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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)**

**ANNUAL CONSOLIDATED RESULTS FOR THE  
YEAR ENDED 31 DECEMBER 2022**

- Profit attributable to owners of the Company was RMB128.49 million.
- Operating revenue decreased by 0.27% to RMB1,422.95 million.
- Basic earnings per share was RMB4.4 cents (2021: RMB0.6 cents).
- The Board recommended the payment of a final dividend of RMB1.75 cents per share for the year ended 31 December 2022 (2021: RMB0.29 cents per share), for a total amount of approximately RMB50.72 million, subject to shareholders' approval at the forthcoming annual general meeting.

The board of directors (the “**Board**”) of Capinfo Company Limited\* (the “**Company**”) is pleased to announce the consolidated financial results and financial position of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2022, together with the comparative figures for the same period in 2021. The financial results and financial position have been audited by Grant Thornton (Special General Partnership), a certified public accountants, and reviewed by the Board and the audit committee (the “**Audit Committee**”) of the Company.

\* *For identification purposes only*

## CONSOLIDATED BALANCE SHEETS

31 December 2022

Prepared by: Capinfo Company Limited

Unit: RMB

Items	Notes	31 December 2022	31 December 2021
Current assets			
Monetary funds		923,417,020.76	1,059,765,313.71
Held-for-trading financial assets			
Notes receivable	6	58,293.75	
Accounts receivable	7	452,027,020.14	360,006,142.47
Receivables financing	8		3,520,255.80
Prepayments		75,130,905.31	114,030,504.63
Other receivables		66,761,546.95	67,822,877.72
Of which: Interest receivable			
Dividends receivable			
Inventory		217,310,713.94	227,464,816.77
Contractual assets	9	25,335,457.12	25,008,553.81
Assets held for sales			
Non-current assets due within one year			
Other current assets		<u>1,954,319.76</u>	<u>10,054,291.65</u>
<b>Total current assets</b>		<b><u>1,761,995,277.73</u></b>	<b><u>1,867,672,756.56</u></b>
Non-current assets:			
Debt investment			
Other debt investments			
Long-term receivables			
Long-term equity investment		246,485,219.16	226,772,589.63
Investment in other equity instruments			—
Other non-current financial assets		37,133,667.59	15,800,000.00
Investment properties		22,948,130.72	26,568,705.44
Fixed assets		136,104,319.03	79,241,213.04
Construction in progress			
Productive biological assets			
Oil and gas assets			
Right-of-use assets		31,784,060.40	53,270,250.94
Intangible assets		46,720,998.23	24,122,190.48
Development expenditures		78,642,530.16	3,934,153.91
Goodwill			
Long-term unamortized expenses		13,194,805.16	24,362,677.03
Deferred income tax assets		62,531,772.56	56,756,984.92
Other non-current assets		103,102,602.74	—
<b>Total non-current assets</b>		<b><u>778,648,105.75</u></b>	<b><u>510,828,765.39</u></b>
<b>Total assets</b>		<b><u>2,540,643,383.48</u></b>	<b><u>2,378,501,521.95</u></b>

Items	<i>Notes</i>	31 December 2022	31 December 2021
Current liabilities:			
Short-term borrowings			
Held-for-trading financial liabilities			
Notes payable			
Accounts payable	<i>10</i>	348,072,086.81	297,220,073.28
Advances from customers			
Contractual liabilities	<i>11</i>	335,630,190.76	342,152,923.04
Payroll payable		98,526,115.17	90,579,508.43
Tax payable		53,200,129.74	42,291,770.03
Other payables		292,583,177.67	303,456,376.88
Of which: Interest payable			
Dividends payable			
Held-for-sales liabilities			23,980,284.28
Non-current liabilities due within one year		83,229,021.20	82,823,908.16
Other current liabilities		—	—
<b>Total current liabilities</b>		<b><u>1,211,240,721.35</u></b>	<b><u>1,158,524,559.82</u></b>
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Of which: Preferred shares			
Perpetual bonds			
Lease liabilities		3,575,081.98	25,905,792.85
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income		1,826,923.08	2,069,790.28
Deferred income tax liabilities		2,781,860.60	3,248,391.92
Other non-current liabilities		—	—
<b>Total non-current liabilities</b>		<b><u>8,183,865.66</u></b>	<b><u>31,223,975.05</u></b>
<b>Total liabilities</b>		<b><u>1,219,424,587.01</u></b>	<b><u>1,189,748,534.87</u></b>

<b>Items</b>	<i>Notes</i>	<b>31 December 2022</b>	31 December 2021
Share capital		<b>289,808,609.10</b>	289,808,609.10
Other equity instruments			
Of which: Preferred shares			
Perpetual bonds			
Capital reserves		<b>299,080,505.71</b>	298,879,714.63
Less: treasury shares			
Other comprehensive income		<b>-8,443,166.86</b>	-8,443,166.86
Special reserves			
Surplus reserves		<b>129,512,206.34</b>	118,524,908.97
Undistributed profit	<i>12</i>	<b>552,609,587.82</b>	443,449,232.82
Total equity attributable to shareholders of the parent company		<b>1,262,567,742.11</b>	1,142,219,298.66
Minority interests		<b><u>58,651,054.36</u></b>	<u>46,533,688.42</u>
<b>Total shareholder's equity</b>		<b><u>1,321,218,796.47</u></b>	<u>1,188,752,987.08</u>
<b>Total liabilities and shareholders' equity</b>		<b><u>2,540,643,383.48</u></b>	<u>2,378,501,521.95</u>

# CONSOLIDATED INCOME STATEMENTS

Year 2022

Prepared by: Capinfo Company Limited

Unit: RMB

Items	Notes	Amount incurred in the current period	Amount incurred in the previous period
<b>I. Operating revenue</b>	13	<b>1,422,953,747.26</b>	1,426,774,385.79
Less: operating costs	13	<b>889,550,905.46</b>	917,162,665.74
Taxes and surcharges		<b>6,777,553.61</b>	6,065,523.74
Selling expenses		<b>118,392,324.02</b>	137,842,107.02
Administrative expenses		<b>136,153,542.05</b>	128,606,908.79
Research and development expenses		<b>137,294,867.10</b>	122,883,204.71
Financial expenses		<b>-16,226,264.07</b>	-10,571,214.06
Including: interest expense		<b>2,365,032.94</b>	2,870,433.53
Interest revenue		<b>13,438,693.53</b>	14,824,368.80
Plus: other incomes		<b>9,405,312.83</b>	8,372,573.24
Investment income (loss is indicated with "-")		<b>28,352,032.00</b>	33,566,644.68
Including: income from investment in associates and joint ventures		<b>24,234,231.55</b>	30,037,521.40
Income from derecognition of financial assets at amortized cost (loss is indicated with "-")			
Net exposure hedging income (loss is indicated with "-")			
Income from change of fair value (loss is indicated with "-")		<b>3,803,187.24</b>	
Credit impairment losses (loss is indicated with "-")		<b>-32,047,693.63</b>	-15,338,925.26
Asset impairment losses (loss is indicated with "-")		<b>463,466.98</b>	-106,956,767.68
Income from disposal of assets (loss is indicated with "-")		<b>14,795.59</b>	3,571,693.02
<b>II. Operating profit (loss is indicated with "-")</b>		<b>161,001,920.10</b>	48,000,407.85
Add: non-operating income		<b>12,861.93</b>	94,988.73
Less: non-operating expenses		<b>316,146.27</b>	2,458,808.69
<b>III. Total profit (total loss is indicated with "-")</b>		<b>160,698,635.76</b>	45,636,587.89
Less: income tax expenses	14	<b>20,088,805.30</b>	15,778,996.01
<b>IV. Net profit(net loss is indicated with "-")</b>		<b>140,609,830.46</b>	29,857,591.88
(I) Classified by operating continuity:			
Including: net profit from continuing operations (net loss is indicated with "-")		<b>140,609,830.46</b>	29,857,591.88
Net profit from discontinuing operations (net loss is indicated with "-")		-	-
(II) Classified by ownership:			
Including: net profit attributable to shareholders of the parent company (net loss is indicated with "-")		<b>128,492,464.52</b>	18,346,847.52
Minority interests (net loss is indicated with "-")		<b>12,117,365.94</b>	11,510,744.36

