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CHINASOFT INTERNATIONAL LIMITED

中 軟 國 際 有 限 公 司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 354)

- (1) STRATEGIC COOPERATION;
(2) SUBSCRIPTION OF 150 MILLION NEW ORDINARY SHARES
AT A SUBSCRIPTION PRICE OF HK\$1.86 PER SHARE;
AND
(3) RESUMPTION OF TRADING**

Financial Adviser to Chinasoft International Limited



INTRODUCTION

Hony Capital desirous of establishing a strategic cooperation with the Company and has nominated Keen Insight (being its wholly-owned subsidiary) to enter into the Strategic Cooperation Agreement pursuant to which the Company and Keen Insight agreed to (i) enter into a strategic cooperation and (ii) enter into the Subscription Agreement.

Keen Insight is a direct wholly-owned subsidiary of the Hony Capital 2008, L.P. (the “Fund”). The Fund is a China-focused middle-market private equity firm which is sponsored by Legend Holdings. The Fund together with its other affiliated funds have over US\$4.4 billion in assets under management.

The Board is pleased to announce that (i) on 27 May 2011 (before the opening of morning trading session) (as amended and supplemented by a supplemental agreement dated 7 June 2011), the Company entered into the Strategic Cooperation Agreement with Keen Insight; and (ii) on 7 June 2011, the Company entered into the Subscription Agreement with Keen Insight.

THE STRATEGIC COOPERATION AGREEMENT

Pursuant to the Strategic Cooperation Agreement, (i) Hony Capital Strategic Partner shall become one of the strategic investors of the Company and shall assist the Company to maintain its edge in the development of IT application for major industries in the PRC as well as other key and potential emerging industries through investment in and/or integrate with other IT companies on a global basis; and (ii) Hony Capital Strategic Partner (or its associated company(ies)) has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 150,000,000 Shares at the subscription price of HK\$1.86 per Share, detailed terms and conditions of which shall be set out in the Subscription Agreement to be entered into by the Parties.

THE SUBSCRIPTION AGREEMENT

Pursuant to the Subscription Agreement, Keen Insight conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 150,000,000 Subscription Shares at the Subscription Price of HK\$1.86 per Subscription Share.

The 150,000,000 Subscription Shares represent approximately (i) 11.76% of the total number of issued Shares of 1,275,672,259 as at the date of this announcement; and (ii) 10.52% of the total number of issued Shares as enlarged by the issue of 150,000,000 Subscription Shares. The aggregate nominal value of the Subscription Shares is HK\$7,500,000.

As at the date of this announcement, Keen Insight Parties owned 74,476,453 Shares, representing approximately 5.84% of the total number of Shares issued. Upon completion of the Subscription, Keen Insight Parties will own 224,476,453 Shares, representing approximately 15.75% of the total number of issued Shares as enlarged by the number of Subscription Shares, assuming that Keen Insight Parties will not purchase additional Shares and/or dispose of any of the Shares from the date of the Subscription Agreement up to and including the Completion Date. In this regard, Keen Insight and its associates will become a substantial Shareholder upon completion of the Subscription.

WARNING

Holders of the securities of the Company and potential investors should note that completion of the Subscription Agreement is subject to the fulfillment or waiver (as the case may be) of the conditions precedent under the Subscription Agreement. As the Subscription may or may not proceed, holders of the securities of the Company and potential investors are reminded to exercise caution when dealing in the securities of the Company.

LISTING RULES IMPLICATION

The Subscription Shares will be issued under the General Mandate which was granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the AGM Date. The issue of the Subscription Shares pursuant to the General Mandate is not subject to the approval of the Shareholders.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 27 May 2011 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 8 June 2011.

