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ThinSoft

THINSOFT (HOLDINGS) INC
博軟(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8096)

HIGH CONCENTRATION OF SHAREHOLDINGS

This announcement is made at the request of the Stock Exchange in respect of the concentration of the shareholding of the Company in the hands of a limited number of Shareholders as at 14 December 2009.

In view of the high concentration of the Company's shareholding in a small number of Shareholders, Shareholders and prospective investors are advised to exercise extreme caution when dealing in the Shares.

The announcement is made at the request of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in respect of the high concentration of the shareholdings of ThinSoft (Holdings) Inc (the "Company") in the hands of a limited number of shareholders of the Company (the "Shareholders") as at 14 December 2009.

The Company noted that an announcement (the "SFC Announcement") has been published by the Securities and Future Commission (the "SFC") on 23 December 2009 which stated that, among other things, the SFC had completed an enquiry into the shareholding of the Company. The findings of the SFC suggested that, as at 14 December 2009, 20 shareholders held an aggregate of 537,880,000 shares of the Company (the "Shares"), representing approximately 21.46% of the issued Shares. Such shareholding, together with an aggregate of 1,878,150,000 Shares beneficially held by the substantial shareholder, Inno Smart Group Limited (*Note 1*) and the chairman, Mr. Yu Won Kong Dennis (representing 74.94% of the issued Shares), represented 96.40% of the issued Shares as at 14 December 2009. Thus, only 3.60% of the issued Shares were held by other investors.

As set out in the SFC Announcement, the shareholding structure of the Company as at 14 December 2009 is as follows:

	Number of Shares held <i>(shares)</i>	% of total number of issued Shares <i>(%)</i>
Inno Smart Group Limited (<i>Note 1</i>)	1,875,000,000	74.81
Yu Won Kong Dennis	3,150,000	0.13
A group of 20 shareholders	537,880,000	21.46
Other shareholders	<u>90,245,000</u>	<u>3.60</u>
 Total	 <u><u>2,506,275,000</u></u>	 <u><u>100.00</u></u>

Note 1: Inno Smart Group Limited is 50% beneficially owned by Mr. Yu Won Kong Dennis, the chairman and Mr. Yue Wai Keung, an executive director of the Company respectively.

It is noted that the closing price of the Shares surged 167.44% from \$0.258 (after adjusting for 1-into-5 share subdivision effective on 5 November 2009) on 2 November 2009 to \$0.690 on 22 December 2009. During the period, the Company announced that it had entered into a non-legally binding MOU in relation to a possible acquisition of fuel oil related business in the Southern and Eastern Regions of the PRC.

The Board wishes to clarify that the above information is extracted from the SFC Announcement and the Company is not in a position to comment on its accuracy. As at the date of this announcement, the Company has not been informed of the identity of the group of 20 shareholders as mentioned in the SFC Announcement. As Inno Smart Group Limited and its associates are holding approximately 74.94% of the total issued Shares as at 14 December 2009, the Company confirms that the Company has maintained a sufficient public float as required under Rule 11.23 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange.

Having made all reasonable enquiries with the directors of the Company and to the best knowledge of the Company, the Company confirms that as at 14 December 2009 the public float in respect of the Shares is maintained and the shareholding structure of the Company is as follows:

	Number of Shares held <i>(shares)</i>	% of total number of issued Shares <i>(%)</i>
Inno Smart Group Limited (<i>Note 1</i>)	1,875,000,000	74.81
Yu Won Kong Dennis	3,150,000	0.13
Public Shareholders	<u>628,125,000</u>	<u>25.06</u>
Total	<u><u>2,506,275,000</u></u>	<u><u>100.00</u></u>

Note 1: Inno Smart Group Limited is 50% beneficially owned by Mr. Yu Won Kong Dennis, the chairman and Mr. Yue Wai Keung, an executive director of the Company respectively.

In view of the high concentration of the Company's shareholding in a small number of Shareholders, Shareholders and prospective investors are advised to exercise extreme caution when dealing in the Shares.

On behalf of the Board
ThinSoft (Holdings) Inc
Yu Won Kong Dennis
Chairman

Hong Kong, 23 December 2009

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

- (1) Mr. Yu Won Kong Dennis, as Executive Director;
- (2) Mr. Yue Wai Keung, as Executive Director;
- (3) Mr. Chan Kwan Pak, as Non-executive Director;
- (4) Mr. Lam Kit Sun, as Non-executive Director;
- (5) Mr. Chen Tzyh-Trong, as Independent Non-executive Director;
- (6) Mr. Lee Chung Mong, as Independent Non-executive Director; and
- (7) Mr. Yeung Chi Hung, as Independent Non-executive Director.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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