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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect about this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Chinasoft International Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, the licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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: 8216)**

**NOTICE OF ANNUAL GENERAL MEETING  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT  
AND  
RE-ELECTION AND ELECTION OF DIRECTORS**

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A notice convening the annual general meeting (the "Annual General Meeting") of Chinasoft International Limited (the "Company") to be held at Units 4607-8, 46th Floor, COSCO Tower, No. 183 Queen's Road Central, Hong Kong at 3:30 p.m. on Thursday, 8 May 2008 is contained in this Circular. Whether or not you are able to attend such meeting, please complete and return the form of proxy enclosed herewith in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or the principal place of business of the Company in Hong Kong at Units 4607-8, 46th Floor, COSCO Tower, No. 183 Queen's Road Central, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof (as the case may be) should you so wish.

This circular will remain on the "Latest Company Announcement" page of the GEM website at <http://www.hkgem.com> for at least 7 days of the date of its publication.

\* *For identification purpose only*

14 April 2008

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## CHARACTERISTICS OF GEM

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GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. GEM-listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“AGM”	the annual general meeting of the Company to be held at Units 4607-8, 46th Floor, COSCO Tower, No. 183 Queen’s Road Central, Hong Kong on Thursday, 8 May 2008 at 3:30 p.m.;
“AGM Notice”	the notice for convening the AGM as set out on pages 16 to 20 of this circular;
“Articles of Association”	the articles of association of the Company as may be amended from time to time;
“Board”	the board of Directors of the Company for the time being;
“Company”	Chinasoft International Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM;
“CS&S(HK)”	China National Computer Software & Information Technology Service Corporation (Hong Kong) Limited, a company incorporated in Hong Kong and a substantial shareholder of the Company interested in approximately 16.68% of the total voting power at general meetings of the Company as at the Latest Practicable Date;
“CNSS”	Chinasoft National Software and Service Company Limited (中軟網絡信息技術有限公司) (formally known as Chinasoft Network Technology Computer Limited), a joint stock limited company established in the PRC whose A shares are listed on the Shanghai Stock Exchange and the holding company of CS&S(HK);
“Directors”	directors of the Company for the time being;
“Far East International”	Far East Holdings International Limited (formerly known as Far East Technology International Limited), a company incorporated in Hong Kong with limited liability whose shares are listed on the main board of the Stock Exchange;
“GEM”	The Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM;

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## DEFINITIONS

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“Group”	the Company and its subsidiaries;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	8 April, 2008 being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Options”	means a right granted to subscribe for Shares pursuant under Share Option Scheme of the Company;
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as set out in the AGM Notice;
“PRC”	the People’s Republic of China;
“Re-election and Election of Directors”	the re-election of Mr. Su Zhengming, Dr. Cui Hui and Mr. Liu Zheng as non-executive Directors immediately following their retirement at the AGM and the election of Mr. Xu Zeshan as an independent non-executive Director;
“Repurchase Mandate”	a general mandate to the Directors to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the nominal value of the issued Shares as at the date of passing of Ordinary Resolution no. 7 during the period as set out in Ordinary Resolution no. 7;
“Scheme Mandate Limit”	means the number of Shares which may be issued upon exercise of all options of the Company which shall not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme or of the refreshment of such limit;
“Series A Preferred Share(s)”	senior redeemable convertible preferred share(s) of HK\$0.05 each in share the capital of the Company;
“SFO”	the Securities and Futures Ordinance, chapter 571 of the Laws of Hong Kong;
“Share(s)”	share(s) of HK\$0.05 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);

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## DEFINITIONS

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“Share Buyback Rules”	the relevant rules set out in the GEM Listing Rules to regulate the share repurchase by companies with primary listing on the GEM;
“Share Issue Mandate”	a general mandate to the Directors to exercise the powers of the Company to allot and issue Shares during the period as set out in Ordinary Resolution no. 6 up to 20% of the issued ordinary share capital of the Company as at the date of passing Ordinary Resolution no. 6;
“Share Option Scheme”	means the share option scheme adopted by the Company on 2 June, 2003;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers; and
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

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LETTER FROM THE BOARD

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**CHINASOFT INTERNATIONAL LIMITED**

**中軟國際有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8216)**

*Executive Directors:*

Dr. Chen Yuhong (*Managing Director*)  
Dr. Tang Zhenming  
Mr. Wang Hui

*Non-Executive Directors:*

Mr. Su Zhenming (*Chairman*)  
Dr. Cui Hui  
Mr. Timothy Cheng Yung Cheng  
Mr. Duncan Chiu  
Mr. Liu Zheng

