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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)

**COMPLETION OF ISSUE OF 4.25% CONVERTIBLE NOTES
DUE 2013 UNDER SPECIFIC MANDATE**

Financial Adviser and Arranger of the Convertible Notes



Reference is made to the Circular in relation to, among other things, the proposed issue of convertible notes.

The Board is pleased to announce that all of the conditions precedent to the issue of the Convertible Notes under the Subscription Agreement have been satisfied and that completion of the issue of the Convertible Notes in the principal amount of RMB200 million took place on 29 November 2010. The Conversion Price shall be HK\$2.00, being the lower of (i) HK\$2.00 or (ii) 1.2 times the volume weighted average of the closing price per Share for the five trading days prior to issuance of the Convertible Notes.

Assuming full conversion of the Convertible Notes, based on the issued share capital of the Company as at the Completion Date, the Convertible Notes will be convertible into 116,404,949 Conversion Shares at the initial Conversion Price of HK\$2.00, representing approximately 10.59% of the issued share capital of the Company as at the Completion Date and approximately 9.58% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon exercising the conversion right attaching to the Convertible Notes in full.

Reference is made to the circular of the Company dated 1 November 2010 (the “**Circular**”) in relation to, among other things, the proposed issue of convertible notes. Unless otherwise requires, capitalized terms and expressions used herein shall have the same meanings of those used in the Circular.

The Board is pleased to announce that all of the conditions precedent to the issue of the Convertible Notes under the Subscription Agreement have been satisfied and that completion of the issue of the Convertible Notes in the principal amount of RMB200 million took place on 29 November 2010 (the “**Completion Date**”). The Conversion Price shall be HK\$2.00, being the lower of (i) HK\$2.00 or (ii) 1.2 times the volume weighted average of the closing price per Share for the five trading days prior to issuance of the Convertible Notes.

Assuming full conversion of the Convertible Notes, based on the issued share capital of the Company as at the Completion Date, the Convertible Notes will be convertible into 116,404,949 Conversion Shares at the Conversion Price of HK\$2.00, representing approximately 10.59% of the issued share capital of the Company as at the Completion Date and approximately 9.58% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon exercising the conversion right attaching to the Convertible Notes in full.

For illustrative purpose only, the table below summarises the shareholding structure of the Company (i) as at the Completion Date; (ii) assuming full conversion of the Convertible Notes at the Conversion Price of HK\$2.00:

Shareholder	As at the Completion Date			Assuming full conversion of the Convertible Notes at Conversion Price of HK\$2.00		
	<i>No. of Ordinary Shares/ Series A Preferred Shares</i>	<i>Approximate % of Ordinary Shares</i>	<i>Approximate Voting %</i>	<i>No. of Ordinary Shares/ Series A Preferred Shares</i>	<i>Approximate % of Ordinary Shares</i>	<i>Approximate Voting %</i>
China National Computer Software & Technology Service Corporation (Hong Kong) Limited	195,315,173	17.77%	15.46%	195,315,173	16.07%	14.15%
Far East Holdings International Limited	138,989,822	12.64%	11.00%	138,989,822	11.43%	10.07%
Greater Pacific Capital Partners, LP	119,268,639	10.85%	9.44%	119,268,639	9.81%	8.64%
<i>Directors</i>						
Dr. Chen Yuhong	44,420,136	4.04%	3.52%	44,420,136	3.65%	3.22%
Dr. Cui Hui	20,000,000	1.82%	1.58%	20,000,000	1.65%	1.45%
Dr. Tang Zhenming	11,747,765	1.07%	0.93%	11,747,765	0.97%	0.85%
Mr. Wang Hui	9,237,838	0.84%	0.73%	9,237,838	0.76%	0.67%
Mr. Zeng Zhijie	300,000	0.03%	0.02%	300,000	0.02%	0.02%
<i>Public</i>						
The Subscriber	-	-	-	116,404,949	9.58%	8.43%
Other public Shareholders	559,888,941	50.94%	44.31%	559,888,941	46.06%	40.57%
Total Ordinary Shares	1,099,168,314	100%	86.98%	1,215,573,263	100%	88.08%
Series A Preferred Shares						
Microsoft Corporation	97,250,000	-	7.70%	97,250,000	-	7.05%
Dr. Chen Yuhong	38,300,000	-	3.03%	38,300,000	-	2.78%
Others	28,950,000	-	2.29%	28,950,000	-	2.10%
Total Series A Preferred Shares	164,500,000	-	13.02%	164,500,000	-	11.92%
TOTAL	1,263,668,314	-	100%	1,380,073,263	-	100%

Note: For the purpose of illustration only, conversion of RMB into Hong Kong dollars is based on the exchange rate of RMB0.85907 to HK\$1.00.

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

Hong Kong, 30 November 2010

As at the date of this announcement, the Directors of the Company 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*