Items	<i>Notes</i>	Amount incurred in the current period	Amount incurred in the previous period
<b>V. Other comprehensive income, net of tax</b>			
Other comprehensive income net of tax attributable to shareholders of parent company			–
Other comprehensive income net of tax attributable to the minority shareholders			–
<b>VI. Total comprehensive income</b>		<b>140,609,830.46</b>	29,857,591.88
Total comprehensive income attributable to shareholders of the parent company		<b>128,492,464.52</b>	18,346,847.52
Total comprehensive income attributable to minority shareholders		<b>12,117,365.94</b>	11,510,744.36
<b>VII. Earnings per share</b>			
(I) Basic earnings per share	<i>15</i>	<b>0.044</b>	0.006
(II) Diluted earnings per share	<i>15</i>	<u><u>                    </u></u>	<u><u>                    </u></u>

## NOTES TO THE FINANCIAL STATEMENTS

### I. COMPANY GENERAL INFORMATION

Capinfo Company Limited (hereinafter referred to as the “Company”) is a joint stock limited company incorporated in Beijing, approved by the “Notice on Approval of Establishment of Capinfo Company Limited” of the Beijing Municipal People’s Government (J.Z.H.Z. (2000) No.74) and approved to register with Beijing Administration for Industry and Commerce on 14 July 2000. The unified social credit code is 911100006336972074. All H shares issued by the Company have been listed for trading on Hong Kong Stock Exchange. The Company is headquartered at No. 11 Xi San Huan Zhong Road, Haidian District (the north gate of the central television tower), Beijing.

The Company has established the corporate governance structure consisting of the General Meeting, Party Committee, Board of Directors and Supervisory Committee. During the reporting period, the Company adjusted its organizational structure to form three major sectors: business front office, technical middle-office, and management back-office. At present, the business front-office consists of four mature business divisions (Social Security Division, Housing Provident Fund Division, Organization Division and Governance Division), two key departments (Business Development Department and Network Business Department) and coverage expansion. The technical middle-office consists of five centers (Product Center, Network Center, Innovation Center, Big Data Center and Operation Center) and two departments (Technical Management Department and Comprehensive Management Department). The management back-office consists of 14 functional departments. The Company has thirteen branches, namely Beijing Yanqing Branch, Shunyi Branch, Daxing Branch, Tongzhou Branch, Dongcheng Branch, Guangzhou Branch, Chongqing Branch, Hebei Xiong’an Branch, Shanghai Hengyue Information Service branch, Hubei branch, Hebei branch, Jilin branch and Inner Mongolia branch.

The Company and its subsidiaries (hereinafter referred to as the “**Group**”) belong to software industry and are principally engaged in online application service and system integration. The business scope includes the provision of information source service, e-commerce service, network interconnection, computer equipment and hardware and software, technical development, technical consulting, technical service and technical training of inter-networking, integration and agency of information and network system, sales of computer peripheral equipment, proprietary and agency of all kinds of goods and technologies import and export business (excluding those restricted or prohibited by the state from import and export), professional contracting and sale agency of entrance tickets. (Enterprises can independently choose their own business projects and carry out business activities under the laws; for the above items subject to the administrative approval, relevant approval must be obtained prior to operation; enterprises shall not carry out business activities prohibited and restricted by the city’s industrial policy.)

During the period, there are aggregately 7 accounting units consolidated into financial statements, including the Company, Capinfo (Hong Kong) Co., Ltd (hereinafter referred to as “Capinfo Hong Kong”), Capinfo Technology Development Co., Ltd (hereinafter referred to as “Capinfo Technology”), Beijing Parking Management Centre Co., Ltd (hereinafter referred to as “Parking Management”), Xiamen Rito Info Technology Co. Ltd (hereinafter referred to as “Rito Info”), Capinfo Medical United Information Technology Company Limited\* (hereinafter referred to as “Capinfo Medical United”) and Capinfo Cloud Technology Co., Ltd.\* (hereinafter referred to as “Capinfo Cloud Technology”).

## 2. PREPARATION BASIS FOR FINANCIAL STATEMENTS

The financial statements are prepared in accordance with the “Accounting Standards for Business Enterprises” and their application guidelines, interpretations and other relevant requirements (collectively, “CASBE”) issued by the Ministry of Finance of the PRC (“MOF”).

The financial statements are presented on a going concern basis.

The Group’s accounting is measured on an accrual accounting basis. Except for certain financial instruments, the financial statements are measured based on historical cost. In case of asset impairment, impairment provisions shall be made accordingly under relevant regulations.

New Hong Kong Companies Ordinance took effect in 2015. The financial statements have been adjusted according to the requirements of the Hong Kong Companies Ordinance.

## 3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

### (1) Changes in critical accounting policies

#### ① *Interpretation No. 15 of Accounting Standards for Business Enterprises*

The Ministry of Finance issued the Interpretation No. 15 of Accounting Standards for Business Enterprises (Cai Kuai [2021] No. 35) (“**Interpretation No. 15**”) in December 2021.

According to the Interpretation No. 15, as for the external sales of products or by-products produced before the fixed assets reach a predetermined usable state or in the research and development process, enterprises shall, in accordance with the Accounting Standards for Business Enterprises No. 14 – Income and the Accounting Standard for Business Enterprises No. 1 – Inventories, have the relevant revenue and costs of trial operation sales shall be accounted for separately and recognized in the profit or loss for the current period, and shall not write off the net amount of revenues related to trial sales after offsetting the related costs against the cost of fixed assets or research and development expenses. The relevant products or by-products produced from trial operation shall be recognized as inventories if they meet the provisions of Accounting Standard for Business Enterprises No. 1 – Inventories, or as relevant assets if they meet the conditions for recognition of such assets in other relevant Accounting Standards for Business Enterprises, until they are sold externally.

Since 1 January 2022, the Company has begun to implement the provisions of the Interpretation No. 15 on “the accounting treatment of the external sales of products or by-products produced before the fixed assets reach a predetermined usable state or in the research and development process” and made retrospective adjustments.

According to the Interpretation No. 15, the “unavoidable costs of meeting the obligations under the contract” set forth in an onerous contract shall reflect the least net costs of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfill it. Costs that relate to that contract of an enterprise include both the incremental costs of fulfilling that contract and the allocation of other costs that relate directly to fulfilling that contract. Among which, incremental costs of fulfilling that contract include direct labor and materials; the allocation of other costs that relate directly to fulfilling the contract includes an allocation of the depreciation charge for an item of fixed assets used in fulfilling that contract.



Since 1 January 2022, the Company has implemented the provisions of Interpretation No. 15 “the judgment of contract loss” and retroactively adjusted retained earnings as of 1 January 2022, without adjusting the comparative figures of financial statements of prior periods.