*Independent Non-Executive Directors:*

Mr. He Ning  
Mr. Zeng Zhijie  
Dr. Leung Wing Yin

*Registered Office:*

Century Yard, Cricket Square,  
Hutchins Drive, P.O. Box 2681,  
George Town, Grand Cayman KY1-1111,  
Cayman Islands,  
British West Indies

*Principal place of business in Hong Kong:*

Unit 4607-8, 46th Floor,  
COSCO Tower,  
No. 183 Queen's Road Central,  
Hong Kong

14 April, 2008

*To the Shareholders*

Dear Sir or Madam,

**NOTICE OF ANNUAL GENERAL MEETING  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT  
AND  
RE-ELECTION AND ELECTION OF DIRECTORS**

**1. INTRODUCTION**

At the AGM to be held on Thursday, 8 May, 2008, the Ordinary Resolutions will be proposed, among other things, to grant to the Directors general mandates to allot, issue and deal with new Shares and to repurchase the Shares, to approve the Re-election and Election of Directors and to refresh the Scheme Mandate Limit.

\* *For identification purpose only*

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## **LETTER FROM THE BOARD**

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The purpose of this circular is to give you the AGM Notice, to provide you with information regarding the Share Issue Mandate, the Repurchase Mandate, the refreshment of the Scheme Mandate Limit and information on the Directors to be re-elected, as well as to seek your approval of the Ordinary Resolutions relating to these matters at the AGM.

### **2. GENERAL MANDATES**

At the AGM, separate ordinary resolutions will be proposed to refresh the general mandates given to the Directors (i) to allot, issue and otherwise deal with Shares not exceeding 20% of the aggregate nominal amount of the issued Shares as at the date of passing of the resolution; (ii) to exercise all powers of the Company to repurchase issued and fully paid Shares on the GEM up to a maximum of 10% of the aggregate nominal amount of the issued Shares at the date of passing of the resolution; (iii) to extend the general mandate granted to the Directors to allot, issue and deal with additional Shares as mentioned in paragraph (i) above by the amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the general mandate granted to the Directors as mentioned in paragraph (ii) above. The Share Issue Mandate and the Repurchase Mandate will be valid from the date of passing of the relevant resolution approving the same up to the earliest of (a) the date of the next annual general meeting of the Company; (b) the date by which the next annual general meeting of the Company is required to be held by law or by its articles of association; or (c) the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company. The existing general mandates to issue and repurchase Shares granted to the Directors pursuant to the ordinary resolution passed by the Shareholders at the annual general meeting held on 16 May, 2007 will expire at the AGM.

As at the Latest Practicable Date, the issued share capital of the Company comprised 998,628,688 Shares and 194,500,000 Series A Preferred Shares. Assuming no issue of new Shares or repurchase of Shares by the Company from the Latest Practicable Date up to and including the date of the AGM, the Share Issue Mandate will authorize the Directors to issue and allot up to 199,725,737 new Shares.

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in Appendix I to this circular. The information in the explanatory statement provides you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate.

### **3. REFRESHMENT OF THE EXISTING SCHEME MANDATE LIMIT**

The Company adopted the Share Option Scheme approved by way of written resolution of the Company on 2 June, 2003. Under the rules of the Share Option Scheme:-

- (i) the number of Shares subject to Options that may be granted shall not exceed 10% of the Shares in issue at the date of approval of the Share Option Scheme or of the refreshment of the Scheme Mandate Limit;



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## LETTER FROM THE BOARD

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- (ii) the Company may seek Shareholders' approval to refresh the Scheme Mandate Limit. However, the Scheme Mandate Limit as refreshed shall not exceed 10% of the Shares in issue as at the date of the aforesaid Shareholders' approval. Options previously granted under the Share Option Scheme and other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the schemes or exercised options) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. A circular must be sent to Shareholders in connection with the meeting at which their approval will be sought;
- (iii) the Company may seek separate approval of the Shareholders in general meeting to grant Options beyond the Scheme Mandate Limit to participants specifically identified by the Company before the aforesaid Shareholders' meeting where such approval is sought; and
- (iv) the overall limit on the number of Shares which may be issued upon the exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the total number of Shares in issue from time to time.

