

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Chinainfo Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or to the transferee.

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CHINAINFO HOLDINGS LIMITED

神州資訊控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8206)

REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES

Independent financial adviser to the independent board committee
and the independent shareholders of the Company

Nuada Limited

A letter from the independent board committee of the Company (the “Independent Board Committee”) is set out on page 9 of this circular. A letter from Nuada Limited, the independent financial adviser to the Independent Board Committee and the independent shareholders of the Company, is set out on pages 10 to 15 of this circular.

A notice convening an extraordinary general meeting (the “EGM”) of the Company to be held at 10:30 a.m. on Monday, 24 April 2006 at the Meeting Room, Units 2115-2116, 21/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong is set out on pages 17 to 19 of this circular.

Whether or not you are able to attend the EGM, you are advised to read the notice and to complete and return the enclosed form of proxy, in accordance with the instructions printed thereon, to the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting. The completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting in person if you so wish.

This circular will remain at www.hkgem.com on the “Latest company announcements” page of the GEM website for at least 7 days from the date of its posting and on the website of the Company at www.hk6.com.

* For identification purpose only

CHARACTERISTIC OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Letter from the Independent Board Committee	9
Letter from the Independent Financial Adviser	10
Appendix – Procedures by which Shareholders may demand a poll at the EGM	16
Notice of EGM	17

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	the acquisition of the Licensed Rights of the Localised Products pursuant to the agreement dated 1 February 2006 and entered into between CCI and Pro-Concept;
“AGM”	the annual general meeting of the Company held on 4 August 2005 in which the Shareholders had approved, among other matters, the Current General Mandate;
“associates”	have the same meaning as ascribed in the GEM Listing Rules;
“Board”	the board of Directors, including all independent non-executive Directors;
“CCI”	神州通信投資有限公司 (China Communication Investment Ltd.), a company incorporated in the British Virgin Islands and a wholly owned subsidiary of China Communication Co., Ltd. which is a nation-wide telecommunication operator in the PRC;
“Company”	Chinainfo Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares are listed on GEM;
“connected persons”	have the meaning ascribed to this term under the GEM Listing Rules;
“Current General Mandate”	the general mandate approved at the AGM to grant to the Directors to allot and issue Shares of up to 20% of the share capital of the Company in issue on the date of the passing of the relevant ordinary resolution, which was 4 August 2005;
“Director(s)”	director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be held at 10:30 a.m. on Monday, 24 April 2006 at the Meeting Room, Units 2115-2116, 21/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong to consider and, if appropriate, to approve the ordinary resolutions contained in the notice of the meeting which are set out on pages 17 to 19 of this circular;

DEFINITIONS

“GEM”	the Growth Enterprises Market of the Stock Exchange;
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, to advise the Independent Shareholders as to the fairness and reasonableness of the grant of the New General Mandate;
“Independent Financial Adviser”	Nuada Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities as defined under the SFO, being independent financial adviser to the Independent Board Committee and the Independent Shareholders;
“Independent Shareholders”	Shareholders other than Superhero, Ms. Chan and their respective associates;
“Latest Practicable Date”	31 March 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Licensed Rights”	the license of the rights to publish, replicate, reproduce, manufacture, distribute and sell the Localised Products in the Territory and the use of the trade marks pertaining to the Localised Products and all the rights and benefits in relation to the organisation of electronic sports tournaments in respect of the Localised Products in the Territory;
“Localised Products”	the thirty-four computer game softwares and computer game guide books modified into Chinese language for distribution and sale in the Territory under the Licensed Rights;
“Ms. Chan”	Ms. Chan Tan Lui, Danielle, an executive Director and chairman of the Company;

DEFINITIONS

“New General Mandate”	the general mandate proposed to be granted to the Directors at the EGM to allot, issue and otherwise deal with additional Shares not exceeding 20% of the share capital of the Company in issue on the date of the passing of the relevant ordinary resolution;
“Pro-Concept”	Pro-Concept Development Limited, a company incorporated in the British Virgin Islands with limited liability and is a wholly owned subsidiary of the Company;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Superhero”	Superhero Limited, a company incorporated in Samoa with limited liability and is wholly owned by Ms. Chan
“Territory”	retail stores, cybercafes, and on-line servers located in the PRC;
“HK\$”	Hong Kong dollars, the lawfully currency of Hong Kong;
“%”	per cent.