The Board is pleased to announce that (i) on 27 May 2011 (before the opening of morning trading session) (as amended and supplemented by a supplemental agreement dated 7 June 2011), the Company entered into the Strategic Cooperation Agreement with Keen Insight; and (ii) on 7 June 2011, the Company entered into the Subscription Agreement with Keen Insight. Principal terms of the Strategic Cooperation Agreement and the Subscription Agreement are set out below:–

THE STRATEGIC COOPERATION AGREEMENT

Date

27 May 2011 (before the opening of morning trading session) (as amended and supplemented by a supplemental agreement dated 7 June 2011)

Parties

- (i) The Company; and
- (ii) Keen Insight (as nominated by Hony Capital, hereinafter in this section, refers to as “Hony Capital Strategic Partner” under the Strategic Cooperation Agreement)

To the best of the Directors’ knowledge, information and belief having made all reasonable enquires, Keen Insight and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Principal terms of the Strategic Cooperation Agreement

Term of the cooperation

For a term of three years from the date of the Strategic Cooperation Agreement

Cooperation between the parties to the Strategic Cooperation Agreement

1. Hony Capital Strategic Partner will become one of the strategic investors of the Company and support its management to realise the Company’s vision of becoming a world class leading IT service company;

2. Hony Capital Strategic Partner shall assist the Company to maintain its edge in the development of IT application for major industries in the PRC; focus on other key and potential emerging industries; and make contribution to the IT development of various industries in the PRC as a whole;
3. The Company shall become Hony Capital Strategic Partner's core investment enterprise in the IT domain and Hony Capital Strategic Partner's integration platform for its future investments in the IT domain. The Company shall use its persistent endeavours through the building of its enterprise platform to become a domain integrator and to realise Hony Capital Strategic Partner's strategic investment objectives of integration and globalization development of the IT domain as well as its target investment return;
4. Through the strategic cooperation relationship and the integration platform to be established with the Company, Hony Capital Strategic Partner shall immerse itself into the IT service industry; jointly analyse the industry with the Company; and shall, in accordance with the joint development strategy with the Company, search, select, invest and integrate different IT service specialist companies on a global basis and drive the building and development of such platform;
5. Hony Capital Strategic Partner shall recommend the Company as the major IT service provider in those entities in which it has invested; and
6. Hony Capital Strategic Partner will participate in the Company's strategic and corporate development management and continuously review the terms of this strategic cooperation according to the needs of strategic development.

Subscription of Shares

Hony Capital Strategic Partner (or its associated company) conditionally agreed to subscribe for the Shares by way of cash based on the following basic terms:-

- | | | |
|-----------------------------------|---|---|
| Number of Shares to be subscribed | : | 150,000,000 Shares |
| Subscription price | : | HK\$1.86 per Share |
| Application for listing | : | The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares. |
| Condition | : | The Parties shall draft and enter into a formal Share subscription agreement based on the above principles and normal legal and commercial terms customary to market practices. |

THE SUBSCRIPTION AGREEMENT

Date

7 June 2011

Parties

Issuer : The Company
Subscriber : Keen Insight or its nominees

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, Keen Insight and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Subscription Shares

Pursuant to the Subscription Agreement, Keen Insight conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 150,000,000 Subscription Shares at the Subscription Price of HK\$1.86 per Subscription Share on the Completion Date.

The 150,000,000 Subscription Shares represent approximately (i) 11.76% of the total number of issued Shares of 1,275,672,259 as at the date of this announcement; and (ii) 10.52% of the total number of issued Shares as enlarged by the issue of 150,000,000 Subscription Shares. The aggregate nominal value of the Subscription Shares is HK\$7,500,000.

The Subscription Shares, when allotted and issued on the Completion Date, shall be free from all encumbrances and together with all rights and benefits attaching to the Subscription Shares as at the Completion Date including the right to receive all dividends and other distributions thereafter declared, made or paid on the Subscription Shares save for any right or entitlement the record date for which precedes the date on which such Subscription Shares are allotted and issued, subject to the memorandum and articles of association for the time being of the Company.

Ranking of Subscription Shares

The Subscription Shares will rank *pari passu* in all respects with all other Shares in issue as at the Completion Date.

Subscription Price

The Subscription Price of HK\$1.86 represents:

- (i) a discount of approximately 0.53% to the closing price of HK\$1.87 per Share as quoted on the Stock Exchange on Last Trading Day;

- (ii) a premium of approximately 0.32% over the average closing price of HK\$1.854 per Share in the last five consecutive Trading Days up to and including the Last Trading Day; and
- (iii) a premium of approximately 0.54% over the average closing price of HK\$1.85 per Share in the last ten consecutive Trading Days up to and including the Last Trading Day.

