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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: 354)**

**MAJOR TRANSACTION**

**ACQUISITION OF ALL EQUITY INTERESTS IN  
MMIM TECHNOLOGIES, INC  
AND  
RESUMPTION OF TRADING**



**Financial Advisor to the Company**

The Board is pleased to announce that the Company, the Selling Shareholders, the Target Company and Mr. Xiaohai Jiang (as Sellers' Representative) entered into the Share Purchase Agreement on September 22, 2010, pursuant to which the Company conditionally agreed to acquire from the Selling Shareholders a 100% equity interest in the Target Company for an aggregate consideration of not more than US\$91,000,000 (equivalent to approximately HK\$709,800,000).

Among the Aggregate Consideration, a maximum of US\$45,500,000 (equivalent to approximately HK\$354,900,000) shall be payable according to the profit performance of the Target Company for the financial years 2010 to 2012.

The Aggregate Consideration shall be satisfied by the Company as to (i) not more than US\$36,400,000 (equivalent to approximately HK\$283,920,000) in cash and; (ii) the balance of not more than US\$54,600,000 (equivalent to approximately HK\$425,880,000) by the issue and allotment of the Consideration Shares to the Selling Shareholders (subject to the 30% Threshold as defined below).

The maximum amount of the Aggregate Share Consideration that the Selling Shareholders will collectively receive pursuant to the Share Purchase Agreement shall be up to (but not equal to) thirty per cent (30%) of the total number of the Shares then-outstanding immediately following the issuance of such Aggregate Share Consideration (the “**30% Threshold**”). Any portion of the Aggregate Share Consideration, the issuance of which will result in the Aggregate Share Consideration to be equal to or exceed the 30% Threshold, shall be settled with the equivalent monetary value in cash.

The Acquisition constitutes a major acquisition for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements, and the approval of the Shareholders.

A circular containing, among other things, further particulars of the Acquisition, financial information of the Target Group will be despatched to Shareholders as soon as practicable, but no later than October 18, 2010.

#### **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on September 22, 2010 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in Shares with effect from 9:30 a.m. on September 27, 2010.

#### **THE ACQUISITION**

The Board is pleased to announce that the Company, the Selling Shareholders, the Target Company and Mr. Xiaohai Jiang (as Sellers’ Representative) entered into the Share Purchase Agreement on September 22, 2010, pursuant to which the Company conditionally agreed to acquire from the Selling Shareholders a 100% equity interest in the Target Company for an aggregate consideration of not more than US\$91,000,000 (equivalent to approximately HK\$709,800,000).

#### **SHARE PURCHASE AGREEMENT DATED SEPTEMBER 22, 2010**

##### **Parties**

- (1) the Company as buyer;
- (2) the Selling Shareholders as sellers;
- (3) the Target Company; and
- (4) Mr. Xiaohai Jiang, as Sellers’ Representative

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquires, the Selling Shareholders, the Sellers’ Representative and their respective ultimate beneficial owners are third parties independent of the Company and Connected Persons of the Company.

### **Assets to be acquired**

The Offered Shares, representing a 100% equity interest in the Target Company.

### **Consideration**

The Aggregate Consideration of not more than US\$91,000,000 (equivalent to approximately HK\$709,800,000) was determined after arm's length negotiation and taking into account a number of factors including:

- (1) the historical financial performance of the Target Group;
- (2) the latest audited financial information of the Target Group of which the net profits after taxation for the year ended December 31, 2009 has been increased significantly as compared to the net profit after taxation for the year ended December 31, 2008; and
- (3) the business prospects and benefits to be derived from the Acquisition as described below in this announcement under the section headed "Reasons for and benefits of the Acquisition".

Among the Aggregate Consideration, a maximum of US\$45,500,000 (equivalent to approximately HK\$354,900,000) shall be payable according to the profit performance of the Target Company for the financial years 2010 to 2012.

The Aggregate Consideration shall be satisfied by the Company as to (i) not more than US\$36,400,000 (equivalent to approximately HK\$283,920,000) in cash (of which the Initial Installment Cash Consideration is funded by internal resources of the Company with subsequent installments to be paid on the basis of earn-out by debt financing of a proposed issue of convertible note, details of which are set out in the announcement of the Company dated September 16, 2010); and (ii) the balance of not more than US\$54,600,000 (equivalent to approximately HK\$425,880,000) by the issue and allotment of the Consideration Shares to the Selling Shareholders in the following manner:

- (1) On the date of the First Closing and subject to the terms and conditions set forth in the Share Purchase Agreement, the Company shall:
  - (i) pay the Initial Installment Cash Consideration; and
  - (ii) issue and deliver the Initial Installment Share Consideration free and clear of all encumbrances, except in the case of Long Bridge Limited for encumbrances under the Lock-Up Agreement, in each case to the Selling Shareholders in the name of each Selling Shareholder (or its Permitted Transferee, as applicable) in accordance with the amounts set out in the Share Purchase Agreement.

- (2) On the date of the Second Closing and subject to the terms and conditions set forth in the Share Purchase Agreement,
- (i) if the 2010 Audited Annual Net Income is equal to or greater than US\$6,300,000 (equivalent to approximately HK\$49,140,000), the Company shall (a) pay the Second Installment Cash Consideration, and (b) issue and deliver the Second Installment Share Consideration free and clear of all encumbrances, except in the case of Long Bridge Limited for encumbrances under the Lock-Up Agreement, in each case to the Selling Shareholders in the name of each respective Selling Shareholders (or its Permitted Transferee, as applicable) in accordance with the amounts set out in the Share Purchase Agreement; or
  - (ii) if the 2010 Audited Annual Net Income is less than US\$6,300,000 (equivalent to approximately HK\$49,140,000), the Company shall have no responsibility for any payment with respect to the Second Closing.
- (3) On the date of the Third Closing and subject to the terms and conditions set forth in the Share Purchase Agreement,
- (i) if the 2011 Audited Annual Net Income is equal to or greater than US\$9,100,000 (equivalent to approximately HK\$70,980,000), the Company shall (a) pay the Third Installment Cash Consideration, and (b) issue and deliver the Third Installment Share Consideration free and clear of all encumbrances, except in the case of Long Bridge Limited for encumbrances under the Lock-Up Agreement, in each case to the Selling Shareholders in the name of each respective Selling Shareholders (or its Permitted Transferee, as applicable) in accordance with the amounts set out in the Share Purchase Agreement;
  - (ii) if the 2011 Audited Annual Net Income is equal to or greater than US\$7,000,000 (equivalent to approximately HK\$54,600,000) and less than US\$9,100,000 (equivalent to approximately HK\$70,980,000), the Company shall (a) pay the Adjusted Third Installment Cash Consideration, and (b) issue and deliver the Adjusted Third Installment Share Consideration free and clear of all encumbrances, except in the case of Long Bridge Limited for encumbrances under the Lock-Up Agreement, in each case to the Selling Shareholders in the name of each respective Selling Shareholders (or its Permitted Transferee, as applicable) in accordance with the applicable proportions set out in the Share Purchase Agreement; or
  - (iii) if the 2011 Audited Annual Net Income is less than US\$7,000,000 (equivalent to approximately HK\$54,600,000), the Company shall have no responsibility for any payment with respect to the Third Closing.

