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INNO SMART GROUP LIMITED

創智集團有限公司

(Incorporated in the British Virgin Islands with limited liability)

ThinSoft

**THINSOFT (HOLDINGS) INC
博軟(控股)有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 8096)

JOINT ANNOUNCEMENT

**(1) CONDITIONAL ACQUISITION OF SHARES BY
INNO SMART GROUP LIMITED**

**(2) POSSIBLE MANDATORY UNCONDITIONAL GENERAL OFFER
BY**



KINGSTON SECURITIES LIMITED

ON BEHALF OF INNO SMART GROUP LIMITED TO

ACQUIRE ALL THE ISSUED SHARES OF

**THINSOFT (HOLDINGS) INC (OTHER THAN THOSE ALREADY OWNED OR
AGREED TO BE ACQUIRED BY INNO SMART GROUP LIMITED OR
PARTIES ACTING IN CONCERT WITH IT)**

AND

(3) RESUMPTION OF TRADING IN SHARES OF THINSOFT (HOLDINGS) INC

Joint financial advisers to Inno Smart Group Limited



KINGSTON CORPORATE FINANCE LIMITED

**VEDA | CAPITAL
智略資本**

S&P AGREEMENT

On 20 May 2008, Inno Smart Group Limited, being the Offeror, entered into the S&P Agreement with the Offeror Guarantors and the Vendor, pursuant to which the Offeror conditionally agreed to purchase and the Vendor conditionally agreed to sell an aggregate of 375,000,000 Sale Shares at a total consideration of HK\$86,250,000 (equivalent to HK\$0.23 per Sale Share). The Sale Shares represent approximately 74.81% of the entire issued share capital of the Company as at the date of this joint announcement. The S&P Agreement is conditional upon fulfillment of the conditions specified therein and as described under the sub-section headed "Conditions" under the section headed "S&P Agreement" in this joint announcement.

Mr. Yu and Mr. Yue have agreed to act as the Offeror Guarantors in the S&P Agreement to jointly and severally undertake to procure, and guarantee, unconditionally and irrevocably as primary obligors, in favour of the Vendor, the due observance and punctual performance of all the obligations of the Offeror under the S&P Agreement, subject to and upon the terms of the S&P Agreement.

POSSIBLE MANDATORY UNCONDITIONAL GENERAL OFFER

As at the date of this joint announcement, the Company has 501,255,000 Shares in issue. Immediately upon Completion, the Offeror, Mr. Yu, Mr. Yue and parties acting in concert with any one of them will be interested in an aggregate of 407,505,000 Shares, representing approximately 81.30% of the entire issued share capital of the Company. Under Rule 26.1 of the Takeovers Code and following Completion, the Offeror will be required to make an unconditional mandatory general offer for all the issued Shares, other than those Shares already owned by or agreed to be acquired by the Offeror, Mr. Yu, Mr. Yue or parties acting in concert with any one of them. The Offer, if and when made, will be unconditional and will be solely in cash.

Pursuant to the Takeovers Code, within 21 days after the date of this joint announcement or such later date as the Executive may approve, the Offeror is required to despatch an offer document in relation to the Offer and the Company is required to send to its Shareholders within 14 days of the posting of the offer document a circular containing, among other things, financial information of the Company, together with any other information the Company considers to be relevant to enable its Shareholders to reach a properly informed decision on the Offer. The Offeror and the Company intend to combine the offer document and the Company's circular into a Composite Offer Document and despatch such Composite Offer Document to the Shareholders, setting out, inter alia, the terms of the Offer, information on the Group, the letter from the Independent Board Committee containing its recommendation and advice to the Independent Shareholders in respect of the Offer and the letter from the independent financial adviser containing its recommendation and advice to the Independent Board Committee in respect of the Offer, together with forms of acceptance and transfer, in accordance with the Takeovers Code. Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the consent of the Executive is required if the making of the Offer is subject to the prior fulfillment of certain pre-conditions and the pre-conditions cannot be fulfilled within the time period required by Rule 8.2 of the Takeovers Code. As the making of the Offer is conditional upon Completion, it is expected that an application will be made to the Executive to extend the deadline for despatch of the Composite Offer Document to within seven days upon Completion. Further announcement will be made on the timing of the despatch of the Composite Offer Document.

SUSPENSION AND RESUMPTION OF TRADING

Trading in the Shares on the GEM was suspended at the request of the Company with effect from 9:30 a.m. on 21 May 2008 pending the publication of this joint announcement. Application has been made by the Company for the resumption of trading in the Shares on GEM with effect from 9:30 a.m. on 5 June 2008.

