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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)

CONSOLIDATED RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2011

- Turnover increased by approximately 6.84% to approximately RMB388.54 million
- Profit attributable to owers of the Company increased by approximately 5.2% to approximately RMB77.54 million
- Basic earnings per share increased by approximately 5.51% to RMB2.68 cents per share
- The board of Directors has recommended the payment of a final dividend of RMB1.20 cents per share (2010: RMB1.15 cents) totalling approximately RMB34.78 million for the year ended 31 December 2011, subject to approval by shareholders at the forthcoming annual general meeting.

The board of directors (the "Board") of Capinfo Company Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2011.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2011

	NOTES	**2011** *RMB'000*	2010 *RMB'000*
Continuing Operations			
Revenue		**388,536**	363,666
Cost of sales		**(245,660)**	(233,850)
Gross profit		**142,876**	129,816
Other income		**33,815**	30,556
Research and development costs		**(19,643)**	(20,369)
Marketing and promotional expenses		**(34,658)**	(28,259)
Administrative expenses		**(45,044)**	(37,056)
Share of results of associates		**11,411**	6,103
Other gains and losses	*5*	**5,708**	355
Finance cost for other loan, wholly repayable within 5 years		**(322)**	(388)
Profit before tax	*6*	**94,143**	80,758
Income tax expense	*7*	**(10,126)**	(4,924)
Profit for the year from continuing operations		**84,017**	75,834
Discontinued Operations			
(Loss) profit for the year from discontinued operations	*8*	**(14,558)**	149
Profit for the year		**69,459**	75,983
Profit and total comprehensive income (loss) for the year attributable to owners of the Company			
– from continuing operations		**84,092**	73,640
– from discontinued operations		**(6,552)**	66
		77,540	73,706
Profit and total comprehensive income (loss) for the year attributable to non-controlling interests			
– from continuing operations		**(75)**	2,194
– from discontinued operations		**(8,006)**	83
		(8,081)	2,277
Profit and total comprehensive income (loss) attributable to:			
Owners of the Company		**77,540**	73,706
Non-controlling interests		**(8,081)**	2,277
		69,459	75,983
EARNINGS PER SHARE			
From total continuing and discontinued operations			
– Basic	*10*	**RMB2.68 cents**	RMB2.54 cents
– Diluted		**RMB2.68 cents**	RMB2.54 cents
From continuing operations			
– Basic	*10*	**RMB2.90 cents**	RMB2.54 cents
– Diluted		**RMB2.90 cents**	RMB2.54 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2011

	NOTES	2011 RMB'000	2010 RMB'000
Non-current assets			
Property, plant and equipment		**62,719**	99,084
Investment property		**63,706**	67,490
Intangible asset		**–**	10,450
Deposits paid on acquisition of property, plant and equipment		**557**	290
Interests in associates		**39,309**	27,438
Available-for-sale investments		**1,971**	1,000
Trade receivables – non-current		**1,700**	3,642
Deferred tax assets		**4,671**	4,120
		174,633	213,514
Current assets			
Inventories	*11*	**296**	822
Trade and other receivables	*12*	**93,289**	94,756
Amounts due from customers for contract works	*13*	**41,939**	32,905
Amounts due from related parties		**2,929**	8,412
Bank deposits		**181,267**	99,756
Bank balances and cash		**438,563**	489,644
		758,283	726,295
Assets classified as held for sale	*8*	**42,107**	–
		800,390	726,295
Current liabilities			
Trade and other payables	*14*	**105,442**	117,152
Amount due to a related party		**779**	107
Customer deposits for contract works		**103,813**	89,090
Income tax payable		**3,498**	5,395
Other loan	*15*	**5,450**	6,360
		218,982	218,104
Liabilities associated with assets classified as held for sale	*8*	**5,384**	–
		224,366	218,104
Net current assets		**576,024**	508,191
Total assets less current liabilities		**750,657**	721,705
Capital and reserves			
Share capital	*16*	**289,809**	289,809
Share premium and reserves		**440,740**	401,713
Equity attributable to owners of the Company		**730,549**	691,522
Non-controlling interests		**20,108**	30,183
Total equity		**750,657**	721,705

Notes:

1. GENERAL

The Company is a limited company established in Beijing, the People's Republic of China (the "PRC") and its H shares are listed on the Stock Exchange of Hong Kong limited (the "Stock Exchange"). Its ultimate holding company is Beijing State-owned Assets Management Corporation Limited ("BSAM"), a state-owned enterprise, also established in the PRC.

The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are principally engaged in the installation of network systems, network design, consultancy and related technical services, and sales of computers, related accessories and equipment. The Group has discontinued the provision of ticket agency service and sports related information system and information exchange platform services in the current year (see note 8).

The Company transferred to list from the Growth Enterprise Market ("GEM") to the Main Board of the Stock Exchange effective on 21 January 2011.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company and its principal subsidiaries.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised Standards, Amendments and Interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010
HKAS 24 (Revised 2009)	Related Party Disclosures
HKAS 32 (Amendments)	Classification of Rights Issues
HK(IFRIC) - Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement
HK(IFRIC) - Int 19	Extinguishing Financial Liabilities with Equity Instruments

Except as described below, the application of the new and revised HKFRSs in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

HKAS 24 Related Party Disclosures (Revised 2009)

HKAS 24 (Revised 2009) has been revised on the following two aspect:

a) HKAS 24 (Revised 2009) has changed the definition of a related party.

b) In addition, HKAS 24 (Revised 2009) introduces a partial exemption from the disclosure requirements for government-related entities whilst the previous version of HKAS 24 did not contain specific exemption for government-related entities. The Company and its subsidiaries are government-related entities as defined in HKAS 24 (Revised 2009). Under HKAS 24 (Revised 2009), the Group has been exempted from making the disclosures required by paragraph 18 of HKAS 24 (Revised 2009) in relation to related party transactions and outstanding balances (including commitments) with (a) the PRC government that ultimately has control over the Group and (b) other entities that are controlled by the PRC government. Rather, in respect of these transactions and balances, HKAS 24 (Revised 2009) requires the Group to disclose (a) the nature and amount of each individually significant transaction, and (b) a qualitative or quantitative indication of the extent of transactions that are collectively, but not individually, significant.