- (4) On the date of the Fourth Closing and subject to the terms and conditions set forth in the Share Purchase Agreement,
- (i) if the 2012 Audited Annual Net Income is equal to or greater than US\$11,830,000 (equivalent to approximately HK\$92,274,000), the Company shall issue and deliver the Fourth Installment Consideration free and clear of all encumbrances, except in the case of Long Bridge Limited for encumbrances under the Lock-Up Agreement, to the Selling Shareholders in the name of each respective Selling Shareholders (or its Permitted Transferee, as applicable) in accordance with the amounts set out in the Share Purchase Agreement;
  - (ii) if the 2012 Audited Annual Net Income is equal to or greater than US\$9,100,000 (equivalent to approximately HK\$70,980,000) and less than US\$11,830,000 (equivalent to approximately HK\$92,274,000), the Company shall issue and deliver the Adjusted Fourth Installment Consideration free and clear of all encumbrances, except in the case of Long Bridge Limited for encumbrances under the Lock-Up Agreement, to the Selling Shareholders in the name of each respective Selling Shareholders (or its Permitted Transferee, as applicable) in accordance with the applicable proportions set out in the Share Purchase Agreement; or
  - (iii) if the 2012 Audited Annual Net Income is less than US\$9,100,000 (equivalent to approximately HK\$70,980,000), the Company shall have no responsibility for any payment with respect to the Fourth Closing.

The maximum amount of the Aggregate Share Consideration that the Selling Shareholders will collectively receive pursuant to the Share Purchase Agreement shall be up to (but not equal to) thirty per cent (30%) of the total number of the Shares then-outstanding immediately following the issuance of such Aggregate Share Consideration (the “**30% Threshold**”). Any portion of the Aggregate Share Consideration, the issuance of which will result in the Aggregate Share Consideration to be equal to or exceed the 30% Threshold, shall be settled with the equivalent monetary value in cash. The amount of cash and the Shares to be delivered at the applicable Closing, if any, shall be adjusted accordingly.

Each Consideration Share will be issued at the Issue Price which is determined after arm’s length negotiations between the parties to the Share Purchase Agreement. In particular, the issue price for the Initial Installment Share Consideration and the Second Installment Share Consideration (i.e. HK\$1.6) is determined based on the average closing price as quoted on the Stock Exchange for the last 2 months up to and including August 31, 2010, being the latest month end date to this announcement which represents:

- (1) a discount of approximately 35% to the closing price of HK\$2.45 per Share as quoted on the Stock Exchange on the last trading day of the Shares prior to the date of the Share Purchase Agreement;

- (2) a discount of approximately 24% to the average closing price of approximately HK\$2.11 per Share as quoted on the Stock Exchange for the last 10 trading days immediately prior to the date of the Share Purchase Agreement; and
- (3) a discount of approximately 17% to the average closing price of approximately HK\$1.92 per Share as quoted on the Stock Exchange for the last 30 trading days immediately prior to the date of the Share Purchase Agreement.

The Consideration Shares are to be issued under a special mandate to be approved by the Shareholders.

An application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Consideration Shares which upon allotment, will rank pari passu with the existing Shares.

### **Conditions precedent**

First Closing is conditional upon the fulfillment of the following conditions pursuant to the Share Purchase Agreement:

- (1) the Company, unless waived in writing by the Sellers' Representative and each Separate Seller Party, satisfying, at or prior to the date of the First Closing, as applicable, each and every of the conditions to the obligations of the Seller Parties as set forth in the Share Purchase Agreement:–
  - (i) the representations and warranties made by the Company in the Share Purchase Agreement being true and correct in all material respects as of the date of the First Closing as though such representations and warranties were made at such date (except that any representations and warranties that are made as of a specified date shall be true and correct in all material respects as of such specified date, and except that any representations and warranties that were qualified as to materiality or Company Material Adverse Change shall instead be true and correct in all respects);
  - (ii) the Company (a) having performed and complied in all material respects with all agreements and obligations required by the Share Purchase Agreement and the Ancillary Documents to be so performed or complied with by it prior to the date of the First Closing; and (b) having performed all corporate and other proceedings that are required to be performed in connection with the transactions contemplated by the Share Purchase Agreement and the Ancillary Documents at the First Closing; Sellers' Representative having received a copy of the Company's board resolutions and shareholders resolutions approving the transactions contemplated under the Share Purchase Agreement;