Warning: Shareholders and potential investors of the Company should note that Completion is conditional upon the fulfillment or waiver of certain Conditions and the Offer will only be made if Completion takes place. Accordingly, the S&P Agreement may or may not be completed and the Offer may or may not proceed. Shareholders and investors are advised to exercise extreme caution when dealing in the Shares, and if they are in any doubt about their positions, they should consult their professional advisers.

S&P AGREEMENT

Date:

20 May 2008

Parties:

The Vendor:

IPC

The Purchaser:

Inno Smart

The Offeror, Mr. Yu, Mr. Yue and parties acting in concert with any one of them are third parties independent of the Group and its connected persons.

The Offeror Guarantors:

Mr. Yu and Mr. Yue, each being a 50% ultimate beneficial owner of Inno Smart.

Mr. Yu and Mr. Yue have agreed to act as the Offeror Guarantors in the S&P Agreement to jointly and severally undertake to procure, and guarantee, unconditionally and irrevocably as primary obligors, in favour of the Vendor, the due observance and punctual performance of all the obligations of the Offeror under the S&P Agreement, subject to and upon the terms of the S&P Agreement.

Sale Shares:

The Offeror conditionally agreed to purchase and the Vendor conditionally agreed to sell the Sale Shares, being 375,000,000 Shares, representing approximately 74.81% of the entire issued share capital of the Company as at the date of this joint announcement, free from all encumbrances and together with all rights attaching to them with effect from Completion, including all rights to any dividend or other distribution declared, made or paid on or after the Completion Date.

Consideration:

The Consideration in the aggregate sum of HK\$86,250,000, or HK\$0.23 per Sale Share, was negotiated and determined on arm's length basis between the Vendor and the Offeror.

Upon the signing of the S&P Agreement and pursuant to the Escrow Agreement, the Offeror paid to the Escrow Agent the Escrow Money which shall be released upon and subject to the terms and conditions set out in the Escrow Agreement.

Conditions:

Completion of the sale and purchase of the Sale Shares under the S&P Agreement is conditional upon:

- (1) to the best of the knowledge and information of the Vendor, the Warranties being true and accurate and not misleading as at the date of the S&P Agreement;
- (2) to the best of the knowledge and information of the Vendor, the Warranties being true and accurate and not misleading as at the Completion Date;
- (3) the current listing of the Shares not having been withdrawn, the Shares continuing to be traded on GEM prior to the Completion Date (save for any temporary suspension pending any announcement in connection with the S&P Agreement) and the Stock Exchange and SFC not having objected, and not having indicated that they will object, to such listing; and
- (4) the shareholders of the Vendor approving the sale of the Sale Shares and the transactions contemplated under the S&P Agreement at the EGM.

The Offeror may waive all or any of the Conditions set out above (except for the Condition set out in (4)). The Vendor may waive the Condition set out in (4) at any time.

Completion:

Completion is to take place on the next business day after the day on which the last of the Conditions set out above is fulfilled or waived in accordance with the S&P Agreement (or such later date as may be agreed between the Vendor and the Offeror in writing). The expected date of Completion is on or about 17 July 2008 as the EGM is expected to take place on or about 16 July 2008. In the event that any of the Conditions shall not have been fulfilled (or waived in the manner set out above) by 17 September 2008 or such other date as the Vendor and the Offeror may agree in writing, then the Offeror and the Vendor shall not be bound to proceed with the sale and purchase of the Sale Shares and the S&P Agreement shall cease to be of any effect save in respect of claims arising out of antecedent breach of the S&P Agreement.

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this joint announcement, the capital of the Company comprises only Shares, and other than Shares, there are no other classes of relevant securities issued by the Company. The following table sets out the shareholding structure of the Company as at the date of the S&P Agreement and after Completion but before the Offer.

