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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: 8157)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTORS, AN INDEPENDENT NON-EXECUTIVE DIRECTOR AND A MEMBER OF AUDIT COMMITTEE AND PROPOSED RESIGNATION OF A NON-EXECUTIVE DIRECTOR

The Board announces that a special resolution for amending the Articles will be proposed at the EGM to ensure compliance of the Articles with the amended GEM Listing Rules which have become effective on 31 March 2004 and the enactment of the SFO which took effect on 1 April 2003, and to update the status of the Company as a result of the Proposed Appointment, the Proposed Resignation and other changes to the GEM Listing Rules which took effect on 31 March 2004.

The Board also announces that Mr. Fan Dazhi will resign as the non-executive director of the Company with effect from the conclusion of the EGM due to operational changes. The Board would propose to appoint Mr. Li Minji and Mr. Xing Dehai as non-executive directors of the Company, and Mr. Liu Dongdong as an independent non-executive director and a member of the audit committee of the Company, all with effect from the conclusion of the EGM. The appointment of each of Mr. Li Minji, Mr. Xing Dehai and Mr. Liu Dongdong is subject to approval by shareholders by way of an ordinary resolution at the EGM and the compliance of rule 17.50(2) of the GEM Listing Rules. The resignation of Mr. Fan Dazhi is subject to approval by shareholders by way of an ordinary resolution at the EGM.

A circular containing, inter alia, further details of the Proposed Amendments and the Proposed Appointment together with the notice of the EGM, the proxy form and the reply slip will be dispatched to the shareholders of the Company in accordance with the requirements under the GEM Listing Rules as soon as practicable.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Stock Exchange has made amendments to the GEM Listing Rules which include, among other things, amendments to Appendix 3 of the GEM Listing Rules, which came into effect on 31 March 2004. Appendix 3 of the GEM Listing Rules sets out the provisions with which articles of association of a company listed on GEM must conform.

In order to make the Articles consistent with the amended Appendix 3 of the Listing Rules which have become effective on 31 March 2004 and the enactment of the SFO which took effect on 1 April 2003, and to reflect the updated status of the Company as a result of the Proposed Appointment, the Proposed Resignation and other changes to the GEM Listing Rules which took effect on 31 March 2004, a special resolution will be proposed at the EGM to amend certain provisions of the Articles. The brief summary of the Proposed Amendments is set out below:

Article No.	Summary of proposed changes
19	Redraft of Article 19 to reflect the current registered capital of the Company at RMB289,808,609.1.
38	Correction of the wrong numbering of the sub-paragraphs
42	Correction of an inadvertent typographical error of a Chinese character - from “那么” to “那麼”
46	Restriction on the Company to freeze or otherwise impair any of the rights attaching to any share by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.
58	Deletion of the requirement for the English and Chinese versions of the notices of general meeting to be published respectively in a major Chinese and a major English newspaper in Hong Kong.
60	Replacement of the reference of the Securities and Futures (Clearing) Ordinance by the SFO.
66	Where any shareholder is, under the GEM Listing Rules, required to abstain from voting on any particular resolution or restricted to vote only for and only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.
67	A resolution put to vote shall be decided on show of hands unless, among other things, specifically required under the GEM Listing Rules or any other applicable laws, rules and regulations to be by poll.
81	Correction of an inadvertent typographical error of a Chinese character - from “增中” to “增加”
87	The Company shall have a Board of Directors. The Board of Director shall comprise sixteen (16) Directors, including at least three (3) independent Directors. At least one of the independent Directors must have appropriate professional qualifications or accounting or related financial management expertise as stipulated by the GEM Listing Rules. Independent Directors refer to non-executive Directors who are independent of the shareholders of the Company and do not hold any position within the Company. The Board of Directors shall include one chairman and fifteen (15) Directors.