The Subscription Price was determined after arm's length negotiations between the Company and the Keen Insight on the date of the Subscription Agreement with reference to the prevailing market prices of the Shares. The Directors (including the independent non-executive Directors) consider that the Subscription Price is fair and reasonable.

Conditions precedent to the Subscription Agreement

Completion of the Subscription is conditional upon fulfillment of the following conditions:

- (a) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Subscription Shares and such approval has not been revoked prior to Completion;
- (b) the holders of Series A Preferred Shares agreeing to waive their pre-emptive right to subscribe the Subscription Shares;
- (c) (i) the representations and warranties given by the Company herein remaining true, accurate and correct in all material respects from the date of the Subscription Agreement and at any time before Completion, and (ii) the Company having performed all its obligations hereunder expressed to be performed on or before Completion;
- (d) prior to Completion, there being no occurrence of any change, or any development or event reasonably likely to involve a prospective change, in the financial condition, operations, legal environment, business or properties of the Company and its subsidiaries which, in the reasonable opinion of Keen Insight, is material and adverse to the issue of the Subscription Shares;
- (e) all the required government and/or regulatory and internal corporate approvals (including, without limitation, the Board's approval for the transactions contemplated herein) having been obtained as necessary for the Company to issue the Subscription Shares and perform its obligations under the Subscription Agreement; and

- (f) there not having come to the attention of Keen Insight at any time prior to the Completion (i) any breach of, or any event rendering untrue, incorrect or misleading in any respect, any of representations, warranties or undertakings made by the Company to Keen Insight; or (ii) any breach of, or failure to perform, any of the other obligations of the Company which are required to be performed at or before the Completion.

Keen Insight may at any time in writing waive in part or in full any of the conditions precedent above, save for the conditions set out in (a), (b) and (e) above.

The Company must use all best endeavours to obtain the satisfaction of the above conditions precedent as soon as practicable.

If the conditions precedent above have not fulfilled or waived by 30 June 2011 (or such later date as may be agreed in writing by Keen Insight and the Company), all the rights, obligations and liabilities of the Parties shall cease and terminate and none of the Parties thereto shall have any claim against any other in respect of the Subscription, save for any antecedent breaches of the Subscription Agreement.

Completion

Completion shall take place on the third Business Day next following the fulfillment or waiver of all the conditions precedent to the Subscription Agreement, or such other date as may be agreed by the Company and Keen Insight in writing.

General Mandate

The 150,000,000 Subscription Shares will be issued under the General Mandate.

As at the AGM Date, the total number of Shares in issue was 1,237,712,259. The maximum number of Shares that can be issued under the General Mandate is 247,542,451 Shares, representing approximately 20% of the number of issued Shares as at the AGM Date.

As at the date of this announcement, the General Mandate has not been utilised since it was granted and the number of new Shares that could be issued by the Company under the General Mandate is 247,542,451 Shares.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Lock up Undertakings

Keen Insight unconditionally and irrevocably undertakes with the Company that:

- (a) within a period of six months from the date of issue of the Subscription Shares (the “**Initial Lock-up Period**”), it will not, save with the prior written consent of the Company, Dispose of any of such Subscription Shares allotted and issued to it pursuant to the Subscription Agreement or any interests therein;
- (b) within the period immediate after the expiry of the Initial Lock-up Period to the end of effective period of the Strategic Cooperation Agreement, it will not, save with the prior consultation with the Company, Dispose of any of such Subscription Shares allotted and issued to it pursuant to the Subscription Agreement or any interests therein; and
- (c) in the event of any Disposal of any of such Subscription Shares allotted and issued to it pursuant to the Subscription Agreement or any interests therein at any time after the expiry of the non-disposal period referred to (a) and (b) above, all reasonable steps will be taken to ensure that such Disposal will not create a disorderly or false market.

Nomination Right

For so long as Keen Insight and its associates collectively control more than 10% of the voting right at the general meeting of the Company, the Company shall nominate such number of candidates of Keen Insight to be Directors, representing at least the same percentage of voting right controlled by Keen Insight and its associates at the Company’s general meeting.