The adoption of Interpretation No. 15 does not have a significant impact on the Company’s financial position and results of operations.

② ***Interpretation No. 16 of Accounting Standards for Business Enterprises***

The Ministry of Finance issued the Interpretation No. 16 of Accounting Standards for Business Enterprises (Cai Kuai [2022] No. 31) (“**Interpretation No. 16**”) in November 2022.

The Interpretation No. 16 stipulates that for financial instruments such as perpetual bonds classified as equity instruments, enterprises should recognize the income tax effect related to dividends in recognizing dividends payable. The income tax effect of the dividends shall be recognized in the profit or loss for the current period for profits distributed from transactions or events that previously resulted in profits or losses, and shall be recognized in owners’ equity for profits distributed from transactions or events previously recognized in owners’ equity.

Where the Company recognizes dividends payable on financial instruments classified as equity instruments in the current year, the income tax effect shall be accounted for in accordance with the provisions of the Interpretation No. 16 above. Where financial instruments occurred before 1 January 2022 but had not been derecognized as of 1 January 2022, the income tax effect is adjusted retroactively.

The Interpretation No. 16 stipulates that if an enterprise modifies the terms and conditions set forth in a cash-settled share-based payment agreement to make the payment an equity-settled share-based payment, the enterprise shall measure the equity-settled share-based payment at the fair value of the equity instrument granted on the date of modification, and record the acquired services in capital surplus. At the same time, the enterprise shall derecognize the liability recognized on the date of modification for the cash-settled share-based payment, and recognize the difference between the two in the profit or loss for the current period. If the vesting period is extended or shortened as a result of the modification, the enterprise shall apply the above accounting treatment in accordance with the modified vesting period (without considering the relevant accounting treatment provisions on adverse modifications).

The Company’s cash-settled share-based payment that occurred during the year were modified to the equity-settled share-based payment and accounted for in accordance with the provisions of the Interpretation No. 16 above, and for such transactions occurring prior to 1 January 2022, retained earnings and other related financial statement items as of 1 January 2022 were adjusted, whereas the information of the comparable period kept unchanged.

The adoption of Interpretation No. 16 does not have a significant impact on the Company’s financial position and results of operations.

## (2) Changes in critical accounting estimates

Content of and reasons for changes in accounting estimates	Approval procedures	Time point of application	Item affected	Amount affected (RMB0'000)
The Company has reassessed the use and service life of the intangible assets and intends to change the amortization life of the intangible assets, to reflect the Company's financial position and results of operations more objectively and fairly, reflect the principle of accounting prudence, make the amortization period of assets closer to the service life of assets, and satisfy the needs of the Company's business development and intangible asset management. The original amortization period of intangible assets is changed from no more than 3 years to no more than 10 years.	Approval by the Resolution of the 20th meeting of the eighth session of the Board	1/1/2022	① Intangible assets	①-443.17
			② Principal business cost	②443.17

## 4. SEGMENT REPORTING

Apart from the principal business, the Group does not operate any other business that has a significant impact on the results of operations. As the Group operates in only one geographical region, its revenue is mainly derived from within the PRC and its major assets are located within the PRC. Therefore, the Group is not required to disclose segment data.

## 5. TAX

### 1. Main tax types and tax rates

Tax type	Taxation basis	Statutory tax rate %
Value added tax	Taxable value-added amount	5, 6, 9, 13
Urban maintenance and construction tax	Turnover tax actually paid	7
Enterprise income tax	Taxable income	25
Name of taxable entity		Income tax rate %
The Company		10
Capinfo Hong Kong		–
Capinfo Technology		15
Parking Management		20
Rito Info		15
Capinfo Medical United		15
Capinfo Cloud Technology		15

## 2. Tax preference and approvals

### (1) *Value-added tax*

In accordance with the requirements of the Circular of Value-added Tax Policies for Software Products (《關於軟件產品增值稅政策的通知》) (Cai Shui [2011] No. 100) promulgated by the Ministry of Finance and the State Administration of Taxation, Rito Info sells its own-developed and produced software. After levitation of value-added tax at a rate of 13%, the part over 3% will be refundable as soon as it is imposed.

According to the requirements of the Circular of Inclusion of Railway Transportation and Post Industry into the Pilot Proposals for the Change from Business Tax to Value-added Tax (《關於將鐵路運輸和郵政業納入營業稅改徵增值稅試點的通知》) (Cai Shui [2015] No. 118) promulgated by the Ministry of Finance and the State Administration of Taxation, contracts of provision of technological transfer, development and related technological consulting or technological services are exempt from value-added tax upon recognition by the Municipal Competent Department of Science & Technology and reported to the Competent State Administration of Taxation for file.

### (2) *Corporate income tax*

According to the Notice on the Requirements for the Preparation of List of Integrated Circuit Enterprises or Projects and Software Enterprises Eligible for Preferential Tax Policies (《關於做好享受稅收優惠政策的集成電路企業或項目、軟件企業清單制定工作有關要求的通知》) (Fa Gai Gao Ji [2021] No. 413), enterprises included in the list of preferential income tax treatment upon review are entitled to 10% discount of corporate income tax.

Capinfo Hong Kong has no payable tax profit during the year.

Capinfo Technology obtained its Certificate of Hi-tech Enterprise, No. GR202011000486 on 31 July 2020 and is entitled to the corporate income tax preference of 15% for a period of three years.

Rito Info obtained its Certificate of Hi-tech Enterprise, No. GR202135101116 on 14 December 2021 and is entitled to 15% discount of corporate income tax for a period of three years.

Capinfo Cloud Technology obtained its Certificate of Hi-tech Enterprise, No. GR202011009034 on 2 December 2020 and is entitled to 15% discount of corporate income tax for a period of three years.

Capinfo Medical United obtained its Certificate of Hi-tech Enterprise, No. GR202211004422 on 1 December 2022 and is entitled to the corporate income tax preference of 15% for a period of three years.

Parking Management is entitled to the preferential income tax as national small and micro enterprises. The policies are as follows:

According to relevant provisions of the Announcement on Matters Relating to the Implementation of the State Administration of Taxation's Preferential Income Tax Policies for Supporting the Development of Small-Sized Enterprise with Thin Profit and Individual Businesses (《關於國家稅務總局關於落實支持小型微利企業和個體工商戶發展所得稅優惠政策有關事項的公告》) (Announcement No. 8 of 2021 by the State Administration of Taxation), from 1 January 2021 to 31 December 2022, the portion of annual taxable income of a small-sized enterprise with thin profit which does not exceed RMB1 million shall be calculated at a reduced rate of 12.5% as taxable income amount and shall be subject to corporate income tax at 20% tax rate.

According to relevant provisions of the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementing the Preferential Income Tax Policies for Small and Micro Enterprises (《財政部稅務總局關於進一步實施小微企業所得稅優惠政策的公告》) (Announcement No. 13 [2022] of the MOF and the SAT), from 1 January 2022 to 31 December 2024, the portion of annual taxable income of a small low-profit enterprise which exceeds RMB1 million but does not exceed RMB3 million shall be calculated at a reduced rate of 25% as taxable income amount and shall be subject to corporate income tax at 20%.

## 6. NOTES RECEIVABLE

Notes type	Balance as at the end of the period			Balance at the end of the previous year		
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value
Commercial acceptance bill	<u>62,500.00</u>	<u>4,206.25</u>	<u>58,293.75</u>	<u>-</u>	<u>-</u>	<u>-</u>

(1) At the end of the period, the Company did not have any pledged, endorsed or discounted notes receivable that were not yet due, which were transferred to accounts receivable due to the default of the drawer.