HKAS 24 (Revised 2009) requires retrospective application. The application of HKAS 24 (Revised 2009) has had no impact on the Group's financial performance and positions for the current and prior years. However, the related party disclosures to the consolidated financial statements have been changed to reflect the application of HKAS 24 (Revised 2009).

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[1]
	Disclosures – Offsetting Financial Assets and Financial Liabilities[2]
	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[5]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[4]
HKAS 19 (Revised 2011)	Employee Benefits[2]
HKAS 27 (Revised 2011)	Separate Financial Statements[2]
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures[2]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[6]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]

1 Effective for annual periods beginning on or after 1 July 2011
2 Effective for annual periods beginning on or after 1 January 2013
3 Effective for annual periods beginning on or after 1 January 2015
4 Effective for annual periods beginning on or after 1 January 2012
5 Effective for annual periods beginning on or after 1 July 2012
6 Effective for annual periods beginning on or after 1 January 2014

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Currently, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The directors anticipate that the adoption of HKFRS 9 may affect the measurement of the available-for-sale equity investments currently measured at cost less impairment. Other than the available-for-sale equity investments, the directors do not expect HKFRS 9 will have any material impact on the results and financial position of the Group based on an analysis of the Group's investments as at 31 December 2011.

Except for HKFRS 9 the directors of the Company anticipate that the application of the above new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

3. SEGMENTS INFORMATION

HKFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to the segment and to assess its performance. The Group's Chief Executive Officer ("CEO") is identified as the chief operating decision maker.

CEO for the purpose of resource allocation and assessment of performance, reviewed consolidated profit after taxation and the consolidated revenue of the Group as a whole prepared in accordance with the Accounting Standards for Business Enterprise of PRC, which has no significant differences as compared with the consolidated profit after taxation and the consolidated revenue reported under HKFRS. Therefore, the operation of the Group constitutes one single operating segment. Accordingly, no operating segment is presented, other than the entity-wide disclosure.

The Group's operations are located in the PRC and all the revenue of the Group comes from PRC customers, as well as all of the assets are located in the PRC. Aggregated revenues from government-related entities and the PRC government are approximately RMB373,113,000 (2010: RMB348,476,000).

4. DISPOSAL OF A SUBSIDIARY

(a) On 18 November 2011, the Group entered into an agreement with a non-controlling shareholder to dispose of 42% interest in a subsidiary, Capinfo Soft Co., Ltd. ("Capinfo Soft") for a cash consideration of RMB2,179,000. The subsidiary is engaged in Development, sales and management consultation of operation systems and related businesses. The disposal was completed on 21 December 2011, on which date the Company's equity interest decreased from 61% to 19% and control on this subsidiary was lost.

Analysis of net assets of Capinfo Soft at the date of disposal was as follows:

	At 21.12.2011
	RMB'000
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	670
Amounts due from customers for contract work	510
Inventory	131
Trade and other receivables	3,255
Bank balances and cash	2,730
Trade and other payables	(1,009)
Customer deposits for contract works	(1,174)
Tax payable	(1)
Net assets disposed of	5,112
Cash consideration	(2,179)
Non-controlling interests	(1,994)
Fair value of retained interest which accounted for as available-for-sale investment	(971)
Gain on disposal	(32)
Cash outflow arising on disposal:	
Cash consideration received	(2,179)
Bank balances and cash disposal of	2,730
Net cash outflow arising on disposal	551

The impact of Capinfo Soft on the Group's results and cash flows in the current and prior years is insignificant to the Group.

(b) On 8 December 2010, the Group entered into an agreement to introduce a new shareholder to a subsidiary, Dongguan City Longxin Digital Tecnology Company Limited, with of additional capital injection of RMB941,000 contributed by the new shareholder. The subsidiary is engaged in application and network development. The additional capital contribution was completed on 16 December 2010, on which date the Company's equity interest was diluted from 60% to 41.96% and control on this subsidiary was lost.

Analysis of net assets of Dongguan City Longxin Digital Technology Company Limited at the date of disposal was as follows:

	At 16.12.2010
	RMB'000
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	790
Amounts due from customers for contract work	236
Trade and other receivables	252
Bank balances and cash	3,406
Trade and other payables	(1,441)
Tax payable	(89)
Net assets disposed of	3,154
Non-controlling interests	(1,262)
Fair value of retained interest which accounted for interest in an associate	(1,718)
Loss on disposal	174
Cash outflow arising on disposal:	
Bank balances and cash disposed of	3,406

The impact of Dongguan City Longxin Digital Technology Company Limited on the Group's results and cash flows in the current and prior years is insignificant to the Group.