Subject to the articles of association of the Company (and any amendments thereto from time to time) and the Listing Rules and in accordance with paragraph above, if Keen Insight is entitled to nominate two candidates to the Board, the Company shall cause one candidate to be appointed as executive Director and the other candidate to be non-executive Director and each candidates shall sit on one of the audit committee, the nomination committee and/or remuneration committee of the Company.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the possible effects of the Subscription on the shareholding structure of the Company, assuming that no Shares will be issued or repurchased during the period between the date of this announcement and the Completion Date:–

Shareholder	As at the date of this announcement			Immediately upon completion of the Subscription Agreement		
	Number of Ordinary Shares/ Series A Preferred Shares	Approx. % of Ordinary Shares	Approx. % of voting rights	Number of Ordinary Shares/ Series A Preferred Shares	Approx. % of Ordinary Shares	Approx. % of voting rights
Ordinary Shares						
China National Computer Software & Technology Service Corporation (Hong Kong) Limited	165,315,173	12.96%	11.48%	165,315,173	11.60%	10.39%
Far East Holdings International Limited	113,989,822	8.94%	7.92%	113,989,822	8.00%	7.17%
Greater Pacific Capital Partners, LP	119,270,000	9.35%	8.28%	119,270,000	8.37%	7.50%
Dr. Cui Hui (<i>Note 1</i>)	20,000,000	1.57%	1.39%	20,000,000	1.40%	1.26%
<i>Directors</i>						
Dr. Chen Yuhong	73,220,136	5.74%	5.08%	73,220,136	5.14%	4.60%
Dr. Tang Zhenming	11,747,765	0.92%	0.82%	11,747,765	0.82%	0.74%
Mr. Wang Hui	9,237,838	0.72%	0.64%	9,237,838	0.65%	0.58%
Mr. Jiang Xiaohai	6,872,447	0.54%	0.48%	6,872,447	0.48%	0.43%
Mr. Zeng Zhijie	300,000	0.02%	0.02%	300,000	0.02%	0.02%
Keen Insight Parties (<i>Note 2</i>)	74,476,453	5.84%	5.17%	224,476,453	15.75%	14.12%
Public	681,242,625	53.40%	47.30%	681,242,625	47.78%	42.84%
Total Ordinary Shares	1,275,672,259	100.00%	88.58%	1,425,672,259	100.00%	89.65%
Series A Preferred Shares						
Microsoft	97,250,000		6.75%	97,250,000		6.12%
Dr. Chen Yuhong	38,300,000		2.66%	38,300,000		2.41%
Others	28,950,000		2.01%	28,950,000		1.82%
Total Series A Preferred Shares	164,500,000		11.42%	164,500,000		10.35%
TOTAL	1,440,172,259		100.00%	1,590,172,259		100.00%

Notes:

1. Mr. Cui Hui retired as non-executive Director effective from 18 May 2011.
2. The Company received a disclosure of interest notice (“**DI Notice**”) from Keen Insight and/or its beneficial owner(s) or any of their respective associates (“**Keen Insight Parties**”) on 27 May 2011 that they are interested in an aggregate of 72,573,700 Shares, representing approximately 5.69% of the total number of Shares issued as at the date of this announcement. The Company also received a DI Notice from Keen Insight Parties on 30 May 2011 that their aggregate interest has been further increased to 121,476,453 Shares, representing approximately 9.52% of the total number of Shares issued as at the date of this announcement. The Directors understand that the difference between the beneficial interest of 74,476,453 Shares as disclosed in the above table and the figure disclosed in the latest DI Notice was because part of the Shares acquired by Keen Insight Parties are pending for settlement.

As at the date of this announcement, Keen Insight Parties owned in aggregate 74,476,453 Shares, representing approximately 5.84% of the total number of Shares issued as at the date of this announcement. Upon completion of the Subscription, Keen Insight Parties will own in aggregate 224,476,453 Shares, representing approximately 15.75% of the total number of issued Shares as enlarged by the number of Subscription Shares, assuming that Keen Insight Parties will not purchase additional Shares and/or dispose of any of the Shares from the date of the Subscription Agreement up to and including the Completion Date. In this regard, Keen Insight Parties will become a substantial Shareholder upon completion of the Subscription.