- (iii) the Company having delivered to Sellers' Representative a certificate, dated as of the date of the First Closing and executed by an executive officer of the Company, certifying to the fulfillment of the conditions as specified in the Share Purchase Agreement;
  - (iv) there being no law or governmental order directing that the transactions provided for in the Share Purchase Agreement and in the Ancillary Documents not be consummated as provided in the Share Purchase Agreement or which has the effect of rendering it impossible to consummate such transactions at the date of the First Closing;
  - (v) there being no Company Material Adverse Change that is continuing as of the date of the First Closing since the date of the Share Purchase Agreement;
  - (vi) the Shareholders having approved and authorized the transaction contemplated under the Share Purchase Agreement and the Ancillary Documents to which the Company is a party;
  - (vii) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the shares representing the Initial Installment Share Consideration; and
  - (viii) Selling Shareholders having received an opinion of Conyers, Dill and Pearman, counsel to the Company in the Cayman Islands.
- (2) the Seller Parties, unless waived in writing by the Company, satisfying, at or prior to the date of the First Closing, as applicable, each and every of the conditions to the Company's obligations as set forth in the Share Purchase Agreement:–
- (i) the representations and warranties made by the Seller Parties in the Share Purchase Agreement being true and correct in all material respects as of the date of the First Closing as though such representations and warranties were made at such date (except that any representations and warranties that are made as of a specified date shall be true and correct in all material respects as of such specified date, and except that any representations and warranties that were qualified as to materiality or Target Material Adverse Change shall instead be true and correct in all respects);
  - (ii) the Seller Parties (a) having performed and complied in all material respects with all agreements and obligations required by the Share Purchase Agreement and the Ancillary Documents to be so performed or complied with by them prior to the date of the First Closing; and (b) having performed all corporate and other proceedings that are required to be performed in connection with the transactions contemplated by the Share Purchase Agreement and the Ancillary Documents at the First Closing; the Company

- having received a copy of the Target Company's board resolutions and shareholders resolutions approving the transactions contemplated under the Share Purchase Agreement;
- (iii) the waivers of pre-emptive rights, right of first refusal, tag-along rights or other similar rights in connection with the transaction contemplated by the Share Purchase Agreement and the Ancillary Documents, having been obtained or otherwise satisfied and shall continue to be in effect;
  - (iv) there being no Target Material Adverse Change in respect of the Target Group that is continuing as of the date of the First Closing since the date of the Share Purchase Agreement;
  - (v) the Target Company having delivered to the Company a certificate, dated as of the date of the First Closing and executed by the chief executive officer or the chief financial officer of the Target Company, certifying to the fulfillment of the conditions as specified in the Share Purchase Agreement;
  - (vi) the Company having received a copy of the Target Company's register of members, certified by a director or the company secretary of the Target Company as true and complete as of the date of the First Closing, updated to show the Company as the sole holder of the Offered Shares as of the First Closing;
  - (vii) with respect to each company within the Target Group, its respective shareholders, directors and legal representative having prepared any and all necessary documents for the change of composition of its board of directors and for the amendment to its constitutional documents, each at or following the First Closing, in form and substance reasonably satisfactory to the Company;
  - (viii) immediately prior to the First Closing, the Target Preferred Shares having been fully converted into Target Common Shares and copies of the shareholder resolutions effecting such conversion having been delivered to the Company;
  - (ix) at least 70% of the key employees having entered into an employment agreement with the Target Company or any of its Subsidiaries, as the case may be, (collectively, "Key Company Employee Employment Agreements"), and each such agreement being in full force, and in effect from the date of the First Closing;
  - (x) the Previous Share Financing Agreements having been irrevocably and unconditionally terminated in their entirety, which termination shall become effective as of the First Closing, and copies of the resolutions effecting such termination having been delivered to the Company;



- (xi) the Company having received (a) an opinion of Conyers, Dill and Pearman, counsel to the Target Company in the Cayman Islands, and (b) an opinion of Global Law Office, counsel to the Target Group in the PRC.
- (xii) the Shareholders having approved and authorized the transaction contemplated under the Share Purchase Agreement and the Ancillary Documents to which the Company is a party;
- (xiii) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the shares representing the Initial Installment Share Consideration;
- (xiv) the Lock-Up Agreement executed by Long Bridge Limited remaining in full force, and in effect from the date of the First Closing;
- (xv) at the date of the First Closing, there being in effect no law or governmental order directing that the transactions provided for in the Share Purchase Agreement not be consummated as provided in the Share Purchase Agreement or which has the effect of rendering it impossible to consummate such transactions;
- (xvi) with respect to the patents set forth in the Share Purchase Agreement, (a) Mr. Xiaohai Jiang having entered into the Patent Assignment Agreement with applicable company within the Target Group with respect to the transfer of all right, title and interest in and to the intellectual property covered under such agreement to the applicable company within the Target Group (the “**Assignment**”), (b) all applications, registrations, or other filings with PRC governmental authorities necessary to cause the Assignment to become effective having been made in all respects, including those with the PRC State Intellectual Property Office, and evidence thereof having been delivered to the Company to its reasonable satisfaction; with respect to other intellectual property rights set forth in the Share Purchase Agreement, WFOE having entered into the Exclusive Intellectual Property Option Agreement (the “**Exclusive Intellectual Property Option Agreement**”) with applicable company within the Target Group with respect to the exclusive option to acquire such intellectual property rights from the applicable company within the Target Group;
- (xvii) the loan made pursuant to the Loan and Security Agreement having been repaid in full and the encumbrance granted under the Loan and Security Agreement having been released, and evidence thereof having been delivered to the Company to its reasonable satisfaction;
- (xviii) PRC Opco A having entered into customary employment agreements with certain individuals mutually agreed by the Company and the Target Company; and

- (xix) the Target Group not having taken such action, or paid or declared any dividends to the extent that the cash and cash equivalent as reflected on the consolidated balance sheet of the Target Company as of the date of the First Closing after giving effect to the declaration or payment of such dividends are less than US\$5,000,000 (equivalent to approximately HK\$39,000,000).

*Note: it is the intention of the Company to satisfy the conditions set out in paragraphs (1)(vi) and (vii) above and not to waive the conditions set out in paragraphs (2)(xii) and (xiii) above.*

### **Lock-up**

Pursuant to the Share Purchase Agreement and the Lock-up Agreement, Long Bridge Limited agrees that it will not and will not consent or agree to, directly or indirectly, offer for sale, sell, tender, pledge, encumber, assign, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership with respect to, any of its Shares received pursuant to the Share Purchase Agreement during the period from the Date of Delivery to the 6-month anniversary of the Date of Delivery, other than Released Shares.

Notwithstanding the foregoing, the aforesaid restrictions on the actions shall not apply to (i) transfers of Shares as a bona fide gift with the consent of the Company; (ii) transfers of Shares to any trust, partnership, limited liability company or other entity for the direct or indirect benefit of Long Bridge Limited or the immediate family of Long Bridge Limited for bona fide estate planning purposes; (iii) transfers of Shares to any beneficiary of Long Bridge Limited pursuant to a will, trust instrument or other testamentary document or applicable laws of descent; (iv) transfers of Shares to the Company by way of repurchase or redemption; provided, that, in the case of any transfer pursuant to clause (i), (ii) or (iii) above, each donee, distributee or transferee shall sign and deliver to the Company, prior to such transfer, a lock-up agreement substantially in the form of the Lock-up Agreement.

