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CAPINFO COMPANY LIMITED*

首都信息發展股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1075)

CONNECTED TRANSACTIONS JOINT ARRANGEMENT

On 9 July 2019, the Company and NSSP made a joint application to the Ministry of Science and Technology and entered into the Project Cooperation Agreement in relation to participate in the “constructions of National Speed Skating Pavilion Smart Stadium and research and development of key technologies and demonstration services” project. Pursuant to the Project Cooperation Agreement, subject to the approval of the joint application by the Ministry of Science and Technology, the Company agreed to jointly cooperate with NSSP and as a leading party responsible for two research and development tasks: (i) smart management integration application; and (ii) smart services unified application.

As NSSP is owned as to approximately 49% by BSAM, the controlling shareholder of the Company and NSSP is therefore a connected person of the Company and the transactions contemplated under the Project Cooperation Agreement constitute connected transactions of the Company. As the applicable percentage ratios of the Project Cooperation Agreement in respect of the transactions contemplated under is more than 0.1% but less than 5%, such transaction contemplated is subject to the reporting and announcement requirements but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

I. INTRODUCTION

On 9 July 2019, the Company and NSSP made a joint application to the Ministry of Science and Technology of People's Republic of China (the “**Ministry of Science and Technology**”) and entered into a project cooperation agreement in relation to participate in the “constructions of National Speed Skating Pavilion Smart Stadium and research and development of key technologies and demonstration services” project. Pursuant to the Project Cooperation Agreement, subject to the approval of the joint application by the Ministry of Science and

* For identification purpose only

Technology, the Company agreed to jointly cooperate with NSSP and as a leading party responsible for two research and development tasks: (i) smart management integration application; and (ii) smart services unified application (the “**Cooperation Project**”).

II. THE PROJECT COOPERATION AGREEMENT

Details of the Project Cooperation Agreement are set out as below:

Date:	9 July 2019
Parties:	NSSP; and the Company
Subject:	Subject to the approval of the joint arrangement by the Ministry of Science and Technology, the Company will jointly cooperate with NSSP and as a leading party responsible for two research and development tasks: (i) smart management integration application; and (ii) smart services unified application
Funds of the Cooperation Project:	The Cooperation Project will apply for a project fund of RMB11.65 million, of which RMB4.12 million will be funded to the Company, from the central fiscal department.
Amount of contribution under the Project Cooperation Agreement by the Company:	For the self-raised research funds, the Company will contribute RMB21.58 million and provide corresponding supporting certifications. The amount of contribution to be made by the Company was arrived at after arm's length negotiations between both parties and pursuant to the guidance of the Ministry of Science and Technology
Ownership of intellectual property rights:	<p>The intellectual property rights (categories including but not limited to copyrights, patent rights) of all final project achievements and results formed during the project implementation shall be shared by both parties.</p> <p>Application for patent registration or software registration shall be submitted jointly by both parties. Where any application is made by a party, both parties shall have the right to authorship as joint applicants.</p>

For the intellectual property rights owned jointly, prior consent shall be obtained from NSSP and the Ministry of Science and Technology if the Company intends to transfer to a third party.

After obtaining the approval of the joint arrangement from the Ministry of Science and Technology, the Ministry of Science and Technology and NSSP will enter into a letter of appointment (“**Letter of Appointment**”). If the contents of the Project Cooperation Agreement is substantially different from the contents of the Letter of Appointment as approved, the Company and NSSP will enter into a supplemental agreement to the Project Cooperation Agreement on such basis.

The Project Cooperation Agreement represents the overall cooperation intention of the Company and NSSP, and is subject to the approval of relevant project management authority. If the joint application is approved by the Ministry of Science and Technology, the Company and NSSP will enter into sub-letter of appointment (“**Sub-letter of Appointment**”) separately, and refine the specific content of the Cooperation Project involving technical and commercial details. The responsibilities, allocation of funds and the agreement on intellectual property rights in the Sub-letter of Appointment shall be consistent with the Project Cooperation Agreement as agreed.

III. REASONS FOR AND BENEFITS OF ENTERING INTO THE PROJECT COOPERATION AGREEMENT

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.

As part of the normal and ordinary course of business of the Group, the Group has been providing network systems development, installation, design and related consultancy services and other information technology services to independent third parties. With the cooperation opportunity with NSSP, the Group will actively promote the research and development on smart stadium series products, so as to apply on and provide service to the 2022 Olympic and the Paralympic Winter Games in Beijing, which will further enhance the Group’s market competitiveness and positive influence to the Group’s brand building.

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

Mr. Cao Huaizhi, being an employee of Beijing Industrial Investment and who is a Director, had abstained from voting on the Board resolutions approving the Project Cooperation Agreement. Save as disclosed above, none of the Directors has any material interest in the Project Cooperation Agreement.

IV. INFORMATION ON THE PARTIES

Information on the Company

The Company is joint stock limited company established in the PRC on 23 January 1998 with limited liability, which is principally engaged in the installation of network systems, network design, consultancy and related technical services, and sales of computers, related accessories and equipment.

Information on NSSP

NSSP is a company established in the PRC on 24 February 2018 which is principally engaged in sports management, sports project management, sports equipment and facilities leasing, hosting exhibitions, organising cultural and artistic exchange activities (excluding performance) etc.

LISTING RULES IMPLICATIONS

As NSSP is owned as to approximately 49% by BSAM, the controlling shareholder of the Company and NSSP is therefore a connected person of the Company and the transactions contemplated under the Project Cooperation Agreement constitute connected transactions of the Company.

As the applicable percentage ratios in respect of the transactions contemplated under the Project Cooperation Agreement is more than 0.1% but less than 5%, such transaction contemplated is subject to the reporting and announcement requirements but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

V. DEFINITIONS

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

“Beijing Industrial Investment”	北京工業發展投資管理有限公司 (Beijing Industrial Developing Investment Management Co., Ltd*), a company established in the PRC and a wholly-owned subsidiary of BSAM
“Board”	the board of directors of the Company

“BSAM”	北京市國有資產經營有限責任公司 (Beijing State-Owned Assets Management Corporation Limited*), a company established in the PRC and is wholly-owned by the Beijing Municipal Government, being the controlling shareholder of the Company
“Company”	首都信息發展股份有限公司 (Capinfo Company Limited*), a joint stock limited company established in the PRC, the overseas listed foreign share(s) of RMB0.10 each in the share capital of the Company are listed on the Main Board of the Stock Exchange (Stock code: 1075)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules and the word “connected” shall be construed accordingly
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Independent Third Parties”	independent third parties independent of the Company and the connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NSSP”	北京國家速滑館經營有限責任公司 (Beijing National Speed Skating Pavilion Management Co., Ltd.*), a company established in the PRC
“PRC” or “China”	the People’s Republic of China which, for the purposes of this announcement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Project Cooperation Agreement”	the project cooperation agreement entered into between the Company and NSSP on 9 July 2019
“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
“%”	Percent

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

Beijing, the PRC, 9 July 2019

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. Cao Huaihi, Mr. Ma Linxiang and Mr. Feng Jianxun, 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.