5. OTHER GAINS AND LOSSES

	2011	2010
	RMB'000	*RMB'000*
		(Restated)
Gain (loss) on disposal of a subsidiary *(note 4)*	**32**	(174)
Gain on disposal of available-for-sale investments	**–**	573
Gain (loss) on disposal or partial disposal of interests in associates	**5,676**	(44)
	5,708	355

6. PROFIT BEFORE TAX

	2011 *RMB'000*	2010 *RMB'000* (Restated)
CONTINUING OPERATIONS		
Profit before tax has been arrived at after charging:		
Directors' and supervisors' remuneration	**1,304**	1,160
Other staff costs	**108,183**	112,295
Other staff's retirement benefit scheme contributions	**12,303**	6,773
	121,790	120,228
Less: Staff costs included in research and development costs	**(13,573)**	(11,214)
Staff costs included in cost of sales	**(43,592)**	(44,984)
	64,625	64,030
Depreciation of property, plant and equipment	**50,629**	76,827
Depreciation of investment property	**3,784**	3,775
Total depreciation and amortisation	**54,413**	80,602
Less: Depreciation included in research and development costs	**(255)**	(1,355)
Depreciation included in cost of sales	**(43,436)**	(46,440)
	10,722	32,807
Operating lease rentals in respect of		
– cable network	**21,552**	16,730
– buildings	**14,732**	13,623
	36,284	30,353
Less: Operating lease rentals included in research and development costs	**(686)**	(2,035)
Operating lease rentals included in cost of sales	**(4,822)**	(11,322)
	30,776	16,996
Increase (decrease) in allowance for doubtful debts	**1,620**	(3,001)
Auditors' remuneration	**2,330**	2,545
Cost of inventories recognised as expenses	**29,327**	37,831
Share of tax of an associate (included in share of results of associates)	**2,313**	1,715
and after crediting:		
Government grants *(Note (a))*	**4,888**	8,346
Interest income from bank deposits	**6,311**	3,084
Interest income from loans and receivable	**–**	2,732
Gain on change in fair value of a financial asset at fair value through profit or loss *(Note (b))*	**16,737**	11,392
Dividend income from available-for-sale investment	**216**	240
Gain on disposal of property, plant and equipment	**25**	102
Decrease in allowance of inventories	**304**	145
Gross rental income from investment properties	**9,251**	6,951
Less: Direct operating expenses from investment properties that generated rental income during the year	**(4,769)**	(3,431)
Direct operating expenses from investment properties that did not generate any rental income during the year	**–**	(1,112)
	4,482	2,408

Notes:

a) Government grants are obtained specifically for certain of the Group's research and development projects, that are eligible to receive government grants, in which attributable depreciation, staff costs, cable network and research and development costs are compensated.

b) In March 2011, the Group entered into a trust investment agreement with 華能貴誠信托有限公司 (Huaneng Trustee Limited) in which the Group invested RMB230,000,000 in the trust investment managed by Huaneng Trustee Limited (the "Trust Investment") for the period up to 27 December 2011. The Trust Investment will mainly invest in fixed income financial instruments. The return of the Trust Investment is expected to be 10% per annum at a maximum. As at 31 December 2011, the principal of the Trust investment has been settled with investment income of approximately RMB16,737,000.

   In respect of the Trust Investment, the Group entered into a guarantee agreement with 北京中小企業信用再擔保有限公司 (Beijing SMEs Credits Re-guarantee Co., Ltd.) ("BJ SMEs Re-guarantee") that BJ SMEs Re-guarantee guarantees the principal amount and the return of the Trust Investment to be not less than the prevailing bank deposit interest rate in the PRC. The Group recognized the guarantee fee of RMB800,000 as an expenses in profit or loss. As at 31 December 2011, the guarantees have been released. In case of accounting mismatch with the guarantee contract, the above Trust Investment was accounted for financial assets designated as at fair value through profit or loss in the current year.

7. INCOME TAX EXPENSE

The Company was recognised as a New and High-Tech Enterprise in 2011 and subject to PRC income tax at 15% for three years from 2011 to 2013 in accordance with the Law of the People's Republic of China on Enterprise Income Tax.

The Company was awarded as "key software enterprise under state planning and layout" (國家規劃佈局內重點軟體企業) by State Development and Reform Commission, Ministry of Industry and Information, Ministry of Commerce and State General Administration of Taxation for the year of 2010, which it is subject to tax rate of 10% on its estimated assessable profit for the year of 2010. As at 31 December 2011, the above award result for the year of 2011 has not announced. Therefore the Company is subject to tax rate of 15% for 2011.

The Company's subsidiaries, Capinfo Technology Development Co., Ltd. ("Capinfo Technology") and Beijing Sports Technology Co., Ltd. ("Sport Technology") were recognised as High-Technology Enterprises ("HTE") which were approved by the Committee of Beijing Science and Technology. Pursuant to the relevant laws and regulations in the PRC, these companies are entitled to exemption from income tax for three years, from 2007 to 2009, commencing from the year of operation, and entitled to a 50% relief from income tax for three years from, 2010 to 2012, depending on if the entity could be continued to be entitled as HTE every three years. As at 31 December 2011, Capinfo Technology has successfully obtained the title of HTE whereas Sport Technology has not obtained the entitlement in the year. Thus, Capinfo Technology continues to enjoy the HTE tax concession at tax rate of 12.5%. The tax rate of Sport Technology converts to 25% in 2011.

The Company's subsidiary incorporated in Hong Kong had no assemble profits since its incorporation.

	2011	2010
	RMB'000	*RMB'000*
		(Restated)
Continuing Operations		
The charge comprises:		
PRC income tax		
Current year	**10,677**	7,738
Deferred tax credit	**(551)**	(2,814)
	10,126	4,924

The charge for the year can be reconciled to the profit from continuing operations per the consolidated statement of comprehensive income from continuing operations as follows:

	2011	2010
	RMB'000	*RMB'000*
		(Restated)
Profit before tax from continuing operations	**94,143**	80,758
Tax at applicable income tax rate	**14,121**	8,076
Tax effect of income not taxable for tax purpose	**(2,556)**	(597)
Tax effect of expenses that are not deductible for tax purpose	**382**	488
Utilisation of deductible temporary differences previously not recognised	**(2,111)**	(2,333)
Recognition of deductible temporary differences previously not recognised	**–**	(971)
Tax effect of changes in tax rate of deferred tax assets recognized	**275**	–
Tax effect of tax losses not recognised	**47**	72
Tax effect of different tax rates of subsidiaries	**(32)**	189
Tax expense for the year	**10,126**	4,924

The applicable tax rate of 15% (2010: 10%) is determined based on the tax rate of the major operating group entity.