Name of Shareholders	Shareholding as at the date of the S&P Agreement		Shareholding immediately following Completion but before the Offer	
	Shares	Approximate %	Shares	Approximate %
Mr. Yu <i>Note 1</i>	14,440,000	2.88%	14,440,000	2.88%
Mr. Yue <i>Note 2</i>	18,065,000	3.61%	18,065,000	3.61%
INNO SMART <i>Note 3</i>	—	—	375,000,000	74.81%
Sub-total regarding Inno Smart, Mr. Yu, Mr. Yue and parties acting in concert with any one of them	32,505,000	6.49%	407,505,000	81.30%
IPC	375,000,000	74.81%	—	—
Public Shareholders	93,750,000	18.70%	93,750,000	18.70%
Total	<u>501,255,000</u>	<u>100.00%</u>	<u>501,255,000</u>	<u>100.00%</u>

Notes :

- (1) Mr. Yu is a director of Inno Smart and one of the Offeror Guarantors.
- (2) Mr. Yue is a director of Inno Smart and one of the Offeror Guarantors. The aggregate amount of 18,065,000 Shares are held by the mother and sister of Mr. Yue, Ms. Lee Ming Hing and Ms. Yu Ying Kwan respectively, in the amount of 10,010,000 and 8,055,000 Shares, respectively.
- (3) Mr. Yu and Mr. Yue are the ultimate beneficial owners of Inno Smart.

POSSIBLE MANDATORY UNCONDITIONAL GENERAL OFFER

As at the date of this joint announcement, the Company has 501,255,000 Shares in issue. Immediately upon Completion, the Offeror, Mr. Yu, Mr. Yue and parties acting in concert with any one of them will be interested in an aggregate of 407,505,000 Shares, representing approximately 81.30% of the entire issued share capital of the Company. Under Rule 26.1 of the Takeovers Code and following Completion, the Offeror will be required to make an unconditional mandatory general offer for all the issued Shares, other than those Shares already owned by or agreed to be acquired by the Offeror, Mr. Yu, Mr. Yue or parties acting in concert with any one of them. The Offer, if and when made, will be unconditional and will be solely in cash.

As at the date of this joint announcement, there are no outstanding warrants or share options or derivative or securities convertible into Shares or any other derivative in respect of securities in the Company entered into by the Offeror, Mr. Yu, Mr. Yue and parties acting in concert with any one of them.

As at the date of this joint announcement, the Offeror, Mr. Yu, Mr. Yue and parties acting in concert with any one of them have not received any irrevocable commitment to accept the Offer.

There have been no dealings in the Shares by the Offeror, Mr. Yu, Mr. Yue and parties acting in concert with any one of them during the six-month period prior to the date of the S&P Agreement and up to the date of this joint announcement.

Warning: Shareholders and potential investors of the Company should note that Completion is conditional upon the fulfillment or waiver of certain Conditions and the Offer will only be made if Completion takes place. Accordingly, the S&P Agreement may or may not be completed and the Offer may or may not proceed. Shareholders and investors are advised to exercise extreme caution when dealing in the Shares, and if they are in any doubt about their positions, they should consult their professional advisers.

Principal terms of the Offer

Kingston Securities will, on behalf of the Offeror, make the Offer on the following basis:–

For each Offer Share HK\$0.23 in cash

Comparisons of value

The Offer Price of HK\$0.23 per Offer Share is the same as the price agreed to be paid by the Offeror for each Sale Share under the S&P Agreement and represents:

- (a) a premium of approximately 16.75% to the closing price of HK\$0.197 per Share as quoted on GEM on the Last Trading Day;
- (b) a premium of approximately 13.86% to the average closing price of approximately HK\$0.202 per Share for the last 5 consecutive trading days immediately prior to and including the date of the S&P Agreement;
- (c) a premium of approximately 9.00% to the average closing price of approximately HK\$0.211 per Share for the last 10 consecutive trading days immediately prior to and including the date of the S&P Agreement; and
- (d) a premium of approximately 198.70% over the audited consolidated net asset value per Share of approximately HK\$0.077 per Share (based on the then issued share capital of 501,255,000 Shares) as at 31 December 2007.

Highest and lowest prices

During the six-month period preceding the date of this joint announcement, the highest closing price of the Shares as quoted on GEM was HK\$0.300 per Share on 1 November 2007, and the lowest closing price of the Shares as quoted on GEM was HK\$0.197 per Share on 16 May 2008.

Total consideration

As at the date of this joint announcement, the Company has 501,255,000 Shares in issue. At the Offer Price, the Company is valued at HK\$115,288,650. Based on the 93,750,000 Offer Shares in issue as at the date of this joint announcement, the Offer is valued at HK\$21,562,500.

Kingston Corporate Finance, Veda Capital and Kingston Securities are satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptances of the Offer.

Kingston Corporate Finance and Veda Capital are the joint financial advisers to the Offeror, and Kingston Securities will make the Offer on behalf of the Offeror.

Condition of the Offer

The Offer will only be made if the S&P Agreement is completed and, if made, will be unconditional.