LETTER FROM THE BOARD



CHINAINFO HOLDINGS LIMITED

神州資訊控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8206)

Executive Directors:

Ms. Chan Tan Lui, Danielle (*Chairman*)

Mr. Xiao Haiping

Mr. Choo Kwok How

Ms. Zhang Jialin

Registered Office:

P.O. Box 309 GT

Ugland House

South Church Street

Grand Cayman

Cayman Islands

Independent non-executive Directors:

Mr. Yip Tai Him

Ms. Guo Qi

Mr. Chiu Kwok Ching

*Head office and principal place
of business in Hong Kong:*

Units 2115-2116, 21/F

China Merchants Tower

Shun Tak Centre

168-200 Connaught Road Central

Hong Kong

6 April 2006

*To the Shareholders (and for information purpose only, the option holders
and the convertible bond holder of the Company)*

Dear Sir or Madam,

REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES

INTRODUCTION

The purpose of this circular is to provide you with the information relating to (i) the proposed grant of the New General Mandate; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders on the proposed grant of the New General Mandate; (iii) the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, on the proposed grant of the New General Mandate; and (iv) the notice of EGM, at which the necessary resolutions will be proposed to the Independent Shareholders to consider and, if thought fit, approve the New General Mandate by way of poll.

* For identification purpose only

LETTER FROM THE BOARD

CURRENT GENERAL MANDATE

At the AGM, Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Current General Mandate to issue not more than 85,600,000 Shares, being 20% of the aggregate nominal amount of the issued share capital of the Company of 428,000,000 Shares as at the date of passing of the resolution.

During the period from the grant of the Current General Mandate to the Latest Practicable Date, the Current General Mandate had been utilised as to 85,542,000 Shares in association with the issue of consideration Shares on completion of the Acquisition on 31 March 2006, being approximately 99.93% of the aggregate number of Shares which may be allotted and issued under the Current General Mandate. The Acquisition was completed on 31 March 2006 and the 85,542,000 Shares were duly allotted and issued. Please refer to the Company's announcement dated 1 February 2006, the circular dated 15 March 2006 and the announcement dated 31 March 2006 for further details regarding the Acquisition.

PROPOSED GRANT OF NEW GENERAL MANDATE

As the Current General Mandate will almost be completely used up, the Company will be convening the EGM at which ordinary resolutions will be proposed to the Independent Shareholders that:

- (i) the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the share capital of the Company in issue as at the date of passing the relevant ordinary resolution; and
- (ii) the New General Mandate be extended to Shares repurchased by the Company pursuant to the repurchase mandate granted to the Directors at the AGM.

The Company has not refreshed the Current General Mandate since the AGM. The New General Mandate proposed will last until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any other applicable laws to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors under the New General Mandate.

As at the Latest Practicable Date, the Company had an aggregate of 513,552,000 Shares in issue. On the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM, the Company would be allowed under the New General Mandate to allot and issue up to 102,710,400 Shares representing 20% of the share capital of the Company in issue as at the Latest Practicable Date.

LETTER FROM THE BOARD

REASONS FOR THE NEW GENERAL MANDATE

The Group is principally engaged in the provision of (i) real-time financial news and up-to-date financial market commentaries and recommendations through multimedia; (ii) financial programs and video production services; and (iii) investor education on financial markets in Hong Kong.

As explained in the paragraph headed “Current General Mandate” above, the Current General Mandate had been utilised as to 85,542,000 Shares, being approximately 99.93% of the aggregate number of Shares which may be allotted and issued under the Current General Mandate.