INFORMATION ON HONY CAPITAL AND KEEN INSIGHT

Hony Capital Fund 2008, L.P. (the “**Fund**”) is a China-focused middle-market private equity firm which is sponsored by Legend Holdings, employing a “value creation” investment philosophy to increase the financial performance and value of its portfolio companies. With over US\$4.4 billion in assets under management across six funds, Hony Capital primarily focuses on construction materials, pharmaceuticals and healthcare, construction machinery and consumer & retails industries. Hony Capital’s secondary industry focus is on media & entertainment, financial services, and energy and resources.

Keen Insight is a direct wholly-owned subsidiary of the Fund.

REASONS FOR AND THE BENEFITS OF ENTERING INTO THE STRATEGIC COOPERATION AGREEMENT AND THE SUBSCRIPTION AGREEMENT

The Group is principally engaged in the provision of consulting-powered solutions, professional information technology outsourcing (ITO) and business process outsourcing (BPO), and human resources supply chain oriented training services, including information technology consulting, software development, application integration, software testing, software localization, construction and maintenance of business application platforms, IT outsourcing and operational process outsourcing.

Hony Capital desired to establish a strategic cooperation with the Company and has nominated Keen Insight to enter into the Strategic Cooperation Agreement pursuant to which the Company and Keen Insight agreed to (i) enter into a strategic cooperation and (ii) enter into the Subscription Agreement.

The Board considers the entering into the Strategic Cooperation Agreement (i) shall foster Hon y Capital's support of the Company's management team through Keen Insight in future capital raising, mergers and acquisitions and business expansion; and (ii) formalize the Company's role as Hon y Capital's investment holding platform through Keen Insight for its further investment in the IT domain.

In consideration of fostering a closer strategic relationship with Hon y Capital and allowing it become one of the strategic investors of the Company, the Company had initially considered to issue convertible bonds to Keen Insight but after careful consideration and arm's length negotiations with Keen Insight, the Parties have resolved the issue of the Subscription Shares to Keen Insight.

The Subscription by Keen Insight demonstrates Hon y Capital's confidence in the prospects of the Group as well as its financial commitment for future acquisitions of the Group.

The gross proceeds from the issue of 150,000,000 Subscription Shares will be HK\$279 million. After taking into account the estimated expenses of approximately HK\$0.818 million in relation to the Subscription, the net proceeds from the Subscription is approximately HK\$278.182 million, which is intended to be used as general working capital of the Group. The net price per Subscription Share is expected to be approximately HK\$1.85.

Based on the above, the Directors considered that the entering into of the Strategic Cooperation Agreement and the Subscription Agreement are in the interests of the Company and the Shareholders as a whole.

FUND-RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has conducted the following fund raising activities in the past twelve months immediately preceding the date of this announcement:

Date of announcement	Event	Net proceeds	Intended use of proceeds up to the date of this announcement	Actual use of proceeds up to the date of this announcement
5 October 2011	Issue the 4.25% convertible notes due 2013 in an aggregate principal amount of RMB200 million (equivalent to approximately HK\$231.62 million)	Approximately HK\$230 million	To be applied (i) towards financing the cash consideration due under the share purchase agreement dated 22 September, 2010 between the Company, MMIM Technologies, Inc. and certain selling shareholders (details of which are set out in the announcement of the Company dated 24 September 2010); and (ii) with any remaining amount being used for general working capital	Fully utilized as intended

Save as disclosed above, the Company has not conducted any fund raising activities in the past twelve months immediately preceding the date of this announcement.

WARNING

Holders of the securities of the Company and potential investors should note that completion of the Subscription Agreement is subject to the fulfillment or waiver (as the case may be) of the conditions precedent under the Subscription Agreement. As the Subscription may or may not proceed, holders of the securities of the Company and potential investors are reminded to exercise caution when dealing in the securities of the Company.

