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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**

**THE OLD LEASE EXTENSION AGREEMENT**

Reference is made to the announcements of the Company dated 22 April 2015 and 31 March 2016, pursuant to which the Company and BICD entered into (i) the Old Lease Agreement I in respect of the Office Premises I; and (ii) the Old Lease Agreement II (together with the Old Lease Agreement I, the “**Old Lease Agreements**”) in respect of the Office Premises II (together with the Office Premises I, the “**Old Office Premises**”). The Old Lease Agreements will expire on 31 March 2018.

On 24 November 2017, the Company and BICD entered into a lease extension agreement, pursuant to which the Company and BICD agreed to extend the term of the Old Lease Agreements for a further period of six (6) months from 1 April 2018 to 30 September 2018.

**THE BXLE LEASE AGREEMENT**

Since the Old Lease Agreements will expire on 31 March 2018 and the Company proposes to move its entire office to a new location, the Company entered into a lease agreement with BXLE on 24 November 2017, pursuant to which the Company will lease the BXLE Office Premises from BXLE for a term of three years from 1 June 2018 to 31 May 2021.

**THE PROPERTY SERVICE AGREEMENT**

The Company entered into a property service agreement with BXLE Property Management, the subsidiary of BXLE, on 24 November 2017, pursuant to which BXLE Property Management will provide the Company with property service in respect of the BXLE Office Premises for a term of three years from 1 June 2018 to 31 May 2021.

\* *For identification purposes only*

## **LISTING RULES IMPLICATIONS**

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 BICD is a wholly-owned subsidiary of BSAM, 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, each of BICD, BXLE and BXLE Property Management is a connected person of the Company pursuant to the Listing Rules. Accordingly, the transactions contemplated under the Old Lease Extension Agreement, the BXLE Lease Agreement and the Property Service Agreement (collectively, the “**Lease Agreements**”) constitute continuing connected transactions under Chapter 14A of the Listing Rules.

Since BICD, BXLE and BXLE Property Management are connected with each other, the Lease Agreements shall be aggregated pursuant to Rule 14A.81 of the Listing Rules.

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 Lease Agreements are subject to the reporting and announcement requirements but exempt from the Independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

## **THE OLD LEASE EXTENSION AGREEMENT**

Reference is made to the announcements of the Company dated 22 April 2015 and 31 March 2016, pursuant to which the Company and BICD entered into (i) the Old Lease Agreement I in respect of the Office Premises I; and (ii) the Old Lease Agreement II (together with the Old Lease Agreement I, the “**Old Lease Agreements**”) in respect of the Office Premises II (together with the Office Premises I, the “**Old Office Premises**”). The Old Lease Agreements will expire on 31 March 2018.

On 24 November 2017, the Company and BICD entered into a lease extension agreement, pursuant to which the Company and BICD agreed to extend the term of the Old Lease Agreements for a further period of six (6) months from 1 April 2018 to 30 September 2018.

Details of the Old Lease Extension Agreement are set out as below:

Date: 24 November 2017

Parties:

Landlord: BICD

Tenant: the Company

Location: Office Premises I, which has an aggregate rental area of 982.53 sq.m. and is located at units 1009-1014 of Quantum Silver Plaza, 23 Zhichun Road, Haidian District, Beijing, the PRC; and

Office Premise II, which has an aggregate rental area of 4,230.20 sq.m. and is located at units 106, 709-714, 1201-1214 and 1501-1508 of Quantum Silver Plaza, 23 Zhichun Road, Haidian District, Beijing, the PRC

Term: The Company will lease the Old Office Premises from BICD for a period from 1 April 2018 to 30 September 2018. The Company may terminate the Old Lease Extension Agreement by giving BICD no less than 10 (ten) days' notice. Under such circumstance, rent and air-conditioning fee shall be calculated on the basis of the actual number of days elapsed.

Rent and air-conditioning fee: The monthly rent is RMB951,324 and is payable on a monthly basis. Such rent was arrived at after arm's length negotiation between the Company and BICD, with reference to, among other things, the market rental rate of other comparable office premises in the same geographical region.

The Company is also required to pay the air-conditioning fee of approximately RMB213,721 in total and is payable on the same date when rent is due.

## **THE BXLE LEASE AGREEMENT**

Since the Old Lease Agreements will expire on 31 March 2018 and the Company proposes to move its entire office to a new location, the Company entered into a lease agreement with BXLE on 24 November 2017, pursuant to which the Company will lease the BXLE Office Premises from BXLE for a term of three years from 1 June 2018 to 31 May 2021.

Details of the BXLE Lease Agreement are set out as below:

Date: 24 November 2017

Parties

Landlord: BXLE

Tenant: the Company

Location: 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 for a term of three years from 1 June 2018 to 31 May 2021.
Rent:	The monthly rent is RMB1,329,803 (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.
Property management fee:	The property management fee is RMB174,210 (including value-add tax) and is payable on a monthly basis. 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 rental rate of other comparable office premises in the same geographical region.

## **THE PROPERTY SERVICE AGREEMENT**

The Company entered into a property service agreement with BXLE Property Management, the subsidiary of BXLE, on 24 November 2017, pursuant to which BXLE Property Management will provide the Company with property service in respect of the BXLE Office Premises for a term of three years from 1 June 2018 to 31 May 2021. The Company will pay the one-off decoration management fee of approximately RMB145,175, the utility fees of approximately RMB46,660 on monthly basis, car parking fee of approximately RMB6,000 on monthly basis and fee for heat supply service of approximately RMB243,894 on quarterly basis.