The Board believes that grant of the New General Mandate is in the best interests of the Company and the Shareholders as a whole by maintaining the financial flexibility necessary for the Group’s future business development. The Board considers equity financing to be an important avenue of resources to the Group since it does not create any interest paying obligations on the Group. In appropriate circumstances, the Group will also consider other financing methods such as debt financing or internal cash resources to fund its future business development. While the Board considers that there is no immediate funding need for the Group’s current operations and that there is currently no concrete proposal presented by potential investors for investment in the Shares, the Board is now proposing to seek the approval of Independent Shareholders at the EGM of the New General Mandate such that should future funding needs arise or attractive terms for investment in the Shares become available from potential investors, the Board will be able to respond to the market and such investment opportunities promptly because fund raising exercise pursuant to a general mandate provides the Company a more simple and less lead time process than other types of fund raising exercises and to avoid the uncertainties in such circumstances that specific mandate may not be obtained in a timely manner.

The Group had not conducted any fund raising activities since the AGM.

In view of the above, the Directors consider the grant of the New General Mandate, which may or may not be utilised, is in the best interests of the Company and the Shareholders as a whole.

EXTRAORDINARY GENERAL MEETING

Pursuant to Rule 17.42A(1) of the GEM Listing Rules, the New General Mandate requires the approval of the Independent Shareholders at the EGM at which any of the controlling Shareholders and their associates or, where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions. Since the Company has no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting. As at the Latest Practicable Date, Ms. Chan and its associate, Superhero, being in aggregate interested in about 16.03% of the share capital of the Company in issue will abstain from voting in

LETTER FROM THE BOARD

favour of the relevant resolutions. The Board were advised by them that they have no intention to vote against the grant of the New General Mandate. Other than Ms. Chan, no other Directors or their respective associates had any interests in the Shares as at the Latest Practicable Date. Further, pursuant to Rule 17.47(4)(b) of the GEM Listing Rules, any vote of the Independent Shareholders at the EGM will be taken by poll and a results announcement will be made after the EGM.

The notice convening the EGM is set out on pages 17 to 19 of this circular. At the EGM, ordinary resolutions will be proposed to approve the proposed grant of the New General Mandate. A form of proxy for use at the EGM is also enclosed with this circular. To be valid, the enclosed form of proxy, together with any power of attorney or other authority under which it is signed must be completed in accordance with the instructions printed thereon and delivered to the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting. The completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting in person if you so wish.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprises Mr. Yip Tai Him, Ms. Guo Qi and Mr. Chiu Kwok Ching, all being independent non-executive Directors. It has been established to advise the Independent Shareholders on the grant of the New General Mandate.

Nuada Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate.

RECOMMENDATIONS

The Directors consider the refreshment of the New General Mandate is in the interest of the Company and the Shareholders as a whole and accordingly recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM for approving the grant of the New General Mandate.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the granting of the New General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and accordingly recommends the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM for approving the grant of the New General Mandate.

GENERAL INFORMATION

Your attention is drawn to the letter of advice from the Independent Financial Adviser set out on pages 10 to 15 of this circular which contains its advice to the Independent

LETTER FROM THE BOARD

Board Committee and the Independent Shareholders in connection with the grant of the New General Mandate and the letter from the Independent Board Committee set out on page 9 of this circular which contains its recommendation to the Independent Shareholders in relation to the grant of the New General Mandate.

Your attention is also drawn to the additional information set out in the Appendix – Procedures by which Shareholders may demand a poll at the EGM, to this circular. Please note, however, the ordinary resolutions will be voted by way of poll at the EGM as required under the GEM Listing Rules.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

Yours faithfully
For and on behalf of the Board
Chinainfo Holdings Limited
Chan Tan Lui, Danielle
Chairman



CHINAINFO HOLDINGS LIMITED

神州資訊控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8206)

6 April 2006

To the Independent Shareholders

Dear Sir or Madam,

**REFRESHMENT OF GENERAL MANDATE
TO ALLOT AND ISSUE SHARES**

We refer to the circular of the Company dated 6 April 2006 (the “Circular”) of which this letter forms part. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as defined in the Circular.

We have been appointed by the Board to advise the Independent Shareholders in connection with the proposed grant of the New General Mandate. Nuada Limited has been appointed as the independent financial adviser to advise us in this respect.