### (2) Classified by provision for bad debt method

Category	Balance as at the end of the period				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)	
Provision for bad debts by individual	-	-	-	-	-
Provision for bad debts by portfolio	62,500.00	100.00	4,206.25	6.73	58,293.75
Of which:					
Commercial acceptance bill	<u>62,500.00</u>	<u>100.00</u>	<u>4,206.25</u>	<u>6.73</u>	<u>58,293.75</u>
<b>Total</b>	<u>62,500.00</u>	<u>100.00</u>	<u>4,206.25</u>	<u>6.73</u>	<u>58,293.75</u>

Provision for bad debts is made on a portfolio basis:

Account provision by portfolio: commercial acceptance bill

Name	Balance as at the end of the period			Balance at the end of the previous year		
	Notes receivable	Provision for bad debts	Expected credit loss rate (%)	Notes receivable	Provision for bad debts	Expected credit loss rate (%)
7-12 months	<u>62,500.00</u>	<u>4,206.25</u>	<u>6.73</u>	—	—	—
Total	<u><u>62,500.00</u></u>	<u><u>4,206.25</u></u>	<u><u>6.73</u></u>	<u>—</u>	<u>—</u>	<u>—</u>

**(3) Provision for bad debts made, recovered or reversed in the current period**

	Provision for bad debts
Balance as at the beginning of the period	—
Current provision	<u>4,206.25</u>
<b>Balance as at the end of the period</b>	<b><u><u>4,206.25</u></u></b>

**7. ACCOUNTS RECEIVABLE**

**(1) Disclosure by aging**

Account receivables are recognized when the customer obtains control of goods or services and the Group has an unconditional right to consideration. The Group provides customers with an average credit period of 180 days, and the accounts receivables are non-interest bearing.

Age	Balance as at the end of the period	Balance at the end of the previous year
0-6 months (6 months inclusive)	326,206,862.30	259,686,848.87
7 months-1 year	17,791,051.96	43,087,605.41
1-2 years	134,761,287.00	71,309,667.87
2-3 years	47,849,420.79	35,548,097.47
Above 3 years	<u>114,011,214.97</u>	<u>107,061,229.34</u>
<b>Subtotal</b>	<b>640,619,837.02</b>	516,693,448.96
<b>Provision for bad debts</b>	<u>188,592,816.88</u>	<u>156,687,306.49</u>
<b>Total</b>	<b><u><u>452,027,020.14</u></u></b>	<b><u><u>360,006,142.47</u></u></b>

**(2) Classified disclosure by provision for bad debt method**

Category	Balance as at the end of the period				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)	
Accounts receivable with provision for bad debts by individual	647,685.78	0.10	262,685.78	40.56	385,000.00
Accounts receivable with provision for bad debts by portfolio	639,972,151.24	99.90	188,330,131.10	29.43	451,642,020.14
Of which:					
E-government portfolio	519,795,644.26	81.14	133,285,638.76	25.64	386,510,005.50
E-commerce portfolio	<u>120,176,506.98</u>	<u>18.76</u>	<u>55,044,492.34</u>	<u>45.80</u>	<u>65,132,014.64</u>
<b>Total</b>	<b><u>640,619,837.02</u></b>	<b><u>100.00</u></b>	<b><u>188,592,816.88</u></b>	<b><u>29.44</u></b>	<b><u>452,027,020.14</u></b>

Category	Balance at the end of the previous year				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Expected credit loss rate (%)	
Accounts receivable with provision for bad debts by individual	2,742,585.78	0.53	2,427,585.78	88.51	315,000.00
Accounts receivable with provision for bad debts by portfolio	513,950,863.18	99.47	154,259,720.71	30.01	359,691,142.47
Of which:					
E-government portfolio	406,770,188.89	78.73	99,927,966.91	24.57	306,842,221.98
E-commerce portfolio	<u>107,180,674.29</u>	<u>20.74</u>	<u>54,331,753.80</u>	<u>50.69</u>	<u>52,848,920.49</u>
<b>Total</b>	<b><u>516,693,448.96</u></b>	<b><u>100.00</u></b>	<b><u>156,687,306.49</u></b>	<b><u>30.33</u></b>	<b><u>360,006,142.47</u></b>

Provision for bad debts is made on an individual basis:

Name	Book balance	Balance as at the end of the period		Provision reason
		Provision for bad debts	Expected credit loss rate (%)	
China Tongguang Electronics Co., Ltd.	550,000.00	165,000.00	30.00	Expected partial non-recovery
Beidaihe Cadre's Sanitarium	97,685.78	97,685.78	100.00	Not expected to be recovered
Total	647,685.78	262,685.78	40.56	—

Provision for bad debts is made on a portfolio basis:

Account provision by portfolio: e-government portfolio

	Balance as at the end of the period			Balance at the end of the previous year		
	Book balance	Provision for bad debts	Expected credit loss rate (%)	Book balance	Provision for bad debts	Expected credit loss rate (%)
0-6 months (6 months inclusive)	270,438,228.30	2,812,557.57	1.04	219,300,852.79	3,706,184.41	1.69
7 months-1 year	15,115,683.84	1,017,285.53	6.73	39,532,919.22	3,727,954.28	9.43
1-2 years	121,004,274.92	32,102,434.15	26.53	52,699,984.20	13,970,765.81	26.51
2-3 years	31,654,236.14	15,770,140.45	49.82	28,682,633.04	11,969,262.77	41.73
Above 3 years	81,583,221.06	81,583,221.06	100.00	66,553,799.64	66,553,799.64	100.00
Total	519,795,644.26	133,285,638.76	25.64	406,770,188.89	99,927,966.91	24.57

Account provision by portfolio: e-commerce portfolio

	Balance as at the end of the period			Balance at the end of the previous year		
	Book balance	Provision for bad debts	Expected credit loss rate (%)	Book balance	Provision for bad debts	Expected credit loss rate (%)
0-6 months (6 months inclusive)	55,768,634.00	730,569.11	1.31	42,507,451.09	2,439,927.69	5.74
7 months-1 year	2,675,368.12	531,595.65	19.87	2,712,786.19	637,504.75	23.50
1-2 years	13,757,012.08	5,806,834.80	42.21	17,579,828.67	6,873,713.01	39.10
2-3 years	16,095,184.65	16,095,184.65	100.00	6,615,764.42	6,615,764.42	100.00
Above 3 years	31,880,308.13	31,880,308.13	100.00	37,764,843.92	37,764,843.92	100.00
Total	120,176,506.98	55,044,492.34	45.80	107,180,674.29	54,331,753.80	50.69

(3) Provision for bad debts made, recovered or reversed in the current period

Item	Amount of provision for bad debts
Balance as at the beginning of the period	156,687,306.49
Current provision	34,100,410.39
Recovery or reversal during the current period	2,194,900.00
Current write-off	—
<b>Balance as at the end of the period</b>	<b><u>188,592,816.88</u></b>

(4) Top five customers with closing balance of accounts receivable collected by arrear party

The aggregate amount of the top five accounts receivable by party in arrears at the end of the reporting period was RMB225,446,673.01, accounting for 35.19% of the total closing balance of accounts receivable, and the corresponding total closing balance of provision for bad debts was RMB22,220,716.40.