8. DISCONTINUED OPERATIONS

On 19 December 2011, the Group entered into a share transfer agreement with a fellow subsidiary, Beijing BeiAo Group Corp., Ltd., to dispose of subsidiaries, Sport Technology and Beijing Shuiniao Ticket Co., Ltd. ("Shuiniao Ticket"), which are mainly engaged in operations of the ticket agency service and sports related information and engineering service. The disposal is in line with the Group's long-term policy to focus its activities in the technology service market. As at the end of reporting period, the directors of the Company expect the transaction will be completed within next twelve months and the related assets and liabilities have been classified as a disposal group held for sale and presented separately in the consolidated statement of financial position. The consideration after adjustments as stipulated in the agreement will approximately equal to the carrying amount of the net assets to be disposed of. Accordingly, no impairment losses were recognised, neither when the operation was reclassified as held for sale nor at the end of the reporting period.

The combined results of discontinued operations included in the consolidated statement of comprehensive income and consolidated statement of cash flows are set out below. The comparative profit and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current year.

	2011	2010
	RMB'000	*RMB'000*
		(Restated)
(Loss) profit for the year from discontinued operations		
Revenue	**10,986**	9,348
Cost of sales	**(8,934)**	(2,383)
Gross profit	**2,052**	6,965
Other income	**3,645**	3,216
Research and development costs	**(1,260)**	(598)
Marketing and promotional expenses	**(13,414)**	(5,109)
Administrative expenses	**(5,497)**	(4,317)
(Loss) profit before tax	**(14,474)**	157
Income tax expense	**(84)**	(8)
(Loss) profit and total comprehensive (loss) income for the year from discontinued operations	**(14,558)**	149
(Loss) profit and total comprehensive (loss) income for the year attributable to:		
Owners of the Company	**(6,552)**	66
Non-controlling interests	**(8,006)**	83
	(14,558)	149

(Loss) profit for the year from discontinued operations include the followings:

	2011 *RMB'000*	2010 *RMB'000* (Restated)
Depreciation of property, plant and equipment	**1,919**	771
Amortisation of intangible assets	**1,100**	550
Interest income	**(86)**	(84)
Government grants	**(3,559)**	(3,840)
Operating lease rentals in respect of		
– cable network	**277**	115
– buildings	**1,894**	862
	2,171	977
Staff costs	**10,286**	7,182
Staff's retirement benefit scheme contributions	**746**	412
	11,032	7,594
Less: Staff costs included in research and development costs	**(1,181)**	(194)
Staff costs included in cost of sales	**(3,085)**	(3,058)
	6,766	4,342

The major classes of assets and liabilities of the discontinued operations as at 31 December 2011, which have been presented separately in the consolidated statement of financial position, are as follows:

	2011 *RMB'000*
Assets and liabilities reclassified as held for sale	
Property, plant and equipment	**6,298**
Intangible asset	**9,350**
Inventories	**482**
Trade and other receivables	**5,915**
Amounts due from customers for contract works	**455**
Amounts due from non-controlling shareholders	**1,346**
Amounts due from fellow subsidiary	**118**
Bank balances and cash	**18,143**
Total assets classified as held for sale	**42,107**
Trade and other payables	**5,157**
Customer deposits for contract works	**227**
Total liabilities associated with assets classified as held for sale	**5,384**

9. DIVIDENDS

	2011	2010
	RMB'000	*RMB'000*
Dividends recognised as distribution during the year:		
2011 Interim – RMB Nil (2010: 2010 interim dividend: RMB2.05 cents) per share	**–**	59,415
2010 Final – RMB1.15 cents (2010: 2009 final dividend: RMB Nil) per share	**33,297**	–
	33,297	59,415

Subsequent to the end of the report period, a final dividend of RMB1.20 cents (pre-tax) per share in respect of the year ended 31 December 2011 (2010: final dividend of RMB1.15 cents (pre-tax) per share in respect of the year ended 31 December 2010) in total of approximately RMB34,777,000 (2010: RMB33,297,000) has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2011	2010
	RMB'000	*RMB'000*
For continuing and discontinued operations		
Earnings for the purpose of basic and diluted earnings per share		
Profit for the year attributable to owners of the Company	**77,540**	73,706

	2011	2010
	No. of shares	*No. of shares*
Number of shares		
Number of ordinary shares for the purpose of basic earnings per share	**2,898,086,091**	2,898,086,091
Effect of dilutive potential ordinary shares: Issuable under the Company's share option scheme	**–**	1,134,950
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,898,086,091**	2,899,221,041

For the year ended 31 December 2011, the calculation of diluted earnings per share did not take into account the exercise of the share options of the Company because the exercise price of the Company's share options was higher than the average market price of the Company's shares for the year of 2011.

	2011	2010
	RMB'000	*RMB'000*
From continuing operations		
Profit for the year attributable to owners of the Company		
– from continuing and discontinued operations	**77,540**	73,706
– Less: loss (profit) from discontinued operations	**6,552**	(66)
Earnings for the purposes of basic and diluted earnings per share	**84,092**	73,640

From discontinued operations

Basic and diluted loss per share for the discontinued operation for 2011 is RMB0.22 cents per share (2010: basic and diluted earnings per share of RMB0.002 cents per share), based on the loss for the year from the discontinued operations of RMB6,552,000 (2010: profit of RMB66,000) and the denominators detailed above for both basic and diluted (loss) earnings per share.

