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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) CLOSE OF THE 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, MR. YU DENNIS WON KONG, MR. YUE WAI KEUNG OR ANY PARTIES ACTING IN CONCERT WITH ANY ONE OF THEM)

(2) RESIGNATION OF DIRECTORS, AUTHORIZED REPRESENTATIVES, COMPLIANCE OFFICER AND COMPANY SECRETARY

(3) APPOINTMENT OF DIRECTORS, AUTHORIZED REPRESENTATIVE, COMPLIANCE OFFICER, COMPANY SECRETARY, AND QUALIFIED ACCOUNTANT

Joint financial advisers to Inno Smart Group Limited



KINGSTON CORPORATE FINANCE LIMITED

VEDA | CAPITAL
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CLOSE OF THE OFFER AND ACCEPTANCE REGARDING THE OFFER

The Offeror announces that the Offer closed at 4:00 p.m. on Monday, 11 August 2008. As at 4:00 p.m. on Monday, 11 August 2008, being the latest time and date for acceptance of the Offer as set out in the Composite Offer document, no acceptance under the Offer was received by the Offeror. The Offer was not revised or extended.

Immediately following the close of the Offer, after taking into account (i) the 375,000,000 Shares held by the Offeror and parties acting in concert with it immediately following the Completion and (ii) no valid acceptance was received under the Offer, the Offeror Mr. Yu, Mr. Yue and parties acting in concert with any one of them in aggregate owned or controlled 407,505,000 Shares, representing approximately 81.30% of the entire issued share capital and voting rights of the Company immediately after the latest time and date for acceptance of the Offer.

PUBLIC FLOAT OF THE SHARES

Upon the close of the Offer, a total of 93,750,000 Shares, representing approximately 18.70% of the entire issued share capital of the Company, are held by the public. Accordingly, the Company does not fulfil the public float requirement as set out under the GEM Listing Rules. As such, the Offeror has undertaken to the Stock Exchange that it shall use all reasonable endeavours to take appropriate steps, which may include placing down part of the interest of the Offeror, Mr. Yu, Mr. Yue or any parties acting in concert with any one of them, in the Company following the close of the Offer, to ensure restoration of the minimum percentage of the Shares as required under Rule 11.23(7) of the GEM Listing Rules to public hands on or before 30 September 2008.

RESIGNATION OF DIRECTORS, AUTHORIZED REPRESENTATIVES, COMPLIANCE OFFICER AND COMPANY SECRETARY

The Board wishes to announce that, with effect from 4:00 p.m. on Monday, 11 August 2008, being the closing date of the Offer, Mr. Ngiam Mia Hai Bernard resigned as the chairman of the board, an executive Director, the compliance officer and an authorized representative of the Company; Mr. Ngiam Mia Hong Alfred resigned as an executive Director of the Company; and Ms. Yau Lai Man resigned as the company secretary and an authorized representative of the Company.

APPOINTMENT OF DIRECTORS, AUTHORIZED REPRESENTATIVE, COMPLIANCE OFFICER, COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

The Board is pleased to announce that (i) Mr. Yue has been appointed as executive Director; (ii) Mr. Yu has been appointed as executive Director, a member of the Remuneration Committee and the chairman of the Nomination Committee; (iii) Mr. Chan Kwan Pak and Mr. Lam Kit Sun have been appointed as non-executive directors; and (iv) Mr. So Kin Wing has been appointed as the company secretary, qualified accountant, compliance officer and authorized representative of the Company with effect from 4:00 p.m. on Monday, 11 August 2008.

Reference is made to the composite offer document dated 21 July 2008 (the “Composite Offer Document”) issued jointly by the Offeror and the Company in relation to, amongst other things, details of the Offer. Terms used in this joint announcement shall have the same meaning as those defined in the Composite Offer Document, unless otherwise stated herein.

CLOSE OF THE OFFER AND ACCEPTANCE REGARDING THE OFFER

The Offeror announces that the Offer closed at 4:00 p.m. on Monday, 11 August 2008. As at 4:00 p.m. on Monday, 11 August 2008, being the latest time and date for acceptance of the Offer, no acceptance under the Offer was received by the Offeror. The Offer was not revised or extended.

