Cheung, Wai Hung Boswell, Mr. Dong Jin and Mr. Li Jianqiang.*

\* *For identification purpose only*