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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)

Announcement pursuant to Rule 13.19 of the Listing Rules

This announcement is made by Chinasoft International Limited (the “**Company**”) pursuant to Rule 13.19 of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

INTRODUCTION

Reference is made to (i) the announcement dated 31 March 2015 issued by the Company in relation to the financial results of the Group for the financial year ended 31 December 2014 (“**2014 Results Announcement**”); (ii) the announcement dated 23 April 2015 issued by the Company in relation to the disposal of the Disposed Shares (as defined below) by a substantial shareholder (as defined in the Listing Rules); and (iii) the annual report of the Company for the year ended 31 December 2014 (“**2014 Annual Report**”) disclosing, among others, the information in relation to Non-compliance (as defined below).

As disclosed in announcement of the even date, on 4 November 2013, the Company, as borrower, entered into a facility agreement for a US\$100,000,000 term loan facility (“**Facility Agreement**”) with a syndicate of banks (the “**Banks**”).

The Facility Agreement has the following requirements: (i) any fund or affiliate of Hony Capital Management Limited (“**Hony Capital Parties**”) must legally and beneficially, directly or indirectly, own at least 12% of the issued ordinary shares of the Company that are traded on the Stock Exchange, and Hony Capital remains, legally and beneficially, directly or indirectly, the single largest shareholder of the Company; and (ii) the Company must adhere to the financial covenants (including the ratio of consolidated total debt to consolidated tangible net worth) as specified in the Facility Agreement.

CHANGE OF SHAREHOLDING

Reference is made to the announcement of the Company dated 23 April 2015 that the Company was notified that Hony Capital Parties had disposed of an aggregate of 335,076,453 Shares (“**Disposed Shares**”), representing approximately 17.29% of the total number of Shares issued as at the date of this announcement. Upon completion of the disposal of the Disposed Shares, Hony Capital Parties ceased to hold any of the Company’s Shares.

NON-COMPLIANCE OF FINANCIAL COVENANTS

As disclosed in 2014 Results Announcement and the 2014 Annual Report, during the year ended 31 December 2014, in respect of bank loans with a carrying amount of RMB611,646,000 as at 31 December 2014, the Group was unable to meet a requirement of the Facility Agreement, which is related to the ratio of consolidated total debt to consolidated tangible net worth of the Group. The Company informed the lenders and applied for the waiver of the terms of the loans with the Banks.

CURRENT PROGRESS

The ratio of consolidated total debt to consolidated tangible net worth of the Group has fully met the threshold as required under the terms of the Facility Agreement subsequent to the latest financial year end date of 31 December 2014.

The incidents as disclosed in sections headed “Change of shareholding” and “Non-compliance of financial covenants” are inconsistent with the requirements of the Facility Agreement (collectively, the “**Non-compliances**”).

The Banks are aware of the Non-compliances and has not requested the Company for an immediate repayment of the indebtedness borrowed under the Facility Agreement.

The Company is currently working closely with the Banks to renegotiate the terms of gradually repaying the loan by installments and expects to reach an agreement with the Banks in the near future.

The Company would like to emphasize that the financial position of the Company remains strong and the Company has sufficient resources to honor the terms of its loan agreements, banking facilities and/or other indebtedness.

The Company will make disclosure pursuant to Rule 13.21 of the Listing Rules and publish further announcements to update the Shareholders and potential investors the progress.

This announcement is made by the order of the Board. The Board collectively and individually accepts responsibility for the accuracy of this announcement.

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

Hong Kong, 3 May 2015

As at the date of this announcement, the Board comprises:

Executive Directors:

Dr. CHEN Yuhong (*Chairman and Chief Executive Officer*), Dr. TANG Zhenming,
Mr. WANG Hui

Non-executive Directors:

Dr. ZHANG Yaqin

Independent Non-executive Directors:

Mr. ZENG Zhijie, Dr. LEUNG Wing Yin, Dr. SONG Jun

* *For identification purpose only*