Immediately before the commencement of the offer period on 4 June 2008 (being the date of commencement of the offer period as defined in the Takeovers Code), the Offeror, Mr. Yu, Mr. Yue and parties acting in concert with any one of them were interested in 32,505,000 Shares, approximately 6.49% of the entire issued share capital of the Company. Save as disclosed above, the Offeror, Mr. Yu, Mr. Yue or any parties acting in concert with any one of them did not hold, control or direct any Shares and rights over Shares immediately prior to the commencement of the offer period.

Immediately following the close of the Offer, after taking into account (i) the 375,000,000 Shares held by the Offeror and parties acting in concert with it immediately following the Completion and (ii) no valid acceptance was received under the Offer, the Offeror Mr. Yu, Mr. Yue and parties acting in concert with any one of them in aggregate owned or controlled 407,505,000 Shares, representing approximately 81.30% of the entire issued share capital and voting rights of the Company immediately after the latest time and date for acceptance of the Offer.

Save for the purchase of the Sale Shares, the Offeror Mr. Yu, Mr. Yue or any parties acting in concert with any one of them had not acquired or agreed to acquire any Shares and rights over Shares during the offer period from 4 June 2008 (being the date of commencement of the Offer period for the purpose of the Takeovers Code) to 11 August 2008.

The Offeror, Mr. Yu, Mr. Yue or any parties acting in concert with any one of them has not borrowed or lent any relevant securities during the Offer period from 4 June 2008 (being the date of commencement of the Offer period for the purpose of the Takeovers Code) to 11 August 2008.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company immediately following the close of the Offer:

Name of Shareholders	Immediately following the close of the Offer	
	Shares	Approximate %
The Offeror, Mr. Yu, Mr. Yue and parties acting in concert with any one of them	407,505,000	81.30%
Public Shareholders	<u>93,750,000</u>	<u>18.70%</u>
Total	<u><u>501,255,000</u></u>	<u><u>100.00%</u></u>

PUBLIC FLOAT OF THE SHARES

Upon the close of the Offer, a total of 93,750,000 Shares, representing approximately 18.70% of the entire issued share capital of the Company, are held by the public. Accordingly, the Company does not fulfil the public float requirement as set out under the GEM Listing Rules. As such, the Offeror has undertaken to the Stock Exchange that it shall use all reasonable endeavours to take appropriate steps, which may include placing down part of the interest of the Offeror, Mr. Yu, Mr. Yue or any parties acting in concert with any one of them, in the Company following the close of the Offer, to ensure restoration of the minimum percentage of the Shares as required under Rule 11.23(7) of the GEM Listing Rules to public hands on or before 30 September 2008.

The Stock Exchange has indicated that if, upon the close of the Offer, less than 25% of the Shares are held by the public and 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 hand 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.

RESIGNATION OF DIRECTORS, AUTHORIZED REPRESENTATIVES, COMPLIANCE OFFICER AND COMPANY SECRETARY

The Board wishes to announce that, with effect from 4:00 p.m. on Monday, 11 August 2008, being the closing date of the Offer:–

1. Mr. Ngiam Mia Hai Bernard resigned as the chairman of the Board, an executive Director, a member of the remuneration committee of the Board (“Remuneration Committee”), the chairman of the nomination committee of the Board (“Nomination Committee”), the compliance officer under rule 5.19 of the GEM Listing Rules and an authorized representative of the Company under rule 5.24 of the GEM Listing Rules;
2. Mr. Ngiam Mia Hong Alfred resigned as an executive Director of the Company; and
3. Ms. Yau Lai Man resigned as the company secretary and an authorized representative of the Company under rule 5.24 of the GEM Listing Rules and for accepting service of process and notices on behalf of the Company under Part XI of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong).

Each of Mr. Ngiam Mia Hai Bernard, Mr. Ngiam Mia Hong Alfred and Ms. Yau Lai Man has confirmed that he or she has no disagreement with the Board and there are no matters that need to be brought to the attention of the Shareholders in relation to his or her resignation.

The Board would like to take this opportunity to thank Mr. Ngiam Mia Hai Bernard, Mr. Ngiam Mia Hong Alfred and Ms. Yau Lai Man for their valuable contributions to the Company during their tenure of office.

