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IS INFOSERVE®
Infoserve Technology Corp.

(Stock code: 8077)

(incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT

Change of capacity of Mr. Tsai Tun Chi to non-executive Director

The board of directors (the “Board”) of Infoserve Technology Corp. (the “Company” and together with its subsidiaries, the “Group”) announces that the capacity of Mr. Tsai Tun Chi (“Mr. Tsai”) as director of the Company (the “Director”) has been changed from executive Director to non-executive Director with effect from 17th May, 2004.

Mr. Tsai, aged 38, has a Bachelor Degree in Finance from University of Southern California in 1988 and an executive MBA from National Sun Yat Sen University, Taiwan in 2003. He has over 10 years of experience in sales and management. Prior to joining the Group in August 2002, Mr. Tsai has worked for an international banking group and a company principally engaged in shopping center development consultancy services in Taiwan.

Mr. Tsai is based in Taiwan. He joined the Taiwan operations of the Group in August 2002 and was appointed as an executive Director of the Company in October 2003. Mr. Tsai was responsible for strategic planning and setting the operational directions, particularly the Taiwan operations of the Group. Following the cessation of the Group’s Taiwan operations in November 2003, Mr. Tsai’s executive function within the Group has been substantially reduced. In the circumstances, it is mutually agreed between the Company and Mr. Tsai to terminate his service contract with effect from 17th May, 2004. Mr. Tsai remains as a non-executive Director and save for his directorship in the Company, he currently holds no other directorship or position in the Group or directorship in other Hong Kong listed companies. There is no other matter which needs to be brought to the attention of the shareholders of the Company as a result of this change of capacity. In March 2004, it was agreed between the Company and Mr. Tsai that Mr. Tsai would waive his emoluments of HK\$30,000 per month pursuant to his service contract effective from 1st May, 2004 in view of the current cashflow position of the Group.

Mr. Tsai does not have any relationship with any directors, senior management, management shareholders, substantial or controlling shareholders of the Company other than acting as a non-executive Director. Mr. Tsai holds 1,200,000 shares of the Company as at the date of this announcement.

As at the date of this announcement, the Board comprises Mr. Yu Shu Kuen and Mr. Chang Hsiao Hui, Michael as executive Directors, Mr. Tsai Tun Chi as non-executive Director and Mr. Ip Man Tin, David and Mr. Leung Hong Tai as independent non-executive Directors.

By order of the board
Infoserve Technology Corp.
Yu Shu Kuen
Chairman

Hong Kong, 18th May, 2004

The Directors (save for Mr. Chang Hsiao Hui, Michael who cannot be contacted at his last known correspondence addresses) jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

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