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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 SUBSCRIPTION OF 150 MILLION
NEW ORDINARY SHARES ISSUED
PURSUANT TO GENERAL MANDATE**

Financial Adviser to Chinasoft International Limited



The Board is pleased to announce that Completion took place on 21 June 2011. An aggregate of 150,000,000 Subscription Shares has been allotted and issued to Keen Insight at the Subscription Price of HK\$1.86 per Subscription Share for a total consideration of HK\$279 million (excluding the transaction levy and trading fee paid by the Subscriber on the part as the subscriber of the Subscription Shares).

The Company is informed by Keen Insight that Keen Insight Parties held an aggregate of 121,476,453 Shares immediately prior to Completion. Upon Completion, Keen Insight Parties hold an aggregate of 271,476,453 Shares, representing approximately 19.04% of the total number of Shares in issue as enlarged by the number of Subscription Shares. As Keen Insight Parties hold more than 10% of the voting power at any general meeting of the Company upon Completion, it becomes a substantial Shareholder.

The Subscription Shares were allotted and issued under the General Mandate granted to the Directors on the AGM Date. Upon Completion and as at the date of this announcement, the General Mandate has not yet been fully utilised.

The net proceeds from the Subscription of approximately HK\$278.182 million is intended to be used as general working capital of the Group.

Reference is made to the announcements of the Company dated 8 June 2011 (the “**Announcements**”) in relation to, among others, the Subscription. Terms used herein shall have the same meanings as those defined in the Announcements unless the context otherwise requires.

COMPLETION OF THE SUBSCRIPTION PURSUANT TO GENERAL MANDATE

The Board is pleased to announce that Completion took place on 21 June 2011. An aggregate of 150,000,000 Subscription Shares has been allotted and issued to Keen Insight at the Subscription Price of HK\$1.86 per Subscription Share for a total consideration of HK\$279 million (excluding the transaction levy and trading fee paid by the Subscriber on the part as the subscriber of the Subscription Shares).

The Company is informed by Keen Insight that Keen Insight Parties held an aggregate of 121,476,453 Shares immediately prior to Completion. Upon Completion, Keen Insight Parties hold an aggregate of 271,476,453 Shares, representing approximately 19.04% of the total number of Shares in issue as enlarged by the number of Subscription Shares. As Keen Insight Parties hold more than 10% of the voting power at any general meeting of the Company upon Completion, it becomes a substantial Shareholder.

The Subscription Shares were allotted and issued under the General Mandate granted to the Directors on the AGM Date. Upon Completion and as at the date of this announcement, the General Mandate has not yet been fully utilised.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below are the shareholding structures of the Company immediately before and upon the Completion:–

Shareholder	Immediately prior to the Completion			Immediately upon the Completion		
	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						
Keen Insight Parties	121,476,453	9.52%	8.43%	271,476,453	19.04%	17.07%
Greater Pacific Capital Partners, LP	119,268,639	9.35%	8.28%	119,268,639	8.37%	7.50%
Far East Holdings International Limited	113,989,822	8.94%	7.92%	113,989,822	8.00%	7.17%
China National Computer Software & Technology Service Corporation (Hong Kong) Limited	100,315,173	7.86%	6.97%	100,315,173	7.04%	6.31%
<i>Directors</i>						
Dr. Chen Yuhong	73,220,136	5.74%	5.08%	73,220,136	5.14%	4.60%
Dr. Cui Hui (<i>Note</i>)	20,000,000	1.57%	1.39%	20,000,000	1.40%	1.26%
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. Zeng Zhijie	300,000	0.02%	0.02%	300,000	0.02%	0.02%
Public Shareholders	706,116,433	55.36%	49.03%	706,116,433	49.52%	44.40%
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%

Note: Dr. Cui Hui retired as non-executive Director effective from 18 May 2011.

PROCEEDS FROM THE SUBSCRIPTION

The gross proceeds from the issue of 150,000,000 Subscription Shares is 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 approximately HK\$1.85.

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

Hong Kong, 21 June 2011

As at the date of this announcement, the Directors 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*