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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

In July 2017, the Company entered into the Cloud Computing Support Platform Network Upgrade Agreement and the Email System Upgrade Agreement with Beijing Equity Exchange, pursuant to which the Company agreed to provide information technology services to Beijing Equity Exchange. In July 2017, the Company entered into the Beijing Quanyitong Server Hosting Agreement with Beijing Quanyitong (a wholly-owned subsidiary of Beijing Equity Exchange), pursuant to which the Company agreed to provide server hosting service to Beijing Quanyitong.

As Beijing Equity Exchange is owned as to 48.70% by BSAM (the Company's controlling Shareholder) and Beijing Quanyitong is a wholly-owned subsidiary of Beijing Equity Exchange, Beijing Equity Exchange and Beijing Quanyitong are connected persons of the Company and the transactions contemplated under the Agreements constituted connected transactions of the Company. As the applicable percentage ratios on an aggregated basis under Rule 14A.81 of the Listing Rules are more than 0.1% but less than 5%, the transactions contemplated under the Agreements are subject to the reporting and announcement requirements but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

In July 2017, the Company entered into the Cloud Computing Support Platform Network Upgrade Agreement and the Email System Upgrade Agreement with Beijing Equity Exchange, pursuant to which the Company agreed to provide information technology services to Beijing Equity Exchange. In July 2017, the Company entered into the Beijing Quanyitong Server Hosting Agreement with Beijing Quanyitong (a wholly-owned subsidiary of Beijing Equity Exchange), pursuant to which the Company agreed to provide server hosting service to Beijing Quanyitong.

* *For identification purpose only*

THE AGREEMENTS

Details of each of the Agreements are set out as below:

1. Email System Upgrade Agreement

Date of Agreement : 5 July 2017

Parties : (1) the Company; and
(2) Beijing Equity Exchange

Subject : Beijing Equity Exchange shall purchase email system, software products and the relevant integration service from the Company.

Consideration : RMB417,000

The consideration is arrived at after arm's length negotiation, having considered the average fees being charged to Independent Third Parties for similar products.

Payment Terms : Beijing Equity Exchange shall pay 50% of the total consideration within 15 business days of signing of the Email System Upgrade Agreement, 30% of the total consideration within 15 business days after installment of the products under the Email System Upgrade Agreement, 10% of the total consideration within 15 business days after completion of integration service, and the remaining 10% of the total consideration within 15 business days after completion of acceptance of the products under the Email System Upgrade Agreement.

The Consideration shall be payable by Beijing Equity Exchange in way of cheque.

2. Beijing Quanyitong Server Hosting Agreement

Date of Agreement : 14 July 2017

Parties : (1) the Company; and
(2) Beijing Quanyitong

Subject : The Company shall host the servers of Beijing Equity Exchange in its facilities.

Period of hosting : varies for each server racks, covering the period from 1 January 2017 to 31 December 2017

Initial consideration under the agreement : RMB1,602,000

The consideration is based on the number of server racks being hosted, the period of hosting for such server racks and the unit price for hosting. The unit price is based on unit price being charged to Independent Third Parties.

If the number of server racks being hosted increases or decrease during the term, the amount of hosting fees will be adjusted according to the terms of the agreement.

Payment Terms : Beijing Quanyitong shall pay RMB1,201,500 within 10 business days after signing of the Beijing Quanyitong Server Hosting Agreement and shall pay the remaining RMB400,500 within 10 business days after 30 September 2017.

3. Cloud Computing Support Platform Network Upgrade Agreement

Date of Agreement : 28 July 2017

Parties : (1) the Company; and
(2) Beijing Equity Exchange

Subject : Beijing Equity Exchange shall purchase network and servers and the relevant integration service from the Company.

Consideration : RMB1,899,577

The consideration is arrived at after arm's length negotiation and based on overall amount of network and servers and the relevant integration service involved under the agreement, having considered the average fees being charged to Independent Third Parties for similar products.

Payment Terms : Beijing Equity Exchange shall pay 50% of the total consideration within 15 business days of signing of the Cloud Computing Support Platform Network Upgrade Agreement, 30% of the total consideration within 15 business days after installment of the products under the Cloud Computing Support Platform Network Upgrade Agreement, 10% of the total consideration within 15 business days after completion of integration service, and the remaining 10% of the total consideration within 15 business days after completion of acceptance of the products under the Cloud Computing Support Platform Network Upgrade Agreement.

The Consideration shall be payable by Beijing Equity Exchange in way of cheque.

The aggregate actual consideration paid by Beijing Equity Exchange and Beijing Quanyitong to the Company pursuant to the Agreements was approximately RMB3,918,577.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENTS

The principal activities of the Group consist of the installation of network systems, network design, consultancy and related technical services, and sales of computers, related accessories and equipment and self-developed computer software.

As part of the normal and ordinary course of business of the Group, the Group has been providing server hosting services and other information technology services to Independent Third Parties as well as Beijing Equity Exchange and Beijing Quanyitong. The transactions contemplated under the Agreements will generate additional profit for the Group.

The Directors (including the independent non-executive Directors) are of the view that each of the Agreements was entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better after arm's length negotiation; and (iii) on terms that are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Mr. Xu Zhe, chairman and non-executive Director of the Company, is a member of senior management of BSAM, and Dr. Feng Hao Cheng, non-executive Director, is also an employee of BSAM. Accordingly, Mr. Xu Zhe and Dr. Feng Hao Cheng had abstained from voting on the Board resolutions approving the Agreements. Save as disclosed above, none of the Directors has any material interest in the Agreements.

“Beijing Equity Exchange”	北京產權交易所有限公司 (China Beijing Equity Exchange Limited*), an equity trading institution approved by the People’s Government of Beijing Municipality
“Beijing Quanyitong”	北京權益通支付科技有限公司 (Beijing QYT Pay Sci-tech Co., Ltd*) a company established in the PRC and is wholly-owned by Beijing Equity Exchange
“Beijing Quanyitong Server Hosting Agreement”	a server hosting agreement entered into between the Company and Beijing Quanyitong on 14 July 2017
“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
“Cloud Computing Support Platform Network Upgrade Agreement”	a network upgrade agreement in relation to the upgrade of cloud computing platform entered into between the Company and Beijing Equity Exchange on 28 July 2017
“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
“Email System Upgrade Agreement”	an email system agreement in relation to the upgrade of email system entered into between the Company and Beijing Equity Exchange in 5 July 2017
“Group”	the Company and its subsidiaries
“Independent Third Parties”	independent third parties independent of the Company and the connected persons of the Company

“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 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
“Shares”	ordinary share(s) of RMB0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percent

By order of the Board
CAPINFO COMPANY LIMITED*
Mr. Xu Zhe
Chairman

Beijing, the PRC, 28 July 2017

As of the date hereof, the executive directors of the Company are Ms. Lin Yankun and Mr. Yu Donghui; the non-executive directors of the Company are Mr. Xu Zhe, Dr. Feng Hao Cheng, Mr. Cao Jun, Mr. Zhou Weihua, Mr. Shan Yuhu and Ms. An Lili, and the independent non-executive directors of the Company are Mr. Gong Zhiqiang, Mr. Cheung, Wai Hung Boswell, Mr. Li He and Mr. Yang Xiaohui.