8. ACCOUNTS RECEIVABLE FINANCING

Item	Balance as at the end of the period	Balance at the end of the previous year
Notes receivable	—	3,520,255.80
Less: other comprehensive income – changes in fair value	—	—
<b>Ending fair value</b>	<b><u>—</u></b>	<b><u>3,520,255.80</u></b>

9. CONTRACTUAL ASSETS

Item	Balance as at the end of the period	Balance at the end of the previous year
Contract assets	26,067,517.24	26,204,080.91
Less: impairment provision of contractual assets	<u>732,060.12</u>	<u>1,195,527.10</u>
<b>Subtotal</b>	<b>25,335,457.12</b>	25,008,553.81
Less: contractual assets included in other non-current assets	—	—
<b>Total</b>	<b><u>25,335,457.12</u></b>	<b><u>25,008,553.81</u></b>



**(1) Provision for impairment of contractual assets**

Type	Balance as at the end of the period				Book value
	Book balance	Proportion (%)	Provision for bad debts	Expected credit loss rate (%)	
Contractual assets with provision for bad debts by individual	-	-	-	-	-
Contractual assets with provision for bad debts by portfolio	<b>26,067,517.24</b>	<b>100.00</b>	<b>732,060.12</b>	<b>2.81</b>	<b>25,335,457.12</b>
Of which:					
E-government portfolio	<b>23,469,972.61</b>	<b>90.04</b>	<b>692,154.95</b>	<b>2.95</b>	<b>22,777,817.66</b>
E-commerce portfolio	<b>2,597,544.63</b>	<b>9.96</b>	<b>39,905.17</b>	<b>1.54</b>	<b>2,557,639.46</b>
<b>Total</b>	<b><u>26,067,517.24</u></b>	<b><u>100.00</u></b>	<b><u>732,060.12</u></b>	<b><u>2.81</u></b>	<b><u>25,335,457.12</u></b>

Type	Balance at the end of the previous year				Carrying amount
	Book balance	Proportion (%)	Provision for bad debts	Expected credit loss rate (%)	
Contractual assets with provision for bad debts by individual	-	-	-	-	-
Contractual assets with provision for bad debts by portfolio	26,204,080.91	100.00	1,195,527.10	4.56	25,008,553.81
Of which:					
E-government portfolio	24,127,808.24	92.08	939,695.70	3.89	23,188,112.54
E-commerce portfolio	<u>2,076,272.67</u>	<u>7.92</u>	<u>255,831.39</u>	<u>12.32</u>	<u>1,820,441.28</u>
<b>Total</b>	<b><u>26,204,080.91</u></b>	<b><u>100.00</u></b>	<b><u>1,195,527.10</u></b>	<b><u>4.56</u></b>	<b><u>25,008,553.81</u></b>

Provision for bad debts is made on a portfolio basis:

Account provision by portfolio: e-government portfolio

	Balance as at the end of the period			Balance at the end of the previous year		
	Contract assets	Impairment provision	Expected credit loss rate (%)	Contract assets	Impairment provision	Expected credit loss rate (%)
0-6 months (6 months inclusive)	<b>20,789,696.64</b>	<b>216,212.83</b>	<b>1.04</b>	17,255,253.39	291,613.78	1.69
7 months-1 year	<b>1,187,550.97</b>	<b>79,922.18</b>	<b>6.73</b>	6,872,554.85	648,081.92	9.43
1-2 years	<b>1,492,725.00</b>	<b>396,019.94</b>	<b>26.53</b>	-	-	-
<b>Total</b>	<b><u>23,469,972.61</u></b>	<b><u>692,154.95</u></b>	<b><u>2.95</u></b>	<b><u>24,127,808.24</u></b>	<b><u>939,695.70</u></b>	<b><u>3.89</u></b>

Account provision by portfolio: e-commerce portfolio

	Balance as at the end of the period			Balance at the end of the previous year		
	Contract assets	Impairment provision	Expected credit loss rate (%)	Contract assets	Impairment provision	Expected credit loss rate (%)
0-6 months (6 months inclusive)	2,565,877.96	33,613.00	1.31	1,417,518.50	81,365.56	5.74
7 months-1 year	31,666.67	6,292.17	19.87	532,737.50	125,193.31	23.50
1-2 years	-	-	-	126,016.67	49,272.52	39.10
Total	<u>2,597,544.63</u>	<u>39,905.17</u>	<u>1.54</u>	<u>2,076,272.67</u>	<u>255,831.39</u>	<u>12.32</u>

(2) Impairment of contractual assets made, recovered or reversed in the current period

Item	Current provision	Current reversal	Resales/write-off for the period	Reason
Impairment of contractual assets	-	463,466.98	-	-

10. ACCOUNTS PAYABLE

(1) Disclosure of accounts payable by type

Item	Balance as at the end of the period	Balance at the end of the previous year
Payment for goods	<u>348,072,086.81</u>	<u>297,220,073.28</u>

(2) Disclosure of accounts payable by aging

Item	Balance as at the end of the period	Balance at the end of the previous year
Within 1 year	160,571,264.40	148,568,086.71
1-2 years	71,198,150.09	90,165,759.43
2-3 years	70,537,113.22	22,926,772.66
Above 3 years	<u>45,765,559.10</u>	<u>35,559,454.48</u>
Total	<u>348,072,086.81</u>	<u>297,220,073.28</u>

Note: The aging of accounts payable is presented based on the date of receipt of goods and services.

Of which, important payables aged over 1 year

<b>Item</b>	<b>Balance as at the end of the period</b>	Reasons for being outstanding or not carried forward
Beijing Huacheng Zhiyun Software Co., Ltd.	8,380,772.00	Project not settled
Zhong Jin Guo Yin (Beijing) Information Service Co., Ltd. (中金國銀(北京)信息服務有限公司)	7,233,722.94	Project not settled
CONVision Technology Co., Ltd. (北京康威視通科技有限公司)	7,095,341.25	Project not settled
Beijing Xianke Electronic System Engineering Co., Ltd. (北京希安科電子系統工程有限責任公司)	5,643,355.64	Project not settled
Beijing Anxin Tianxing Technology Co., Ltd. (北京安信天行科技有限公司)	4,490,460.50	Project not settled
Beijing Dazhong Online Network Technology Co., Ltd. (北京大眾在線網絡技術有限公司)	3,738,587.13	Project not settled
IFLYTEK CO, LTD	2,639,000.00	Project not settled
Shanghai Xingzhou Information Technology Co. Ltd. (上海星舟信息科技股份有限公司)	2,217,150.07	Project not settled
Beijing Fuxinyuan Engineering Management Co., Ltd. (北京福鑫源工程管理有限公司)	1,913,138.64	Project not settled
Beijing Huasheng Chengchuang Technology Co., Ltd. (北京華勝誠創科技有限公司)	1,687,061.94	Project not settled
Zhongruan Information System Engineering Co., Ltd. (中軟信息系統工程有限公司)	<u>1,595,000.00</u>	<u>Project not settled</u>
<b>Total</b>	<b><u>46,633,590.11</u></b>	<b><u>—</u></b>

## 11. CONTRACTUAL LIABILITIES

<b>Item</b>	<b>Balance as at the end of the period</b>	Balance at the end of the previous year
Item receipt	<u>335,630,190.76</u>	<u>342,152,923.04</u>

