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# **CAPINFO**

## **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)**

## **DISCLOSEABLE TRANSACTION SUBSCRIPTION OF RMB STRUCTURED DEPOSIT WITH HUAXIA BANK**

### **STRUCTURED DEPOSIT AGREEMENT**

The Company entered into the Structured Deposit Agreement with Beijing Caihuying Sub-branch of Huaxia Bank on 29 June 2021, pursuant to which the Company subscribed for structured deposit issued by Beijing Caihuying Sub-branch of Huaxia Bank for an aggregate principal amount of RMB100,000,000.

### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the transaction under the Structured Deposit Agreement exceed 5% but are less than 25%, the transaction constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **BACKGROUND**

The Company entered into the Structured Deposit Agreement with Beijing Caihuying Sub-branch of Huaxia Bank on 29 June 2021 to subscribe for structured deposit issued by Beijing Caihuying Sub-branch of Huaxia Bank for an aggregate principal amount of RMB100,000,000.

\* *For identification purpose only*

## STRUCTURED DEPOSIT AGREEMENT

A summary of the principal terms of the Structured Deposit Agreement is set out as follows:

Date	:	29 June 2021
Parties	:	(1) the Company; and (2) Beijing Caihuying Sub-branch of Huaxia Bank
Name of product	:	Huaxia Bank RMB Structured Deposit 210060 (the “ <b>Product</b> ”)
Subject linked to the product	:	CSI Smallcap 500 Index prepared by China Securities Index Co., Ltd.
Product risk rating	:	Stable product
Type of return on the product	:	Principal guaranteed with minimum return guaranteed
Principal amount	:	RMB100,000,000, which will be funded by internal resources of the Group
Effective date (Establishment date)	:	1 July 2021, return on the Product shall be calculated from the establishment date
Settlement date	:	27 December 2021, the annualized return rate of the Product shall be determined on the same day
Maturity date	:	29 December 2021, the Product is of normal maturity: if the term of the Product is terminated early for reasons, the maturity date shall be subject to the notice of Huaxia Bank. No return on the Product shall be calculated on the maturity date, and Huaxia Bank shall pay the principal and return at the maturity date between 18:30 to 22:30.
Term of the product	:	181 days
Cooling-off period	:	Within 24 hours after signing and confirming the Structured Deposit Agreement. During the investment cooling-off period, if the Company changes its decision, Huaxia Bank will abide by the Company’s wishes to release the signed sales documents and unfreeze and refund all the investment funds of the Company in a timely manner.

Observation period	:	The trading days within the period from establishment date to settlement date, both days inclusive.
Structural elements of the product	:	<ol style="list-style-type: none"> <li>1. Opening price: the closing price of the linked subject at the establishment date</li> <li>2. Price at the settlement date: the closing price of the linked subject at the settlement date</li> <li>3. Exercise price 1: opening price × 100% (the “<b>Exercise Price 1</b>”)</li> <li>4. Exercise price 2: opening price × 105% (the “<b>Exercise Price 2</b>”)</li> <li>5. Annualized participation rate: 43.01%</li> </ol>
Expected annualized return rate	:	<p>According to the performance of the subject linked to the Product, the expected annualized return rate will range from 1.3% to 3.45%, and the minimum annualized return rate of 1.3% will be achieved:</p> <ol style="list-style-type: none"> <li>1. If the price of the linked subject at the settlement date is greater than or equal to the Exercise Price 2, the expected annualized return rate = 3.45%;</li> <li>2. If the price of the linked subject at the settlement date falls between the Exercise Price 1 and the Exercise Price 2, the expected annualized return rate = 1.3% + ((price at the settlement date - Exercise Price 1) ÷ opening price) × annualized participation rate;</li> <li>3. If the price of the linked subject at the settlement date is less than or equal to the Exercise Price 1, the expected annualized return rate will be 1.3%.</li> </ol>
Right of early termination	:	<ol style="list-style-type: none"> <li>I. Right of early termination by the Company <ol style="list-style-type: none"> <li>1. The Company has no right of early termination of the Product, unless any of the following situations occurs:</li> </ol> </li> </ol>

- (1) Huaxia Bank makes adjustments to the scope of investment, type of investment or proportion of investment in respect of the Product in accordance with laws and regulations, regulatory requirements or major market changes, but the Company does not accept the above adjustments;
  - (2) Huaxia Bank makes adjustments to the payment items, conditions, rates and methods in respect of the Product in accordance with laws and regulations, regulatory requirements or state policies, but the Company does not accept the above adjustments.
2. If Huaxia Bank makes any adjustments to the Product, it shall notify the Company of the same through its sales staff. If the Company does not accept such adjustments, it shall apply to Huaxia Bank for early termination and handle relevant procedures within the time limit specified in the notice; and if the Company continues to hold the Product after the expiry of the time limit, it shall be deemed to accept the adjustments to the Product.

