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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)

THIRD SUPPLEMENTAL MEMORANDUM OF UNDERSTANDING AND SUPPLEMENTAL ESCROW LETTER IN RESPECT OF A POSSIBLE ACQUISITION OF A SHAREHOLDING INTEREST IN A PC GAMES COMPANY

This announcement is made by the Company pursuant to Rule 17.10 of the Listing Rules.

Reference is made to the announcements of the Company dated 26 April 2005 and 24 May 2005 in respect of a possible acquisition of 51% of the shareholding interest in Synergy Enterprise Inc..

The Board announces that further to the MOU dated 26 April 2005 and the Supplemental MOUs dated 19 May 2005 and 24 May 2005 respectively, the Purchaser and the Vendor entered into a third supplemental memorandum of understanding on 29 August 2005 extending the long stop date for entering into the Sale and Purchase Agreement from 31 August 2005 to 31 December 2005. Save for the extension of the Long Stop Date, no other amendments were made to the MOU (as amended by the Supplemental MOUs).

Consequently, a supplemental escrow letter had also been signed on 29 August 2005 amongst the Purchaser, the Vendor and the firm of PRC lawyers, amending the Escrow Letter such that in the event no instructions as to the release of the Earnest Money have been given by the Purchaser on or before 31 December 2005, the Earnest Money is to be returned to the Purchaser. Save for the extension of time for the Purchaser to give instructions as to the release of the Earnest Money, no other amendments were made to the Escrow Letter.

The Directors wish to reiterate that the MOU, as amended by the Supplemental MOUs and the Third Supplemental MOU, is non-binding in nature in respect of the Acquisition (except the terms relating to exclusivity and the Earnest Money) and there is no binding obligation on either the Vendor or the Purchaser to enter into the Sale & Purchase Agreement. Therefore, the Acquisition may or may not proceed. Shareholders and the investing public should exercise caution when dealing in the Shares.

* For identification purpose only.

This announcement is made by the Company pursuant to Rule 17.10 of the Listing Rules.

Reference is made to the announcements (the “**Announcements**”) of the Company dated 26 April 2005 and 24 May 2005 in respect of a possible acquisition of 51% of the shareholding interest in Synergy Enterprise Inc.. Terms used herein shall have the same meanings as defined in the Announcements unless the context requires otherwise.

THIRD SUPPLEMENTAL MOU AND SUPPLEMENTAL ESCROW LETTER

The Board announces that further to the MOU dated 26 April 2005 and the Supplemental MOUs dated 19 May 2005 and 24 May 2005 respectively, the Purchaser and the Vendor entered into a third supplemental memorandum of understanding (the “**Third Supplemental MOU**”) on 29 August 2005 extending the long stop date (the “**Long Stop Date**”) for entering into the Sale and Purchase Agreement from 31 August 2005 to 31 December 2005. Save for the extension of the Long Stop Date, no other amendments were made to the MOU (as amended by the Supplemental MOUs).

Consequently, a supplemental escrow letter had also been signed on 29 August 2005 amongst the Purchaser, the Vendor and the firm of PRC lawyers, amending the Escrow Letter such that in the event no instructions as to the release of the Earnest Money have been given by the Purchaser on or before 31 December 2005, the Earnest Money is to be returned to the Purchaser. Save for the extension of time for the Purchaser to give instructions as to the release of the Earnest Money, no other amendments were made to the Escrow Letter.

The Directors wish to reiterate that the MOU, as amended by the Supplemental MOUs and the Third Supplemental MOU, is non-binding in nature in respect of the Acquisition (except the terms relating to exclusivity and the Earnest Money) and there is no binding obligation on either the Vendor or the Purchaser to enter into the Sale & Purchase Agreement. Therefore, the Acquisition may or may not proceed. Shareholders and the investing public should exercise caution when dealing in the Shares.

The entering into of the Sale and Purchase Agreement may constitute a notifiable transaction on the part of the Company under the Listing Rules and the Earnest Money may form part of the consideration therefor. Further announcement will be made by the Company immediately after the signing of the Sale & Purchase Agreement in compliance with the Listing Rules.

As at the date of this announcement, the executive Directors are Ms. Chan Tan Lui, Danielle, Mr. Choo Kwok How and Ms. Zhang Jialin, and the independent non-executive Directors are Ms. Guo Qi, Mr. Yip Tai Him and Mr. Chiu Kwok Ching.

By Order of the Board
CHINAINFO HOLDINGS LIMITED
Chan Tan Lui, Danielle
Chairman

Hong Kong, 29 August 2005

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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) 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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