11. INVENTORIES

The inventories comprise of consumables and spare parts at the end of the year.

12. TRADE AND OTHER RECEIVABLES

	2011	2010
	RMB'000	*RMB'000*
Total trade receivables	**71,878**	75,682
Less: Allowance for doubtful debts	**(9,780)**	(9,376)
	62,098	66,306
Less: Non-current portion which shown in non-current assets *(Note)*	**(1,700)**	(3,642)
	60,398	62,664
Other receivables and prepayments	**14,874**	12,108
Deposits for technical projects	**19,826**	20,577
Less: Allowance for doubtful debts	**(1,809)**	(593)
	32,891	32,092
Trade and other receivables shown in current assets	**93,289**	94,756

The Group allows an average credit period of 180 days to its trade customers. The following is an analysis of trade receivables by age at the end of the year, which presented based on invoice date and net of allowance for doubtful debts:

	2011	2010
	RMB'000	*RMB'000*
0 to 60 days	**51,696**	22,131
61 to 90 days	**–**	16,649
91 to 180 days	**3,464**	18,931
Over 180 days	**6,938**	8,595
	62,098	66,306
Less: Non-current portion classified as non-current assets *(note)*	**(1,700)**	(3,642)
	60,398	62,664

Note: Included in the balance of trade receivables at 31 December 2011 was a trade receivable with the original balance of approximately RMB10,879,000 which will be settled by five equal annual installments from 1 July 2009 to 1 July 2013 in accordance with the terms of payment of the contract with a customer. As at 31 December 2011, the remaining balance of that trade receivable is approximately RMB4,118,000 (2010: RMB6,250,000), with current portion of RMB2,418,000 (2010: RMB2,608,000) and non-current portion of RMB1,700,000 (2010: RMB3,642,000). The effective interest rate applied on this receivable is 5.00% per annum.

Movement in the allowance for the doubtful debts:

	2011	2010
	RMB'000	*RMB'000*
Balance at beginning of the year	**9,969**	12,970
Impairment losses recognised during the year	**3,667**	–
Reversal during the year	**(2,047)**	(3,001)
Balance at end of the year	**11,589**	9,969

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of RMB2,820,000 (31 December 2010: RMB2,345,000) which are past due as at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The directors believe that there is no further credit provision required in excess of the allowance for doubtful debts. The credit quality of the trade receivable that is neither past due nor impaired is good.

Included in the allowance for doubtful debts are individually impaired trade receivables which aged over one year with an aggregate balance of RMB9,379,000 (2010: RMB9,279,000).

13. AMOUNTS DUE FROM CUSTOMERS FOR CONTRACT WORKS

	2011 *RMB'000*	2010 *RMB'000*
Contract costs incurred to date	**215,800**	202,940
Recognised profits less recognised losses	**113,833**	105,056
	329,633	307,996
Less: Progress billings	**(183,881)**	(186,001)
Customer deposits for contract works	**(103,813)**	(89,090)
Amounts due from customers for contract works	**41,939**	32,905

14. TRADE AND OTHER PAYABLES

	2011 *RMB'000*	2010 *RMB'000*
Trade payables	**19,394**	32,668
Government grants not recognised as income	**4,002**	5,920
Other payables	**34,230**	30,395
Accrued expenses	**33,144**	28,887
Payroll and welfare payable	**13,855**	16,097
Advance from customers	**817**	3,185
	105,442	117,152

The following is an aged analysis of trade payables at the end of the reporting period, which presented based on the invoice date:

Age	2011 *RMB'000*	2010 *RMB'000*
0 to 60 days	**6,045**	16,568
61 to 90 days	**305**	856
91 to 180 days	**1,090**	1,682
Over 180 days	**11,954**	13,562
	19,394	32,668

The average credit period on purchases of goods is 37 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

15. OTHER LOAN

	2011	2010
	RMB'000	*RMB'000*
Carrying amount repayable on demand and shown under current liabilities	**5,450**	6,360

The loan was granted by the Finance Bureau of Beijing, denominated in Renminbi, unsecured and bears interest at an interest rate of 3.09% (2010: 2.85%) per annum for the year ended 31 December 2011 and is repayable on demand.

16. SHARE CAPITAL

	Number of shares		**Registered, issued and fully paid**
	Domestic shares	**H shares**	*RMB'000*
Balance of share capital of RMB0.10 each at 1 January 2010, 31 December 2010 and 31 December 2011	2,123,588,091	774,498,000	289,809

17. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company							
	Share capital	**Share premium**	**Capital reserve**	**Statutory surplus reserve**	**Retained profits**	**Total**	**Non-controlling interests**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2010	289,809	254,079	5,216	19,750	106,632	675,486	3,813	679,299
Profit and total comprehensive income for the year	–	–	–	–	73,706	73,706	2,277	75,983
Dividend recognised as distribution *(note 9)*	–	–	–	–	(59,415)	(59,415)	–	(59,415)
Dividend paid to non-controlling shareholders	–	–	–	–	–	–	(400)	(400)
Profit appropriations	–	–	–	7,579	(7,579)	–	–	–
Disposal of a subsidiary	–	–	–	–	–	–	(1,262)	(1,262)
Capital contribution from non-controlling shareholders of a subsidiary	–	–	1,745	–	–	1,745	25,755	27,500
At 31 December 2010	289,809	254,079	6,961	27,329	113,344	691,522	30,183	721,705
Profit and total comprehensive income for the year	–	–	–	–	77,540	77,540	(8,081)	69,459
Dividend recognised as distribution *(note 9)*	–	–	–	–	(33,297)	(33,297)	–	(33,297)
Profit appropriations	–	–	–	7,127	(7,127)	–	–	–
Disposal of a subsidiary *(note 4)*	–	–	–	–	–	–	(1,994)	(1,994)
Transfer due to liquidation of an associate	–	–	(5,216)	–	–	(5,216)	–	(5,216)
At 31 December 2011	289,809	254,079	1,745	34,456	150,460	730,549	20,108	750,657