### **First Closing**

Subject to the terms and conditions set forth in the Share Purchase Agreement, the closing of the transactions contemplated by the Share Purchase Agreement shall take place at the offices of Latham & Watkins, 41/F, One Exchange Square, 8 Connaught Place, Central, Hong Kong on the date (or at such other place and on such other day and effective date as mutually agreed to by the parties to the Share Purchase Agreement thereof) as agreed by the Company and the Sellers' Representative as promptly as practicable but in any event within ten (10) Business Days following the date of the satisfaction or waiver of all of the conditions set forth in the Share Purchase Agreement (other than those that are only capable of being satisfied on or as of date of the First Closing, but subject to the satisfaction thereof at the First Closing).

## **Second Closing**

Subject to the terms and conditions set forth in the Share Purchase Agreement, the closing of the transactions contemplated by the Share Purchase Agreement shall take place at the principal offices of the Company and on the date as specified by the Company in a notice to the Sellers' Representative duly signed and delivered by the Company as promptly as practicable following the delivery of the 2010 Audited Financial Statements to the Company (such Second Closing to take place within ten (10) Business Days following such delivery and in any event no later than April 30, 2011, unless the delivery of the 2010 Audited Financial Statements has been delayed due to a failure on the part of Key Management to timely furnish the auditors with the management accounts or timely facilitate the discussions among the auditors and the personnel of the Target Company required for the preparation thereof, in which case such payment shall be made within ten (10) Business Days of delivery of the 2010 Audited Financial Statements).

## **Third Closing**

Subject to the terms and conditions set forth in the Share Purchase Agreement, the closing of the transactions contemplated by the Share Purchase Agreement shall take place at the principal offices of the Company and on the date as specified by the Company in a notice to the Sellers' Representative duly signed and delivered by the Company as promptly as practicable following the delivery of the 2011 Audited Financial Statements to the Company (such Third Closing to take place within ten (10) Business Days following such delivery and in any event no later than April 30, 2012, unless the delivery of the 2011 Audited Financial Statements has been delayed due to a failure on the part of Key Management to timely furnish the auditors with the management accounts or timely facilitate the discussions among the auditors and the personnel of the Target Company required for the preparation thereof, in which case such payment shall be made within ten (10) Business Days of delivery of the 2011 Audited Financial Statements).

## **Fourth Closing**

Subject to the terms and conditions set forth in the Share Purchase Agreement, the closing of the transactions contemplated by the Share Purchase Agreement shall take place at the principal offices of the Company and on the date as specified by the Company in a notice to the Sellers' Representative duly signed and delivered by the Company as promptly as practicable following the delivery of the 2012 Audited Financial Statements to the Company (such Fourth Closing to take place within ten (10) Business Days following such delivery and in any event no later than April 30, 2013, unless the delivery of the 2012 Audited Financial Statements has been delayed due to a failure on the part of Key Management to timely furnish the auditors with the management accounts or timely facilitate the discussions among the auditors and the personnel of the Target Company required for the preparation thereof, in which case such payment shall be made within ten (10) Business Days of delivery of the 2012 Audited Financial Statements).

## **INFORMATION ON THE SELLING SHAREHOLDERS**

1. IDG Technology Venture Investment III, L.P.  
IDG Technology Venture Investments III, LP is an investment fund under the management of IDG Capital Partners. IDG Capital Partners is a China-focused investment firm with over US\$2.5B capital under management. The firm's offices are located in Hong Kong, Beijing, Shanghai, Guangzhou, Shenzhen, Silicon Valley, and Boston. The firm focuses on leading companies in consumer products, franchise services, internet and wireless application, new media, education, healthcare, new energy, and advanced manufacturing sectors;
2. BlueRun Ventures, L.P.  
BlueRun Ventures, L.P. is an investment fund under the management of BlueRun Ventures. The firm primarily invests in early stage technology opportunities across Internet & Media, Mobile, Enterprise Software, Semiconductors and Components.
3. Crosslink Ventures V, L.P., Offshore Crosslink Ventures V Unit Trust, Crosslink Bayview V, L.L.C., and Crosslink Crossover Fund V, L.P.  
Crosslink Ventures V, L.P., Offshore Crosslink Ventures V Unit Trust, Crosslink Bayview V, L.L.C. and Crosslink Crossover Fund V, L.P. are investment funds under the management of Crosslink Capital. Crosslink Capital, is an early stage venture capital firm, mainly invests in five principal sectors: Energy Technologies, Communication Services & Infrastructure, Computing & Semiconductors, Digital Media & Internet Services, and Software & Business Services.
4. Rich Harvest Worldwide Ltd., New Snow Ventures Limited, Wiseking Venture Limited, Long Bridge Limited, and Interactive NewSky Limited  
Wiseking Venture Limited, Rich Harvest Worldwide Ltd., New Snow Ventures Limited, Long Bridge Limited, Interactive NewSky Limited, collectively 5 companies, are holding entities controlled by the Selling Shareholders and without material operating business.

## **INFORMATION ON THE TARGET COMPANY**

### **Principal business**

The Target Company is principally engaged in services include business planning, product design (including User Interface (UI) and UltraEdit (UE) etc.), consultancy services, system architecture design, communication protocol design, various types of system interface (including mobile gateways, billing code, Business Operation Support System (BOSS), etc.), the development, testing, deployment, online, modification, and updates etc. of software, the mobile phone operating system support and terminal adapter, system routine maintenance, 7x24 technical support, troubleshooting, system upgrades, strategic planning for continuous business operations and marketing campaigns, channel integration, statistical analysis, layout adjustment, and community activities etc. The Target Company is also engaged in the mobile internet messaging, community Social Network Services (SNS), add-on multimedia applications, and innovative cross-network technologies and carrier grade platform to support 2G and 3G network.

## Financial information

The audited net book asset value of the Target Company for the financial year ended 31 December 2009 is approximately RMB113,410,856 (equivalent to approximately HK\$131,429,894.5).