APPOINTMENT OF DIRECTORS, AUTHORIZED REPRESENTATIVE, COMPLIANCE OFFICER, COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

The Board is pleased to announce that (i) Mr. Yue has been appointed as executive Director; (ii) Mr. Yu has been appointed as executive Director, a member of the Remuneration Committee and the chairman of the Nomination Committee; (iii) Mr. Chan Kwan Pak and Mr. Lam Kit Sun have been appointed as non-executive directors; and (iv) Mr. So Kin Wing has been appointed as the company secretary, qualified accountant, compliance officer and authorized representative of the Company with effect from 4:00 p.m. on Monday, 11 August 2008.

The Remuneration Committee currently consists of Mr. Chen Tzyh-Trong (chairman), Mr. Yu, Mr. Lee Chung Mong and Mr. Yeung Chi Hung.

The Nomination Committee currently consists of Mr. Yu (chairman) Mr. Chen Tzyh-Trong, Mr. Lee Chung Mong and Mr. Yeung Chi Hung.

The audit committee of the Board currently consists of Mr. Chen Tzyh-Trong (chairman), Mr. Lee Chung Mong and Mr. Yeung Chi Hung.

Set out below are the biographical details of the newly appointed Directors, company secretary, qualified accountant, compliance officer and authorized representative of the Company.

Mr. Yu Dennis Won Kong, aged 58, has over 20 years of experience in financial investment field. In the last 3 years, Mr. Yu was a director of Fortuna International Holdings Limited, a company listed on the Stock Exchange. During the period from 1995 to 2003, he acted as executive director respectively in several listed companies in Australia, Frankfurt and NASDAQ and was responsible for identifying acquisition targets, raising fund, and 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. Yu currently holds 14,440,000 Shares of the Company, representing approximately 2.88% interest of the entire issued share capital of the Company.

There is no service contract entered into between the Company and Mr. Yu. Mr. Yu has not been appointed for any specific term. There is no proposed remuneration package agreed by the Company and Mr. Yu as at the date of this joint announcement. However, these conditions may be reviewed by the Board from time to time. Shareholders will be notified should any changes be determined thereafter. Mr. Yu will be subject to retirement and re-election at the next annual general meeting of the Company (thereafter retirement by rotation) pursuant to the articles of association of the Company.

To the best knowledge of the Directors, save as disclosed above, Mr. Yu did not hold any directorship in other public listed company or any other position with the Company or any of its associated corporations in the past three years. To the best knowledge of the Directors, as at the date of this joint announcement, Mr. Yu is not connected with any Directors, senior management, substantial or controlling shareholders of the Company, and did not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Yue Wai Keung, aged 56, 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 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. He was a member of the Council of the Stock Exchange (from 1993 to 2000), the deputy chairman of Hong Kong Securities Clearing Company Limited (from 1997 to 2000) and a non-executive director of Hong Kong Exchanges and Clearing Limited (from 2000 to 2003), a company whose shares are listed on the Stock Exchange. Mr. Yue was the independent non-executive of Trasy Gold Ex Limited (from 2006 to 2007), a company whose shares are listed on GEM. Ms. Lee Ming Hing and Ms. Yu Ying Kwan, the mother and sister of Mr. Yue, being the parties acting in concert, hold 18,065,000 Shares of the Company, in the amount of 10,010,000 and 8,055,000 Shares respectively, representing approximately 3.61% of the entire share capital of the Company in aggregate.

There is no service contract entered into between the Company and Mr. Yue. Mr. Yue has not been appointed for any specific term. There is no proposed remuneration package agreed by the Company and Mr. Yue as at the date of this joint announcement. However, these conditions may be reviewed by the Board from time to time. Shareholders will be notified should any changes be determined thereafter. Mr. Yue will be subject to retirement and re-election at the next annual general meeting of the Company (thereafter retirement by rotation) pursuant to the articles of association of the Company.

To the best knowledge of the Directors, save as disclosed above, Mr. Yue did not hold any directorship in other public listed company or any other position with the Company or any of its associated corporations in the past three years. To the best knowledge of the Directors, as at the date of this joint announcement, Mr. Yue is not connected with any Directors, senior management, substantial or controlling shareholders of the Company, and did not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Chan Kwan Pak ("Mr. Chan") aged 52, is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Secretaries and Administrators as well as the Hong Kong Institute of Chartered Secretaries. He holds a Master's degree in business administration. With extensive experience in corporate finance and corporate governance, Mr. Chan is the company secretary of two companies listed on the Main Board of the Stock Exchange. Mr. Chan is an Adjudicator of the Registration of Persons Tribunal of the Hong Kong SAR Government. He is also a Council Member and the Hon. Treasurer of the Internet Professional Association.