INTERESTS DISCLOSEABLE UNDER THE SECURITIES AND FUTURES ORDINANCE (CAP. 571 OF THE LAWS OF HONG KONG) (THE "SFO")

a. Directors and Chief Executive of the Company

Save as disclosed below, as of 31 December 2011, none of the Directors and chief executive of the Company had any interest and short position in shares, underlying shares or debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Long positions in the underlying shares – options granted under share option scheme

	Number of H Shares subject to options outstanding as of 31 December 2011	
Name	**Granted under the Share Option Scheme**	**Percentage to the issued H share capital**
Directors		
Dr. Wang Xu	1,466,000	0.19%
Mr. Pan Jiaren	1,466,000	0.19%
Dr. Qi Qigong	1,466,000	0.19%
	4,398,000	0.57%

All of the above-mentioned share options (the " Share Options") granted under the share option scheme of the Company (the " Share Option Scheme") were granted on 17 August 2004 at RMB1 per grant with an exercise price of HK$0.41 per H Share. These share options are exercisable within a period of ten years from the date of grant and apportioned in accordance with the following schedule subject to restrictions imposed by the relevant PRC laws and regulations:

Proportion of share options granted and held by each of the Directors which become exercisable	**Exercise period**
25%	18 August 2005 to 17 August 2014
25%	18 August 2006 to 17 August 2014
25%	18 August 2007 to 17 August 2014
25%	18 August 2008 to 17 August 2014

b. Substantial shareholders of the Company and other persons (other than Directors or chief executive of the Company)

Save as disclosed below, the Directors are not aware of any other interests and short positions in shares and underlying shares of the Company of any person (other than a Director or chief executive of the Company) as recorded in the register required to be kept under section 336 of the SFO as at 31 December 2011:

Name of shareholder	**Number of shares**	**Nature of interests**	**Percentage to the issued share capital**
Beijing State-owned Assets Management Corporation Limited	1,834,541,756 domestic shares	Beneficial owner	63.31%

BUSINESS REVIEW

Year 2011 was the starting year of the Twelfth Five-year Plan, and was also the first year after the Group transferred its listing to the Main Board of the Hong Kong Stock Exchange. During the year, the Group seized the opportunities to participate in the smart city development by further demonstrating its distinguished competitive edge and enhancing business and system innovation. Through promoting the development strategy of "high-end IT services, service-oriented software products, value-added project operations, professional industry expansion, and standardized mergers and acquisitions", the Group maintained a positive development momentum in 2011 with its core businesses achieving stable development and seed businesses experiencing rapid growth. The Group's various operational indicators also showed stable growth compared to the corresponding period of last year.

1. Core Businesses

During the reporting period, the Group further strengthened the competitive edge of its core businesses by further enhancing its service capability. E-Government network achieved stable operations and was qualified for the construction of the Beijing Wireless Government Internet of Things Project and successfully extended the BOT building and operating mode to until 2021. Meanwhile, the Group is also actively exploring more areas to apply the Internet of Things and has entered into a BOT agreement with Transportation Administration Bureau of Beijing Municipal Commission of Transport with a view to promoting the construction of parking management centres in Beijing and to providing electronic fee collection, clearing and settlement services for parking on roadsides in Beijing in reliance on the Wireless Government Internet of Things.

Medical Insurance Information System and Social Security Card System provide services for over 10 million insured people in Beijing. Through technology innovation, the Group has put a lot of effort into the restructuring of the online "Five in One" social insurance reporting system, social security bank cards and medical insurance systems. Leveraged on the advantages of its medical insurance system and accumulated service capability, the Group developed various smart medical services and entered into service agreements with almost 40 hospitals. The Group introduced Beijing hospital medical cards in 22 Beijing hospitals after forging a strategic relationship with Bank of Beijing, in bid to achieve the uninsured using real names when seeking medical attention in Beijing as well as real-time payment and settlement, as such, the Group has laid a foundation for its further expansion in information technology services in the medical and health care sector.

The Group continued to maintain high standards in the overall operation and maintenance of the "Beijing-China" website and the community public service platform. The Group also finished the "Beijing Citizens Homepage" (www.mybj.gov.cn) with China Mobile Group Beijing Company Limited, such website has become a public platform for providing numerous services for citizens' convenience. During the reporting period, the Group proactively pushed forward the reform of the cloud computing service within the "Beijing-China" website, and constructed the network cloud of Beijing Municipal e-Government Network.

2. Seed Businesses

During the reporting period, the Group achieved rapid growth in the housing fund and e-Government segments as it seized the opportunities to participate in the smart city development. In 2011, the Group was granted as the main contractor for the Beijing Housing Fund Management Centre, and won the bid for the Ministry of Housing and Urban-Rural Development's project to supervise the national provident fund industry, and thus, the Group was responsible for the organization of statistics and resources of 96 cities across the country, which included Beijing, Shanghai, Tianjin and Guangzhou. The Group preliminarily achieved its industry-specific development strategy by establishing an office in Guangzhou, and reaching cooperation intentions with a number of cities in Guangdong and Guangxi. Having established its presence in Beijing and South China, the Group will gradually expand its business network across the whole country.

Capitalizing on the advantages of the e-Government network, the Group quickly tapped into different sub-segments of the smart city by actively promoting its e-Government and IT services business. The Group's market share also further increased after obtaining major projects from Commission of City Administration and Environment, Human Resources and Social Security Bureau, Bureau of Finance, Public Security Bureau, authorities of the Communist Party and Government, Social Work Commission, Council for the Promotion of Trade, Federation of Social Science Circles, Bureau of Parks and Forestry and Commission of Politics and Law.