Set out below are the audited financial information of the Target Company for the financial years ended 31 December, 2008 and 2009 :

	Year ended 31 December 2008 <i>RMB'000</i>	Year ended 31 December 2009 <i>RMB'000</i>
Net profits/(losses) before taxation and extraordinary items	-1,816 (equivalent to approximately HK\$-2,104,531.2)	<b>21,268</b> (equivalent to <b>approximately</b> <b>HK\$24,647,120.2)</b>
Net profits/(losses) after taxation and extraordinary items	-1,063 (equivalent to approximately HK\$-1,231,892.5)	<b>18,219</b> (equivalent to <b>approximately</b> <b>HK\$21,113,686.4)</b>

## REASONS FOR AND BENEFITS OF THE ACQUISITION

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.

The Board believes that the Acquisition will help the Company enter into the mobile internet market, widen the scopes of service and carry out the strategic reform, in particular:

- (1) Expanding its presence in the mobile internet industry to achieve a strategic reform  
The rapid growth of the mobile internet industry in the recent years brings along prosperous developments in the related industries. In acquiring the Target Company, the Group is expected to be able to better implement its strategic reform, widen its scope in both industry and services level, strengthen its profitability substantially.

(2) Outstanding performance of the Target Company

The Target Company possesses core skills and is in a privileged position in the field of mobile internet, which accordingly plays an important role in the operation of mobile operators, handset equipment vendors, and internet companies, leading to its rapid growth in performance. The acquisition is expected to result in great impact on the Group's profit model and structure as a whole, which will in turn enhance the Group's profitability, in particular, the net profit level.

(3) Reasonable Price

Compared to the level of the current market price-earnings ratio, the one in the present acquisition is relatively low which should be regarded as at a reasonable level. Meanwhile, since the acquisition price is linked with the performance of the Target Company, such structure is relatively safe.

The Directors consider that the Share Purchase Agreement has been entered into on normal commercial terms, and the terms and conditions therein are fair and reasonable so far as the Shareholders are concerned and in the interest of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

The Acquisition constitutes a major acquisition for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements, and the approval of the Shareholders.

A circular containing, among other things, further particulars of the Acquisition, financial information of the Target Group will be despatched to the Shareholders as soon as practicable, but no later than October 18, 2010.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on September 22, 2010 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in Shares with effect from 9:30 a.m. on September 27, 2010.

## **DEFINITIONS**

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

"Acquisition"                                      the proposed acquisition of the Offered Shares pursuant to the terms and conditions of the Share Purchase Agreement;



“Adjusted Fourth Installment Consideration”	to the extent applicable, the aggregate number of Shares, which shall equal (i) the product of US\$18,200,000 (equivalent to approximately HK\$141,960,000) <i>multiplied by</i> the Fourth Installment Adjustment Rate, <i>divided by</i> (ii) the Fourth Installment Company Per Share Price;
“Adjusted Net Income”	the Target Company’s consolidated net income after tax for the period in question as set forth in the 2010 Audited Financial Statements, the 2011 Audited Financial Statements or the 2012 Audited Financial Statements, as the case may be, <i>excluding</i> , in any case, (i) all goodwill impairment charges or intangible amortization aroused by the Business Combination; (ii) stock option expense charges before the date of the First Closing, (iii) deferred tax charges before the date of the First Closing; (iv) non recurring profit and loss items, (v) overhead incurred by any Person other than a Target Group (i.e., there shall not be any overhead of the Company or any of its Subsidiaries (other than the Target Group) allocated to any company within the Target Group), and (vi) any increase in the net income after tax as a result of recording the advance from customers in the amount of RMB8,415,818 (equivalent to approximately HK\$9,752,947.0) as of June 30, 2010 as turnover or revenue of the Target Company after June 30, 2010;
“Adjusted Third Installment Cash Consideration”	to the extent applicable, the product of US\$9,100,000 (equivalent to approximately HK\$70,980,000) <i>multiplied by</i> Third Installment Adjustment Rate;
“Adjusted Third Installment Share Consideration”	to the extent applicable, the aggregate number of Shares, which shall equal (i) the product of US\$9,100,000 (equivalent to approximately HK\$70,980,000) <i>multiplied by</i> the Third Installment Adjustment Rate, <i>divided by</i> (ii) the Third Installment Company Per Share Price;

“Aggregate Consideration”	to the extent applicable, the Initial Installment Cash Consideration, the Initial Installment Share Consideration, the Second Installment Cash Consideration (if any), the Second Installment Share Consideration (if any), the Third Installment Cash Consideration (if any) or the Adjusted Third Installment Cash Consideration (if any), the Third Installment Share Consideration (if any) or the Adjusted Third Installment Share Consideration (if any), and the Fourth Installment Consideration (if any) or the Adjusted Fourth Installment Consideration (if any);
“Aggregate Share Consideration”	to the extent applicable, the Initial Installment Share Consideration, the Second Installment Share Consideration (if any), the Third Installment Share Consideration (if any) or the Adjusted Third Installment Share Consideration (if any), and the Fourth Installment Consideration (if any) or the Adjusted Fourth Installment Consideration (if any);
“Ancillary Documents”	the Amended Articles, the Key Company Employee Employment Agreements, the Assignment Agreement, the Exclusive Intellectual Property Option Agreement and such other agreements, documents and instruments as executed, filed or otherwise prepared, exchanged or delivered in accordance with the Share Purchase Agreement;
“Board”	the board of Directors (including executive Directors, non-executive Directors and independent non-executive Directors);
“Business Combination”	the transactions contemplated under (i) the Common Share Purchase Agreement entered into as of January 19, 2009 by and among the Target Company, Interactive NewSky Limited, a company incorporated under the laws of the British Virgin Islands and a Selling Shareholder (“ <b>Interactive NewSky</b> ”), Beijing Interactive New Sky Limited, and the other parties thereto; (ii) the Share Repurchase Agreement entered into as of April 21, 2010 by and between the Company and Interactive NewSky; and (iii) the Share Purchase Agreement entered into as of April 21, 2010 by and among the Company, Interactive NewSky and the other parties thereto, in each case, as amended and supplemented from time to time;

