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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

This announcement is made at the request of the Stock Exchange.

The Board has noted the increase in the price and trading volume of the shares of the Company on 31 August 2005 and wishes to state that the Board is not aware of any reasons for such increase in the price and the trading volume except that the Board has entered into negotiation with respect to (i) a proposed increase of registered capital in an associate of the Company; and (ii) a proposed cooperation with an independent third party in relation to the business of electronic payment through mobile phone, and that both transactions may or may not proceed.

Shareholders of the Company and public investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

The board of directors (“Board”) of Capinfo Company Limited* (“Company”) has noted the increase in the price and trading volume of the shares of the Company on 31 August 2005 and wishes to state that the Board is not aware of any reasons for such increase in the price and the trading volume except that the Board has entered into negotiation with respect to (i) a proposed increase of registered capital in an associate of the Company; and (ii) a proposed cooperation with an independent third party in relation to the business of electronic payment through mobile phone, and that both transactions may or may not proceed.

The Board confirms that save as disclosed above, there are no negotiations or agreements relating to the intended acquisitions or realizations which are discloseable under Chapters 19 to 20 of the GEM Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 17.10 of the GEM Listing Rules which is or may be of a price-sensitive nature.

Shareholders of the Company and public investors are advised to exercise caution when dealing in the shares of the Company.

* For identification purposes only

Made by the order of the Board, the directors of which collectively and individually accept responsibility for the accuracy of this announcement.

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

Beijing, the People's Republic of China, 31st August, 2005

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. Li Minji, Mr. Xing Dehai, Mr. Xu Zhe, Mr. Bai Liming, Mr. Qi Qigong, Mr. Pan Jiaren, Mr. Ye Yongdong, Mr. Lu Tongtao, Ms. Tan Guoan; and the independent nonexecutive directors of the Company are Mr. Wong Ying Ho, Kennedy, Mr. Ng Kin Fai, Francis and Mr. Liu Dongdong.

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.