- 88 A minimum of 7 days' period is required for lodgment by a shareholder of a notice to nominate a person to act as Director and for lodgment by the nominated person of a notice to indicate his willingness to be elected and such notice shall commence from the day after the despatch of the notice of the meeting appointed for the election of Director and end no later than 7 days before the date of such meeting.
- 123 Subject to exceptions laid down in the Articles, a Director shall not vote on any board resolution approving any contact or arrangement or any other proposal in which he or any of his associates has a material interest nor shall he be counted in the quorum present at the meeting.
- 146 That any amount paid up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.
- The Company shall be entitled to cease sending dividend warrants by post (a) if such warrants have been left uncashed on 2 consecutive occasions or (b) after the first occasion on which such a warrant is returned undelivered.
- The Company shall be entitled to sell the shares of a member who is untraceable if (a) during a period of 12 years at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and (b) on expiry of the 12 years the Company gives notice of its intention to sell the shares by way of an advertisement published in the newspapers and notifies the Stock Exchange of such intention.
- 175 Deletion of the requirement for the English and Chinese versions of the notices or announcements of the Company to be published in a major Chinese and a major English newspaper in Hong Kong respectively.

PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTORS, AN INDEPENDENT NON-EXECUTIVE DIRECTOR AND A MEMBER OF THE AUDIT COMMITTEE OF THE COMPANY AND PROPOSED RESIGNATION OF A NON-EXECUTIVE DIRECTOR

The Board announces that Mr. Fan Dazhi will resign as non-executive Director with effect from the conclusion of the EGM due to operational changes. In this connection, the Company would propose to appoint Mr. Li Minji and Mr. Xing Dehai as non-executive directors of the Company.

Mr. Li Minji, aged 39, is a deputy general manager of BSAM. Mr. Li had worked as an assistant to the chief executive officer of Beijing International Trust and Investment Corporation Limited (北京國際信託投資有限公司), chief executive officer of Beijing Venture Capital Co., Ltd. (北京科技風險投資股份有限公司) and deputy general manager of Capital Securities Co., Ltd. (首創證券有限公司). Mr. Li graduated in Renmin University Of China (中國人民大學) with a master degree in Finance in 1988. Mr. Li has no interest and short position in shares, debentures or underlying shares of the Company and its associated corporation (within the meaning of Part XV of the SFO). The term and remuneration of the directorship have not been fixed yet. The proposed term of directorship was from the commencement date of his appointment to

the end of the second session of the Board (第二屆董事會) on or around 30 June 2006. Save as disclosed above, Mr. Li had no other relationship with the directors, supervisors, senior management, management shareholders, substantial shareholders or the controlling shareholder of the Company. The Board confirmed that there is no other matter the Company has to give to the shareholders of the Company for their attention.

Mr. Xing Dehai , aged 63, is a specially engaged director of BSAM. Mr. Xing had worked as the chairman of the board of Beijing Longda Light Industry Holdings Company Limited (北京隆達輕工控股有限責任公司) and the general manager of Beijing Er Qing Company Limited (北京二輕有限責任公司) and he graduated from Beijing Committee of The Communist Party School (北京市委黨校) in 1987. Mr. Xing has more than 45 years in business and management. Mr. Xing has no interest and short position in shares, debentures or underlying shares of the Company and its associated corporation (within the meaning of Part XV of the SFO). The term and remuneration of the directorship have not been fixed yet. The proposed term of directorship was from the commencement date of his appointment to the end of the second session of the Board (第二屆董事會) on or around 30 June 2006. Save as disclosed above, Mr. Xing had no other relationship with the directors, supervisors, senior management, management shareholders, substantial shareholders or the controlling shareholder of the Company. The Board confirmed that there is no other matter the Company has to give to the shareholders of the Company for their attention.

The Company would also propose to appoint Mr. Liu Dongdong as an independent non-executive director and a member of the audit committee of the Company in order to comply with the new requirement under the amended GEM Listing Rules for a total of three independent non-executive directors of a GEM listed company with one of which having the appropriate professional qualifications or accounting or related financial management expertise.

