

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO CONTINUING CONNECTED TRANSACTIONS RELATING TO TECHNIQUE SERVICES FRAMEWORK AGREEMENT

Reference is made to the announcement (the “**Announcement**”) of Capinfo Company Limited* (the “**Company**”) dated 29 December 2020 regarding the Company’s continuing connected transactions relating to the Technique Services Framework Agreement. Unless the context otherwise requires, the terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Company would like to provide additional information regarding the continuing connected transactions relating to Technique Services Framework Agreement.

INCREASE OF ANNUAL CAPS

As disclosed in the Announcement, in respect of the increase of the annual caps for the next three years ending 31 December 2023, it took into account the future business development and growth of Capinfo Cloud Technology. Capinfo Cloud Technology was only established in May 2018, and as Capinfo Cloud Technology was still in its early stage for the past years, it only had relatively limited business during those years.

In September 2020, the State Council issued the Notice on Accelerating Digital Transformation of State-owned Enterprises, proposing to use 5G, cloud computing and other new generation information technology to accelerate the pace of enterprises using the cloud. This helped the rapid development of Capinfo Cloud Technology’s cloud business. Furthermore, due to the impact of COVID-19 pandemic, Capinfo Cloud Technology also vigorously expanded its cloud services to meet the needs of customers under the regular epidemic prevention and control. Therefore, it is expected that the relevant business volume of Capinfo Cloud Technology will be significantly increased for the next three years ending 31 December 2023 which will require increase of its internet access bandwidth. The annual caps disclosed in the Announcement took into account Capinfo Cloud Technology’s

* *For identification purpose only*

expectation that the internet access services fees to be paid to Capnet for each of the three years ending 31 December 2021, 31 December 2022 and 31 December 2023 will increase by 267%, 400% and 400% comparing with such internet access services fees (RMB1,800,000) paid for the year ended 31 December 2019.

PRICING POLICY

As disclosed in the Announcement, the pricing policy on the continuing connected transactions will take into account various factors including the preliminary quotation, the average bidding price of similar services in the open market and necessary tender procedures.

To ensure the internet access service fees to be charged by Capnet under the Technique Services Framework Agreement is fair and reasonable, when it comes to each individual transaction, Capinfo Cloud Technology will conduct enquiry, comparison and negotiation with suppliers or tender and selection procedure to determine the final preferred supplier. According to the relevant procurement system, in respect of an individual transaction, for assets acquisition and acquisition of non-corporate assets with an amount not exceeding RMB500,000, enquiries, comparison and negotiation with suppliers are generally used. For acquisition of engineering and construction projects of corporate assets, goods and services with an amount exceeding RMB500,000, tender and selection procedure is generally used.

The procurement process, be it enquiry, comparison and negotiation with suppliers or tender and selection procedure, is organized and conducted by the procurement department. If it is conducted by enquiry, comparison and negotiation with suppliers, the procurement department will invite three or more suppliers to participate in the project for comparison and assessment. If it is conducted by tender and selection procedure, the more detailed technical specifications and other requirements regarding the services required as well as the assessment criteria will be prepared and included in an invitation to bid document and sent to at least three potential bidders for them to submit their bids. The bids will be assessed by an appraisal committee based on the predetermined assessment criteria. The assessment criteria include the quality management and measures, ability to meet the deadline, price, credentials and reputation of the suppliers. The preferred supplier will be selected based on the assessment criteria and in accordance with any applicable procurement administration measures.

As already disclosed in the Announcement, each individual transaction in relation to the services to be provided by Capnet to Capinfo Cloud Technology under the Technique Services Framework Agreement shall be reviewed and approved by the officer in-charge of the procurement department prior to the entering into of the relevant agreement to ensure that the terms are set in compliance with the pricing policy of Capinfo Cloud Technology.

By Order of the Board
CAPINFO COMPANY LIMITED*
LIN Yankun
Chairman

Beijing, the People's Republic of China, 28 January 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, Mr. Ma Linxiang, Mr. Feng Jianxun and Mr. Hu Yong; 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.

** For identification purposes only*