“Business Day(s)”	any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in the PRC or Hong Kong;
“Company”	Chinasoft International Limited, a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“Company Material Adverse Change”	any effect or change that is or would reasonably be expected to be materially adverse (i) to the business, assets, condition (financial or otherwise), operating results or operations of the Company and its Subsidiaries, taken as a whole, or (ii) to the ability of the Company to perform its obligations under the Share Purchase Agreement, except in each case, any effect or change arising from or relating to the following: (a) those generally affecting the industry in which the Group operates, (b) changes in law or applicable accounting regulations or principles, (c) changes in general economic or political conditions or the securities, credit or financial markets in general, (d) any hurricane, flood, tornado, earthquake or other natural disaster or any other force majeure event, (e) any epidemic, pandemic or similar event, (f) any hostilities, acts of war, sabotage, terrorism or military actions, or any escalation or worsening thereof, or (g) any work stoppage, strike, unrest or other disruption to business caused by employees or any labor union;
“Company Per Share Price”	with respect to the Initial Installment Share Consideration and the Second Installment Share Consideration, as the case may be, the lower of (i) HK\$1.60 per share, as appropriately adjusted for any stock split, stock consolidation or like event; or (ii) the average closing price for Shares for the thirty (30) consecutive trading days preceding the date of execution of the Share Purchase Agreement, as appropriately adjusted for any stock split, stock consolidation or like event;
“Connected Person”	has the meaning ascribed to it under the Listing Rules;

“Consideration Shares”	the new Shares to be allotted and issued by the Company to the Selling Shareholders pursuant to the terms and conditions of the Share Purchase Agreement (i.e. the Initial Installment Share Consideration; and/or the Second Installment Share Consideration (if any); and/or the Third Installment Share Consideration (if any) or the Adjusted Third Installment Share Consideration (if any); and/or the Fourth Installment Consideration (if any) or the Adjusted Fourth Installment Consideration (if any), as the context may require);
“Closing”	The First Closing, the Second Closing, the Third Closing or the Fourth Closing, as the context may require;
“Date of Delivery”	the date of the delivery of the Shares to Long Bridge Limited (which shall be the date of the First Closing with respect to the Initial Installment Share Consideration; the date of the Second Closing with respect to the Second Installment Share Consideration (if any); the date of the Third Closing with respect to the Third Installment Share Consideration (if any) or the Adjusted Third Installment Share Consideration (if any), as the context may require; the date of the Fourth Closing with respect to the Fourth Installment Consideration (if any) or the Adjusted Fourth Installment Consideration (if any), as the context may require);
“Director(s)”	directors of the Company;

“First Closing”

Subject to the terms and conditions set forth in the Share Purchase Agreement, the closing of the transactions contemplated by the Share Purchase Agreement shall take place at the offices of Latham & Watkins, 41/F, One Exchange Square, 8 Connaught Place, Central, Hong Kong on the date (or at such other place and on such other day and effective date as mutually agreed to by the parties to the Share Purchase Agreement thereof) as agreed by the Company and the Sellers’ Representative as promptly as practicable but in any event within ten (10) Business Days following the date of the satisfaction or waiver of all of the conditions set forth in the Share Purchase Agreement (other than those that are only capable of being satisfied on or as of date of the First Closing, but subject to the satisfaction thereof at the First Closing);

“Fourth Closing”

Subject to the terms and conditions set forth in the Share Purchase Agreement, the closing of the transactions contemplated by the Share Purchase Agreement shall take place at the principal offices of the Company and on the date as specified by the Company in a notice to the Sellers’ Representative duly signed and delivered by the Company as promptly as practicable following the delivery of the 2012 Audited Financial Statements to the Company (such Fourth Closing to take place within ten (10) Business Days following such delivery and in any event no later than April 30, 2013, unless the delivery of the 2012 Audited Financial Statements has been delayed due to a failure on the part of Key Management to timely furnish the auditors with the management accounts or timely facilitate the discussions among the auditors and the personnel of the Target Company required for the preparation thereof, in which case such payment shall be made within ten (10) Business Days of delivery of the 2012 Audited Financial Statements);

“Fourth Installment  
Adjustment Rate”

the quotient of (2012 Audited Annual Net Income – US\$9,100,000) (equivalent to approximately HK\$70,980,000)/(US\$11,830,000 – US\$9,100,000) (equivalent to approximately HK\$92,274,000 – HK\$70,980,000);

“Fourth Installment Company Per Share Price”	with respect to the Fourth Installment Consideration or the Adjusted Fourth Installment Consideration, as the case may be, the average closing price for Shares for the thirty (30) consecutive trading days preceding the date of delivery of the 2012 Audited Financial Statements, as appropriately adjusted for any stock split, stock consolidation or like event;
“Fourth Installment Consideration”	to the extent applicable, the aggregate number of Shares, which shall equal (i) US\$18,200,000 (equivalent to approximately HK\$141,960,000), <i>divided by</i> (ii) the Fourth Installment Company Per Share Price;
“Group”	the Company and its Subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Initial Installment Cash Consideration”	US\$22,750,000 (equivalent to approximately HK\$177,450,000);
“Initial Installment Share Consideration”	the aggregate number of Shares, which shall equal (i) US\$22,750,000 (equivalent to approximately HK\$177,450,000), <i>divided by</i> (ii) the Company Per Share Price;
“Issue Price”	The price at which each Consideration Share will be issued which varies according to its respective Closing: <ul style="list-style-type: none"> <li>(i) with respect to the Initial Installment Share Consideration and the Second Installment Share Consideration, as the case may be, the lower of (i) HK\$1.60 per share, as appropriately adjusted for any stock split, stock consolidation or like event; or (ii) the average closing price for Shares for the thirty (30) consecutive trading days preceding the date of execution of the Share Purchase Agreement, as appropriately adjusted for any stock split, stock consolidation or like event;</li> </ul>



- (ii) with respect to the Third Installment Share Consideration or the Adjusted Third Installment Share Consideration, as the case may be, the average closing price for Shares for the thirty (30) consecutive trading days preceding the date of delivery of the 2011 Audited Financial Statements, as appropriately adjusted for any stock split, stock consolidation or like event; and
- (iii) with respect to the Fourth Installment Consideration or the Adjusted Fourth Installment Consideration, as the case may be, the average closing price for Shares for the thirty (30) consecutive trading days preceding the date of delivery of the 2012 Audited Financial Statements, as appropriately adjusted for any stock split, stock consolidation or like event;