Of which, major contractual liabilities aged over 1 year

Item	Balance as at the end of the period	Reasons for being outstanding or not carried forward
Public Security and Traffic Administration Bureau of Beijing Municipal Bureau of Public Security	7,630,993.12	Project not settled
Beijing Municipal Commission for City Planning and Land Resources Management	5,931,612.96	Project not settled
Beijing Enterprises Holdings Limited (北京控股集團有限公司)	2,873,893.80	Project not settled
Beijing Municipal Bureau of Land Resources	2,653,655.56	Project not settled
Alibaba Cloud Computing Co. Ltd.	1,981,132.08	Project not settled
Science, Technology and Information Technology Bureau in Xicheng District, Beijing (北京市西城區科學技術和信息化局)	1,783,018.87	Project not settled
Beijing Municipal Bureau of Economy and Information Technology	1,782,000.00	Project not settled
Guangzhou Housing Provident Fund (廣州住房公積金管理中心)	1,475,471.69	Project not settled
Neiqiu County Public Security Bureau (內丘縣公安局)	1,252,427.19	Project not settled
State Intellectual Property Office	1,109,433.96	Project not settled
<b>Total</b>	<b><u>28,473,639.23</u></b>	<b><u>—</u></b>

Note: The contract liability at the beginning of 2022 was RMB342,152,923.04, of which RMB277,368,268.40 was recognized as revenue in 2022.

## 12. UNDISTRIBUTED PROFIT

Item	Amount incurred in the current period	Amount incurred in the previous period
Undistributed profits at the end of the previous period before adjustment	443,449,232.82	490,920,537.69
Total amount of adjustment for undistributed profits at the beginning of the period (“+” for increase and “-” for decrease)	—	—
Undistributed profits at the beginning of the period after adjustment	443,449,232.82	490,920,537.69
Plus: Net profit attributable to shareholders of the parent company	128,492,464.52	18,346,847.52
Less: Withdrawal of legal surplus reserve	10,987,297.37	8,436,047.79
Ordinary share dividends payable	8,344,812.15	57,382,104.60
Undistributed profits at the end of the period	<b><u>552,609,587.82</u></b>	<b><u>443,449,232.82</u></b>

According to the requirements of the Company’s Articles of Association, the available-for-distribution profits for the Company’s shareholders refer to amounts in the statements prepared in accordance with the Chinese Accounting Standards and Regulations.

### 13. OPERATING INCOME AND OPERATING COST

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Cost	Revenue	Cost
Principal business	1,402,938,780.41	884,994,988.54	1,408,622,364.82	912,653,343.69
Other business	<u>20,014,966.85</u>	<u>4,555,916.92</u>	<u>18,152,020.97</u>	<u>4,509,322.05</u>

#### (1) Principal business (sub-businesses)

Business name	Amount incurred in the current period		Amount incurred in the previous period	
	Operating income	Operating cost	Operating income	Operating cost
Software development and service	678,308,184.11	383,511,544.68	624,527,789.10	354,878,824.01
System integration	433,826,219.04	316,856,908.41	507,456,501.54	378,560,849.73
Data processing service	260,889,845.43	160,171,340.87	244,462,963.80	152,419,235.45
Information professional service	<u>29,914,531.83</u>	<u>24,455,194.58</u>	<u>32,175,110.38</u>	<u>26,794,434.50</u>
<b>Total</b>	<u>1,402,938,780.41</u>	<u>884,994,988.54</u>	<u>1,408,622,364.82</u>	<u>912,653,343.69</u>

#### (2) Other business (sub-business)

Business name	Amount incurred in the current period		Amount incurred in the previous period	
	Operating income	Operating cost	Operating income	Operating cost
Rental income from investment property	<u>20,014,966.85</u>	<u>4,555,916.92</u>	<u>18,152,020.97</u>	<u>4,509,322.05</u>

#### (3) Timing of revenue recognition

Revenue recognition method	2022
Principal business revenue	
Of which: At a certain point of time	486,144,923.65
Over a period of time	916,793,856.76
Other operating revenue	
Of which: Leasing revenue	<u>20,014,966.85</u>
<b>Total</b>	<u>1,422,953,747.26</u>

## 14. INCOME TAX EXPENSE

### (1) Breakdown of income tax expense

Item	Amount incurred in the current period	Amount incurred in the previous period
Current income tax calculated according to tax law and relevant provisions	26,330,124.26	17,513,319.12
Deferred income tax expenses	<u>-6,241,318.96</u>	<u>-1,734,323.11</u>
<b>Total</b>	<b><u>20,088,805.30</u></b>	<b><u>15,778,996.01</u></b>

### (2) Relationship between income tax expenses and total profits is presented as follows:

Item	Amount incurred in the current period	Amount incurred in the previous period
Total profit	160,698,635.76	45,636,587.89
Income tax expense calculated at statutory (or applicable) tax rate	16,069,863.58	4,563,658.79
Impact of different tax rates applied to certain subsidiaries	3,576,075.35	1,019,555.45
Adjustments to current income taxes of prior periods	6,260,083.09	6,587,186.00
Profit or loss in joint ventures and associates accounted by equity method	-2,423,423.16	-3,003,752.14
Revenue not subject to taxation	-	-
Non-deductible costs, expenses and losses	74,089.54	209,144.36
Impact of changes in tax rate on opening balance of deferred income tax	-	-
Tax effect of utilizing unrecognized deductible losses and deductible temporary differences from prior years (indicated with "-")	-158,998.10	-
Tax effect of unrecognized deductible losses and deductible temporary differences	3,969,398.42	5,575,011.62
Impact of R&D expenses plus as deductible tax (indicated with "-")	-7,278,283.42	-9,951,646.41
Others	-	10,779,838.34
<b>Income tax expense</b>	<b><u>20,088,805.30</u></b>	<b><u>15,778,996.01</u></b>

## 15. EARNINGS PER SHARE

### (1) Basic earnings per share

Item	Amount incurred in the current period	Amount incurred in the previous period
Consolidated net profit attributable to the Company's common shareholders	128,492,464.52	18,346,847.52
Weighted average number of ordinary shares of the Company	<u>2,898,086,091</u>	<u>2,898,086,091</u>
Basic earnings per share	<u><u>0.044</u></u>	<u><u>0.006</u></u>

Basic earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares.

### (2) Diluted earnings per share

The diluted earnings per share are the same as the basic earnings per share, because the Company did not have any potential dilutive ordinary shares during the current reporting period.

Note: From 31 December 2022 to the date of approval of the financial report, there was no change in the number of ordinary shares of the Company.

## 16. DIVIDENDS

The Company approved a final dividend of RMB0.29 cents per share for the year ended 31 December 2021 (before tax) at the annual general meeting convened on 17 June 2022. Final dividend for 2021 approved during the year amounted to RMB8,344,812.15. (final dividend for 2020 approved during 2021: totaling RMB57,382,104.60).

According to the resolution of the 20th meeting of the eighth session of the Board as at 31 March 2023, the Board has recommended the payment of cash dividend of RMB1.75 cents per share to all shareholders by the Company, calculating based on 2,898,086,091.00 issued shares, with the total proposed cash dividend of RMB50,716,506.59 (of which, 774,498,000.00 shares are foreign listed H shares, and the total cash dividend paid is RMB13,553,715.00). The above proposal is subject to approval at the general meeting.

## 17. OTHER IMPORTANT MATTERS

Suspecting that the original shareholders of the acquired enterprise had contractual deception, the Company reported the case to the Haidian Branch of the Beijing Municipal Bureau of Public Security on 5 June 2018, to safeguard the rights and interests of the its shareholders. On 6 August 2018, the Company received the Notice of Filing from the Haidian Branch of the Beijing Municipal Bureau of Public Security. On 24 August 2018, the Company made an announcement on the matter. As of the approval date of the report, the case is still under investigation.