After refreshment of the Scheme Mandate Limit as approved by the Shareholders at last year's annual general meeting of the Company held on 16 May, 2007, the Company had not granted any Options under the Share Option Scheme under the refreshed Scheme Mandate Limit of granting options to subscribe for up to 79,726,747 Shares.

As at the Latest Practicable Date, among the Options which had been granted under the Share Option Scheme, 19,933,500 Options had been exercised, 930,000 Options had lapsed, 22,450,000 Options had been cancelled, and 88,926,500 Options remained outstanding. Of these outstanding Options, 6,550,000 Options were granted to Dr. Chen Yuhong, 500,000 Options were granted to Dr. Cui Hui, 1,000,000 Options were granted to Mr. Duncan Chiu, 5,000,000 Options were granted to Mr. Wang Hui, 4,180,000 Options were granted to Dr. Tang Zhenming and 750,000 Options had been granted to Mr. Zeng Zhijie (all being Directors). The remaining 70,946,500 Options were granted to other participants of the Share Option Scheme.

As the Company had increased its total number of issued Shares since the date of approval by the Shareholders of the Scheme Mandate Limit, a refreshment of the Scheme Mandate Limit would increase the total number of options that the Directors may grant under the Share Option Scheme. The Directors consider that the Company should refresh the Scheme Mandate Limit so that the Company can have more flexibility to provide incentive to participants of the Share Option Scheme by way of granting Options to them. If the refreshment of the existing Scheme Mandate Limit is approved at the AGM, based on the 998,628,688 Shares in issue as at the Latest Practicable Date and assuming no new Shares are issued and no Shares are repurchased after the Latest Practicable Date and up to the date of the AGM, the Directors will be able to grant Options to subscribe for up to a total of 99,862,868 Shares, representing approximately 10% of the issued ordinary share capital of the Company as at the date of the AGM. The number of Shares which may be issued upon

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## LETTER FROM THE BOARD

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exercise of such maximum amount of Options which may be granted after approval of the refreshment of the Scheme Mandate Limit plus the 88,926,500 Options outstanding as at the Latest Practicable Date will not exceed 30% of the total number of Shares in issue.

The proposed refreshment of the Scheme Mandate Limit will be conditional upon the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, such number of Shares, representing 10% of the Shares in issue as at the date of AGM, which may fall to be allotted and issued pursuant to the exercise of Options which may be granted under the Share Option Scheme up to the refreshed Scheme Mandate Limit.

Application will be made to the Stock Exchange for granting the listing of, and the permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the Share Option Scheme up to the refreshed Scheme Mandate Limit.

The Directors consider that the refreshment of the Scheme Mandate Limit is in the interests of the Group and the Shareholders as a whole because it enables the Company to reward and motivate its employees and other selected participants under the Share Option Scheme. The refreshment of the Scheme Mandate Limit is in line with purpose of the Share Option Scheme.

An ordinary resolution, as special business, will be proposed at the forthcoming AGM to approve the refreshment of the existing Scheme Mandate Limit in the terms as set out in Resolution no. 9 of the AGM Notice. In order that the Company could continue to grant Options to selected participants as incentives or rewards for their contribution to the Company, the Directors recommend that Shareholders to vote in favour of this resolution.

#### **4. RE-ELECTION AND ELECTION OF DIRECTORS**

The Board currently consists of eleven Directors including three executive Directors, five non-executive Directors and three independent non-executive Directors.

Mr. Su Zhenming was appointed as a non-executive Director on 8 June, 2007. According to the Articles of Association, Mr. Su Zhenming shall hold office until the AGM and shall then be eligible for re-election.

Pursuant to the Articles and Association, at each annual general meeting one-third of the Directors for the time being (not including those Directors who shall hold office only until the next following annual general meeting as referred to above), or the number nearest to but not greater than one-third shall retire from office by rotation and shall be eligible for re-election. Mr. He Ning shall retire as a Director at the AGM and has no intention to be re-elected due to his other work commitments. Mr. He Ning has confirmed that there are no matters in relation to his retirement as a Director that need to be brought to the attention of the Shareholders. The Board proposes that Mr. Xu Zeshan be appointed as a new independent non-executive Director at the AGM to take the place of Mr. He Ning. In addition, Dr. Cui Hui and Mr. Liu Zheng being the Directors who have been longest in office since their last re-election or appointment, shall retire at the AGM and are eligible for re-election.