“Key Management”

Mr. Xiaohai Jiang and Mr. Hui Liang;

“Listing Rules”

the Rules Governing the Listing of Securities on the Stock Exchange;

“Loan and Security Agreement”

the Loan and Security Agreement dated as of July 24, 2009 by and between the Company and Mr. Ying Mao, as amended, modified or supplemented from time to time;

“Lock-up Agreement”

a lock-up agreement entered into between Long Bridge Limited and the Company in respect of the Shares issued as part of the Aggregate Consideration and executed simultaneously with the Share Purchase Agreement and become effective as of the First Closing;

“Offered Shares”

all of the outstanding Target Shares, including shares issuable upon conversion of Target Preferred Shares, but excluding shares issuable upon exercise of Target Options;

“Outstanding Options”	those Target Options that are outstanding and unexercised immediately prior to the First Closing. Immediately prior to the First Closing, each Outstanding Option shall be cashed out and cancelled, terminated and extinguished in exchange for the right of the holder thereof to receive his or her allocable portion of the Aggregate Consideration as set forth in the Share Purchase Agreement. Upon such cancellation and termination, the Outstanding Option shall represent only the right to receive the payments contemplated by the Share Purchase Agreement, and the holder thereof shall cease to have any other rights with respect thereto;
“Patent Assignment Agreement”	the agreement Mr. Xiaohai Jiang entered into with applicable company within the Target Group with respect to the transfer of all right, title and interest in and to the intellectual property covered under such agreement to the applicable company within the Target Group;
“Permitted Transferee”	each transferee in the following allowed transactions by the Company:– <ul style="list-style-type: none"> <li>(i) the transfer from Mr. Ying Mao of 1,000,000 Target Common Shares to Happy Sunflower Limited, a British Virgin Islands company wholly owned by Mr. Ying Mao;</li> <li>(ii) the transfer from Wiseking Venture Limited of 1,399,700 Target Common Shares to Long Bridge Limited; and</li> <li>(iii) the transfer from Interactive NewSky Limited of 2,807,119 Target Common Shares to a British Virgin Islands company wholly owned by Mr. Jie Li, such that immediately following such transfer Mr. Bin Chen shall own 100% of the issued and outstanding share capital in Interactive NewSky Limited.</li> </ul>

Provided that (A) such transfers occur prior to the First Closing; (B) adequate documentation therefor is provided to the Company to its satisfaction and that any such Permitted Transferee agrees in writing to be bound by the Share Purchase Agreement in place of the relevant transferor; and (C) such transferor shall remain liable for any breach by such Permitted Transferee of any provision hereunder;

“Person” any individual, partnership, firm, company, corporation, association, trust, unincorporated organization, joint venture or other entity;

“Previous Share Financing Agreements” the Second Amended and Restated Investors’ Rights Agreement dated as of December 13, 2007 by and among the Target Company and certain Selling Shareholders, the Third Amended and Restated Right of First Refusal and Co-Sale Agreement dated as of June 29, 2009 by and among the Target Company and certain Selling Shareholders, the Voting Agreement dated as of June 29, 2009 by and among the Company and certain Selling Shareholders, the Target Company Share Incentive Plan, each as amended, modified or supplemented from time to time;

“PRC” or “China” the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan);

“PRC Opco A” 北京掌中無限信息技術有限公司, a limited liability company incorporated under the laws of the PRC;

“Released Shares” as of any date, the number of Shares (disregarding any resulting fractional share) determined by multiplying the number of Shares by the following release ratio:

**Release Ratio**

On the Date of Delivery: 0

On the six (6)-month anniversary  
of the Date of Delivery: 1

“RMB” Renminbi, the lawful currency of the PRC;

“Second Closing”	Subject to the terms and conditions set forth in the Share Purchase Agreement, the closing of the transactions contemplated by the Share Purchase Agreement shall take place at the principal offices of the Company and on the date as specified by the Company in a notice to the Sellers’ Representative duly signed and delivered by the Company as promptly as practicable following the delivery of the 2010 Audited Financial Statements to the Company (such Second Closing to take place within ten (10) Business Days following such delivery and in any event no later than April 30, 2011, unless the delivery of the 2010 Audited Financial Statements has been delayed due to a failure on the part of Key Management to timely furnish the auditors with the management accounts or timely facilitate the discussions among the auditors and the personnel of the Target Company required for the preparation thereof, in which case such payment shall be made within ten (10) Business Days of delivery of the 2010 Audited Financial Statements);
“Second Installment Cash Consideration”	US\$4,550,000 (equivalent to approximately HK\$35,490,000);
“Second Installment Share Consideration”	to the extent applicable, the aggregate number of Shares, which shall equal (i) US\$4,550,000 (equivalent to approximately HK\$35,490,000), <i>divided by</i> (ii) the Company Per Share Price;
“Sellers’ Representative”	Mr. Xiaohai Jiang, the lawful attorney-in-fact and representative appointed by each of the Selling Shareholders (in any case other than Blue Run Ventures, L.P. and its affiliates and related or affiliated funds, IDG Technology Venture Investment III, L.P. and its affiliates and related or affiliated funds, Crosslink ventures V, L.P., and its affiliates and related or affiliated funds) to do any and all things and to execute any and all documents and undertake other roles as set forth in the Share Purchase Agreement;
“Seller Parties”	the Selling Shareholders and the Target Company;

“Selling Shareholders”	the Selling Shareholders listed on the Share Purchase Agreement, who collectively own all of the Offered Shares. In addition, to effect the cashout of each Outstanding Option, the holder of such Outstanding Option shall be treated for purposes of the allocation and payment of the Aggregate Consideration pursuant to the Share Purchase Agreement as a Selling Shareholder with respect to the number of Target Shares (in addition to any other Target Shares held by such Selling Shareholder) equal to the total number of Target Shares subject to such Outstanding Option immediately prior to the First Closing. “ <b>Selling Shareholder</b> ” means any of them;
“Separate Seller Party”	each of Blue Run Ventures, L.P. and its affiliates and related or affiliated funds, IDG Technology Venture Investment III, L.P. and its affiliates and related or affiliated funds, Crosslink ventures V, L.P., and its affiliates and related or affiliated funds;
“Shares”	the ordinary share, HK\$0.05 par value per share, of the Company, quoted for trading on the Stock Exchange;
“Share Purchase Agreement”	the conditional Share Purchase Agreement dated September 22, 2010 entered into among the Company, the Target Company, the Selling Shareholders and the Sellers’ Representative relating to the Acquisition, as amended, modified or supplemented from time to time;
“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiaries”	with respect to any Person, any and all corporations, partnerships, companies and other entities with respect to which such Person, directly or indirectly, owns more than 50% of the securities having the power to elect members of the board of directors or similar body governing the affairs of such entity;
“Target Common Shares”	the common shares of the Target Company, each with a par value of US\$0.000005 (equivalent to approximately HK\$0.000039) per share as of the First Closing;