## II. Right of early termination by Huaxia Bank

1. Huaxia Bank has the right of early termination of the Product if any of the following situations occurs:
  - (1) In case of major adjustments to national laws and regulations or financial policies, which will have impact on the normal operation of the Product;
  - (2) According to the market and investment operation conditions, Huaxia Bank reasonably judges that it is necessary to terminate the Product early.

2. If Huaxia Bank terminates the Product early, it shall notify the Company of the same through its sales staff three working days before the date of early termination. Since Huaxia Bank terminates the Product early under certain circumstances, the actual term of the Product may be shorter than the pre-determined term. If the Product is terminated early, the Company will not be able to realize all the returns expected at the beginning of the term.

- Trading days : The valid trading days specified by the Shanghai Stock Exchange and the Shanghai Futures Exchange.
- Working days : The days on which commercial banks and foreign exchange markets in Mainland China process payment and settlement and operate normally. The establishment date and maturity date will be automatically postponed to the next working day in case of national statutory holidays.
- Calculation of expected return :  $\text{Expected return} = \text{principal amount of deposit} \times \text{expected annualized return rate} \times \text{term of the Product} \div 365$ .
- Tax : The tax payable on the return of the Product shall be declared and paid by the Company itself. However, if Huaxia Bank is obliged to withhold and pay the taxes and charges borne by the Company in accordance with laws and regulations or orders or requirements of taxation authorities and other state organs, Huaxia Bank shall conduct the same.
- Other regulations :
  1. From the application date of the subscription (inclusive) to the cancellation date (exclusive) of the subscription, the Company's funds shall bear interest at the demand deposit interest rate published by Huaxia Bank.
  2. From the application date of the subscription (inclusive) to the establishment date (exclusive), the Company's funds shall bear interest at the demand deposit interest rate published by Huaxia Bank, and such interest shall not included in the principal for subscription.

## **INFORMATION ABOUT THE PARTIES**

### **The Company**

The Company is a joint stock limited company established in the PRC with limited liability and its business mainly includes software development and service, system integration, data processing service and information professional service, etc. As of the date of this announcement, 北京市國有資產經營有限責任公司 (Beijing State-owned Assets Management Corporation Limited\*) holds approximately 63.31% of the issued share capital of the Company.

### **Huaxia Bank**

Huaxia Bank is a licensed bank incorporated under the laws of the PRC. Its principal businesses include the provision of corporate and personal services, investment banking, asset management, brokerage as well as other financial services.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of Huaxia Bank and its ultimate beneficial owners as publicly disclosed by Huaxia Bank are third parties independent of the Company and its connected persons.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE STRUCTURED DEPOSIT AGREEMENT**

The Group intends to maximize the return of capital by subscribing for structured deposit under the Structured Deposit Agreement. The return obtained from the Structured Deposit Agreement is more lucrative than that of current deposit or term deposit. In addition, the Structured Deposit Agreement contains a capital preservation clause. Therefore, the Directors consider that, the risk arising from the Structured Deposit Agreement undertaken by the Group is insignificant, and the terms and conditions of the Structured Deposit Agreement are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the transaction under the Structured Deposit Agreement exceed 5% but are less than 25%, the transaction constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

Unless the context otherwise requires, the following terms used herein have the following meanings:

“Board” the board of directors of the Company

“Huaxia Bank”	Huaxia Bank Co., Ltd., a licensed bank incorporated under the laws of the PRC, which is listed on the Shanghai Stock Exchange (Stock Code: 600015.SH)
“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.HK)
“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
“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
“Structured Deposit Agreement”	the Huaxia Bank RMB structured deposit agreement entered into between the Company and Beijing Caihuying Sub-branch of Huaxia Bank on 29 June 2021, the aggregate principal amount of which was RMB100,000,000
“%”	percent

By Order of the Board of  
**CAPINFO COMPANY LIMITED\***  
**Lin Yankun**  
*Chairman*

Beijing, the PRC, 29 June 2021

*As of the date of this announcement, the executive directors of the Company are Ms. Lin Yankun, Mr. Yu Donghui and Mr. Zong Zhaoxing; the non-executive directors of the Company are Mr. Zhou Weihua, Mr. Shan Yuhu, Ms. Yan Yi, Ms. Liang Yi and Mr. Feng Jianxun; 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.*