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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)

ANNOUNCEMENT ON UNUSUAL TRADING VOLUME CHANGES

The directors ("Directors") of Capinfo Company Limited (the "Company") has noted today's increase in the trading volume of the shares of the Company and wish to state that the Directors are not aware of any reasons for such increase save as disclosed below.

The Company is in negotiations with (1) 北京市國有資產經營有限責任公司 (Beijing State-owned Assets Management Corporation Limited) ("BSAM") for the transfer of a portion of the registered capital held by the Company in 北京數字證書認證中心有限公司 (Beijing Certificate Authority Center Company Limited) ("BJCA") to BSAM; and (2) BSAM and 上海市電子商務安全證書管理中心有限公司 (Shanghai Electronic Certificate Authority Center Co., Ltd) ("SHECA") for an increase in their respective capital contributions to the registered capital in BJCA. No agreement has yet been entered into between the parties and such arrangement may or may not proceed. Further announcement will be made of such arrangement, where appropriate, in accordance with the GEM Listing Rules.

BSAM is the substantial shareholder, holding 61.55% equity interests, of the Company. It is also one of the promoters and initial management shareholders of the Company. BJCA, of which 90% of its equity interests is held by the Company, is a subsidiary of the Company. SHECA is a shareholder of BJCA and holds 10% equity interests of BJCA.

Save as disclosed above, the Directors confirms that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Chapters 19 and 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.

Made by the order of the Board, the Directors of the Company 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, 7 January 2004

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors of the Company, 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.

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.

** For identification purposes only*