Mr. Liu Dongdong , aged 30, was graduated in Dongbei University of Finance and Economics (東北財經大學) with bachelor degree in Economics in 1997. Mr. Liu had worked as senior accountant of Shougang Group Corporation (首鋼(集團)總公司) and as a project manager of Horwath International Beijing Jingdu Certified Public Accountants Co., Ltd. (浩華國際.北京京都會計師事務所有限責任公司). He is now acting as an executive director of Beijing Jingdu Management Consultants Co., Ltd. (北京京都管理顧問有限責任公司). Mr. Liu is a member of The Chinese Institute of Certified Public Accounts (CICPA) and The Association of Chartered Certified Accounts (ACCA) since 2000. He has more than 6 years experience in business and management. Mr. Liu has no interest and short position in shares, debentures or underlying shares of the Company and its associated corporation (within the meaning of Part XV of the SFO). The term and remuneration, which will be determined on the basis of the estimated time to be spent by him on the Company's matter, of the directorship have not been fixed yet. The proposed term of directorship was from the commencement date of his appointment to the end of the second session of the Board (第二屆董事會) on or around 30 June 2006. Mr. Liu had no relationship with the directors, supervisors, senior management, management shareholders, substantial shareholders or the controlling shareholder of the Company. The Board confirmed that there is no other matter the Company has to give to the shareholders of the Company for their attention.

The Proposed Appointment and the Proposed Resignation are subject to the approval by the shareholders of the Company by way of ordinary resolutions at the EGM. In this regard, Ordinary Resolutions will be proposed at the EGM for the approval of the appointment of Mr. Li Minji and Mr. Xing Dehai as the non-executive Directors, the appointment of Mr. Liu Dongdong as the independent non-executive Director and the resignation of Mr. Fan Dazhi as the non-executive Director, all effective from the conclusion of the EGM.

The Proposed Appointment is also subject to the compliance of rule 17.50(2) of the GEM Listing Rules and the requirement of rule 5.02 of the GEM Listing Rules which stipulates that the appointment of director is subject to the satisfaction of the Stock Exchange that the director has the character, experience and integrity and is able to demonstrate a standard of competence commensurate with his position as a director of the Company.

The Board confirmed that there is no other matter which needs to be brought to the attention of the shareholders of the Company in relation to the Proposed Resignation. The Directors believe that the changes in Directors will not have any impact on the daily operation and business of the Company.

Since the term and remuneration of the directorship for each of Mr. Li Minji, Mr. Xing Dehai and Mr. Liu Dongdong have not been finalized as at the date of this announcement, the Company will make a further announcement once the same are fixed.

GENERAL

A circular containing, inter alia, further details of the Proposed Amendments, the Proposed Appointment and the Proposed Resignation together with the notice of the EGM, the proxy form and the reply slip will be dispatched to the shareholders of the Company in accordance with the requirements under the GEM Listing Rules as soon as practicable.

DEFINITIONS

“Articles”	articles of association of the Company
“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 is wholly-owned by the Beijing Municipal Government. It is one of the promoters and initial management shareholders, and a management and controlling shareholder (as defined in the GEM Listing Rules), of the Company
“Company”	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
“Directors”	the directors of the Company
“EGM”	an extraordinary general meeting to be convened and held by the Company to consider the Proposed Amendments, the Proposed Appointment and the Proposed Resignation, and any adjournment thereof, details of which will be contained in the notice of EGM to be despatched together with the circular as soon as practicable
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“GEM”	the Growth Enterprise Market of the Stock Exchange
“Proposed Amendments”	the proposed amendments to the Articles as set out in this announcement

“Proposed Appointment”	the proposed appointment of Mr. Li Minji and Mr. Xing Dehai as the non-executive Directors and Mr. Liu Dongdong as the independent non-executive Director respectively with effect from the conclusion of the EGM
“Proposed Resignation”	the resignation of Mr. Fan Dazhi as the non-executive Director with effect from the conclusion of the EGM
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
CAPINFO COMPANY LIMITED*
Dr. CHEN Xinxiang
Chairman

Beijing, The People’s Republic of China
10 August 2004

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:- (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

As of the date hereof, the executive directors of the Company are Dr. Chen Xinxiang, Dr. Wang Xu, Ms. Zhang Yan, Dr. Wu Bo; the non-executive directors of the Company are Mr. Fan Dazhi, Mr. Xu Zhe, Mr. Bai Liming, Mr. Qi Qigong, Mr. Pan Jiaren, Mr. Ye Yongdong, Mr. Lu Tongtao, Ms. Tan Guoan; and the independent non-executive directors of the Company are Mr. Wong Ying Ho, Kennedy and Mr. Ng Kin Fai, Francis.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting.

* For identification purpose only