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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)

ANNOUNCEMENT CHANGE AND RE-DESIGNATION OF DIRECTORS, CHANGE OF SUPERVISORS, CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG AND CHANGE OF AUTHORISED REPRESENTATIVE

The board of directors (“Board”) of Capinfo Company Limited (“Company”) is pleased to announce that members of the third session of the Board and the supervising committee (“Supervisory Committee”) of the Company were duly elected and appointed at the Extraordinary General Meeting (“EGM”) held on 13 October 2006. At the EGM:

- each of Dr. Chen Xinxiang, Dr. Wang Xu and Ms. Zhang Yan was re-elected as an executive director (“Director”);
- each of Mr. Li Minji, Mr. Xing Dehai, Mr. Xu Zhe, Mr. Bai Liming, Mr. Qi Qigong, Mr. Pan Jiaren, Ms. Tan Guoan, Dr. Xia Peng was re-elected as a non-executive Director;
- Dr. Wu Bo (previously an executive Director) was re-elected and re-designated as a non-executive Director;
- Mr. Liu Zhiyong was elected as a non-executive Director;
- Mr. Liu Dongdong was re-elected as an independent non-executive Director;
- each of Mr. Chen Jing and Mr. Ye Lu was elected as an independent non-executive Director; and
- each of Ms. Liu Jian and Mr. Zhang Zhenlong was re-elected as a supervisor (“Supervisor”) of the Company.

Mr. Yao Yuan has been elected and appointed by the employees of the Company as a Supervisor pursuant to the articles of association (“Articles”) of the Company and was not subject to election by shareholders at the EGM.

Upon conclusion of the EGM and with effect from 13 October 2006, Mr. Ye Yongdong retired as a non-executive Director, each of Mr. Wong Ying Ho, Kennedy and Mr. Ng Kin Fai Francis retired as an independent non-executive Director and Mr. Cheng Huajun retired as a Supervisor.

The Board also announced that Company’s principal place of business in Hong Kong and the authorised representative for accepting service of processes and notices on its behalf under Part XI of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) has changed with effect from 13 October 2006.

ELECTION AND APPOINTMENT OF DIRECTORS AND SUPERVISORS

The Board is pleased to announce that members of the third session of the Board and the Supervisory Committee were duly elected and appointed at the EGM held on 13 October 2006. At the EGM:

- each of Dr. Chen Xinxiang, Dr. Wang Xu and Ms. Zhang Yan was re-elected as an executive Director;
- each of Mr. Li Minji, Mr. Xing Dehai, Mr. Xu Zhe, Mr. Bai Liming, Mr. Qi Qigong, Mr. Pan Jiaren, Ms. Tan Guoan, Dr. Xia Peng was re-elected as a non-executive Director;
- Dr. Wu Bo (previously an executive Director) was re-elected and re-designated as a non-executive Director;
- Mr. Liu Zhiyong was elected as a non-executive Director;
- Mr. Liu Dongdong was re-elected as an independent non-executive Director;
- each of Mr. Chen Jing and Mr. Ye Lu was elected as an independent non-executive Director; and
- each of Ms. Liu Jian and Mr. Zhang Zhenlong was re-elected as a Supervisor.

Mr. Yao Yuan has been elected by the employees of the Company as a Supervisor pursuant to the Articles and was not subject to election by shareholders at the EGM.

PARTICULARS OF NEWLY APPOINTED AND RE-DESIGNATED DIRECTORS AND SUPERVISORS

Non-executive Directors

1. Dr. Wu Bo (吳波博士)

Dr. Wu was re-elected and re-designated from an executive Director to a non-executive Director with effect from 13 October 2006.

Dr. Wu, aged 48, an executive director (re-designated from executive to non-executive role) and the vice chief executive of the Company since July 2001. He joined the Group in August 2000 and is responsible for overseeing the Company's sales and marketing functions. Dr. Wu graduated from the Faculty of optic engineering of Huazhong University of Science and Technology in 1982 and 1984 with a bachelor and a master degree of science respectively. He received a doctorate degree in 1991 in the Doctor Student Training Program co-organised by the Bonn University of Germany and the Dalian University of Technology, and his research subject was optic instruments and applied physics. He worked as a postdoctoral scholar in the Physics Postdoctoral Scholar Circulation Station of Tsinghua University from 1991 to 1993. Dr. Wu has served successively as head of international department of Jitong Communication Co. Ltd., sales manager of the CLI Company, USA, the General Manager of Beijing Corghi Auto Services Equipment Co., Ltd. and the Chairman of Beijing Taigu'er Mechanical and Electrical Technology Co., Ltd. prior to the joining of the Company.

