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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)

PROFIT WARNING

The Board wishes to inform the shareholders of the Company and the investors that the continuing losses sustained by the Group's associates and jointly controlled entity and the increase in general provision on receivables adversely affected the results of the Group for the three months ended 31st March, 2004. Based on the unaudited management accounts for the three months ended 31st March, 2004, it is expected that the Group would record a consolidated net loss for the three months ended 31st March, 2004 (as a comparison, the Group recorded a consolidated net profit for the three months ended 31st March, 2003).

Shareholders of the Company and investors should exercise caution when dealing in the shares of the Company.

The board of directors (the "Board") wishes to inform the shareholders of the Company and the investors that the continuing losses sustained by the Group's associates and jointly controlled entity and the increase in general provision on receivables adversely affected the results of the Group for the three months ended 31st March, 2004. The Group's associates and jointly controlled entity continued to sustain losses as they were newly incorporated in recent years and are still at early development stage. As the Group's turnover increased in recent years, the amount and period of outstanding receivables also increased generally and, in turn, led to the increase in general provision on receivables. Based on the unaudited management accounts for the three months ended 31st March, 2004, it is expected that the Group would record a consolidated net loss for the three months ended 31st March, 2004 (as a comparison, the Group recorded a consolidated net profit for the three months ended 31st March, 2003).

As the Group's results for the three months ended 31st March, 2004 have not yet been finalized, the Board is not in a position to quantify the relevant financial effects at this stage. The unaudited results are expected to be published before 15th May, 2004.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
Dr. CHEN Xinxiang
Chairman

Beijing, The People's Republic of China
29 April, 2004

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. Fan Dazhi, Mr. Xu Zhe, Mr. Bai Liming, Mr. Qi Qigong, Mr. Pan Jiaren, Mr. Ye Yongdong, Mr. Lu Dongtao, Ms. Tan Guoan; and the independent non-executive directors of the Company are Mr. Wong Ying Ho, Kennedy and Mr. Ng Kin Fai, Francis.

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.

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** For identification purpose only*