Having considered the principal reasons and factors considered by, and the advice of, the Independent Financial Adviser as set out in its letter of advice to us on pages 10 to 15 of the Circular, we are of the opinion that the proposed grant of the New General Mandate is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the grant of the New General Mandate by way of poll.

Independent Board Committee
Yip Tai Him Guo Qi Chiu Kwok Ching
Independent non-executive Directors

* For identification purpose only

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from Nuada Limited setting out their advice to the Independent Board Committee and the Independent Shareholders for inclusion in this circular.

Nuada Limited
7th Floor, New York House
60 Connaught Road Central
Hong Kong

6 April 2006

*To the Independent Board Committee
and the Independent Shareholders*

Dear Sirs,

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES

INTRODUCTION

We refer to the circular dated 6 April 2006 issued by the Company to the Shareholders of which this letter forms part (the “Circular”) and our appointment as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed granting of the New General Mandate, details of which are set out in the letter from the Board contained in the Circular (the “Letter”). Capitalised terms used in this letter, unless the context otherwise requires, shall have the same meaning ascribed to them in the Circular.

Pursuant to Rule 17.42A of the GEM Listing Rules, the granting of the New General Mandate is subject to the approval of the Independent Shareholders by way of poll at the EGM. The controlling Shareholders and their associates or, where there are no controlling Shareholders, Directors (excluding the independent non-executive Directors) and the chief executive and their respective associates shall abstain from voting in favour of the relevant resolutions at the EGM. As at the Latest Practicable Date, the Company did not have any controlling Shareholder. Therefore, Ms. Chan and its associate, Superhero, who are in aggregate interested in 82,319,195 Shares as at the Latest Practicable Date, are required to abstain from voting in favour of the relevant resolutions at the EGM. Other than Ms. Chan, no other Directors or their respective associates had any interests in the Shares as at the Latest Practicable Date.

The Independent Board Committee has been established to advise whether the proposed granting of the New General Mandate is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR ADVICE

In formulating our opinion, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, the Company and its management. We have assumed that all statements, information, facts, opinions and representations made to us or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true, accurate and complete as at the date of the Circular. We have no reason to doubt the truth, accuracy and completeness of the statements, information, facts, opinions and representations provided to us by the Directors, the Company and its management. The Directors have confirmed to us that no material facts have been omitted from the information supplied and opinions expressed. We consider that we have been provided with sufficient information to reach an informed view to provide a reasonable basis for our opinion.

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that, to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and that there are no other facts not contained in the Circular the omission of which would make any statement in the Circular misleading.

We have relied on such information and opinions and have not, however, conducted any independent investigation into the business, financial conditions and affairs or the future prospects of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the proposed granting of the New General Mandate, we have taken the following principal factors and reasons into consideration:

Background

The Group is a multimedia financial information services provider offering a comprehensive range of financial information services which include the provision of (i) real-time financial news and up-to-date financial market commentaries and recommendations through multimedia; (ii) financial programme and video production services; and (iii) investor education within the financial market in Hong Kong.

At the AGM, the Directors were granted the Current General Mandate to allot and issue up to 85,600,000 new Shares, representing 20% of the aggregate nominal amount of the issued share capital of the Company then in issue.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Subsequent to the AGM and as at the Latest Practicable Date, the Current General Mandate has been utilised as to 85,542,000 Shares in association with the issue of the consideration Shares on completion of the Acquisition on 31 March 2006, representing approximately 99.93% of the aggregate number of Shares which may be allotted and issued under the Current General Mandate. Accordingly, the Current General Mandate has almost been utilised.

To maintain the financial flexibility necessary for the Group's future business development, the Directors therefore propose to seek the approval of the Independent Shareholders at the EGM for the granting of the New General Mandate.

The Company had an aggregate of 513,552,000 Shares in issue as at the Latest Practicable Date. Subject to the passing of the ordinary resolutions for the approval of the New General Mandate and assuming that no Shares are issued and/or purchased by the Company between the Latest Practicable Date and the date of the EGM, the Company would be allowed under the New General Mandate to allot and issue up to 102,710,400 Shares.