Effect of accepting the Offer

By accepting the Offer, Shareholders will sell their Shares and all rights attached to them, and all dividends and distribution recommended, declared, made or paid on or after the date of Completion.

There is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Shares which might be material to the Offer.

The Offeror confirms that, save as disclosed in the sub-section headed “Conditions” of the section headed “S&P Agreement” above, there are no agreements or arrangements to which it is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer.

The Offer Shares will be acquired free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto, including (without limitation) the right to receive all dividends and distributions declared, made or paid, if any, on or after the date of Completion.

Stamp duty

Sellers' ad valorem stamp duty at the rate of HK\$1.00 for every HK\$1,000 (or part thereof) of the amount payable in respect of relevant acceptances, or, if higher, the value of the Offer Shares subject to such acceptance, will be deducted from the amount payable to those Shareholders who accept the Offer. The Offeror will then pay such stamp duty to the stamp duty office of the Inland Revenue Department of Hong Kong on behalf of the accepting Shareholders.

INFORMATION ON THE COMPANY

The Company was incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM. The Company is an investment holding company. The Group is principally engaged in the development and distribution of Thin Computing solutions and related products.

Based on the annual reports of the Company, the audited net profit attributable to equity holders of the Company for the year ended 31 December 2006 and 31 December 2007 was approximately HK\$4.78 million and HK\$0.37 million, representing earnings per share of approximately HK\$0.0095 and HK\$0.0007, respectively. Based on the annual report 2007 of the Company, the audited consolidated net asset value of the Group as at 31 December 2007 was approximately HK\$38.76 million.

INFORMATION ON THE OFFEROR

Inno Smart is an investment holding company incorporated in the British Virgin Islands with limited liability. Mr. Yu and Mr. Yue are the ultimate beneficial owners of Inno Smart.

Mr. Yu has over 20 years' experience in financial investment field. He was an executive director of two companies listed on the Stock Exchange, a company listed in Australia and a company listed in Australia, Frankfurt and NASDAQ, and was responsible for identifying acquisition targets, raising fund, acquisitions nationally and/or monitoring those companies' direct investment activities in the PRC. Mr. Yu is currently the managing director of Strong Choice Investments (Holding) Limited which is engaged in direct investment in the Greater China area.

Mr. Yue is a member of Shantou Committee of the Chinese People's Political Consultative Conference and a director of The Overseas Teo Chew Entrepreneurs Association. He is also the chairman of Luen Fat Securities Company Limited as well as a director of a number of privately-held securities and financial service companies. Mr. Yue has over 30 years of experience in the securities and futures industry. He is the vice chairman of Hong Kong Securities Professionals Association, an honorary advisor of The Chamber of Hong Kong Listed Companies and an honorary advisor of Hong Kong Stockbrokers Association Limited. He has also been a member of the Election Committee of Financial Services Sector of Legislative Council of Hong Kong since 2000.

THE INTENTION OF THE OFFEROR

The Offeror intends that the Group will continue its existing principal activities and it will maintain the listing status of the Company on GEM after the close of the Offer. The Offeror will conduct a review of the business operations and financial position of the Group after Completion with a view to formulating a business plan and strategy suited for the Group. Subject to the result of the review, the Offeror has no intention to re-deploy the assets of the Group other than in its ordinary course of business.

PROPOSED CHANGE OF BOARD COMPOSITION OF THE COMPANY

As at the date of this joint announcement, the Company has two executive Directors. Pursuant to the S&P Agreement, all existing executive Directors will resign with effect from the earliest time permitted under (or pursuant to dispensation from) the Takeovers Code. The Offeror intends to nominate new Directors to the Board with effect from the earliest time permitted under the Takeovers Code. Details of the change of Board composition will be set out in the Composite Offer Document.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing of the Shares on GEM after the close of the Offer. The Company has undertaken, and the new Directors to be nominated by the Offeror will undertake, to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that not less than 25% of the Shares will be held by the public.

The Stock Exchange has indicated that if, upon the close of the Offer, less than 25% of the Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares until a level of sufficient public float is attained.

So long as the Company remains a listed company, the Stock Exchange will also closely monitor all future acquisitions or disposals of assets of the Company. Any acquisitions or disposals of assets by the Group will be subject to the provisions of the GEM Listing Rules. Pursuant to the GEM Listing Rules, the Stock Exchange has the discretion to require the Company to issue an announcement and a circular to the Shareholders irrespective of the size of any proposed transactions, particularly when such proposed transactions represent a departure from the principal activities of the Company.