**Capinfo Company Limited**

31 March 2023

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

In 2022, China successfully hosted the Winter Olympic and Paralympic Games, held the 20th CPC National Congress, and embarked on a new journey to comprehensively build a modern socialist country. Since the “14th Five-Year Plan”, the market environment has undergone significant changes, opportunities and challenges coexist. During the reporting period, the Group enjoyed stable and healthy development of business, achieving operating revenue of RMB1,422.95 million, drop 0.27% yoy, and net profit attributable to owners of parent company of RMB128.49 million, up 1.85% yoy (after excluding the impact of goodwill impairment).

#### *Making solid progress in the construction of key projects*

During the reporting period, we successfully achieved the goal of implementing new settlement methods in Beijing. The new medical insurance platform handling system was fully launched, and the development work of personal account closure, medical assistance, serious illness reimbursement, and drug procurement was carried out simultaneously. We launched the platform for booking and referral services at the grassroots level, and were gradually improving the system functions. We successfully completed the Digital Longfu Temple project, built a 3D digital base, and launched the digital Longfu APP in the mainstream application market. We accelerated the construction of the investor supervision platform, and launched its main functions, which entered the stage of use by users.

#### *Focusing on strengthening the construction of products*

During the reporting period, we promoted the research and development of our own basic software architecture, improved CAPINFO EA, and developed cloud-based CAPINFO CAF to provide high quality technical support for the Company’s product lines. We created the “Capinfo Connect” product, benefiting more than 200,000 workers in the administrative office area of Beijing Municipal Administrative sub-center. We developed “Easy & Safe Travel (易安行)” products, signed contracts with a number of companies for promotion, achieving breakthrough in both markets and fields of our self-developed products. We created block chain products, which have been filed through the block chain information service of the Cyberspace Administration of China. We built big data base products, completed the construction of basic platforms, and realized data access and data service functions to support important systems such as “Huitian Brain”.



### *Promoting new business development*

Based on the core principle of “creating value for customers”, focusing on the opportunity of construction of benchmark cities in the global digital economy, we strengthened the capacity building of solutions, improved the customer service capability, and won the bid of the digital community application demonstration project. In addition, we strengthened the communication and cooperation with upstream and downstream enterprises in the supply chain, integrated into the digital ecosystem, and built a joint development model.

We consolidated the foundation for the “two platforms”. The integrated network platform ran smoothly, with the availability rate of backbone network reaching 99.999%. We provided e-government extranet services to nearly 20,000 units and wireless broadband and cluster scheduling services to nearly 20,000 1.4G private network terminals. Capinfo Cloud platform operated reliably, providing services for more than nearly 150 government clients such as government office and multiple city-owned enterprises in Beijing.

We promoted the development of e-government business in an orderly way. Our government service hall informatization project achieved important development outside Beijing; we signed contracts with many district governmental agencies and large state-owned enterprises in Beijing for our “handling complaints upon receipt” service, we acquired new customers for our provident fund business, such as Beijing Housing Provident Fund Management Center Branch Office directly under the CPC Central Committee and several banks; the HR business covered more than 50 ministries and commissions across provinces.

We continued to leverage the role of smart medicine in benefiting the people. With the stable operation of the medical insurance information system and the social security card system, we signed cooperation agreements on the commercial insurance settlement with 180 hospitals in total. We won the bidding of the business service platform project of Chaoyang District medical insurance participating units and the credit settlement platform project of Haidian District Smart Medical Insurance service. We applied domestic block chain technology to the credit medical business chain to realize data link, leaving a mark, trace, verification and other functions. We plan to build a sub-system of prescription circulation at district level to realize the circulation from district hospitals to pharmacies.

We made best efforts to build a digital system for “digital governance”. We continued to promote the construction of the “Huitian City Brain” command and dispatch center, creating a solution for urban brain construction. We signed the contract for the construction, operation and maintenance of Tongzhou Sharp Eyes Project. We won the construction project of Dongcheng District cultural and tourism industry management platform.

We actively explored the “digital enterprise” application market. We made every effort to promote the construction of an online management and control platform for state-owned enterprises, successfully signed contracts and reached cooperation intention with a number of first-level enterprises managed by the municipal government. We developed business solutions for the digital transformation of state-owned enterprises, making good preparation for the subsequent market development. Centering on the requirements of the digital transformation of the tobacco industry, we completed the localization alternatives of the fund supervision system products.

### **Group management and control**

During the reporting period, the Company innovated the management mode and formed the organizational structure of “business front-end – technology middle – management background” with focused development, clear boundary and prominent core. We fully implemented the tenure system and contractual management of managers, based on the performance-oriented approach. We carried out system reforms such as performance assessment to form a benign mechanism of “the salary to be increased and decreased, the cadres to be versatile and ready to accept a higher or lower post”. We promoted the enterprise annuity plan and the subsidiary equity incentive, thus constantly improving the sense of happiness and gain of employees. We built a “digital Capinfo” APP, standardized the process approval, improved management efficiency, and promoted the digital transformation of the Company. We continued to improve the compliance management system and the operation and management system, and actively carried out self-examination and correction of internal control and compliance.

### **Looking Forward**

Looking forward to the future, the “14th Five-Year Plan” period is a critical period and window period for the realization of the strategic goal of “digital China”, as well as a golden development period for the digital economy with information technology and data as key elements. Shouldering the mission of “providing innovative digital services to make the city smarter and life better”, the Group will seize the industrial development opportunities brought by digital change to strengthen the construction of scientific research team, continue to build core technologies and innovative products to ensure the rapid growth of business scale and steady improvement of operating benefits.

### **Human Resources**

As of 31 December 2022, the Group had 1,816 employees (2021: 1,812), including 1,467 technology and research and development employees (2021: 1,456), 279 function management personnel at all levels (2021: 261), 0 call center representative (2021: 46), and 70 sales staff (2021: 49 employees). Expense of the Group’s employees was approximately RMB491.84 million (2021: RMB450.21 million).

## FINANCIAL REVIEW

In 2022, the Group recorded an operating revenue of RMB1,422.95 million, representing a slight decrease of 0.27% as compared with the same period of last year. The Group recorded a gross profit of RMB533.40 million, representing an increase of 4.67% as compared with the same period of last year, and profit attributable to owners of the Company of RMB128.49 million.

Other income of the Group amounted to RMB20.02 million, representing an increase of 10.26% over the same period of last year, mainly attributable to property rental income.

The Group's gain or loss on fair value changes for the year was RMB3.80 million, which was the gain or loss on fair value changes recognized for the investment in FOF. During the current year, the investment revenue amounted to RMB28.35 million, representing a decrease of RMB5.21 million as compared with the same period of last year, which was mainly attributable to the investment revenue of RMB24.23 million from Beijing Certificate Authority Co., Ltd. ("BJCA") and Beijing Culture & Sports Technology Co., Ltd. during the year, representing a decrease of RMB5.80 million as compared same period of the last year, as well as revenue of RMB3.53 million recognized from purchase of structural bank deposits and gain of RMB0.58 million recognized for the investment in FOF during the year. During the year, the impairment loss of assets amounted to RMB-0.46 million. Credit impairment loss amounted to RMB32.05 million during the year, representing an increase of RMB16.71 million as compared with the same period of last year.