3. Business Prospects

During the reporting period, the Group's multi-lingual service and Internet public service businesses were closely integrated with the smart city development. The Group tracked the application of new technologies, namely cloud computing and SAAS (Software As A Service) and timely launched products such as CAPINFO mobile government and commercial network clouds. Through promotions and demonstrations at High-tech Expo and Seminar on the Evaluation and Development Trend of China's Government Websites, the Group's products received positive feedback from the industry.

4. Management and Workforce Development of the Group

During the reporting period, the Group continued to adjust and optimize its mechanisms to further improve its internal control and risk prevention systems. The Group standardized its financial operations and management, continued to improve its operational rules, refined its performance assessment system and enhanced its internal information system. Through the close integration of the 3 management systems, namely ISO9001, IS020000 and CMMI3, into its business development, level of customer satisfaction continued to improve.

In order to implement the development strategies of the Twelfth Five-year Plan, the Group completed its strategic planning on human resources in 2011 with emphasis on the growing business demand for high-end and large-scale system construction. As such, the Group strived to establish a system for developing talents and stepped up its on-the-job training efforts. The Group also accepted high-calibre professionals from the Beijing Municipal's scheme of importing foreign talents, and provided various seminars on technologies and training courses that closely linked to the development trend of the smart city, with a view to possessing various types of talents for its business development.

Outlook for 2012

2012 will be a year of rapid growth for the smart city market and will see Beijing and all big cities across the country fully initiate major projects such as smart medical system, smart people's livelihood, smart city management, smart transportation, one card project, Internet of Things and cloud computing, such market dynamics will be very favourable to the Group's business development.

2012 will also be a critical year for the Group to achieve its strategic objectives of the Twelfth Five-Year Plan. To this end, the Group will continue to perform well in various tasks regarding the operation, maintenance and management of its core businesses. Leveraging on its existing advantages on resources and customers of its core businesses, the Group will push forward the comprehensive development of its seed businesses and will be committed to the exploration of services model and contents, in order to strive to achieve breakthroughs in the nurture and development of the seed businesses. The Group will build a research and development system focusing on its strategic objectives and put more effort into R&D and innovation in key technological aspects, such as cloud computing, Internet of Things, mobile application, medical and health care information system, while product design and development of industry-specific software will also be enhanced.

To ensure the achievement of the overall strategy, the Group will increase its brand promotional efforts and actively participate in developing industry technology standards, in bid to lay a foundation for the deployment and implementation of the industry-specific market strategy. Meanwhile, the Group will proactively establish a training base for international talents, Capinfo Institute, where the Group will fully utilize the resources for attracting talents and build a practice and training system suitable for its development, so as to provide protection and support for the Group's future expansion in areas such as Internet of Things, cloud computing, mobile application, as well as medical and health care information system.

FINANCIAL REVIEW

The board of Directors (the "**Board**") of the Company announces that, for the year ended 31 December 2011, the Company and its subsidiaries (collectively the "**Group**") recorded an audited turnover of approximately RMB388.54 million, representing an increase of approximately 6.84% over last year, and a gross profit margin of 36.77%, representing an increase of approximately 1.07% over last year.

For the year under review, the Group has sustained an audited profit attributable to equity holders of the parent of approximately RMB77.54 million, representing an increase of approximately 5.2% over last year. Other income amounted to approximately RMB33.82 million, representing an increase of approximately 10.67% over last year, which was mainly derived from government grants on research and development projects, property leasing, interests and trust investment.

As at 31 December 2011, the Group had unsecured borrowings of RMB5.45 million, bearing interests at an average interest rate of 3.09%. Bank balances and cash and bank deposits were approximately RMB619.83 million, which were mainly derived from shareholders' contribution and working capital generated from operations. The Group had capital commitment of approximately RMB23.45 million.

During the year under review, the Group had no assets pledged and no significant contingent liabilities. The Group's financial position was not exposed to significant fluctuations in exchange rates or any related hedges.

On 19 December 2011, the Company entered into the Beijing Culture & Sports Technology Co., Ltd. (”BJCS”) Equity Transfer Agreement with Beijing BeiAo Group Corporation Limited (“BeiAo Group”), pursuant to which the Company has agreed to sell and BeiAo Group has agreed to acquire the 25% equity interests in BJCS. On the same day, the Company also entered into the Beijing Shui Niao Ticket Services Company Limited (”SN”) Equity Transfer Agreement with BeiAo Group, pursuant to which the Company has agree to sell and BeiAo Group has agreed to acquire the entire equity interests in SN. Following the completion of the disposals, both BJCS and SN will cease to be subsidiaries of the Company, the Company’s equity interests in BJCS will decrease from 45% to 20% and the Company will no longer has any equity interest in SN.

It is expected that the equity transfer in BJCS and SN will be completed in 2012. Investment in the aforesaid two subsidiaries was made in the previous year and they became one of the major business lines of the Group. So, in order to enable the reader of the financial statements to understand the actual operation of the Group, the operating results of the aforesaid two subsidiaries are presented as discontinued operations in the report of the year.

As at 31 December 2011, BJCS is a subsidiary with 45% interest held by the Company and, is principally engaged in ticket agency service and sports related information and information exchange platform service. SN is a wholly-owned subsidiary of the Company and is principally engaged in the provision of ticket agency services.

BJCS and SN are currently under stage of business development which needs Ample Resources and investment to support its business development. In order to foster the growth of BJCS and SN to step out the Business Incubation Stage as well as to assist BJCS and SN to quickly develop their business, the Company introduced new strategic shareholder with Ample Resources in Ticketing Business that BJCS and SN could leverage on which may benefits the performance and strengthen the development of BJCS and SN in future.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2011, the Group had a total of 1,081 employees (2010: 932 employees). The payable staff cost was approximately RMB121.79 million (2010: RMB120.23 million).