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## LETTER FROM THE BOARD

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Ordinary resolutions will be proposed at the AGM for the re-election of Mr. Su Zhenming, Dr Cui Hui and Mr. Liu Zheng and the election of Mr. Xu Zeshan as Directors. Brief biographical details of them are set out in Appendix II of this circular.

### 5. ANNUAL GENERAL MEETING

Set out on pages 16 to 20 in this circular is the AGM Notice containing the Ordinary Resolutions to be proposed at the AGM to, among other things, grant to the Directors the Repurchase Mandate, the Share Issue Mandate, the extension of the Share Issue Mandate, to approve the refreshment of the Scheme Mandate Limit and the Re-election and Election of Directors with effect from the conclusion of the AGM.

### 6. ACTION TO BE TAKEN

A proxy form for use at the AGM is dispatched to you with this circular. Whether or not you intend to attend the AGM, you are requested to complete the proxy form and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Room 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or the principal place of business of the Company at Units 4607-8, 46th Floor, COSCO Tower, No. 183 Queen's Road Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM.

### 7. PROCEDURES FOR DEMANDING A POLL BY SHAREHOLDERS

Pursuant to the Article 66 of the Articles of Association, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:-

- (a) by the chairman of such meeting; or
- (b) by at least three Shareholders present in person or in the case of a member of the Company being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by any Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (d) by any Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

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## LETTER FROM THE BOARD

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A demand by a person as proxy for a Shareholder or in the case of a Shareholder being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Shareholder.

### 8. RESPONSIBILITY

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief:- (i) the information contained in this circular 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 circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

### 9. RECOMMENDATION

The Directors believe that the Share Issue Mandate, the Repurchase Mandate, the extension of the Share Issue Mandate, the refreshment of the Scheme Mandate Limit, the re-election of retiring Directors and the appointment of a new independent non-executive Director and all other resolutions set out in the AGM Notice are all in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend that you vote in favour of each of the Ordinary Resolutions set out in the AGM Notice.

Yours faithfully,  
By Order of the Board  
**Dr. Chen Yuhong**  
*Managing Director*

This appendix serves as an explanatory statement, as required under the Share Buyback Rules, to provide information to the Shareholders with regard to the Repurchase Mandate to enable them to make an informed decision as to whether to vote in favour of the Repurchase Mandate.

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, there were in total an aggregate number of 998,628,688 Shares and 194,500,000 Series A Preferred Shares in issue. As at the same date, options to subscribe for 88,926,500 Shares had been granted and were outstanding under the Share Option Scheme.

Subject to the passing of the Ordinary Resolution no. 7 and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 99,862,868 Shares representing not more than 10% of the issued share capital of the Company at the Latest Practicable Date.

### **2. REASONS FOR REPURCHASES**

The Directors believe that it is in the best interest of the Company and its Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchases are beneficial to the Company and its Shareholders.

### **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and Articles of Association and the applicable laws of Cayman Islands and the GEM Listing Rules. The Companies Law (2004 Revision) of the Cayman Islands provides that Shares may only be purchased out of the profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose or in the manner provided for therein out of capital.

The Directors at present have not decided which proposed source of funding is to be used when the Repurchase Mandate is exercised.

There might be a material adverse effect on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated accounts contained in the annual report for the financial year ended 31 December 2007) in the event that the Repurchase Mandate is exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

**4. UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same is applicable, they will only exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the Articles of Association and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the GEM Listing Rules), have any present intention to sell any Shares to the Company under the Repurchase Mandate if such is approved by Shareholders.

No connected person (as defined in the GEM Listing Rules) has notified the Company that he or it has a present intention to sell Shares to the Company or its subsidiaries, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

**5. TAKEOVERS CODE**

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory general offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, CS&S(HK) together with parties acting in concert with it held 283,648,363 Shares representing approximately 28.40% of all the issued Shares and approximately 23.77% of the total issued share capital of the Company; Far East International held 131,059,822 Shares, representing approximately 13.12% of all the issued Shares and approximately 10.98% of the total issued share capital of the Company and Greater Pacific Capital Partners, L.P. held 99,268,639 Shares, representing approximately 9.94% of all the issued Shares and approximately 8.32% of the total issued share capital of the Company. To the best of knowledge and belief of the Company, no other person, together with his/her associates, was beneficially interested in Shares representing 10% or more of the issued share capital of the Company.