Reasons for the New General Mandate

As stated in the Letter, the Directors consider that equity financing to be an important avenue of resources to the Group since it does not create any interest paying obligations on the Group. While the Board considers that there is no immediate funding need for the Group's current operations and that there is currently no concrete proposal presented by potential investors for investment in Shares, the Board proposes to seek approval of the Independent Shareholders at the EGM of the New General Mandate such that should future funding needs arise or attractive terms for investment in Shares become available from potential investors, the Board will be able to respond to the market and such investment opportunities promptly.

Continued expansion of the Group's businesses and flexibility in financing alternatives

The Group aims to become one of the leading and one of the most comprehensive multimedia financial information services providers in Hong Kong and to establish market presence in the financial information service market of the PRC. As disclosed in the annual report 2005 of the Company, the Group seeks to achieve these objectives by expanding its multimedia financial information provision business from Hong Kong to the PRC. In addition, the Directors will continue to do their best to deploy their strengths and capabilities to expand the revenue base of the Group and capture the new opportunities offered by prosperity of the PRC market.

Given the Current General Mandate has almost been utilised, may any investment opportunities arise that would lead to issuance of new Shares and specific mandate may have to be sought in this respect, the Directors are uncertain as to whether the requisite approval from the Independent Shareholders could be obtained in a timely manner. In addition, the New General Mandate offers an opportunity for the Directors to capture a favourable equity market condition to raise funds by issuing new Shares.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notwithstanding the fact that the Group had no immediate funding need for its current operations and there is currently no concrete proposal presented by potential investors for investment in Shares, the Directors believe that the New General Mandate would offer the Group higher flexibility to capture investment opportunities which may arise at any time and require prompt investment decision by the Group. The Directors also consider that the New General Mandate would provide the Company with the maximum flexibility to raise additional capital for any future investment or as working capital of the Group.

In light of the above, we are of the opinion that the New General Mandate would provide the Company with the necessary flexibility essential for fulfilling any possible funding needs for future business development and/or investment decisions in a timely manner. As such, we are of the view that the granting of the New General Mandate will be in the interest of the Company and the Shareholders as a whole.

Other financing alternative

As stated in the Letter, in appropriate circumstances, the Group will also consider other financing methods such as debt financing or internal cash resources to fund its future business development. While sufficient for its present requirements, there is no certainty that such cash resources will be adequate or other financing alternatives will be available for appropriate investment that may be identified by the Company in the future. In addition, as debt financing may incur interest burden to the Group, the Directors consider that equity financing such as issuance of new Shares for cash or equity swaps may be an appropriate mean to fund such investments and/or acquisitions and provide additional working capital for the future development and expansion of the Group, given the Group's financial position, capital structure, cost of funding and the then financial market condition.

We consider that the granting of the New General Mandate will provide the Company with an additional alternative and it is reasonable for the Company to have the flexibility in deciding the financing methods for its future development, including equity issuance. As such, we are of the view that the granting of the New General Mandate will be in the interest of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Potential dilution to shareholding of the Independent Shareholders

Set out below is a table showing the potential dilution effect of the shareholdings of the Company as at the Latest Practicable Date and; for illustrative purpose, upon full utilisation of the New General Mandate, assuming no Shares are issued/repurchased during the period between the Latest Practicable Date and the date of the EGM, no outstanding share options of the Company are exercised and no outstanding convertible bonds issued by the Company are converted into Shares.

	Latest Practicable Date	%	Upon full utilisation of the New General Mandate	%
Fu Shing Ki	97,001,144	18.89	97,001,144	15.74
China Communication Investment Ltd. (Note 1)	85,542,000	16.66	85,542,000	13.88
Ms Chan (Note 2)	82,319,195	16.03	82,319,195	13.36
Chan Wong Kam Fung, Cecilia	71,265,798	13.88	71,265,798	11.56
Public Shareholders	177,423,863	34.54	177,423,863	28.79
Shares issued under the New General Mandate	–	–	102,710,400	16.67
Total	513,552,000	100.00	616,262,400	100.00

Notes:

- China Communication Investment Ltd. is a wholly-owned subsidiary of China Communication Co. Ltd..
- Ms. Chan, an executive Director and chairman of the Company, is beneficially interested in 240,000 Shares and is deemed to be interested in 82,079,195 Shares held by Superhero Limited, the entire issued share capital of which is wholly and beneficially owned by Ms. Chan.