The Stock Exchange also has the power to aggregate a series of acquisitions or disposals of the Company and any such transactions may result in the Company being treated as if it were a new listing applicant and subject to the requirements for new listing applicants as set out in the GEM Listing Rules.

GENERAL MATTERS RELATING TO THE OFFER

Pursuant to the Takeovers Code, within 21 days after the date of this joint announcement or such later date as the Executive may approve, the Offeror is required to despatch an offer document in relation to the Offer and the Company is required to send to its Shareholders within 14 days of the posting of the offer document a circular containing, among other things, financial information of the Company, together with any other information the Company considers to be relevant to enable its Shareholders to reach a properly informed decision on the Offer. The Offeror and the Company intend to combine the offer document and the Company's circular into a Composite Offer Document and despatch such Composite Offer Document to the Shareholders, setting out, inter alia, the terms of the Offer, information on the Group, the letter from the Independent Board Committee containing its recommendation and advice to the Independent Shareholders in respect of the Offer and the letter from the independent financial adviser containing its recommendation and advice to the Independent Board Committee in respect of the Offer, together with forms of acceptance and transfer, in accordance with the Takeovers Code. Pursuant

to Note 2 to Rule 8.2 of the Takeovers Code, the consent of the Executive is required if the making of the Offer is subject to the prior fulfillment of certain pre-conditions and the pre-conditions cannot be fulfilled within the time period required by Rule 8.2 of the Takeovers Code. As the making of the Offer is conditional upon Completion, it is expected that an application will be made to the Executive to extend the deadline for despatch of the Composite Offer Document to within seven days upon Completion. Further announcement will be made on the timing of the despatch of the Composite Offer Document.

The availability of the Offer to persons with a registered address in a jurisdiction outside Hong Kong may be affected by the applicable laws of their jurisdictions of residence. Persons with a registered address in a jurisdiction outside Hong Kong should inform themselves about and observe any applicable requirements in their own jurisdictions.

DEALINGS DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, the associates (as defined under the Takeovers Code) of the Company and the Offeror (within the meaning of the Takeovers Code) are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of the principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee will be established for the purpose of advising the Independent Shareholders in relation to the Offer and an independent financial adviser will be appointed to advise it in respect of the Offer. Further announcement will be made by the Company and the Offeror as and when the independent financial adviser has been appointed.

SUSPENSION AND RESUMPTION OF TRADING IN SHARES

Trading in the Shares on GEM was suspended at the request of the Company with effect from 9:30 a.m. on 21 May 2008 pending the publication of this joint announcement. Application has been made by the Company for the resumption of trading in the Shares on GEM with effect from 9:30 a.m. on 5 June 2008.

Terms and definitions

“associate”	the same meaning as defined in the GEM Listing Rules;
“Board”	the board of Directors;
“business day”	a day (other than Saturday and Sunday) on which banks in Hong Kong are generally open for business;
“Company”	ThinSoft (Holdings) Inc 博軟(控股)有限公司, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM;
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the S&P Agreement;
“Completion Date”	the next business day after the day on which the last of the Conditions is fulfilled or waived in accordance with the S&P Agreement (or such later date as may be agreed between the Vendor and the Offeror in writing);
“Composite Offer Document”	the composite offer and response document to be issued by or on behalf of the Offeror and the Company to all Shareholders in accordance with the Takeovers Code containing, inter alia, details of the Offer, the form of acceptance and transfer in respect of the Shares for the Shareholders, the letter to be issued by Kingston Securities on behalf of the Offeror, the letter of advice from an independent financial adviser to the Independent Board Committee in respect of the Offer and the letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer;
“Conditions”	the conditions to Completion as set out under the sub-section headed “Conditions” under the section headed “S&P Agreement” in this joint announcement;
“Consideration”	an aggregate consideration of HK\$86,250,000 for the sale and purchase of the Sale Shares pursuant to the S&P Agreement or HK\$0.23 per Sale Share;
“Director(s)”	director(s) of the Company;
“EGM”	the extraordinary general meeting of shareholders of the Vendor to be convened for, inter alia, approving the sale of the Sale Shares and the transactions contemplated under the S&P Agreement;