The Group also provides internal and external training to its staff to enhance their professional performance and overall capability. Remunerations of Directors of the Company are determined with reference to their positions, responsibilities, experience and the prevailing market conditions.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at Conference Room, 15th Floor, Quantum Silver Plaza, 23 Zhichun Road, Haidian District, Beijing, The People’s Republic of China on Tuesday, 19 June 2012 at 10:00 a.m. (“AGM”). The notice of AGM will be published and despatched to shareholders of the Company in due course pursuant to the requirements of the Listing Rules.

DIVIDENDS

The board of directors of the Company has recommended the payment of a final cash dividend of RMB1.20 cents per share totaling approximately RMB34.78 million for the year ended 31 December 2011 (2010: RMB1.15 cents per share) to the shareholders whose names appear on the register of members of the Company on Tuesday, 3 July 2012. Payment of dividends is subject to the approval by the shareholders at the AGM. Payment of dividends will be made on or before Monday, 20 August 2012.

According to the Law on Corporate Income Tax of the People's Republic of China and the relevant implementing rules which came into effect on 1 January 2008, the Company is required to withhold corporate income tax at the rate of 10% before distributing the final dividend to non-resident enterprise shareholders as appearing on the H share register of shareholders of the Company. Any shares registered in the name of non-individual registered shareholders, including HKSCC Nominees Limited, other nominees or trustees or other groups and organizations will be treated as being held by non-resident enterprise shareholders and therefore the dividend payable therein will be subject to the withholding of the corporate income tax.

The Company will withhold 10% of the dividend to be distributed to the individual holders of H shares of the Company as individual income tax unless otherwise specified by the tax regulations and relevant tax agreements, in which case the Company will withhold individual income tax of such dividend at the tax rates and according to the procedures as specified by the relevant regulations.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Saturday, 19 May 2012 to Tuesday, 19 June 2012 (both days inclusive), during which no transfer of shares will be effected for the purpose of ascertaining the shareholders' entitlement to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all completed transfer documents accompanied by the relevant share certificates must be lodged by the shareholders with the Company's H share registrar and transfer office, Hong Kong Registrars Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (applicable to H shares); or the Company at 12th Floor, Quantum Silver Plaza, 23 Zhichun Road, Haidian District, Beijing, The People's Republic of China (applicable to domestic shares) on or before 4:30 p.m. on Friday, 18 May 2012.

Subject to the approval of the shareholders at the AGM for the proposed final dividend, the register of members of the Company will also be closed from Monday, 25 June 2012 to Friday, 29 June 2012 (both days inclusive), during which no transfer of shares will be effected for the purpose of ascertaining the shareholders' entitlement to the proposed final dividend. In order to be qualify for the proposed final dividend, all completed transfer documents accompanied by the relevant share certificates must be lodged by the shareholders with the Company's H share registrar and transfer office, Hong Kong Registrars Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (applicable to H shares); or the Company at 12th Floor, Quantum Silver Plaza, 23 Zhichun Road, Haidian District, Beijing, The People's Republic of China (applicable to domestic shares) on or before 4:30 p.m. on Friday, 22 June 2012.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving and maintaining statutory and regulatory standards and adherence to the principles of corporate governance. The Company has complied with all the code provisions of the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules before the transfer of the listing of the H shares of the Company from the GEM to the Main Board of the Stock Exchange (the "Main Board Transfer") and Appendix 14 of the Listing Rules after the Main Board Transfer by establishing formal and transparent procedures to protect and maximize the interests of shareholders during the year under review.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules before the Main Board Transfer and Appendix 10 of the Listing Rules after the Main Board Transfer. Having made specific enquiry of all Directors, the Directors have complied with the required standard of dealings and the Company's code of conduct regarding Directors' securities transactions throughout the year ended 31 December 2011.

PURCHASE, SALE AND REPURCHASE OF THE COMPANY'S SHARES

The Company did not repurchase any of its listed shares during the year ended 31 December 2011. During the year ended 31 December 2011, none of the Company or any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. The audit committee comprises three members, namely Dr. Wang Huacheng, Mr. Chen Jing and Mr. Gong Zhiqiang. All of them are independent non-executive Directors. The chairman of the audit committee is Dr. Wang Huacheng.

The audit committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2011, including the accounting principles and practices adopted by the Group and the identification and appointment of external auditors.

INTERNAL CONTROL

The Board conducted regular reviews on the internal control system of the Group to ensure the relevant system is effective and adequate. The Board convened meetings regularly to discuss financial, operational and risk management control.

PUBLISHING RESULTS ANNOUNCEMENT ON THE STOCK EXCHANGE'S WEBSITE

The Company's annual report for the year ended 31 December 2011 which sets out all information required by the Listing Rules will be despatched to the Company's shareholders, and will be available for inspection in due course on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (www.capinfo.com.cn).

By order of the Board
CAPINFO COMPANY LIMITED*
Mr. Xu Zhe
Chairman

Beijing, the People's Republic of China, 23 March 2012

As of the date hereof, the executive director of the Company is Dr. Wang Xu; the non-executive directors of the Company are Mr. Xu Zhe, Ms. Zhang Kaihua, Ms. Li Zhi, Mr. Pan Jiaren, Mr. Shi Hongyin, Dr. Qi Qigong, Ms. Lu Xiaobing and the independent non-executive directors of the Company are Mr. Chen Jing, Dr. Wang Huacheng, Mr. Zeng Xianggao and Mr. Gong Zhiqiang.

This announcement is published on the website of the Company (www.capinfo.com.cn) and the designated issuer website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk).

* *For identification purpose only*