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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)

PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

At the board meeting of Capinfo Company Limited (the "Company") held on 8 November 2002, the board of directors (the "Directors") of the Company (the "Board") approved, amongst other things, a motion to amend the articles of association ("Articles") of the Company be proposed for the consideration and approval (if thought fit) by the shareholders of the Company by way of a special resolution at an extraordinary general meeting of the Company.

The proposed changes to the Articles include, amongst other things, extension of the scope of business to cater for the business development; amendment to the number of deputy general manager to strengthen the corporate governance; and grammatical corrections to the Chinese version of Articles.

The Company confirms that there is no change to the general nature of the business of the Company and there has not been any change in the business objectives of the Company as stated in the prospectus of the Company dated 17 December 2001. Furthermore, the Company also confirms that it has no present intention to change the general nature of its business and the aforesaid business objectives.

The Company currently expects to issue the notice to its shareholders for the aforementioned extraordinary general meeting of the Company on or about 29 November 2002.

The Board announces that at a meeting of the Board held on 8 November 2002, the Board approved, amongst other things, a motion to amend the Articles be proposed for the consideration and approval (if thought fit) by the shareholders of the Company at an extraordinary general meeting of the Company, details of which are set out as follows:

Subject to approval by the shareholders of the Company at an extraordinary general meeting, the Articles be and are hereby amended as follows:

- a) Article 10 – Article 10 governs the scope of business of the Company. In order to cater for the business development, the Company requires to import and export equipment and technology; provides agency services for medicine, equipment and other consumables used in hospitals through internet; agency services for tendering of medicine and medical information consultancy services. Therefore, the Board suggested to replace the following:

“The scope of business of the Company shall be in accordance with the approval issued by the registration authority of the Company. The scope of business of the Company shall include providing

information resource, e-commerce services, technical development, consultancy and training services with respect to network interconnection, computer equipment, software and hardware products as well as communication software and hardware products, information and network system integration and agency, and sales of computers and peripheral equipment.”

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“The scope of business of the Company shall be in accordance with the approval issued by the registration authority of the Company. The scope of business of the Company shall include providing information resource, e-commerce services, technical development, consultancy and training services with respect to network interconnection, computer equipment, software and hardware products as well as communication software and hardware products, information and network system integration and agency, and sales of computers and peripheral equipment, directly engaging in or acting as an agent for importing and exporting goods and technologies (except those restricted to engage in or import and export by the State), acting as agent for medicine, equipment and other consumables used in hospitals (license required), acting as agent for tendering of medicine and providing medical information consultancy services.”

- b) Article 102 – Article 102 stated that the number of deputy general manager is three. However, as the Company grows, the Company requires more deputy general managers to manage its business. Therefore, the board suggested to replace “three (3) deputy general managers” by “several deputy general managers” in Article 102.
- c) The Chinese version of the Articles be amended to conform to the English version of the Articles, together with certain grammatical corrections.

The Company has been advised by its PRC legal advisors that apart from approval from its shareholders and completion of the filing formalities with the Beijing Administration for Industry and Commerce, no other approvals are required in respect of the proposed changes to the Articles set out above, including those from any PRC authorities (governmental or otherwise). The above proposed changes to the Articles are therefore expected to come into effect after the conclusion of the aforementioned extraordinary general meeting of the Company upon approval by shareholders. The Company will issue an announcement of the results of such general meeting.

The Company confirms that there is no change to the general nature of the business of the Company and there has not been any change in the business objectives of the Company as stated in the prospectus of the Company dated 17 December 2001. Furthermore, the Company also confirms that it has no present intention to change the general nature of its business and the aforesaid business objectives.

The Company currently expects to issue the notice to its shareholders for the aforementioned extraordinary general meeting of the Company on or about 29 November 2002.

By Order of the Board
Chen Xinxiang
Chairman

Beijing, The People’s Republic of China

8 November 2002

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.

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