LISTING RULES IMPLICATION

The Subscription Shares will be issued under the General Mandate which was granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the AGM Date. The issue of the Subscription Shares pursuant to the General Mandate is not subject to the approval of the Shareholders.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 27 May 2011 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 8 June 2011.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“AGM Date”	18 May 2011, being the date when the Company convened the annual general meeting at which (among others) resolution for the grant of the General Mandate to the Directors was passed by the Shareholders
“associate(s)”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (that is not a Saturday, a Sunday and or a day on which a tropical cyclone warning number 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or a day on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which banks in Hong Kong are generally open for business
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Company”	Chinasoft International Limited, a company incorporated in the Cayman Islands with limited liability and the Shares are listed on the Main Board of the Stock Exchange

“Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“Completion Date”	the date on which the Completion shall take place
“Director(s)”	the director(s) of the Company
“Disposal”	any sale, assignment, exchange, transfer, concession, loan, lease granting of lease, surrender of lease, tenancy, licence, direct or indirect reservation, waiver, compromise, release, dealing with or in or granting of any option, right of first refusal or other right or interest whatsoever and includes any agreement so to do and “ Dispose ” shall be construed accordingly
“General Mandate”	a general mandate granted to the Directors on the AGM Date to exercise the powers of the Company to allot and issue Shares up to 20% of the issued ordinary share capital of the Company as at the AGM Date
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hony Capital”	Hony Capital Limited, and where the context other requires, its holding companies, subsidiaries and fellow subsidiaries
“IT”	information technology
“Keen Insight”	Keen Insight Limited, a limited liability company incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of Hony Capital Fund 2008, L.P., being Hony Capital Strategic Partner under the Strategic Cooperation Agreement and the subscriber under the Subscription Agreement
“Last Trading Day”	26 May 2011, being the last full trading day for the Shares on the Stock Exchange prior to the issue of this announcement
“Listing Committee”	the listing committee of the Stock Exchange

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ordinary Share(s)” or “Share(s)”	ordinary share(s) of HK\$0.05 each in the issued share capital of the Company
“Parties”	the parties to the Strategic Cooperation Agreement and the Subscription Agreement, being the Company as one of the parties, and Keen Insight being the other party
“PRC”	the People’s Republic of China which for the purpose of this announcement, shall exclude Hong Kong, The Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Series A Preferred Share(s)”	the senior redeemable convertible preferred share(s) of HK\$0.05 each in the issued share capital of the Company
“Shareholders”	holder(s) of the Ordinary Shares
“Subscription”	the subscription of the Subscription Shares by Keen Insight pursuant to the terms and conditions of the Subscription Agreement
“Strategic Cooperation Agreement”	the agreement dated 27 May 2011 (as amended and supplemented by a supplemental agreement dated 7 June 2011) entered into between the Company and Keen Insight in relation to (i) the strategic cooperation between the Parties; and (ii) the conditional subscription by Keen Insight (or its associated company) of the new Shares to be issued by the Company.
“Subscription Agreement”	the agreement dated 7 June 2011 entered into between the Company and Keen Insight in relation of the Subscription
“Subscription Price”	HK\$1.86 per Subscription Share pursuant to the terms and conditions of the Subscription Agreement

“Subscription Share(s)”	new Ordinary Share(s) to be allotted and issued by the Company to Keen Capital or its nominees pursuant to the terms and conditions of the Subscription Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning as ascribed to it under the Listing Rules
“Trading Day(s)”	any day(s) on which the Stock Exchange is open for its regular trading sessions
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

For the purpose of illustration only, conversion of RMB into Hong Kong dollars in this announcement is based on the exchange rate of RMB0.8635 to HK\$1.00. Such conversion should not be construed as a representation that any amounts have been, could have been, or may be, exchanged at this or any other rate.

By order of the Board of
Chinasoft International Limited
Dr. CHEN Yuhong
Chairman and Managing Director

Hong Kong, 8 June 2011

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

Executive Directors:

Dr. CHEN Yuhong (*Chairman and Managing Director*), Dr. TANG Zhenming, Mr. WANG Hui, Mr. JIANG Xiaohai

Non-executive Directors:

Dr. ZHANG Yaqin, Ms. SHEN Lipu and Dr. SONG Jun

Independent Non-executive Directors:

Mr. XU Zeshan, Mr. ZENG Zhijie, Dr. LEUNG Wing Yin

* *For identification purposes only*