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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)

**TERM SHEET
IN RESPECT OF THE POSSIBLE ISSUE OF
CONVERTIBLE BONDS**

This announcement is made by the Company pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

The Board is pleased to announce that after trading hours on 26 October 2015, the Company and Huarong entered into the Term Sheet. Pursuant to the Term Sheet, it is proposed that the Company or a wholly-owned subsidiary of the Company will issue and the Subscriber will subscribe for certain Convertible Bonds.

The Board wishes to emphasise that no legally-binding agreement in relation to the Proposed Subscription has been entered into by the Company and the Subscriber as at the date of this announcement. As such, the Proposed Subscription may or may not proceed.

Shareholders and the potential investors of the Company are urged to exercise caution when dealing in the shares of the Company. Further announcement in respect of the Proposed Subscription will be made by the Company in the event that any Formal Agreement has been signed.

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

The board (“**Board**”) of directors (“**Directors**”) of the Company would like to announce that after trading hours on 26 October 2015, the Company and Huarong International Asset Management Limited (“**Huarong**”) entered into a non-legally-binding term sheet (“**Term Sheet**”). Pursuant to the Term Sheet, it is proposed that the Company or a wholly-owned subsidiary of the Company will issue certain Convertible Bonds (“**Proposed Subscription**”), detailed terms of which are summarised in this announcement.

The subscriber is a fund managed by or affiliated with Huarong (the “**Subscriber**”). To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Subscriber and its ultimate beneficial owners are not connected persons (as defined in the Listing Rules) of the Company.

INDICATIVE TERMS OF THE CONVERTIBLE BONDS

The indicative principal terms of the Convertible Bonds are summarised below:

Issuer

The Company or a wholly-owned subsidiary of the Company

Bonds

Three-year 4.5% coupon convertible bonds with an aggregate principal amount of US\$70,000,000 (“**Convertible Bonds**”)

Conversion Price

The conversion price per share of the Company shall be HK\$3.53, subject to adjustments as set out in the terms and conditions to the Convertible Bonds

The Company and the Subscriber will proceed with further negotiation for entering into the formal subscription agreement (“**Formal Agreement**”) as soon as possible from the date of the Term Sheet.

The Term Sheet does not constitute a legally-binding commitment of the parties to the Term Sheet in respect of the Proposed Subscription. The Proposed Subscription is subject to the execution and completion of the Formal Agreement.

REASONS FOR THE PROPOSED SUBSCRIPTION

It is currently intended that the net proceeds from the subscription will be used for general corporate purposes.

The Board wishes to emphasise that no legally binding agreement in relation to the Proposed Subscription has been entered into by the Company and the Subscriber as at the date of this announcement. As such, the Proposed Subscription may or may not proceed.

Shareholders and the potential investors of the Company are urged to exercise caution when dealing in the shares of the Company. Further announcement in respect of the Proposed Subscription will be made by the Company in the event that any Formal Agreement has been signed.

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

26 October 2015, Hong Kong

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

The English names of the PRC entities referred to in this announcement are translations from their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese name shall prevail.

** For identification purposes only*