There is no service contract entered in between the Company and Mr. Chan. Mr. Chan has not been appointed for any specific term. There is no proposed remuneration package agreed by the Company and Mr. Chan as at the date of this joint announcement. However, these conditions may be reviewed by the Board from time to time. Shareholders will be notified should any changes be determined thereafter. Mr. Chan will be subject to retirement and re-election at the next annual general meeting of the Company (thereafter retirement by rotation) pursuant to the articles of association of the Company.

To the best knowledge of the Directors, save as disclosed above, Mr. Chan did not hold any directorship in other public listed company or any other position with the Company or any of its associated corporations in the past three years. To the best knowledge of the Directors, as at the date of this announcement, Mr. Chan is not connected with any Directors, senior management, substantial or controlling shareholders of the Company, and did not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Lam Kit Sun (“Mr. Lam”), aged 31, has over 9 years of experience in the field of financial reporting, financial management and audit experience in Great China area and Hong Kong. Mr. Lam has worked in an international accountancy firm in Hong Kong for over 4 years and has been the company secretary and qualified accountant of China Leason Investment Group Co. Limited, a company listed on GEM. Mr. Lam is a practising member of the Hong Kong Institute of Certificate Public Accountants.

There is no service contract entered into between the Company and Mr. Lam. Mr. Lam has not been appointed for any specific term. There is no proposed remuneration package agreed by the Company and Mr. Lam as at the date of this joint announcement. However, these conditions may be reviewed by the Board from time to time. Shareholders will be notified should any changes be determined thereafter. Mr. Lam will be subject to retirement and re-election at the next annual general meeting of the Company (thereafter retirement by rotation) pursuant to the articles of association of the Company.

To the best knowledge of the Directors, save as disclosed above, Mr. Lam did not hold any directorship in other public listed company or any other position with the Company or any of its associated corporations in the past three years. To the best knowledge of the Directors, as at the date of this joint announcement, Mr. Lam is not connected with any Directors, senior management, substantial or controlling shareholders of the Company, and did not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other matters in relation to the appointment of Mr. Yu and Mr. Yue as executive directors and Mr. Chan and Mr. Lam as non-executive directors of the Company that need to be brought to the attention of the shareholders pursuant to Rule 17.50(2)(w) of the GEM Listing Rules and there is no information relating to Mr. Yu, Mr. Yue, Mr. Chan and Mr. Lam that is required to be disclosed pursuant to Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules.

Mr. So Kin Wing (“Mr. So”) aged 46, was the chief financial controller of listed companies and chief operation officer of an international brokerage company prior to joining the Group. Mr. So also spent a number of years with several international accounting firms. Mr. So holds a bachelor degree in Economic and Social Studies, majoring in accounting and business finance from the University of Manchester, United Kingdom and is an Associate Member of the Institute of Chartered Accountants of Ontario in Canada and the Fellow Member of Hong Kong Institute of Certified Public Accountants. Mr. So has over 20 years of experience in auditing, accounting and business consultancy.

The Board would like to take this opportunity to welcome Mr. Yu, Mr. Yue, Mr. Chan, Mr. Lam and Mr. So for joining the Company.

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
Yu, Dennis Won Kong
Executive Director

Hong Kong, 11 August 2008

As at the date of this joint announcement (from midnight to 4:00 p.m.), the executive Directors of the Company are Mr. Ngiam Mia Hai Bernard and Mr. Ngiam Mia Hong Alfred; and the independent non-executive Directors of the Company are Mr. Chen Tzyh-Trong, Mr. Lee Chung Mong and Mr. Yeung Chi Hung.

As at the date of this joint announcement (with effect from 4:00 p.m.), the executive Directors of the Company are Mr. Yu, Dennis Won Kong and Mr. Yue Wai Keung; the non-executive Directors of the Company are Mr. Chan Kwan Pak and Mr. Lam Kit Sun; and the independent non-executive Directors of the Company are Mr. Chen Tzyh-Trong, Mr. Lee Chung Mong and Mr. Yeung Chi Hung.

As at the date of this joint announcement, the executive directors of the Offeror are Mr. Yu, Dennis Won Kong, 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.