Dr. Wu has entered into a director's service contract with the Company for a term of three years commencing in July 2001 and would continue thereafter until terminated by either party. Dr. Wu's appointment is subject to retirement by rotation and re-election in accordance with the Articles, which specify that each session of the Board will be for a period of three years. Dr. Wu is entitled to a fixed emolument of approximately RMB20,000 per month which is determined after arm's length negotiation between the parties plus a discretionary bonus to be determined by the Board from time to time.

The Company has granted options to Dr. Wu entitling him to subscribe for 2,727,700 H shares of the Company, the exercise of which is subject to the relevant rules and regulations of the PRC law. Save for the aforesaid, Dr. Wu does not have any interest in the shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO"). Other than disclosed above, Dr. Wu is not connected with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company.

Other than disclosed above, there is no matter that need to be brought to the attention of the Company's shareholders and there is no information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange ("GEM Listing Rules").

2. Mr. Liu Zhiyong (劉志勇先生)

Mr. Liu was elected and appointed as a non-executive Director with effect from 13 October 2006.

Mr. Liu, aged 41, is currently the general manager of China Telecom Systems Integration Limited. Mr. Liu graduated from Beijing College of Posts and Telecommunications (now Beijing University of Posts and Telecommunications) in 1991, majoring in electronics and communications and received a master degree. He successfully served as deputy chief engineer of Shandong Provincial Administration of Posts and Telecommunications, deputy general manager of Anhui Telecom Company Limited and manager of China Telecom Internet Operations, Product Development Centre Internet Product Department and Corporate Informatization Department. He has over 15 years of experience in management.

Mr. Liu's appointment is subject to retirement by rotation and re-election in accordance with the Articles, which specify that each session of the Board will be for a period of three years. Mr. Liu is not entitled to any emolument.

Mr. Liu does not have any interest in the shares or underlying shares of the Company within the meaning of Part XV of the SFO. Other than disclosed above, Mr. Liu is not connected with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company.

Other than disclosed above, there is no matter that need to be brought to the attention of the Company's shareholders and there is no information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules.

Independent Non-executive Directors

1. Mr. Chen Jing (陳靜先生)

Mr. Chen was elected and appointed as an independent non-executive Director with effect from 13 October 2006.

Mr. Chen, aged 61, is currently an advisor to the People's Bank of China, a member of the Advisory Committee for State Informatization, an expert of the expert advisory group for Beijing Municipal Government. Concurrently, Mr. Chen serves as professor of South Western University of Finance and Economics, University of International Business and Economics and Xi'an Jiaotong University. Mr. Chen graduated from Tsinghua University in 1967, majoring in automatic control. He successively served as director, department of science and technology for the People's Bank of China, office director of National Banking Informatization Leading Group, and standing deputy chief and chief of Chengdu Computer Application Institute of Chinese Academy of Science.

Mr. Chen's appointment of director is subject to retirement by rotation and re-election in accordance with the Articles, which specify that each session of the Board will be for a period of three years. Mr. Chen is entitled to a fixed emolument of RMB50,000 per year which is determined after arm's length negotiation between the parties.

Mr. Chen does not have any interest in the shares or underlying shares of the Company within the meaning of Part XV of the SFO. Other than disclosed above, Mr. Chen is not connected with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company.

Other than disclosed above, there is no matter that need to be brought to the attention of the Company's shareholders and there is no information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules.

2. Mr. Ye Lu (葉路先生)

Mr. Ye was elected and appointed as an independent non-executive Director with effect from 13 October 2006.

Mr. Ye, aged 61, is currently a professor and a doctoral tutor of National University of Defence Technology and Beijing Institute of Technology and a professor rank research fellow of No. 15 Electronics Institute of the Ministry of Information Industry. Mr. Ye graduated from Tsinghua University, majoring in computer. He successively held positions in the national defence industry office of the CPC Central Military Commission, the State Commission of Defence Science and Industry and PLA General Equipment Headquarters and served as the military attache (defence science and technology) of the Chinese Embassy in England. Mr. Ye led the preparation of the military computer hardware, software and networks scientific research planning for the "Seventh Five-Year Plan", the "Eighth Five-Year Plan" and the "Ninth Five-Year Plan" of the whole army. He also participated in the development of Yinhe supercomputer.