## **BASIS OF DETERMINING THE PROPOSED CAPS**

The Directors propose the caps (the “**Proposed Caps**”) of RMB20.5 million, RMB20 million, RMB20 million and RMB9 million for the rent, property management fees and any other related expenses under the Lease Agreements for the period from 1 April 2018 to 31 December 2018, each of the two years ending 31 December 2019 and 2020 and the period from 1 January 2021 to 31 May 2021, respectively. Such Proposed Caps are determined based on the rent, property management fees and any other related expenses under the Lease Agreements.

The historical amount paid by the Company to BICD pursuant to the Old Lease Agreements for the period from 1 April 2015 to 30 September 2017 are as follows:

	<b>For the period from 1 April 2015 to 31 December 2015 (RMB)</b>	<b>For the year ending 31 December 2016 (RMB)</b>	<b>For the period from 1 January 2017 to 30 September 2017 (RMB)</b>
Historical amount paid	8,561,900	11,476,000	7,749,700

Set out below are the details of the Proposed Caps:

	<b>For the period from 1 April 2018 to 31 December 2018 (RMB)</b>	<b>For the year ending 31 December 2019 (RMB)</b>	<b>For the year ending 31 December 2020 (RMB)</b>	<b>For the period from 1 January 2021 to 31 May 2021 (RMB)</b>
Rent and air-conditioning fee payable under the Old Lease Extension Agreement	5,921,665.00 <i>(Note 1)</i>	–	–	–
Rent payable under the BXLE Lease Agreement	9,308,621 <i>(Note 2)</i>	15,957,636	15,957,636	6,649,015
Property management fee payable under the BXLE Lease Agreement	2,264,730 <i>(Note 3)</i>	2,090,520	2,090,520	871,050
Utility fees and other fees payable under the Property Service Agreement	<u>1,281,533.19</u>	<u>875,804.94</u>	<u>875,804.94</u>	<u>263,296.23</u>
<b>Total</b>	<u>18,776,509.19</u>	<u>18,923,960.94</u>	<u>18,923,960.94</u>	<u>7,783,361.23</u>
<b>Proposed Caps</b>	<u><u>20,500,000.00</u></u>	<u><u>20,000,000.00</u></u>	<u><u>20,000,000.00</u></u>	<u><u>9,000,000.00</u></u>

*Notes:*

- (1) Inclusive of a rental fee (RMB951,324 per month including tax) plus RMB213,721 air-conditioning fee for the period from 1 April 2018 to 30 September 2018.
- (2) Inclusive of a rental fee of (RMB1,329,803 per month including tax) for the period from 1 June 2018 to 31 December 2018.
- (3) Inclusive of a property management fee of (RMB174,210 per month including tax) for the period from 1 December 2017 to 31 December 2018.

## **REASONS FOR AND BENEFITS OF THE ENTERING INTO THE LEASE AGREEMENTS**

The Group is principally engaged in 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.

BICD is a company incorporated in the PRC with limited liability and is wholly-owned by BSAM. BICD is principally engaged in the provision of diversified services such as technical services, training, financial support and office rental to enterprises which engaged in the business of integrated circuits.

BXLE is a company incorporated in the PRC with limited liability and is owned as to 70% by BSAM. 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 is a company incorporated in the PRC with limited liability and is a wholly-owned subsidiary of BXLE, thus a subsidiary of BSAM. 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.

The Company rent Old Office Premises from BICD, which will expire on 31 March 2018 and proposes to move its entire offices to a new location with better working environment and convenient location. Since it requires a transitional period for relocation and decoration of its new offices, the Company proposes to extend its current lease for a further period of six (6) months.

The Board (including the independent non-executive Directors) is of the view that the terms of the Lease Agreements and the Proposed Caps are fair and reasonable and on normal commercial terms, and the entering into of the Lease Agreements are in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, BSAM, being the controlling shareholder, is interest 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 BICD is a wholly-owned subsidiary of BSAM, 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, each of BICD, BXLE and BXLE Property Management is a connected person of the Company pursuant to the Listing Rules. Accordingly, the transactions contemplated under the Lease Agreements constitute continuing connected transactions under Chapter 14A of the Listing Rules.

Since BICD, BXLE and BXLE Property Management are connected with each other, the Lease Agreements shall be aggregated pursuant to Rule 14A.81 of the Listing Rules.

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 Lease Agreements are subject to the reporting and announcement requirements but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## DEFINITIONS

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

“BICD”	北京集成電路設計園有限責任公司 (Beijing IC Design Park Co., Ltd.*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of BSAM
“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 incorporated in the PRC and 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 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”	has the meaning ascribe to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Domestic Share(s)”	domestic share(s) of RMB0.10 each in the share capital of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Share(s)”	overseas listed foreign share(s) of RMB0.10 each in the share capital of the Company
“Office Premises I”	the office premises located at units 1009-1014 of Quantum Silver Plaza, 23 Zhichun Road, Haidian District, Beijing, the PRC
“Office Premises II”	the office premises located at units 106, 709-714, 1201-1214 and 1501-1508 of Quantum Silver Plaza, 23 Zhichun Road, Haidian District, Beijing, the PRC
“Old Lease Agreement I”	the lease agreement dated 31 March 2016 entered into between the Company and BICD in respect of the lease of the Office Premises I for a term of two years from 1 April 2016 to 31 March 2018
“Old Lease Agreement II”	the lease agreement dated 22 April 2015 entered into between the Company and BICD in respect of the lease of the Office Premises II for a term of three years from 1 April 2015 to 31 March 2018
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	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
“Share(s)”	collectively, Domestic Shares and H Shares and (where applicable) any other foreign shares of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	Per cent.



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

Beijing, the People's Republic of China  
24 November 2017

*As at the date of this announcement, the executive directors of the Company are Ms. Lin Yankun and Mr. Yu Donghui; the non-executive directors of the Company are 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.*