“Escrow Agent”	the escrow agent jointly appointed by the Vendor and the Offeror from time to time pursuant to the terms of the Escrow Agreement for the purpose of holding the Escrow Money;
“Escrow Agreement”	the escrow agreement dated 20 May 2008 entered into among the Vendor, the Offeror and the Escrow Agent;
“Escrow Money”	the sum of HK\$8,625,000 (representing 10% of the Consideration) deposited with the Escrow Agent;
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	a committee of the Board comprising the three independent non-executive Directors to be established to advise the Independent Shareholders in relation to the Offer;
“Independent Shareholders”	Shareholders other than the Offeror, Mr. Yu, Mr. Yue and parties acting in concert with any one of them;
“Kingston Corporate Finance”	Kingston Corporate Finance Limited, a licensed corporation permitted to carry on business in type 6 (advising on corporate finance) regulated activity under SFO, one of the joint financial advisers to the Offeror in respect of the Offer;
“Kingston Securities”	Kingston Securities Limited, a licensed corporation permitted to carry on business in type 1 (dealing in securities) regulated activity under SFO;
“Last Trading Date”	20 May 2008, being the last trading day prior to the suspension in trading of the Shares on GEM;
“Mr. Yu”	Mr. Yu, Dennis Won Kong;
“Mr. Yue”	Mr. Yue Wai Keung;
“NASDAQ”	Nasdaq National Market;

“Offer”	a mandatory unconditional general offer to be made by Kingston Securities on behalf of the Offeror (subject to Completion) to acquire all issued Shares (other than those already owned or agreed to be acquired by the Offeror, Mr. Yu, Mr. Yue or parties acting in concert with any one of them) in accordance with the Takeovers Code;
“Offer Price”	HK\$0.23 per Offer Share;
“Offer Shares”	Shares not already owned or agreed to be acquired by the Offeror, Mr. Yu, Mr. Yue or parties acting in concert with any one of them;
“Offeror Guarantors”	Mr. Yu and Mr. Yue, each a director and a 50% ultimate beneficial owner of Inno Smart;
“Offeror” or “Purchaser” or “Inno Smart”	Inno Smart Group Limited, a company incorporated in the British Virgin Islands with limited liability;
“PRC”	The People’s Republic of China, but excluding, for the purpose of this joint announcement, Hong Kong, Macau and Taiwan;
“Sale Shares”	375,000,000 Shares, representing approximately 74.81% of the entire issued share capital of the Company as at the date of the S&P Agreement;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholder(s)”	holder(s) of the Share(s);
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“S&P Agreement”	the sale and purchase agreement dated 20 May 2008, entered into among the Offeror, the Vendor and the Offeror Guarantors for the sale and purchase of the Sale Shares;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Veda Capital”	Veda Capital Limited, a licensed corporation permitted to carry on business in type 6 (advising on corporate finance) regulated activity under SFO, one of the joint financial advisers to the Offeror in respect of the Offer;

“Vendor” or “IPC”	IPC Corporation Ltd, a company incorporated in Singapore with limited liability, the issued Shares of which are listed on Singapore Stock Exchange and is a controlling Shareholder of the Company;
“Warranties”	the warranties, representations, indemnities and undertakings given or made by the Vendor and contained in the S&P Agreement;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong; and
“%”	per cent.

By order of the Board of
Inno Smart Group Limited
 創智集團有限公司
Yu, Dennis Won Kong
Director

By order of the Board of
THINSOFT (HOLDINGS) INC
 博軟(控股)有限公司
Ngiam Mia Hai Bernard
Chairman

Hong Kong, 4 June 2008

Executive directors of the Company as at the date of this joint announcement are Mr. Ngiam Mia Hai Bernard and Mr. Ngiam Mia Hong Alfred. Independent non-executive directors of the Company as at the date of this joint announcement are Mr. Chen Tzyh-Trong, Mr. Lee Chung Mong and Mr. Yeung Chi Hung.

As at the date hereof, the directors of the Offeror are Mr. Yu, Dennis Won Kong and Mr. Yue Wai Keung.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than information relating to the Group and the Vendor) and confirm, having made all reasonable inquiries, that to the best of their knowledge, the opinions expressed in this joint announcement (other than those expressed by the Group and the Vendor) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement (other than those relating to the Group and the Vendor) in this joint announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than information relating to the Offeror, Mr. Yu, Mr. Yue and parties acting in concert with any one of them and the Offer) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror, Mr. Yu, Mr. Yue and parties acting in concert with any one of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement (other than those relating to the Offeror, Mr. Yu, Mr. Yue and parties acting in concert with any one of them and the Offer) in this joint announcement misleading.

This joint announcement will remain on the GEM website on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.thinsoftinc.com.