In the event that the Directors exercise the Repurchase Mandate in full, then (if the present shareholdings otherwise remained the same) the holdings of CS&S(HK) together with parties acting in concert with it, Far East International and Greater Pacific Capital Partners, L.P. in the total issued share capital of Company would be increased from approximately 23.77%, 10.98% and 8.32% to approximately 25.95%, 11.99% and 9.08% respectively of the total issued share capital of the Company. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any purchase made under the Repurchase Mandate. In the event that the Repurchase Mandate is exercised in full, the number of Shares held by the public would fall below 25%, the relevant prescribed minimum percentage of the Shares in issue required by the Stock Exchange to be held by the public. The Directors wish to state that they have no intention to exercise the

Repurchase Mandate to such an extent that may give rise to the making of a general offer under the Takeovers Code or that may result in a public shareholding of less than the prescribed minimum percentage.

## 6. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the GEM in each of the twelve months prior to the Latest Practicable Date were as follows:-

	<b>Month</b>	<b>Highest trade price (HK\$)</b>	<b>Lowest trade price (HK\$)</b>	
<b>2007</b>	April	1.95	1.65	
	May	1.88	1.69	
	June	2.21	1.84	
	July	2.01	1.76	
	August	1.94	1.52	
	September	1.86	1.50	
	October	1.70	1.25	
	November	1.90	1.45	
	December	1.78	1.31	
	<b>2008</b>	January	1.60	1.25
		February	1.46	1.26
		March	1.38	1.10
April (up to the Latest Practicable Date)		1.55	1.20	

## 7. SHARE REPURCHASE MADE BY THE COMPANY

The Company has not repurchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

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## APPENDIX II      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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The followings are the particulars of the Directors proposed to be re-elected at the AGM:

### **Mr. Su Zhenming**

Mr. Su Zhenming (蘇振明), aged 54, is the Chairman of the Company and a non-executive Director. Mr. Su graduated from Tsinghua University in 1978 with a degree in Electronics Engineering and from the Electronics Department of the Managerial College (電子部管理幹部學院) in 1990 specialising in International Trade. He further completed a postgraduate professional course in Systems Engineering at Xian Electronics Technology University (西安電子科技大學) in 1992. Mr. Su is a senior engineer and had been the Head of Northeastern Electronics Technology Research Centre (東北電子技術研究所) and the Deputy General Manager of China Electronics Information Industry Group Company (中國電子信息產業集團公司). Mr. Su is currently the Vice President of the Alliance of Chinese Chamber of Information Industry and Digitization (3C) Industry (中國信息產業商會數字化(3C)產業聯盟); and a council member of the Communications Studies Branch of the Chinese Institute of Electronics (中國電子學會通信學分會) and of the Chinese Association of Industrial Design (中國工業設計協會).

Mr. Su is currently also the Chairman of the board of directors of (i) CNSS which is a substantial shareholder of the Company; (ii) Amoi Electronics Co. Ltd. (夏新電子股份有限公司); and (iii) CEC Corecast Corporation Limited (中國廣通股份有限公司), all of which are joint stock limited companies established under the laws of the PRC and listed on the Shanghai Stock Exchange. He is also a director of CNSS.

Mr. Su is not entitled to any emoluments for his non-executive directorship with the Company as he is not required to take up duties for the day-to-day operations of the Group. As at the Latest Practicable Date, Mr. Su had no interest or short positions in any shares or underlying shares or interest in debentures of the Company or its associated corporations within the meaning of Part XV of the SFO which are required to be notified to the Stock Exchange or the Company pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required pursuant to section 352 of the SFO to be entered into the register referred to therein.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 17.50(2) of the GEM Listing Rules as at the Latest Practicable Date.

### **Dr. Cui Hui**

Dr. Cui Hui (崔輝), aged 46, is a non-executive Director and is responsible for the financial management of the Group. Dr. Cui has about 20 years experience in corporate management. Dr. Cui graduated from Jilin University (吉林大學) in the PRC in 1983 with a doctorate degree in economics. Prior to joining the Group on 25 April 2000, Dr. Cui worked for China National Software & Technology Service Corporation (“CS&S”) as deputy department head from August 1983 to April 1992, deputy general manager from July 1999 to January 2000 and was the vice president of CS&S in 2000. From May 1992 to December



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## APPENDIX II      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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1997, Dr. Cui was the deputy general manager and general manager of Oriental Technology (Beijing) Company Ltd (東方科技(北京)有限公司). He was the general manager of Chinasoft Tonghe Systems Integration Company Ltd (中軟同和系統集成有限公司) from January 1998 to June 1999. In December 2003, he was appointed senior vice-president of Chinasoft Network Technology Computer Limited (中軟網絡信息技術有限公司) (which subsequently changed its name to that of CNSS). Dr. Cui currently holds a directorship position in CNSS.