As illustrated in the table above, the aggregate shareholding of the public Shareholders will decrease from approximately 34.54% as at the Latest Practicable Date to approximately 28.79% upon full utilisation of the New General Mandate.

Taking into account the benefits of the New General Mandate as discussed above and the fact that the shareholdings of all Shareholders will be diluted proportionately, we consider such dilution or potential dilution of shareholding to be acceptable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having considered the factors and reasons as stated above, we are of the view that the granting of the New General Mandate is in the interest of the Company and Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolutions in relation to the granting of the New General Mandate to be proposed at the EGM.

Independent Shareholders are however advised to take note of the possible dilution effect on their shareholding interests in the Company when and if the New General Mandate is utilised.

Yours faithfully,
For and on behalf of
Nuada Limited
Bernard Chan
Director

The following sets out the procedures by which the Shareholders may demand a poll at the EGM.

Pursuant to article 76 of the articles of association of the Company, a resolution put to vote of a meeting shall be decided on a show of hands, unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demand or otherwise required under the GEM Listing Rules. A poll may be demanded by:

- (i) the chairman of the meeting; or
- (ii) at least five Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and entitled to vote; or
- (iii) any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the meeting; or
- (iv) any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and holding Shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

NOTICE OF EGM



CHINAINFO HOLDINGS LIMITED

神州資訊控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8206)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Chinainfo Holdings Limited (the “**Company**”) will be held at 10:30 a.m. on Monday, 24 April 2006 at the Meeting Room, Units 2115-2116, 21/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong for the purpose of considering and, if thought fit, passing the following resolutions, with or without amendments, as ordinary resolutions of the Company by way of poll:

1. “**THAT**, to the extent not already exercised, the mandate to allot and issue shares of the Company given to the directors of the Company (the “**Directors**”) at the annual general meeting of the Company held on 4 August 2005 (the “**AGM**”) be and is hereby revoked and replaced by the mandate **THAT**:
 - (a) subject to paragraph (c) below, pursuant to the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprises Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares (each a “Share”) of HK\$0.01 each in the share capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise), issued or dealt with by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force

* For identification purpose only

NOTICE OF EGM

from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:

- (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
- (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of such resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any other applicable laws to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“Rights Issue” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

NOTICE OF EGM

2. “**THAT** conditional upon the passing of resolution no. 1 above, the mandate granted to the directors of the Company at the AGM to extend the general mandate to allot and issue shares of the Company to shares repurchased by the Company be and is hereby revoked and replaced by the mandate **THAT** the Directors be and are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 1 above in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”

By order of the Board
Chinainfo Holdings Limited
Chan Tan Lui, Danielle
Chairman

Hong Kong, 6 April 2006

Registered Office:
P.O. Box 309 GT
Ugland House
South Church Street
Grand Cayman
Cayman Islands

*Head office and principal place
of business in Hong Kong:*
Units 2115-2116
21/F, China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

Notes:

1. Subject to the provisions of the articles of association of the Company, any member of the Company entitled to attend and vote at the EGM shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more Shares may appoint more than one proxy to represent and vote on his behalf at the EGM. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which each such proxy is so appointed. A proxy need not be a member of the Company but must be present in person at the EGM to represent the member. On a poll, votes may be given either personally or by proxy.
2. A form of proxy for use at the EGM is enclosed. Such form of proxy is also published on the website of GEM at www.hkgem.com. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and returned, together with the power of attorney or other authority (if any) under which it is signed (or a copy which has been certified by a notary) to the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting.
3. In the case of joint holders of Shares, any one of such holders may vote at the EGM, either personally or by proxy, in respect of such Share as if he was solely entitled thereto, but if more than one of such joint holders are present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
4. Completion and return of the form of proxy shall not preclude a member of the Company from attending and voting in person at the EGM and in such event, the form of proxy shall be deemed to be revoked.
5. Pursuant to the GEM Listing Rules, the voting on ordinary resolutions at the EGM will be conducted by way of poll.