In respect of the Group's business model, business operations included software development and service, system integration, data processing service and information professional service, of which revenue from software development and service amounted to RMB678.31 million, representing an increase of 8.61% as compared with the corresponding period of last year and accounting for 47.67% (2021: 43.77%) of the total operating revenue of the Group; revenue from system integration amounted to RMB433.83 million, representing a decrease of 14.51% as compared with the corresponding period of last year and accounting for 30.49% (2021: 35.57%) of the total operating revenue of the Group; revenue from data processing service amounted to RMB260.89 million, representing an increase of 6.72% as compared with the corresponding period of last year and accounting for 18.33% (2021: 17.13%) of the total operating revenue of the Group; revenue from information professional service amounted to RMB29.91 million, representing a decrease of 7.03% as compared with the corresponding period of last year and accounting for 2.10% (2021: 2.26%) of the total operating revenue of the Group.

### Capital Expenditure, Liquidity and Financial Resources

As of 31 December 2022, the Group had total assets amounting to RMB2,540.64 million, representing an increase of 6.82% as compared with the corresponding period of last year. Equity attributable to owners of the Company amounted to RMB1,262.57 million, representing an increase of 10.54% as compared with the corresponding period of last year. The Group's current ratio, defined as total current assets over total current liabilities, was 1.45, representing a slight decrease of 0.16 from that of the corresponding period of last year. For the year ended 31 December 2022, the Group had no pledged assets.

Bank deposits, bank balance and cash of the Group amounted to RMB923.42 million, representing a decrease of 12.87% as compared with the corresponding period of last year. In addition, bank certificates of deposit in large amounts of RMB103.10 million was reported under other non-current assets.

### **Equity Investments**

In 2022, the Group's share of results of associates was RMB24.23 million, representing a decrease of 19.32% as compared with the corresponding period of last year, mainly due to the contribution from BJCA.

### **Income tax**

In 2022, the Company was recognized as a key software enterprise in the national planning and layout and entitled to the preferential tax treatment. The enterprise income tax of the Company was imposed at a reduced rate of 10%. During the year, the income tax expenses amounted to RMB20.09 million, representing an increase of RMB4.31 million as compared with the corresponding period of last year.

### **ANNUAL GENERAL MEETING**

The annual general meeting of the Company will be held on Friday, 16 June 2023 at 10:00 a.m. at the conference room, 5th Floor, Longfu Building, 95 Longfusi Street, Dongcheng District, Beijing, China (the "AGM"). A notice of the convening of the AGM will be published and sent to the shareholders of the Company in due course in accordance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

### **DIVIDENDS**

In view of the Group's stable performance and strong cash flow from its business (including recurring operations), the Board recommended the payment of a final cash dividend of RMB1.75 cents per share for the year ended 31 December 2022 (2021: RMB0.29 cents per share), totaling approximately RMB50.72 million, to shareholders listed on the register of members as at 4:30 p.m. on Friday, 23 June 2023. The distribution of dividends is subject to approval by shareholders at the annual general meeting. The dividend will be paid on Monday, 25 September 2023.

Pursuant to the Law on Corporate Income Tax of the People's Republic of China and its relevant implementation rules which came into effect on 1 January 2008, the Company is required to withhold and pay corporate income tax at the rate of 10% when distributing the final dividends to non-resident corporate shareholders whose names appear on the H share register of members of the Company. Any shares registered in the name of non-individual shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations, will be deemed as shares held by non-resident corporate shareholders, therefore the dividends payable on such shares will be subject to the withholding of the corporate income tax.

The Company will withhold 10% of the dividend to be distributed to the individual holders of H shares of the Company as individual income tax unless otherwise specified by the tax regulations and relevant tax agreements, in which case the Company will withhold individual income tax of such dividend at the required tax rates and according to the procedures as specified by the relevant regulations.

## **CLOSURE OF REGISTER OF MEMBERS**

### **(a) Eligibility for Attending and Voting at the AGM**

The register of members of the Company will be closed from Tuesday, 13 June 2023 to Friday, 16 June 2023, both dates inclusive, during which period no transfer of shares will be effected for the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM. To be eligible to attend and vote at the AGM, all completed transfer documents accompanied by the relevant share certificates shall be lodged to the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shares), or the Company's registered office, at 5/F, Longfu Building, 95 Longfusi Street, Dongcheng District, Beijing, PRC (for domestic Shares) no later than 4:30 p.m. on Monday, 12 June 2023.

### **(b) Eligibility for Receiving the Proposed Final Dividend**

Subject to the approval of the resolution for the proposed final dividend by shareholders at the AGM, the register of members of the Company will be closed on Friday, 23 June 2023 and no transfer of shares will be effected on that day. To be eligible for receiving the proposed final dividend, all completed documents relating to share transfer accompanied by the relevant share certificates shall be lodged to the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shares), or the Company's registered office, at 5/F, Longfu Building, 95 Longfusi Street, Dongcheng District, Beijing, PRC (for domestic Shares) no later than 4:30 p.m. on Wednesday, 21 June 2023.

## **CORPORATE GOVERNANCE CODE**

The Group is committed to achieving and maintaining statutory and regulatory standards and complying with the principles of corporate governance. During the year and thereafter, the Company has complied with all the code provisions set out in the Corporate Governance Code as contained in Appendix 14 of the Listing Rules.

## **DIRECTORS' AND SUPERVISORS' SECURITIES TRANSACTIONS**

The Group has adopted a Code of Securities Transactions regarding Directors' and Supervisors' securities transactions on terms no less exacting than the required standard of dealings as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors and Supervisors, all Directors and Supervisors confirm that they have complied with the required standard of dealings and the Group's Code of Securities Transactions regarding securities transactions by the Directors and Supervisors for the year ended 31 December 2022.

## **PURCHASE, SALE AND REPURCHASE OF THE COMPANY'S SHARES**

Neither the Company nor any of its subsidiaries purchased, sold and redeemed any of the Company's listed shares during the year ended 31 December 2022.

## **AUDIT COMMITTEE**

The Group has set up an Audit Committee and has formulated the Rules and Procedures for the Audit Committee with written terms of reference. The primary duties of the Audit Committee include the review and supervision of the Group's financial reporting procedures and risk management and internal control systems. The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2022, including the accounting principles and practices adopted by the Group, as well as the selection and appointment of external auditors.

## **EVENTS AFTER THE REPORTING PERIOD**

There are no material events after 31 December 2022 that have materially affected the operating and financial performance of the Group as at the date of the announcement.

## **RISK MANAGEMENT AND INTERNAL CONTROL**

The Board has conducted regular reviews of the Group's risk management and internal control system to ensure that they are effective and appropriate. The Board has held regular meetings to conduct discussion on control of the financial, operational and risk management.

## **DETAILS OF PUBLICATION OF ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE**

The Group's 2022 Annual Report will be sent to the shareholders of the Company in due course and published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.capinfo.com.cn](http://www.capinfo.com.cn)) for the information of shareholders and investors.

By order of the Board  
**CAPINFO COMPANY LIMITED**  
*Chairman*  
**Yu Donghui**

Beijing, the People's Republic of China, 31 March 2023

*As of the date of this announcement, the executive directors of the Company are Mr. Yu Donghui, Mr. Zhang Yiqian and Mr. Zong Zhaoxing; the non-executive directors of the Company are Ms. Yan Yi, Mr. Zhou Weihua, Mr. Shan Yuhu, 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. Su Zhongxing and Mr. Yang Xiaohui.*