The term of directorship of Dr. Cui Hui under his service contract with the Company for two years up to 20 June, 2005 has continued until termination by three months' prior written notice by either party. Dr. Cui was paid a basic annual salary of RMB117,000 plus a discretionary bonus of RMB179,000 for the year ended 31 December, 2007. The director's emoluments of Dr. Cui are determined with reference to his duties, responsibilities and performance. Under his service contract, he is entitled to a management bonus by reference to the consolidated net profits of the Group after taxation and minority interest but before extraordinary items as shown in the Group's audited consolidated accounts for the relevant financial year as the Board may approve, provided that the aggregate amount of management bonuses to all executive Directors in respect of any financial year of the Group shall not exceed 5% of such net profits of the Group. As at the Latest Practicable Date, Dr. Cui was interested in 20,000,000 Shares and options to subscribe for 500,000 Shares.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 17.50(2) of the GEM Listing Rules as at the Latest Practicable Date.

### **Mr. Liu Zheng**

Mr. Liu Zheng (劉征), aged 35, was appointed a non-executive Director on 14 June 2002. He has been a general manager of ITG Venture Capital Limited since April 2000. From 1997 to 2000, he was the general manager of DingRong Investment Management Co., Ltd (鼎榮投資管理公司). Mr. Liu worked for China Everbright Bank from 1992 to 1997. Mr. Liu has 10 years experience in the financial industry and graduated from the Finance and Banking Institute of China (中國金融學院) in 1992 with a bachelor's degree in economics.

Mr. Liu is not entitled to any emoluments for his non-executive directorship with the Company as he is not required to take up duties for the day-to-day operations of the Group. As at the Latest Practicable Date, Mr. Liu had no interest or short positions in any shares or underlying shares or interest in debentures of the Company or its associated corporations within the meaning of Part XV of the SFO which are required to be notified to the Stock Exchange or the Company pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required pursuant to section 352 of the SFO to be entered into the register referred to therein.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 17.50(2) of the GEM Listing Rules as at the Latest Practicable Date.

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## APPENDIX II      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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### Mr. Xu Zeshan

Mr. XU Zeshan, aged 60, is proposed to be appointed as an independent non-executive Director at the AGM. Mr Xu is a senior engineer and has many years of experience in administration and corporate management. From May 1995 to March 1998, he was the deputy mayor of Zibo in Shandong Province. From March 1998 to December 2002, he was the Head of the 49th Research Institute of the Ministry of Information Industry (which was renamed as China Electronics Technology Group Corporation the 49th Research Institute in March 2002). Since January 2003 to present, Mr. Xu acted as the deputy manager and then the manager of China Electronics Technology Group Corporation Industrial Park, the Chairman of the Board of Yangtse River Data Company Limited (長江數據股份有限公司), the Chairman of the Board of China Information & Electronics Development Inc. Ltd. (Wuhan) and the managing director of China Electricity Investment Development Company Limited. He is specialized in the research and technological management of sensors and the related systems and was awarded the ministry level Technology Improvement second-ranked prize.

Mr. XU has no relationship with the directors, senior management, management shareholders, substantial shareholders and controlling shareholders of the Company. After his appointment as an independent non-executive Director. Mr. Xu's emoluments for his directorship will be determined by the remuneration committee of the Company in accordance with his experience, duties and responsibilities. As at the Latest Practicable Date, he was not interested in any shares in the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. XU has confirmed that there is no other information required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules and there are no matters that should be brought to the attention of the Shareholders in relation to his appointment.