“Target Company”	MMIM Technologies, Inc, a company with limited liability organized under the laws of the Cayman Islands;
“Target Company Share Incentive Plan”	the Share Incentive Plan adopted by the shareholders of the Target Company on October 30, 2005, as amended, modified or supplemented from time to time;
“Target Group”	the Target Company, the Subsidiaries, and any variable interest entity controlled by and consolidated with the Target Company and any Person that is not a natural person and that is controlled by a company within the Target Group;
“Target Material Adverse Change”	any effect or change that is or would reasonably be expected to be materially adverse (i) to the business, assets, condition (financial or otherwise), operating results or operations of the Target Company and its Subsidiaries, taken as a whole, or (ii) to the ability of the Target Company to perform its obligations under the Share Purchase Agreement, except in each case, any effect or change arising from or relating to the following: (a) those generally affecting the industry in which the Target Group operates, (b) changes in law or applicable accounting regulations or principles, (c) changes in general economic or political conditions or the securities, credit or financial markets in general, (d) any hurricane, flood, tornado, earthquake or other natural disaster or any other force majeure event, (e) any epidemic, pandemic or similar event, (f) any hostilities, acts of war, sabotage, terrorism or military actions, or any escalation or worsening thereof, or (g) any work stoppage, strike, unrest or other disruption to business caused by employees or any labor union;
“Target Options”	the options granted to certain employees and consultants of the company within the Target Group by the Target Company to purchase up to 3,815,339 Target Common Shares pursuant to the Target Company Share Incentive Plan adopted by the shareholders of the Target Company on October 30, 2005;
“Target Preferred Shares”	the Series A, Series B and Series C redeemable convertible preferred shares of the Target Company, each with a par value of US\$0.000005 (equivalent to approximately HK\$0.000039) per share as of the First Closing;



“Target Shares”	all of the equity interests of the Target Company, including Target Common Shares, options, warrants and other equity interests;
“Third Closing”	Subject to the terms and conditions set forth in the Share Purchase Agreement, the closing of the transactions contemplated by the Share Purchase Agreement shall take place at the principal offices of the Company and on the date as specified by the Company in a notice to the Sellers’ Representative duly signed and delivered by the Company as promptly as practicable following the delivery of the 2011 Audited Financial Statements to the Company (such Third Closing to take place within ten (10) Business Days following such delivery and in any event no later than April 30, 2012, unless the delivery of the 2011 Audited Financial Statements has been delayed due to a failure on the part of Key Management to timely furnish the auditors with the management accounts or timely facilitate the discussions among the auditors and the personnel of the Target Company required for the preparation thereof, in which case such payment shall be made within ten (10) Business Days of delivery of the 2011 Audited Financial Statements);
“Third Installment Adjustment Rate”	the quotient of (2011 Audited Annual Net Income – US\$7,000,000) (equivalent to approximately HK\$54,600,000)/(US\$9,100,000 – US\$7,000,000) (equivalent to approximately HK\$70,980,000 – HK\$54,600,000);
“Third Installment Company Per Share Price”	with respect to the Third Installment Share Consideration or the Adjusted Third Installment Share Consideration, as the case may be, the average closing price for Shares for the thirty (30) consecutive trading days preceding the date of delivery of the 2011 Audited Financial Statements, as appropriately adjusted for any stock split, stock consolidation or like event;
“Third Installment Cash Consideration”	US\$9,100,000 (equivalent to approximately HK\$70,980,000);
“Third Installment Share Consideration”	to the extent applicable, the aggregate number of Shares, which shall equal (i) US\$9,100,000 (equivalent to approximately HK\$70,980,000), <i>divided by</i> (ii) the Third Installment Company Per Share Price;

“US\$”	United States dollars, the lawful currency of the United States;
“WFOE”	Beijing MMIM Interactive Technologies Co., Ltd., a limited liability company organized and existing under the laws of the PRC;
“2010 Audited Annual Net Income”	the Target Company’s Adjusted Net Income prepared for the fiscal year ending December 31, 2010;
“2010 Audited Financial Statements”	the audited financial statements of the Target Company and its consolidated entities for the fiscal year ending December 31, 2010;
“2011 Audited Annual Net Income”	the Target Company’s Adjusted Net Income prepared for the fiscal year ending December 31, 2011;
“2011 Audited Financial Statements”	the audited financial statements of the Target Company and its consolidated entities for the fiscal year ending December 31, 2011;
“2012 Audited Annual Net Income”	the Target Company’s Adjusted Net Income prepared for the fiscal year ending December 31, 2012;
“2012 Audited Financial Statements”	the audited financial statements of the Target Company and its consolidated entities for the fiscal year ending December 31, 2012; and
“%”	percent

*For the purpose of illustration only, conversion of RMB into Hong Kong dollars in this announcement is based on the exchange rate of RMB0.8629 to HK\$1.00 and, conversion of US\$ into Hong Kong dollars in this announcement is based on the exchange rate of US\$1.00 to HK\$7.80. 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  
**Chinsoft International Limited**  
**CHEN Yuhong**  
*Managing Director*

Hong Kong, September 24, 2010

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

*Executive Directors:*

Dr. CHEN Yuhong (*Managing Director*), Dr. TANG Zhenming, Mr. WANG Hui

*Non-executive Directors:*

Dr. CUI Hui (*Chairman*), Mr. Duncan CHIU, Mr. FANG Jun, Mr. LIU Zheng, Dr. ZHANG Yaqin

*Independent Non-executive Directors:*

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

\* *For identification purposes only*