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中 软 国 际

CHINASOFT INTERNATIONAL LIMITED

中 軟 國 際 有 限 公 司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8216)

CLARIFICATION OF A NEWSPAPER ARTICLE

This announcement is made at the request of The Stock Exchange of Hong Kong Limited to clarify the newspaper article on a local Chinese press on 28 June 2005 (the “Article”) containing information regarding the investment from IFC to the Company.

Clarification of Newspaper Article

It is noted that on 28 June 2005, an article in a local Chinese press (the “Article”) reported that the Chinasoft International Limited (“Company”) has agreed with International Financial Corporation (“IFC”) that IFC will invest US\$20 million to assist the Company’s development of overseas market. Such investment may be in the form of equity investment in the share capital of the Company.

The Directors would like to clarify that the Company is currently negotiating with a number of potential investors including IFC for possible investments in the Company and/or business co-operations. However, all of such negotiations, including the amount and structure of the investment, are still at preliminary stage and therefore may or may not result in formal agreements.

On 17 June 2005, the Company received a disclosure of interest notice from a substantial shareholder of the Company, China National Computer Software & Technology Service Corporation (Hong Kong) Limited (中國計算機軟件與技術服務(香港)有限公司)(“CS&S (HK)”) notifying the Company that it has increased its percentage shareholding in the Company from approximately 16.14% as at 3 June 2005 to approximately 20.20% (Such percentage shareholding does not include the interest of CS&S(HK) in the shares of the Company which it may be allotted as consideration for an acquisition as announced by the Company on 9 May, 2005).

Save as disclosed herein, the directors of the Company (“Directors”) confirm that there are no negotiations or agreements relating to acquisitions or realizations which are discloseable under Chapters 19 to 20 of the GEM Listing Rules, neither are the Directors aware of any matter discloseable under the general obligation imposed by rule 17.10 of the GEM Listing Rules, which is or may be price sensitive nature.

* For identification purposes only

Shareholders and potential investors are reminded to exercise cautious when dealing in the shares of the Company.

By order of the Board
Chinasoft International Limited
Dr. Chen Yuhong
Managing Director

Hong Kong, 28 June 2005

As at the date of this announcement, the Directors are as follows:

Executive Directors:

Ms. Tang Min (*Chairman*)

Dr. Chen Yuhong

Mr. Cui Hui

Mr. Peng Jiang

Mr. Duncan Chiu

Non-executive Directors:

Mr. David Chiu

Mr. Liu Zheng

Dr. Chen Qiwei

Independent Non-executive Directors:

Mr. He Ning

Mr. Zeng Zhijie

Mr. Peter Au Yeung Shiu Kau

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:- (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.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least seven days from its date of publication.