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## NOTICE OF THE ANNUAL GENERAL MEETING

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### CHINASOFT INTERNATIONAL LIMITED

中軟國際有限公司\*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8216)**

**NOTICE IS HEREBY GIVEN** that an annual general meeting of CHINASOFT INTERNATIONAL LIMITED (the “Company”) will be held at 3:30 p.m. on Thursday, 8 May, 2008 at Units 4607-8, 46th Floor, COSCO Tower, No. 183 Queen’s Road Central, Hong Kong for the following purposes:-

1. To receive and consider the audited financial statements of the Company and the reports of the directors and auditors of the Company for the year ended 31 December 2007;
2. To declare a final dividend and to sanction the declaration and payment of such dividend out of the share premium account or any other fund or account which can be authorized for such purpose in accordance with the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands;
3. To elect or re-elect and appoint directors of the Company;
4. To authorise the board of directors of the Company to fix the remuneration of directors of the Company;
5. To re-appoint auditors of the Company and to authorise the board of directors of the Company to fix their remuneration;

and as special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions of the Company with or without modifications:

#### ORDINARY RESOLUTIONS

6. **“THAT:**
  - (a) subject to paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional ordinary shares in the capital of the Company and to make or grant, whether conditionally or unconditionally, offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to

\* *For identification purpose only*

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## NOTICE OF THE ANNUAL GENERAL MEETING

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subscribe for or are convertible into ordinary shares in the capital of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) of this resolution shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are convertible into ordinary shares in the capital of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of ordinary share capital allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the grant or exercise of any option under any share option scheme of the Company or any other option, scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares in the Company or rights to acquire shares in the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares in the Company in accordance with the Articles of Association of the Company in force from time to time; or (iv) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any warrants or convertible bonds issued by the Company or any securities which carry rights to subscribe for or are convertible into ordinary shares in the capital of the Company, shall not exceed 20% of the aggregate nominal amount of the ordinary share capital of the Company in issue on the date of the passing this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purpose of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; and
  - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.

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## NOTICE OF THE ANNUAL GENERAL MEETING

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“Rights Issue” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the directors of the Company to holders of shares in the Company on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognized regulatory body or any stock exchange in any territory applicable to the Company.)”

7. **“THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase ordinary shares in the capital of the Company on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited or any other stock exchange on which the shares in the Company may be listed and recognized by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited for such purpose, subject to and in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, The Stock Exchange of Hong Kong Limited, the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of ordinary shares in the Company which the Company is authorised to repurchase pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued ordinary shares of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly;
- (c) for the purpose of this resolution,

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any other applicable laws to be held; and

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## NOTICE OF THE ANNUAL GENERAL MEETING

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- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”
8. “**THAT** conditional upon the resolutions set out in items 6 and 7 of the notice convening this meeting being passed, the general mandate granted to the directors of the Company to allot, issue and deal with additional ordinary shares in the Company pursuant to the said resolution under item 6 be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of ordinary shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors of the Company pursuant to the said resolution under item 7, provided that the amount of ordinary shares so repurchased by the Company shall not exceed 10% of the aggregate nominal amount of the issued ordinary shares of the Company on the date of this resolution.”
9. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of, and permission to deal in, such number of fully paid shares in the capital of the Company which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the share option scheme adopted by the Company on 2nd June, 2003 (the “Share Option Scheme”) and any other share option scheme of the Company, representing 10% of the issued ordinary share capital of the Company as at the day on which this resolution is passed, the existing scheme mandate limit in respect of the granting of share options under the Share Option Scheme be refreshed provided that the total number of shares in the capital of the Company which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other option scheme of the Company shall not exceed 10% of the aggregate nominal amount of the ordinary share capital of the Company in issue on the date of passing of this resolution. ”

By order of the Board  
**Chinasoft International Limited**  
**Dr. Chen Yuhong**  
*Managing Director*

14 April 2008

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## NOTICE OF THE ANNUAL GENERAL MEETING

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*Registered Office:*

Century Yard, Cricket Square,  
Hutchins Drive, P.O. Box 2681 GT,  
George Town, Grand Cayman,  
Cayman Islands,  
British West Indies

*Principal Place of Business in Hong Kong:*

Units 4607-8, 46th Floor,  
COSCO Tower,  
No. 183 Queen's Road Central,  
Hong Kong

*Notes:*

- (1) Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and to vote instead of him. A proxy need not be a member of the Company.
- (2) Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
- (3) A form of proxy for use at the meeting is enclosed.
- (4) To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or the principal place of business of the Company in Hong Kong at Units 4607-8, 46th Floor, COSCO Tower, No. 183 Queen's Road Central, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting.
- (5) The register of members of the Company will be closed from Monday, 5 May 2008 to Thursday, 8 May 2008, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting.