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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)

UPDATE IN RESPECT OF THE PROGRESS OF THE PROPOSED SPIN-OFF

This announcement is made by Chinasoft International Limited (the “**Company**”) pursuant to Rule 13.09 and Rule 14.36 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”).

Reference is made to the announcements of the Company dated 2 August 2016 (the “**Announcement**”) and 23 August 2016 in relation to the But’one TPG Merger and the proposed Spin-off. Unless otherwise defined herein, capitalized terms used herein shall have the same meanings as defined in the Announcement.

On 8 September 2016, the Company was informed by But’one that it has received a letter from Jing Fa (the “**Letter**”). The principal message of the Letter is that since the commencement of the But’one TPG Merger, the parties to the Asset Purchase and Share Issue Agreement have used their best endeavours to proceed with the But’one TPG Merger. However, due to policies, further proceed of the But’one TPG Merger faces material uncertainties. After cordial negotiations between the parties to the But’one TPG Merger, Jing Fa proposes to terminate the But’one TPG Merger (the “**Termination**”), and recommends the board of directors of But’one (“**But’one Board**”) to convene a board meeting to consider and approve the Termination. Should the But’one Board resolves to proceed with the Termination, Jing Fa shall undertake that within three months from the completion of the procedures in relation to the Termination, Jing Fa will not plan and prepare for any matters in relation to the material asset restructuring of But’one.

In view of the above, But'one shall convene a board meeting (tentatively no later than 12 September 2016) to consider the Termination.

The Company will be in close contact with But'one in connection with the Termination.

Should there be any material updates in respect of the progress of the But'one TPG Merger and the proposed Spin-off, the Company will make further announcement(s) as and when appropriate and/or required pursuant to the Listing Rules.

The But'one TPG Merger, the proposed Spin-off and the transactions contemplated thereunder are subject to, among other things, approvals of the relevant PRC regulatory authorities. Accordingly, Shareholders and potential investors of the Company should note that the But'one TPG Merger, the proposed Spin-off and the transactions contemplated thereunder may or may not materialize. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

By order of the Board of
Chinasoft International Limited
Dr. Chen Yuhong
Chairman and Chief Executive Officer

8 September 2016, Beijing

As at the date of this announcement, the Board comprises two executive Directors, namely Dr. Chen Yuhong and Dr. Tang Zhenming, two non-executive Directors, namely Dr. Zhang Yaqin and Mr. Samuel Thomas Goodner, and three independent non-executive Directors, namely Mr. Zeng Zhijie, Dr. Leung Wing Yin Patrick and Dr. Lai Guanrong.

* *For identification purposes only*