Mr. Ye's appointment of director is subject to retirement by rotation and re-election in accordance with the Company Articles, which specify that each session of the Board will be for a period of three years. Mr. Ye is entitled to a fixed emolument of RMB50,000 per year which is determined after arm's length negotiation between the parties.

Mr. Ye does not have any interest in the shares or underlying shares of the Company within the meaning of Part XV of the SFO. Other than disclosed above, Mr. Ye is not connected with any directors, supervisors, senior management, substantial shareholders or controlling shareholders of the Company.

Other than disclosed above, there is no matter that need to be brought to the attention of the Company's shareholders and there is no information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules.

Supervisor (for information of Shareholders only)

1. Mr. Yao Yuan (姚遠先生)

Mr. Yao has been elected and appointed by the employees of the Company as a Supervisor and was not subject to election by shareholders at the EGM.

Mr. Yao, aged 30, is currently Chief of the Legal Affairs Department of the Company. Mr. Yao graduated from the Law Department of Peking University in 1998, majoring in both economic laws and international laws and received a LLB degree. Mr. Yao successively served as a counsel of Air China Limited and a lawyer of Jingtian & Gongcheng and Tianke & Guodi Law Office.

Mr. Yao's appointment is subject to retirement by rotation and re-election in accordance with the Articles, which specify that each session of the Supervisory Committee will be for a period of three years. Mr. Yao is entitled to a fixed emolument of approximately RMB9,000 per month which is determined after arm's length negotiation between the parties plus a discretionary bonus to be determined by the Board from time to time.

Mr. Yao does not have any interest in the shares or underlying shares of the Company within the meaning of Part XV of the SFO. Mr. Yao is not connected with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company.

Other than disclosed above, there is no matter that need to be brought to the attention of the Company's shareholders and there is no information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules.

The Board would like to welcome Mr. Liu Zhiyong, Mr. Chen Jing, Mr. Ye Lu and Mr. Yao Yuan on their appointment.

RETIREMENT OF DIRECTORS AND SUPERVISOR

Upon conclusion of the EGM and with effect from 13 October 2006, Mr. Ye Yongdong retired as a non-executive Director, each of Mr. Wong Ying Ho, Kennedy and Mr. Ng Kin Fai Francis retired as an independent non-executive Director and Mr. Cheng Huajun retired as a Supervisor.

Each of Mr. Ye, Mr. Wong, Mr. Ng and Mr. Cheng has confirmed that he has no disagreement with the Board and there are no other matters in respect of their respective retirements that need to be brought to the attention of the shareholders of the Company.

The Board would like to express its gratitude to Mr. Ye, Mr. Wong, Mr. Ng and Mr. Cheng for their valuable contributions to the Company during their tenure of office.

CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The Board also announced that the place of business of the Company in Hong Kong has been changed to Room 1902, MassMutual Tower, 38 Gloucester Road, Wanchai, Hong Kong with effect from 13 October 2006.

CHANGE OF AUTHORISED REPRESENTATIVE

The Board further announced that with effect from 13 October 2006 Messrs. Mallesons Stephen Jaques has ceased to be the authorised representative for accepting service of processes and notices on behalf of the Company under Part XI of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and Messrs. Wong Brothers & Co. has been appointed in its place.

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

Beijing, The People's Republic of China, 13 October 2006

As of the date of this announcement, the executive directors of the Company are Dr. Chen Xinxiang, Dr. Wang Xu, Ms. Zhang Yan; the non-executive directors of the Company are Mr. Li Minji, Mr. Xing Dehai, Mr. Xu Zhe, Mr. Bai Liming, Dr. Wu Bo, Mr. Qi Qigong, Mr. Pan Jiaren, Ms. Tan Guoan, Dr. Xia Peng, Mr. Liu Zhiyong and the independent non-executive directors of the Company are Mr. Chen Jing, Mr. Ye Lu and Mr. Liu Dongdong.

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* *For identification purpose only.*