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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)

CONNECTED TRANSACTION

The Board announces that on 28th April, 2002, Capinfo entered into the Agreement with BSAM and the Independent Investors, under which, Capinfo agrees to contribute RMB 5,000,000, being 25% of the registered capital, to set up the Invested Company.

The Directors, including the independent non-executive Directors, consider that the Agreement is entered on normal commercial terms and that the terms of the Agreement are fair and reasonable and in the interests of the Capinfo Group so far as the Independent Shareholders are concerned.

As BSAM is the substantial shareholder of Capinfo, BSAM is a connected person as defined under the GEM Listing Rules. Hence, the signing of the Agreement constitutes a connected transaction of Capinfo under Chapter 20 of the GEM Listing Rules. However, as the consideration to be paid by Capinfo is less than HK\$10,000,000, no independent shareholders' approval is required. Details of the Agreement will be disclosed in the next published annual report of Capinfo.

The Board announces that on 28th April, 2002, Capinfo entered into the Agreement with BSAM and the Independent Investors, under which, Capinfo, BSAM and the Independent Investors agree, among other things, to set up the Invested Company and Capinfo agrees to contribute RMB 5,000,000 as 25% of the registered capital of the Invested Company.

Details of material terms are set out below:–

AGREEMENT

Date	:	28th April, 2002
Parties	:	Capinfo, BSAM and the Independent Investors
Business activities of the Invested Company	:	To provide credit rating and reporting and risk assessment related information and consultancy services and to engage in enterprises credit management related businesses.
Total registered capital of the Invested Company	:	RMB20,000,000

Major terms of the Agreement:

Amount to be contributed and equity interests in the Invested Company to be held by Capinfo : RMB5,000,000 and 25%

Amount to be contributed and equity interests in the Invested Company to be held by BSAM : RMB12,000,000 and 60%

Aggregate amount to be contributed and aggregate equity interests in the Invested Company to be held by the Independent Investors : RMB3,000,000 and 15%

The two Independent Investors, including an institution formed by the PRC Government and a company controlled by an institution formed by the PRC Government, are independent third parties not connected with any of the directors, chief executive and substantial shareholder of Capinfo or any of their respective associates.

Each of BSAM, Capinfo and the two Independent Investors have to contribute their respective agreed amount within ten days from the effective date of the Agreement, i.e. around 8 May 2002. There is no capital commitment other than the amount to be contributed mentioned above.

Board representation:

The total number of directors in the board of the Invested Company is seven. The number of representatives of BSAM, Capinfo and the Independent Investors in the board of the Invested Company has not been decided yet.

Reason for entering into the Agreement:

The signing of the Agreement is to facilitate the development of the existing businesses of Capinfo and provides an opportunity for Capinfo Group to invest in credit rating area in accordance with section headed "Statement of Business Objectives and Strategies" in the prospectus of Capinfo dated 17th December, 2001 and is in line with the overall strategy of the Capinfo Group. The percentage of equity interests held in the Invested Company is in proportion to the percentage of capital paid by Capinfo. The source of fund to be contributed by Capinfo comes from proceeds from placing of H shares.

The Directors, including the independent non-executive Directors, consider that the Agreement is entered into on normal commercial terms and that the terms of the Agreement are fair and reasonable and in the interests of the Capinfo Group so far as the Independent Shareholders are concerned.

CONNECTED TRANSACTION

As BSAM is the substantial shareholder, holding 61.55% equity interests, of Capinfo, BSAM is a connected person as defined under the GEM Listing Rules. Hence, the signing of the Agreement

constitutes a connected transaction of Capinfo under Chapter 20 of the GEM Listing Rules. However, as the consideration to be paid by Capinfo is less than HK\$10,000,000, no independent shareholders' approval is required. Details of the Agreement will be disclosed in the next published annual report of Capinfo.

GENERAL

Capinfo Group is an internet technology and network solutions provider with its principal place of business located in the Beijing Municipality, the PRC. Currently, Capinfo Group provides an integrated and focused portfolio of internet based solutions to web-enable the operations of government entities, enterprises and other organizations in the PRC. In addition, the Group also deploys a scalable and secure information exchange platform in the Beijing Municipality for the delivery of its solutions to its clients.

DEFINITIONS

“Agreement”	The agreement dated 28th April, 2002 entered into between BSAM, Capinfo and the Independent Investors who, under this agreement, agree to contribute RMB12,000,000, RMB5,000,000 and RMB3,000,000 respectively to set up the Invested Company.
“Board”	the board of directors of Capinfo
“BSAM”	Beijing State-owned Assets Management Corporation Limited (北京市國有資產經營有限責任公司), a company incorporated in the PRC, being wholly-owned by Beijing Municipal Government and is one of the promoters (as defined in the GEM Listing Rules)
“Capinfo”	Capinfo Company Limited*, a joint stock limited company incorporated in PRC
“Capinfo Group”	Capinfo and its subsidiaries
“Directors”	the directors of Capinfo
“GEM”	the Growth Enterprises Market of the Stock Exchange of Hong Kong Limited
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region
“Independent Investors”	investors of the Invested Company other than BSAM and Capinfo
“Independent Shareholders”	shareholders of Capinfo other than BSAM
“Invested Company”	the company to be established under the Agreement

“PRC” The Peoples’ Republic of China

“RMB” renminbi, the lawful currency of the PRC

By Order of the Board
CAPINFO COMPANY LIMITED
CHEN Xinxiang
Chairman

PRC, 29th April, 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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** For identification purpose only*